

Public Financial Management Systems in Bangladesh: An Ideological Review

Nikhil Chandra Shil* and Anup Chowdhury**

ABSTRACT

Bangladesh is hoping to be a developed country by 2041. The timeline set by the country to reach up to that point seems to be highly ambitious, however, the country has already demonstrated to achieve few notable milestones like achieving targets set in Millennium Development Goals (MDGs), graduating the country to Middle Income Country Status, improving life expectancy along with other social indicators etc. These development initiatives of the country require serious fund commitment with sound public financial management system. To accommodate the challenges, public sector has undergone significant changes across the world. New Public Management (NPM) has already transformed the operations of public sector bringing private sector management philosophy in public sector. Financial management practices in public sector have also been targeted with different innovative tools. However, cultural maturity and collectivism are important precursor in establishing a desirable PFM system. Motivated from Hofstede's (1980) Onion Model of Culture, this study takes an exploratory form of research based on published literature and archival records in reviewing Public Financial Management (PFM) systems in Bangladesh.

Keywords: Public financial management, new public management, Hofstede's onion model of culture, Bangladesh

INTRODUCTION

Bangladesh inherited a traditional public financial management (PFM) system designed to support the needs of the then colonial administration in the Indian sub-continent. During last few decades, public administration along with the financial management systems pass through revolutionary changes as a response to social demands. As a result, innovative tools have been developed in the field of public administration and management and the whole world witnessed serious reform initiatives surrounding the PFM systems. Bangladesh, as a representative of one of the few fast-moving economies, has embraced with these reforms to a greater extent. The economy of Bangladesh is passing through notable development initiatives in recent decades

*Associate Professor, Department of Business Administration, East West University, Dhaka, Bangladesh **Email:** nikhilacc@yahoo.com

**Professor, Department of Business Administration and Dean, Faculty of Business and Economics East West University, Dhaka, Bangladesh

which bring additional challenges for the government to maintain financial discipline in public sector. To sustain these challenges, a series of public financial reform programs were undertaken since the 1990s onwards, which undoubtedly improved the management of public resources, however, the achievements may not be up to expectations. The country has begun with PFM reform strategy for 2007-12 with the commitment to ensure that there are solid basic public financial management practices in place. The second version of PFM Reform Strategy for 2016-21 has been prepared and put in action which is built on the past reforms and learnt from what has worked and what has not, in order to strengthen the basics required for achieving the overarching national goals. To reach the new national objectives the public financial management system needs to be able to deliver several improvements; such as a broader tax base and higher government revenues, a program of public investments to build core infrastructure, and social expenditures that can deliver protection for the poor and vulnerable. This strategy for PFM reforms is written with these national goals in mind, and provides the details of the action plan to deliver on these goals. This second version of PFM Reform strategy also gives due consideration to UN Sustainable Development Goals (SDGs) and it is properly integrated with the 7th Five Years Plan which made the reform agenda commendable and everybody's slogan in achieving transparency and accountability.

PFM system encompasses management philosophies surrounding public finance areas which have undergone significant changes to strengthen the social demand of transparency and accountability in managing public money. A sound PFM system is of crucial importance for implementation of the government policy priorities and achievement of the pro-poor developmental objectives by supporting macro-economic and fiscal discipline, strategic allocation of resources and smooth & efficient public service delivery (PEFA, 2005). With the advent of New Public Management ideals in public sector, the finance practitioners in public sector have also embraced better way of managing public money in ensuring proper 'value for money'. Accounting professionals have also responded towards the mission with the provision of accrual basis accounting replacing age-old cash basis accounting in public sector whereby continuity in maintaining records is prioritized. Beyond budgeting (budgeting for more than one period, e.g., Medium Term Budgetary Framework) has also addressed the same issue. In a word, PFM drives governance issues in managing public money in a revised framework. The successful implementation of this framework necessitates a society which is culturally matured and integrated because without the explicit consent of the society, it is really hard to bring changes in managing public affairs. This study explains the public financial management system in Bangladesh, particularly the reform initiatives Bangladesh demonstrates targeting more transparency and accountability, in the light of Hofstede's 'Onion Model of Culture'.

As per the Onion Model of Culture, cultural manifestation in a society is reflected in its inherent systems of dealings, gestures, rituals, norms, habits and other patterns of practices. PFM system is essentially a social event whereby a wide range of stakeholders are engaged with their defined role and ultimately the whole society celebrates the outcome in the form of a ritual. This study uses Hofstede's view on culture which is essentially an onion which could be peeled layer by layer in order to reveal the content. PFM system of a country has a close resemblance with the onion model of culture which is made of three layers around a core. The layers of onion model with reference to PFM system may be explained as below:

Table 1: Layers in 'Onion Model of Culture'

Levels	Manifestation
Symbols	Gestures, Languages
Heroes	Ministers (prime, finance, planning)
Rituals	Budget process, parliamentary affairs
Values	Citizen charter, performance parameters (say, in APA - annual performance agreement)

Hofstede (1980) distinguished four levels at which cultural manifestation become operative which are symbols, heroes, rituals and values. In case of PFM strategy and its reform initiatives, we have tried to explore the four levels with reference to Bangladesh. It is assumed that culture plays a very significant role in achieving desired goal set in PFM reform strategy. Bringing the basic tenet from this proposition, this study uses the onion metaphor to understand the cultural manifestation and integrate it with different reform initiatives taken to strengthen the PFM system of the country. The work is exploratory in nature which is based on different policy papers, archival records and research articles.

THEORETICAL FRAMEWORK: HOFSTEDÉ'S ONION MODEL OF CULTURE

Invoking the word culture brings up a myriad of potential meanings and images due to wide diversity of cultural discourse. It should be regarded as the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs (UNESCO, 2002). Although there are many ways to visualize the concept of culture, one of the most popular models is based on an onion as proposed by Hofstede (1980). Accumulating ideas from other scholars in the field including Kluckhohn (1951), Kluckhohn & Strodtbeck (1961), Kroeber and Kluckhohn (1952), Kroeber and Parsons (1958) and Triandis et al. (1972) and fusing that information with his own long experience, Hofstede (2001) defines culture as the collective programming of the mind that distinguishes the members of one group or category of people from another. He goes on to expand on his definition of culture to include "onion diagram" visualization, as seen in figure below. He has distinguished four levels at which culture manifests itself: symbols, heroes, rituals, and values. Together they form the complete manifestations of culture. They do, however, differ in flexibility, from superficial and easy to change, to deeply-rooted and difficult to change. He places values at the center, rituals the next level out, heroes one level further out, and symbols as the outer-most layer. Practices are shown to penetrate from the surface through to the core-values. Public Financial Management (PFM) is essentially a social event which is culturally manifested across all these four levels and becomes established as a practice.

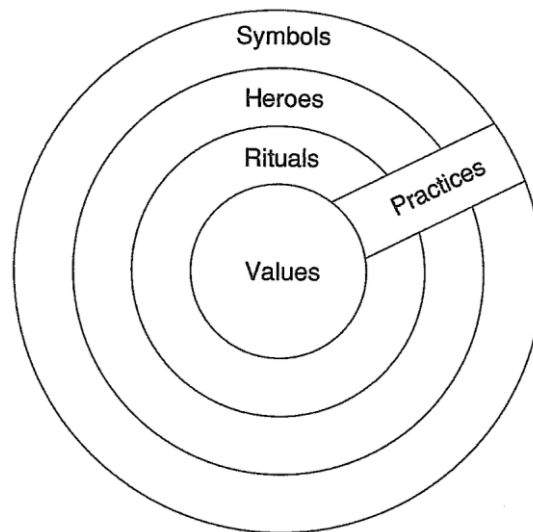


Figure 1: Hofstede's Onion Model of Culture (**Source:** Hofstede, 2001)

Symbols can be defined as words, gestures, and objects to which the particular culture attributes particular meanings (Hofstede, 1980). A symbol is taught through culture and is relatively superficial. New symbols can easily be picked up, and old ones effortlessly dropped. Included on this level are language, how people dress, and money. In Bangladesh a typical example would be the expression 'ha' to support a proposal and 'na' to negate a proposal in the parliament.

Heroes can be defined as people, alive or dead, real or imaginary, whom a culture takes as models for behaviour, and include anti-heroes as negative models (Hofstede, 1980). Heroes are not necessarily leaders; they can be artists, sports champions, robbers, preachers, mothers, soldiers, or even cartoon figures. For Bangladesh, Sheikh Mujibur Rahman is seen as a hero, being the Father of the nation who was instrumental in leading the nation towards independence.

A definition of rituals would be activities in which all or some members of a cultural group engage, and which carry their purpose in themselves (Hofstede, 1980). Rituals are seen to be technically superfluous, but socially indispensable. When exercising a greeting ritual, a Japanese person might bow, while the French shake hands. Rituals are mostly done unconsciously and are deeply determined by cultural history and tradition. The parliamentary session for budget is very much a ritual for Bangladeshis like celebration of different national days.

The most deeply rooted manifestation of culture consists of values. These are broad tendencies to prefer certain states of affairs over other states of affairs, usually acquired in our early youth, largely unconscious, and not susceptible to argument (Hofstede, 1980). Our values determine our perceptions of what is good or bad, right or wrong, normal or abnormal. Hofstede (1980) shows that value differences are part of national culture. Using data from different subsidiaries of the same multinational corporation (IBM), Hofstede's study showed that there were stable differences in value patterns among country samples. Of primary importance here is that values are expressed in rituals, heroes, and symbols.

As shown by the onion of culture, symbols, heroes and rituals are all relatively changeable and, therefore, are affected by practices. Values, on the other hand, are not very flexible and will, therefore, not be manifested by practices. Hofstede found that national cultures reside mainly in deeply rooted values. Reforms in public financial management also require cultural

manifestations across all the levels. There are some heroes who play pioneering role in the reform process. Symbolization is a process of demonstration whereby societal consent is targeted. To bring the reforms embedded into formal practice, it needs celebrations through rituals. And the goal is to achieve the value, which is mostly superficial, however, desirable.

METHODOLOGY

From an ideological orientation, this study takes an exploratory form of research under qualitative paradigm based on the policy papers, archival records and research articles. Content analysis is used as a tool for data analysis. Validity of the data is ensured as the sources of data are authenticated by the initiator. Cross validation is done by the researchers themselves through comparing the information from different sources. PFM system of a country is affected by a diverse group of stakeholders from inside and even outside the country. Thus the practices in the field of PFM system are highly regulated. In this paper, we have tried to give a thick description of the PFM system of the country which has already become a social reality. Exploration of social reality may take different forms. We have taken a process of theoretical exploration based on published works where the social reality is demonstrated. Drawing the basic tenet from Hofstede's 'Onion Model of Culture', the researchers have tried to identify the interplay among symbols, heroes, rituals and values which collectively develops a form of practices in a particular cultural structure. Practical exploration is left for the future researcher in the field.

PFM REFORMS: A TIMELINE

PFM reform is a key factor for improving the governance, accountability and transparency in Bangladesh (Finance Division, MoF, 2018). Such reform process starts during 90s though it has got momentum during the current government period. Recognizing the importance of strengthening PFM, the Financial Management Reform Strategy and Medium-Term Rolling Action Plan were adopted by the Government of Bangladesh in 2006 to guide the continuation of reforms initiated in the 1990s. There have been several advances in PFM reforms over the last 10 years:

- (a) introduction of a medium-term outlook to the budget;
- (b) improved automation of the budget and accounting systems;
- (c) consolidation and amendment of the PFM regulatory framework and the introduction of the Public Money and Budget Management Act 2009;
- (d) introduction of a modern procurement framework with the Public Procurement Act 2006 and Public Procurement Rules 2008 and electronic procurement system;
- (e) development of the Tax Modernization Plan 2011-2016, which was endorsed by Parliament and the VAT and Supplementary Duty Act 2012;
- (f) the development of a new budget classification and chart of accounts in FY14;
- (g) upgrade of the Debt Management and Financial Analysis System (DMFAS 6.0 was installed in 2013/4) and the drafting of a new medium-term debt strategy based on a debt sustainability analysis; and
- (h) the establishment of an Institute of Public Finance in FY14 and a widespread investment in building the capacity of accounting, auditing, budgeting, and other PFM skills.

From the lists given above, it is understood that every sensitive areas of PFM system are brought under stringent regulatory intervention. As new public management ideals changed the whole system of running the government and public sectors, financial management system of public sector has also been invaded to bring more transparency and accountability. Since the beginning of 90s, the country has witnessed a series of PFM reform initiatives which have been presented below with the timeline.

Table 2: Timeline of PFM reform activities (Authors personal compilation)

Year	Events
1989	Formation of Committee on Reform in Budgeting and Expenditure Control (CORBEC)
1993	CORBEC report was accepted by the Government
1995	Based on the recommendation of CORBEC, Reform in Budgeting and Expenditure Control Project (RIBEC) was launched. In addition to implementing specific suggestions on macroeconomic policy issues (including budget formulation), the RIBEC project worked on rules and regulation, introduction of new digital classification chart (13 digits) for budgeting and accounting and automation of government accounting in the Controller General of Accounts (CGA) Office.
1998	Updates undertaken by Mubin Committee
2000	Updates undertaken by Khan Committee
2003	Financial Management Reform Programme (FMRP) was launched
2009	<p>Financial Management Reform Programme (FMRP) was completed when the Government adopted a PFM Reform Strategy (2007-12) to take forward the ongoing agenda of reforms and broaden its remit to embrace the entire cycle of PFM. The FMRP was responsible for: Launching automated Integrated Budgeting and Accounting System (iBAS) for capturing every day transactions and accounting information of all government pay and account offices; Launching of Wide Area Network (WAN) linking 64 DCA and DAO offices and 49 CAO offices across the country for facilitating everyday accounting data transmission to CGA and Finance Division; Improved quality of Government Accounts; Introduction of automated import of debit & credit scroll data from banks performing treasury functions; and Examine and determine the CGA's Training requirement.</p> <p>This led to the development of a comprehensive reform program: Strengthening Public Expenditure Management Program (SPEMP) which was a multi-donor trust fund providing grant financing for three discrete projects. The projects include the Deepening of Medium Term Budgetary Framework (DMTBF, also referred to as SPEMP-A) and the Strengthening of Financial Accountability Project, the Strengthening the Office of the Comptroller and Auditor General project (SPEMP-B) and Strengthening Parliamentary Oversight project (SPEMP-C). The new Budget and Accounting Classification System (BACS) was prepared under the Deepening of Medium Term Budgetary Framework (DMTBF) and the Strengthening of Financial Accountability Project. It was developed in parallel with another area under that Project the integrated Budget and Accounting System (iBAS++) design and development.</p>
2014	<p>The Deepening of Medium-Term Budgetary Framework (DMTBF) and the Strengthening of Financial Accountability Project ended</p> <p>However, the Government has continued to fund finalization and implementation of both the BACS and iBAS++ under Public Expenditure Management Strengthening Programme financed by Finance Division, Ministry of Finance.</p>
2018	The government of Bangladesh implemented newly developed Budget and Accounting Classification System (BACS) along with the advanced version of Integrated Budget and Accounting system (iBAS++)

PUBLIC FINANCIAL MANAGEMENT

Public finance mainly targets the trade-off between public revenue and public expenditure. The scope widens seriously when it becomes public financial management. An open and orderly PFM system is one of the enabling elements for these three levels of budgetary outcomes:

- a) Effective controls of the budget totals and management of fiscal risks contribute to maintain macroeconomic fiscal discipline;
- b) Planning and executing the budget in line with government priorities contributes to implementation of government's objectives; and
- c) Managing the use of budgeted resources contributes to efficient service delivery and value for money (PEFA, 2005).

PFM reforms are a key component for improving the governance and accountability in Bangladesh. Reforms become a demand of time driven by either political commitment, or donor's requirement, or even leading a responsible government which is a heroic venture. While successive PFM projects have initiated many important reforms, several systemic issues remain to be addressed. An effective change management approach becomes a must to ensure that reforms rightly targets PFM problems and that improved PFM systems and processes lead to better service delivery, public resource management, and economic development. Bangladesh is blessed with little strength which makes the reform initiatives instrumental. In line with the onion metaphor, we have the heroes in the process to welcome the changes and challenges. The senior leadership recognizes the PFM challenges and how they impact the public service delivery and economic development. It is not only the understanding but also the intervention of the whole process to evoke practices whereby the country has made huge investments in building civil service capacity through high-quality trainings mostly suitable for the local context. Due to succession of political agendas over the decades, there is an evolving understanding on what works and what doesn't; how to keep the implementation teams motivated and manage resistance to change; and how to reach out to thousands of budget-holders in the country to adopt new and efficient PFM practices. Based on the experiences from first PFM Reform Strategy (2007-12) and 6th Five Years Plan, the second multi-year PFM Reform Strategy (2016-2021) and 7th Five Years Plan is prepared simultaneously which get the things integrated and it is expected that PFM system of the country will be further improved to bring discipline and justice in public spending particularly. A summary of priority PFM actions is presented below (GoB, 2016):

Table 3: Priority PFM Actions in Background Paper for the 7th Five Year Plan

PFM Area	Actions
Public Investment Management	<p>Three issues remain unimplemented from the 6th Five Year Plan:</p> <ol style="list-style-type: none"> a) Strengthening project selection procedures to ensure only affordable, well-designed projects with high returns enter the Annual Development Program (ADP). b) Strengthening capacity for project design and appraisal. Projects approved by the Planning Commission should have a sound appraisal that demonstrates the consistency and relevance of the project to sectoral /economy-wide objectives, strategies and policies. The appraisal should be based on economic and financial analysis of the proposed project, gender and environmental analysis and implementation capacity. c) Rationalizing the existing portfolio. One activity is that the Government will do a proper review of all approved and active projects in the pipeline in cooperation with the line Ministries. The review of this portfolio stock will seek to clean out dormant

	<p>or irrelevant projects and help line ministries close the projects that are facing implementation problems through restructuring or through other relevant interventions. The results of this exercise will be shared with the cabinet for endorsement and approval.</p>
Financial Management	<p>a) Introduce a modern Financial Management Information System (FMIS) capable of producing timely, comprehensive and reliable financial statements in line with international accounting and reporting standards (cash IPSAS, GFSM 2001).</p> <p>b) Creation of a comprehensive, centralized Treasury Single Account linked to FMIS.</p> <p>c) Formal approval and introduction of a Chart of Accounts consistent with the IMF's manual on government financial management.</p>
Medium Term Budgetary Framework (MTBF)	<p>The GoB should follow through on implementation of the MTBF through:</p> <p>a) Removal of demarcation between non-development and development budgets and gradual joint programming of capital and recurrent spending.</p> <p>b) Institutionalization of a more strategic and policy-based approach in budgeting, including through further rollout of Medium-Term Strategy and Business Plans.</p> <p>c) Further development of line ministry forward budget estimates (FBEs) to prioritize spending based on available fiscal space.</p>
Budget & budget execution transparency	<p>a) Publish a citizens' budget immediately after the budget speech.</p> <p>b) Enhance transparency of public finance data in user-friendly and editable formats, such as through an Open Data Portal.</p>
Audit systems	<p>a) The GoB should make all recent audit reports public on its website in a user friendly and accessible format, as well as clearly indicate how these audits have been followed up, particularly in holding the officials involved accountable.</p> <p>b) Comptroller and Auditor-General is made a truly independent body with appropriate budget discretion and authority over human resources and a separate audit cadre.</p>
Enhancing integrity in procurement	<p>Further expand procurement initiatives including e-Procurement and PROMIS: e-procurement to be rolled out in more agencies (current plans expand to 4 and might increase to 8 by the end of the FYP period), and IMED to further expand the online procurement performance monitoring system (PROMIS).</p>
Parliamentary oversight	<p>Develop mechanisms to ensure timely responses to recommendations from the Public Accounts Committee, and provide easily accessible and comprehensible data for the public, including a progress report from the PAC.</p>

PFM Action Plan and Reform Strategy

To support effective implementation of the PFM Reform Strategy (2016-21), the Finance Minister approves PFM Action Plan (2018-23) in September 2018. The PFM Reform Strategy clearly sets out the key goals and objectives of the PFM reforms and identifies the priority reform actions. The Strategy was developed by a cross-institutional team from the Ministry of Finance (MoF), the

Comptroller and Auditor General (C&AG), the Planning Commission, and the National Board of Revenue, among others and identified the following five goals for PFM reforms:

Goal 1 : Maintain aggregate fiscal discipline compatible with macro-economic stability and pro-poor growth;

Goal 2 : Allocate resources consistent with Government priorities as reflected in National Plan;

Goal 3 : Promote the efficient use of public resources and delivery of services through better budget execution;

Goal 4 : Promote accountability through external scrutiny and transparency of the budget; and

Goal 5 : Enhance the enabling environment for improved PFM outcomes.

The PFM Action Plan contains two key parts: (a) the PFM activity matrix and (b) governance structure and change management approach. A few PFM technical briefs are separately available, which were heavily relied upon during the development of the PFM Action Plan. Here, members of the cross-functional team act as heroes, goals become value, technical briefs work as symbols and two key parts of PFM Action Plan works as rituals.

THE PFM ACTION MATRIX

The PFM Action Matrix is the core of the PFM Action Plan that describes the reform activity in an intuitive manner. The Matrix describes the reform activity and why it is needed, identifies sub-activities eluding to the understanding of a methodology to implement the reform activity, provides the rough cost estimate and the intended benefits, defines the results indicators with baselines and end-of-plan targets, and finally fixes institutional responsibility at the Wing level within the specific Divisions/Ministries. This way, the Matrix provides a clear implementation roadmap that has been developed in an extremely consultative manner over months of engagement led by the Finance Division (FD) with the respective authorities responsible for each area. Under the five strategic goals, fifty priority PFM reform activities are primarily derived from the PFM Reform Strategy. The consultative process provided an opportunity to rephrase and reprioritize them among 14 reform components, each under the direct implementation responsibility of a relevant government authority. The consultative process was also helpful in organizing reforms as either an activity or a sub-activity supporting an activity thus, creating a hierarchy depending on the significance. Finally, the consultative process also ensured to capture the progress under several ongoing reform initiatives – especially after the approval of the Strategy in 2016.

Table 3: Priority PFM Actions in Background Paper for the 7th Five Year Plan

Act	PFM Reform Activity Title	Why this activity?	Activity/ Sub-activity description	Activity Details				Measurement			Accountability		
				Cost estimate	Duration	Planned benefits	Start date	Indicator	Baseline (2016)	Target (2023)	Ministry / Division	Wing / Section	

GOVERNANCE STRUCTURE AND CHANGE MANAGEMENT APPROACH

The PFM Reform process has a two-tier governance structure comprising of a Steering Committee (SC) and a Program Execution and Coordination Team (PECT). The Steering Committee (SC) headed by the Finance Secretary will comprise senior representatives from major spending ministries, Cabinet Division, Comptroller and Auditor General, National Board of Revenue, Economic Relations Division, and Planning Commission. SC will oversee implementation progress and create the right enabling environment for change to happen. The Finance Division, the PECT, would lead the coordination of the reforms with an active support from the line ministries as well as the development partners. PECT will consist of at least six members from the Finance Division and at least two members from other lead PFM institutions. PECT can invite observers to their meetings and PECT is expected to invite selected development partners for inputs and advice. The PECT will also be responsible for establishing a forum for institutional collaboration (PFM Reform Learning Hub at the Institute of Public Finance) for areas requiring collective action and mutual learning and accountability and for more systematic capturing, sharing and replication of reform lessons.

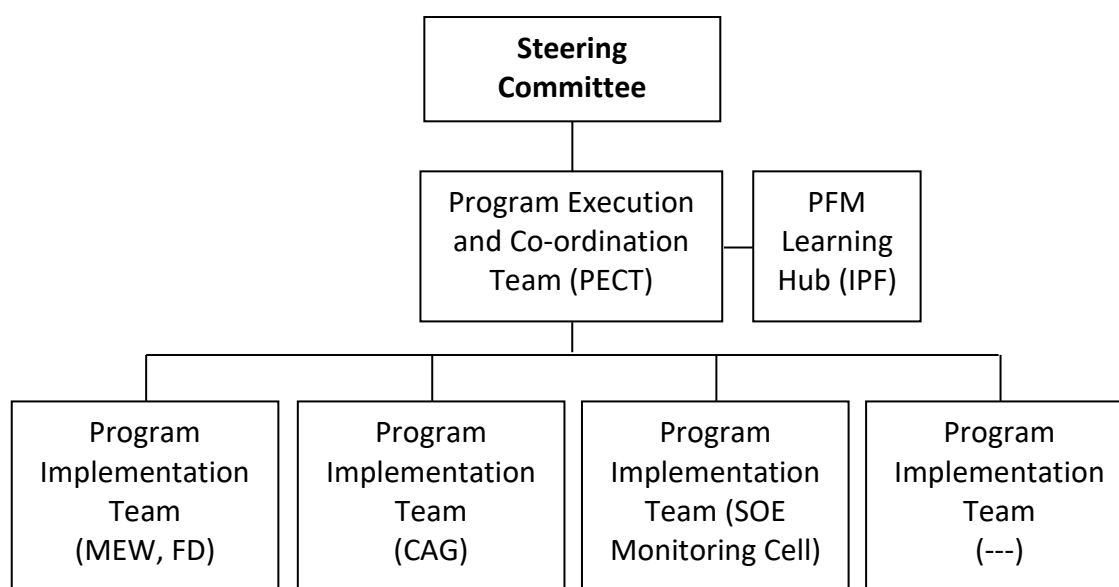


Figure 2: Governance Structure

Change management interventions are both mainstreamed as well as separately pursued through a set of systematic learning, leadership, and motivational activities. The PFM Action Matrix promotes incentives for change at two levels: (a) at each activity level where the risks and challenges in achieving the change have been thoroughly discussed, and sub-activities are designed to manage those risks and challenges. For example, advocacy and coalition building sub-activities are built in where the government’s current ownership is not at the highest level, or capacity building sub-activities are designed to cater for capacity challenges etc. and (b) separate set of activities under component 14 to promote leadership and learning in program implementation and enable mutual accountability. Together, these change management interventions will enable the implementation teams to effectively deal with both technical and non-technical challenges that come up during implementation. With that in mind, 4 closely connected pillars underpin the change management approach for PFM in Bangladesh:

- a. Systematic Learning and Sharing of Good Reform Practice: Increasingly institutions recognize that a culture of knowledge sharing, and learning may exist but is neglected as staff focus on more immediate issues. Also, capacity gaps have dramatic impacts on the effective achievement of organizational mandates, sustainability of day-to-day operations, and replicability of success. Three lines of activity will be introduced: i) Knowledge Events and

institutionalizing mechanisms for Knowledge Sharing of Good Reform Practice; ii) Supporting a Learning Hub function on PFM reform in IPF; iii) Capacity Building and Training for selected change agents.

- b. Communications and Stakeholder Alignment: Stakeholders will be involved and informed throughout the implementation of the Action Plan through the PECT meetings. In addition, several activities will be designed to foster institutional collaboration, alignment, and learning, such as bi-annual retreats for the program implementation teams and multi-institutional field visits to observe PFM practices on the ground. Throughout implementation there will be space for all stakeholders to provide ideas and suggestions.
- c. Rewarding Performance: It is critical to keep the program implementation teams and other stakeholders motivated for them to adopt the change in behaviors and practices due to these PFM reforms. Performance-based incentives play a central role in changing behaviors of the program implementation teams and PFM practices at ground level. The Government already has considerable experience of using these incentives (though mostly non-financial) to keep the motivation high.
- d. Adaptive leadership skills through Implementation Coaching: Adaptive leadership coaching emphasizes co-ordination, collaboration, empowerment, and learning. It brings to government leaders the tools and practices required to facilitate implementation of the reform activities and surface and address challenges during implementation, including culture change. Activities and areas of coaching will include four main areas: i) the introduction of Rapid Results Initiatives or other short cycle coaching models; ii) understanding of stakeholder interests and force fields; iii) implementation workshops to discuss technical and adaptive challenges and solutions; iv) coaching on culture change.

Though not included in the PFM Action Plan, several technical briefs were prepared to contextualize the PFM challenges in Bangladesh and prioritize reform recommendations for the short and medium term in a facilitated dialogue with respective PFM institutions. These technical briefs are important to smoothen the change management process and will help refocus the reforms to key issues during implementation and help as a quick reference for newcomers on the implementation teams. Such technical briefs include budgeting, domestic resource mobilization, iBAS++, state-owned enterprises, performance management, PFM legal framework, fiscal forecasting and debt management, public investment management, procurement, financial reporting, auditing, pensions etc.

ACCOUNTING AND REPORTING

Cooper and Pattanayek (2011) argued that timely delivery of specific financial information on government activities is an important function of an effective accounting and reporting system. They also suggest that a well-functioning PFM framework should include an effective accounting and financial reporting system to support fiscal policy analysis and budget management. As a principle, the annual financial accounts of the government shall be maintained in the form and manner prescribed by the CAG with the approval of the President (Article 131, the Constitution of Bangladesh). The Account Code (Volume 1) issued by the CAG lays down the general outlines of the system of government accounts. All receipts on behalf of the government are deposited with or transferred to Bangladesh Bank. The accounts are maintained by officers' subordinate to the CGA. Each deposit is reconciled immediately by Bangladesh Bank and the information is transferred to the CGA via the bank's financial systems. Transfers are reconciled against collections. Payments on behalf of the government are made by Bangladesh Bank or by Sonali Bank, a state-owned commercial bank, acting as agent for the central bank.

The civil departments' accounting offices, under the control of the CGA, are organized into 49 chief accounts offices, which handle the transactions of all ministries and divisions, including the transactions of the attached departments in Dhaka. Besides its responsibility for preparing

periodic (monthly) statements for all departments within its accounting jurisdiction, the CGA is also responsible for preparing the consolidated accounts of the government by combining the accounts of the three branches (executive, legislative, and judicial). At present, all the accounts offices under the CGA have been fully automated under the Integrated Budgeting and Accounting System. This computerized, internet-based system allows online access and links operating offices across a wide area network.

The modified cash basis of accounting is used in maintaining the Consolidated Fund account and the public accounts. The Bangladesh Accounting Standards are broadly based on the cash basis International Public Sector Accounting Standards. Financial statements prepared under this system provide information about the sources of cash raised during the period, the purposes for which the cash was used, and the cash balances at the reporting date. Any budget allocation not paid out in cash by the close of the fiscal year will lapse, and a new budget will have to be allocated and approved for the next year. The fiscal year in Bangladesh is from July to June of the following year. In case of accounting and reporting, the symbolization process needs to be strengthened further and heroes remain apparently silent to celebrate the rituals which need yet to be developed further.

USE OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS

Historically, public sector across the world has used cash basis in keeping their records and reporting. Since the 1980s, there has been a gradual change in governments' approach to public sector accounting, with many countries around the world, shifting from cash-basis accounting to either modified or full accrual-basis accounting. As of 2016, approximately three-quarters of OECD countries have adopted some form of accrual accounting for their financial reporting (Moretti, 2016). This trend can be seen among non-OECD countries as well: annual financial statements in countries as diverse as Brazil, Ghana, Indonesia, and Kazakhstan currently use full or modified accrual basis.

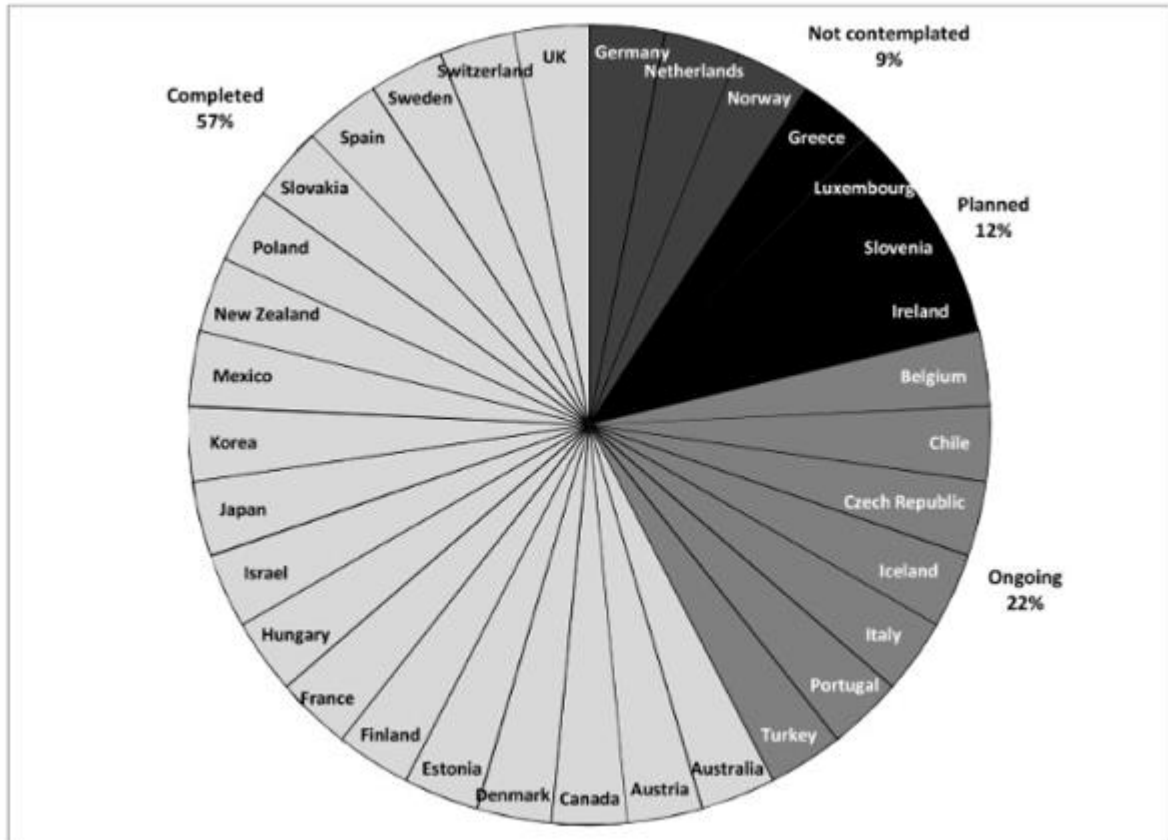


Figure 3: OECD Countries: Status of Accrual Reforms (Source: OECD Accruals Survey (2016) as cited in Moretti, 2016)

However, transition from cash basis to accrual basis is a very critical exercise which is supported by International Federation of Accountants (IFAC) through International Public Sector Accounting Standards Board (IPSASB). The IPSASB publishes International Public Sector Accounting Standards (IPSASs) which are considered by the accounting professionals as the best alternative to government accounting. It privileges the developing nations to prepare their accounts by following international standards. The World Bank (2007) reported that application of IPSAS in public sector financial reporting improves decision-making, financial management, and accountability.

Bangladesh is lagging behind in its transition process. Governmental accounts in Bangladesh are prepared under cash basis accounting (Chowdhury, 2012). The financial statements which are prepared under cash basis accounting provides information regarding sources of funding, purposes of the usage of fund and the balance of fund at the reporting date (Hakeem, 2012). Cash basis accounting has some pitfalls. It neglects asset management, accumulating arrears, future liabilities and contingent liabilities (Chowdhury, 2012). As already mentioned, many countries have started moving from cash basis accounting to modified cash basis accounting or accrual basis accounting. Countries like Australia, Canada, Finland, France, Germany, New Zeland, Ireland, Italy, Malaysia, Nederland, Sweden, Switzerland, Tanzania, UK, USA have already adopted accrual basis IPSASs (SAFA, 2006). The process of adopting accrual IPSAS includes applying the Cash basis IPSAS initially and the gradually implementing the accrual basis IPSAS (Chowdhury, 2012). It becomes important for many developing countries to adopt IPSASs to enhance the quality of financial reporting to external users and to gather the benefit of economic globalization. To produce high quality reporting of Governmental departments and

public sector entities, Governments need to harmonize the public sector accounting and auditing through convergence with Accrual based IPSAS (Chowdhury, 2012). Bangladesh has started using modified cash basis in some selected areas; however, the country lacks commitment to implement accrual based IPSAS. In this particular case, cultural manifestation is not commendable yet, however, it needs to be addressed immediately.

BUDGET AND ACCOUNTING CLASSIFICATION SYSTEM

In this fourth industrial revolution, digitization changed the life of everybody residing in the society. Without the use of digitized innovation, it is hard to ensure transparency and accountability in both public and private sector. Public financial management system has also been blessed with the advent of improved methodologies in preparing and executing public budget. The Budget and Accounting Classification System (BACS) is a logical accounting structure through which financial transactions are posted, stored, maintained and reported upon. The BACS support better public financial management in Bangladesh by providing additional and better-quality information to decision makers regarding public finances. The use of a structured classification system facilitates financial management, policy analysis and planning. It replaces the old account classification system and brings holistic approach in budgeting and decision making.

The new BACS framework has been designed incorporating the fundamental principles of homogeneity, independence, and comprehensiveness. On the basis of these principles it will be possible to classify transactions in a variety of ways and unambiguously, without duplication, overlap or repetition. Government budgetary transactions, both expenses and revenues, can be classified in a variety of ways. In order to satisfy the constitutional, legal and managerial requirements of managing public finance in Bangladesh, a nine-segment classification framework has been developed as mentioned below:

Table 4: Accounts Classification System

Posted Core Segments (Users to enter in iBAS)		
Segment	Digits	Purpose
Organization	11	Identifies the organisational unit (Ministry/Division, Department, Operating Unit) responsible for a transaction
Operation	9	Identifies whether a transaction is for development or non-development purposes and, if part of an activity/ project, the activity/project to which it relates
Fund	8	Identifies the fund in which a transaction is recorded (Consolidated Fund, Public Account) and, for those transactions within the Consolidated Fund, identifies whether the Government, a foreign grant or a foreign loan funds the transaction
Economic	7	Identifies the economic nature of the transaction (tax or non-tax receipts, salaries, goods and services, grants, etc.)
Posted Additional Information Segments (Users to enter limited data as required in iBAS)		
Mode of Payment	1	Identifies whether a transaction is reimbursable project expenditure or direct project assistance
Location	8	Identifies the location to which a transaction should be attributed
Derived Segments (Pre-defined in iBAS)		
Authorization	1	Identifies whether an expenditure transaction is voted or charged expenditure
Function (COFOG)	4	Identifies the purpose of a transaction according to the Classification of Functions of Government (COFOG)

Budget Sector	4	Identifies the budgetary sector to which a transaction should be attributed
---------------	---	---

The overall structure of the BACS comprises four core “posted” segments of 35 digits including 11 digits for organization, 9 for program, 8 for fund and 7 for economic. Posted segments, are those that involve a user of the accounting system describing their transaction using these segments at the time it is entered into the system. In addition, the classification system also provides two new posted segments with additional information consisting 1 digit for mode of payment and 8 digits for the location. The categorization also includes a further three derived segments with 1 digit for authorization, 4 digits for function (COFOG) and 4 digits for budget sector. Users of BACS do not need to enter coding for these three segments as they are derived (produced automatically) by the system. When using the new BACS, users should be aware that it only uses digits (the numbers from 0 to 9). It does not use alphabet letters or any other symbols. The BACS, is not just concerned with classifying and recording financial transactions as it, is critical for effective budget management, including tracking and reporting on budget execution. As such, the design of the new coding regime was planned to take care of current management needs and potential future requirements. Thus, behind this classification, reform of PFM plays central role. This classification symbolizes the rituals of accounting and budgeting process with the defined objectives and becomes an inevitable part of PFM system of the country.

AUDITING

In Bangladesh, 83 per cent of the annual development expenditure relates to the public sector. The CAG is responsible for the audit of nationalized companies established under the Companies Act (1994), autonomous and semi-autonomous bodies, corporations, local government bodies, and all other government bodies. Article 128(1) of the Constitution states: The public accounts of the Republic and of all courts of law and all authorities and officers of the Government shall be audited and reported on by the Auditor General and for that purpose he or any person authorized by him in that behalf shall have access to all records, books, vouchers, documents, cash, stamps or other government property in the possession of any person in the service of the Republic. Under Article 132 of the Constitution of Bangladesh, comments of the CAG on public organizations are to be submitted to the President for each fiscal year “who shall cause it to lay before the Parliament”. The PAC examines the CAG reports on behalf of MPs who, in turn, represent the electorate and the general public. The CAG has to inform the PAC how far each public organization has complied with its operational objectives and, in particular, how funds were spent. The reports must also bring to the notice of the PAC important financial and procedural irregularities. In Bangladesh the CAG reports are not published outside the Parliament although these reports are submitted not only to the PAC but also to all members of the Parliament. However, the PAC is the most important user of the CAG reports. Because of the Constitutional stipulation, the PAC can be regarded as the direct influence on the provider of information, i.e. the CAG (Chowdhury et al., 2005).

The CAG, on the other hand, provides a specialized arm named as the Foreign Aided Project Audit Directorate (FAPAD) to provide independent assurance to Parliament as well as to development partners regarding the proper use and accounting of resources for foreign-funded projects (ADB, 2018). Each year, generally in July–August, the FAPAD checks the approved ADP and identifies all projects subject to audit, considering available personnel and person-days. Project directors must therefore submit their project financial statements to the FAPAD to comply with ADB’s financial reporting and auditing requirements. The FAPAD provides integrated audit services designed to meet the requirements of the development partners. Table 5 explains the FAPAD’s audit role.

Table 5: Audit Role of the Foreign Aided Project Audit Directorate (**Source:** Comptroller and Auditor General of Bangladesh. 2007. *Project Audit Manual*, Dhaka)

Audit Service	Audit Objective	Audit Output
Financial	To determine whether the accounting statements were prepared in accordance with accounting principles, complete and free from material misstatements caused by error and fraud	Certificate report
Regularity	To determine whether transactions conform to the authority that governs them and funds are being used only to the agreed extent and for the agreed purpose	Certificate report
Compliance	To ensure that adequate controls are in place to secure the desired project results and that controls are functional throughout the life of the project	Management letter
Performance	To ensure that the project has conducted its business economically, efficiently, and effectively to achieve the planned objective	Management letter

On completion of the field audit, the audit team prepares the draft audit report and submits it to the project director and the FAPAD. To respond to the audit findings, the FAPAD arranges an exit meeting with the project directors. This meeting is also attended by the representatives from development partners (e.g., ADB, World Bank, United Nations Population Fund, United Nations Development Program, and Department for International Development of the United Kingdom). Audit findings are discussed at the meeting and responses are recorded. If the responses are accepted, the audit observations are settled. Observations where acceptable responses are not received, they remain unsettled and these are reflected in the final audit reports submitted to the FAPAD director general for approval. The approved audit reports are sent to respective project directors and executing agencies with a request for updated replies with supporting documents. The project directors and the executing agencies must respond to the audit observations within the period prescribed by the CAG. The observations are considered closed if adequate and appropriate replies are received on time. Unsettled observations are further scrutinized and categorized according to type for inclusion in the CAG's audit report. On discussion at the meeting of the Public Accounts Committee, this report is submitted to Parliament.

The CAG follows the International Standards of Supreme Audit Institutions (ISSAIs) developed by the International Organization of Supreme Audit Institutions (INTOSAI) to enable independent and effective auditing by Supreme Audit Institutions (SAIs). The office of CAG needs to play heroic role in every stages of the rituals discussed here under proper guidelines and regulations. Only then the external scrutiny becomes meaningful and social justice could be established through audit.

INTERNAL CONTROL SYSTEM

In building a strong PFM system, internal control system plays a very significant role. In Bangladesh, internal control is considered synonymous with management control exercised to be reasonably assured of (i) the effectiveness and efficiency of operations;(ii) the reliability of financial and physical progress; (iii) compliance with applicable rules and procedures; and (iv) the safeguarding of resources against loss due to abuse, misappropriation, waste, fraud, and irregularities (ADB, 2018). The office of the Comptroller and Auditor General of Bangladesh (CAG)

as a representative of Supreme Audit institution (SAI) plays key role to establish internal control in public sector by assisting and assessing internal control of the government departments. The audit code and manuals are prepared to give specific instructions and guidelines to assess the internal control system of public sector. The public sector auditors are also instructed to gather sufficient skills to assess internal control system. According to the INTOSAI guidelines, Bangladesh issued "Code of Ethics" which can be treated as a model for other organizations to strengthen their internal control.

The Public Accounts Committees (PAC) put emphasis on having efficient and effective internal control in government operations. The PAC of the 7th Parliament in its 3rd report in 1998 expressed their concern for weak internal control system in almost all the government organizations and recommended to strengthen internal control and internal audit in public sector. The PAC also instructed the ministry of finance to study the feasibility of formulating a National Internal Audit Policy for government organizations with the assistance of CAG Office and concerned specialists in the field, and send a report to the Committee. Observations regarding internal control of public sector organizations are included in the CAG's reports that are placed in the Parliament. PAC upon hearings makes recommendation to take remedial measures accordingly.

The CAG Office pursued Ministry of Finance (MOF) for promoting internal control system in government organizations. The MOF is responsible for the oversight of internal control policies and procedures for the entire government. In 2005, the MOF issued Internal Control Manual for public sector organizations based on generally accepted principles and practices of internal control applied to the situation and needs of the Government of Bangladesh. This manual provides detail procedure and checklists for internal control system including monitoring steps and control activities. Government of Bangladesh also enacted Public Money and Budget Management Act, 2009 giving topmost priority on the establishment of strong internal control system and monitoring the controls by the top management. As an internal control measure, the IMED of the Ministry of Planning continually evaluates the financial and physical progress of development projects across the government particularly. IMED receives financial and progress reports and initiates surprise project site visits as internal control measures. Further improvements in monitoring and evaluation can help the IMED achieve the desired standards and promote effective oversight.

The office of CAG has conducted a survey on internal control system of 10 organizations in the year 2000-2001 and another survey on internal auditing system of 7 organizations in the year 2000. In the survey, special emphasis was given on internal control system related issues like organizational structure, job specification, human resource planning and development, authority and approval, supervision, safeguarding of public resource, budgetary control, accounts keeping, cash management, internal auditing process, risk analysis, control environment, preventive and detective Controls etc. The survey follows INTOSAI guidelines along with the criteria mentioned in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.

Some of the findings of the survey are:

- a) Weak internal control in most of the organizations
- b) Absence of proper risk assessment and risk management
- c) Job description not specific
- d) Lack of professional skills and unaware of accountability among the employees
- e) Absence of administrative, accounting and monitoring control though there were guidelines
- f) Absence of standard structure of internal control
- g) Weakness of or non-existence of internal audit in the organization
- h) Lack of independence of the internal auditors

- i) Internal audit departments are engaged in the activities not related to job descriptions etc.

As a response to these findings, the office of CAG regularly assesses the internal control system during the audit and it is included in the report. The current states of affairs of the internal control condition are reflected in the reports giving recommendations of remedial measures. The public sector auditors are also instructed to gather sufficient skills to assess internal control system. Parliament can be a hero in this case and the office of the CAG may popularize the rituals based on standard procedures and guidelines (symbols) to ensure desired goals (values).

ASSESSMENT OF PFM: IN THE LIGHT OF PEFA FRAMEWORK

To measure the performance of PFM system, the Public Expenditure and Financial Accountability (PEFA) framework is developed and used since 2005 (PEFA, 2005). It is an integrated framework developed by the PEFA partners (The World Bank, EC, DFID etc.) which provides reliable information on the performance of PFM systems, processes and institutions over time. The PEFA (2005) identified 31 high level performance indicators for measuring the performance of PFM of a country. Among these 31 indicators, 28 indicators are for the country's PFM system and the remaining 3 indicators are for donor practice that affects the country PFM system. The assessment status across 28 indicators has been presented below in a comparative manner:

Table 6: PEFA 2006, 2010 & 2015 (2011 framework) comparisons (**Source:** PEFA, 2016)

Indicators	2006	2010	2015
PI1: Aggregate expenditure outturn compared to budget	C	B	C
PI2: Composition of expenditure outturn compared to budget	C	D+	D+
PI3: Aggregate revenue outturn compared to budget	C	B	D
PI4: Stock and monitoring of expenditure payment arrears	D	NS	NS
PI5: Classification of the budget	C	B	B
PI6: Comprehensiveness of information included in budget documentation	C	B	A
PI7: Extent of unreported government operations	D	B	NS
PI8: Transparency of inter-governmental fiscal relations	D+	D	D+
PI9: Oversight of aggregate fiscal risk from other public sector entities	C	D+	D+
PI10: Public access to key fiscal information	C	B	B
PI11: Orderliness and participation in the annual budget process	B	B	A
PI12: Multi-year perspective in fiscal planning, expenditure policy and budgeting	D+	B	B+
PI13: Transparency of taxpayer obligations and liabilities	D+	C	C
PI14: Effectiveness of measures for taxpayer registration and tax assessment	D+	C	B
PI15: Effectiveness in collection of tax payments	D+	D+	NS
PI16: Predictability in the availability of funds for commitment on expenditures	C	C+	B+
PI17: Recording and management of cash balances, debt and guarantees	C	C+	B
PI18: Effectiveness of payroll controls	C	D+	C+
PI19: Competition, value for money and controls in procurement	B	B	B
PI20: Effectiveness of internal controls for non-salary expenditure	C	D+	D+
PI21: Effectiveness of internal audit	D	D	D
PI22: Timeliness and regularity of accounts reconciliation	C	B	D

PI23: Availability of information on resources received by service delivery units	C	D	A
PI24: Quality and timeliness of in-year budget reports	C	C+	C+
PI25: Quality and timeliness of annual financial statements	C	D+	D+
PI26: Scope, nature and follow-up of external audit	D+	D+	D+
PI27: Legislative scrutiny of the annual budget law	D	D+	D+
PI28: Legislative scrutiny of external audit reports	C	D+	C+

PFM performance has been assessed against each of the indicators by assigning ratings of A (the highest) to D (the lowest) based on the comprehensive criteria given in the PEFA framework documents. A rating of 'A' would be an international level practice and that of 'B' a good achievement. Ratings of 'C' and 'D' indicate weak performance of the indicator and identify PFM elements that are in relatively greater need of improvements. Using comparable scoring methodologies with the 2011 framework, the PEFA 2016 found that nine out of twenty eight performance indicators had improved. While nine performance indicators improved; fourteen remained the same; and five deteriorated.

RECOMMENDATIONS AND CONCLUSION

Bangladesh has bestowed all-out efforts to improve the PFM systems of the country and demonstrated its full commitment in this process through different judicious actions. The policy documents (e.g., action plans, PFM Reform Strategy papers, five years plans etc.) are prepared addressing the reform agendas. PEFA framework is applied continuously to do the assessments of PFM system of the country. However, there is no end in the process of improvements. A careful observation on changes in PEFA framework across different time (2006, 2011 & 2016) validates policy weaknesses. Bangladesh needs to have a greater degree of improvements on most of the high-level performance indicators set by the PEFA framework to ensure better quality of public financial management (PFM) with a view to achieve the government's targeted pro-poor developmental objectives.

For improving the quality of PFM systems of Bangladesh, few policy actions need more attention which is produced below:

- a) Synchronizing the size of ADP to increase the credibility of the budget, government should change the culture of over-programming the ADP which will ultimately help the policy makers to control expenditures.
- b) Need to put special focus on budget classification structure in line with the Classification of the Functions of Government (COFOG) which will ultimately achieve budget comprehensiveness. To make the budget more transparent, government should introduce standard accounting practices (SAP) for state-owned enterprises and autonomous government agencies. At the same time, key fiscal information should be made available to public.
- c) A transition is required from Medium Term Budgetary Framework (MTBF) to program based budgeting to focus more on outcome which will make the line ministries more participative and action oriented.
- d) Strengthening the administrative and technical capacity of revenue generating unit of the government particularly National Board of Revenue, Economic Relation Division and Bangladesh Bank for better predictability and control in budget execution.
- e) Ensure the effective utilization of Public Procurement Act and Rules to make the public procurement system more transparent and efficient.
- f) Strengthen the capacity of Super Audit Institution in line with global standards.
- g) It is important to bring government accounting system under computerized system from central to upazila level with the provision of prompt service delivery to the citizens of the

country. iBAS should be made more instrumental which will help each service delivery unit to process data timely and accurately and at the same time make it available for intended purpose.

- h) Expediting the transition from modified cash basis to accrual basis of accounting with the adoption of International Public Sector Accounting Standards (IPSAS) of IPSASB. It will improve the quality of financial statements of public sector and change the political philosophy reflecting the succession of strategies taken on political consideration.
- i) To ensure better legislative scrutiny, the functionalities and capacity of public accounts committee (PAC) needs to be improvised along with the modality of delivering other important legislative documents like national budget.
- j) Institutionalizing the reform agenda with enough legislative support (framing enough legislation and proper implementation) and developing in-house capacity through public-private arrangements so that dependency on external experts could be reduced greatly.

Reforming PFM system in Bangladesh may be termed as an admirable journey. Though the journey has begun during 90s, the visible change is observed specifically from last decade. As the transition from traditional PFM system to modern PFM system requires serious cultural adjustments, it needs a significant time gap before mass level demonstration which ultimately leads to acceptable practices. Now, the PFM system becomes culturally diffused and these reform initiatives are welcomed from every corner of the society. It is a form of symbolization that comes as a positive gesture which forms the outer tier of onion metaphor. However, it was not possible without the efforts of leaders who relentlessly act to make it happen. They are the heroes in the process. As the whole society is the beneficiary of reform process, the diffusion needs to be demonstrated through rituals which ultimately develop the practices and gradually becomes a part of social discourse. In Bangladesh, we have already made this happened, however, social celebration process needs to be strengthened further whereby accountability and transparency would be maintained properly by discharging 'value for money' to the citizens of the country. The regulators and policy makers need to understand this cultural manifestation process whereby societal consent comes silently by practicing the inherent steps as mentioned in Hofstede's 'Onion Model of Culture'.

REFERENCES

- Asian Development Bank (2018). Public Financial Management Systems – Bangladesh: Key elements from financial management perspective, Asian Development Bank, 6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
- Chowdhury, A. (2012). Strengthening Public Sector Accounting and Auditing in Bangladesh. The Bangladesh Accountant, January-March 2012, 5-34.
- Chowdhury, R. R., Innes, J. and Kouhy, R. (2005). The public sector audit expectations gap in Bangladesh. Managerial Auditing Journal, Vol. 20 Iss. 8, pp. 893 – 908.
- Cooper, J. and Pattanayek, S. (2011). Chart of Account: A Critical Element of the Public Financial Management Framework, Fiscal Affairs Division, IMF.
- Finance Division, MoF (2018). Public Financial Management (PFM) Action Plan 2018-2023.
- Hakeem, A. A. (2012). Bangladesh Perspective of Public Sector Accounting & Auditing: Status Review, Issues and Reforms. The Bangladesh Accountant, January-March, 2012, 53-59.
- Hofstede, G. (1980). Culture's consequences - international differences in work related values. London: Newbury Park.
- Hofstede, G. (2001). Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations, 2nd Edition. Sage Publications, Thousand Oaks, CA.
- Kluckhohn, C. (1951). The study of culture. In Lerner, D. and Lasswell, H. D. (eds.), The policy sciences (pp. 86–101). Stanford University Press, Stanford, CA.

- Kluckhohn, F. R. and Strodtbeck, F. L. (1961). Variations in Value Orientation. *Evanston, IL: Row, Peterson and Company.*
- Kroeber, A. L and Kluckhohn, C. (1952). Culture: A Critical Review of Concepts and Definitions. Harvard University Press, Cambridge, MA.
- Kroeber, A. L. and Parsons, T. (1958). Concepts of culture and of social system. *American Sociological Review*, Vol. 23, pp. 582–583.
- Moretti, D. (2016). Accrual practices and reform experiences in OECD countries Results of the 2016 OECD Accruals Survey, *OECD Journal on Budgeting*, Vol. 16/1.
- PEFA (2005). Public Financial Management Performance Measurement Framework, Washington, DC: PEFA Secretariat.
- PEFA (2011). Public Financial Management Performance Measurement Framework, Washington, DC: PEFA Secretariat, 2011.
- PEFA (2016). Framework for assessing public financial management, Washington, DC: PEFA Secretariat, 2016.
- SAFA (2006). A Study on Accrual Basis Accounting for Governments & Public Sector Entities in SAARC Countries, South Asian Federation of Accountants.
- Triandis, H. C., Vassiliou, V., Vassiliou, G., Tanaka, Y. and Shanmugam, A. V. (1972). The Analysis of Subjective Culture. *New York: John Wiley and Sons.*
- United Nations Education, Scientific, and Cultural Organization (2002). UNESCO universal declaration on cultural diversity. Cultural Diversity Series No. 1, A document for the World Summit on Sustainable Development, Johannesburg. Retrieved from <https://unesdoc.unesco.org/ark:/48223/pf0000127162> on March 18, 2020.
- World Bank (2007). Bangladesh Public Sector and Auditing -A Comparison to International Standards. The World Bank