Public Expenditure Management Strengthening Program

Bangladesh

Implementing Agency/organization	**Finance Division, M/O Finance,** **Peoples' Republic of Bangladesh**
Implementation Period	November, 2014 to June, 2016 (original) November, 2014 to June, 2018 (Revised)
Location (City and Country)	All the Ministries/ Divisions , Dhaka; Office of Controller and Auditor General , Dhaka ; Audit and Accounts Offices at district and upazila levels
Total Cost to implement the Project	BDT 14.25 crore (original) BDT 33.83 crore (Revised)
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The Challenge

In Bangladesh there have been reform interventions in a range of areas in Public Finance Management (PFM) over the past two decades. Significant deficiencies remain in the accounting and financial management information system, introducing a modern FMIS in the system of payroll and pension management remained outside the ambit of the agenda of those interventions. This is despite the fact that the loopholes in the system have the potential of draining out huge public resources through unfair practices. Over the last two decades, expenditure on salaries and pensions has emerged as the single largest expenditure head for Government. In the absence of any updated information and data on the number, demography, and entitlements of government employees and pensioners, the Government has been unable to accurately compute or project the salary and pension expenditures across the country. The lack of reliable data on employees and pensioners has also limited the ability of the Government to undertake sound fiscal planning and estimate the impact of Pay Revisions or plan their development expenditure.

The Innovation

To develop an effective Financial Management Information System (FMIS), this project is leading the development and implementation of Integrated Budget and Accounting (iBAS++), which is a centralized on internet and oracle-based software. Build and sustain government employee database is one of the major components of strengthening PFM reforms. Through online pay fixation and online pension fixation, the database of existing government officers and pension-holders have been developed for the first time under this project. Electronic submission of bills by drawing and disbursing officers as well as self-drawing officers through using iBAS++ software. Online pay fixation and online pension fixation help to reduce corruption and prevent any sort of misuse of public money. Through online pay bill submission, concerned officers are able to know about the status of his/her own Pay bill as well as his/her

amount of GPF, loan and advances are being updated automatically which helps to ensure transparency.

The Impact

- Creation of a reliable database for employees have a huge positive impact in preparing credible budget estimate for the salaries and pension of government employees.
- Online verification of pay fixation of 10.37 lacs government employees have been completed, which helps to detect the fake employees if there is any and also who have been left out automatically, so that fake employees cannot receive salaries by means of forgery.
- Online verifications of 5.15 lac pension holders have been completed, which helps to reduce the harassment of retired government employees and detect the fake pension holders.
- Online pay bill submission has been started on pilot basis, based on the result of which will be replicated in other government offices.
- The new FMIS system (iBAS++) will provide an enhanced financial control framework and support financial decision making at all levels of government through providing reliable and timely financial information and deliver services to ensure accountability to Parliament and the public.