

**SUGGESTED TRAINING PROGRAM
FOR USING PRIVATIZATION GUIDELINES
FOR AUDITORS IN SAIS
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Program (1)

Skills that should be available in SAI's Auditors concerning privatization process.

- a. The skills required by the SAI for privatization auditing.
- b. How should the SAI acquire such required skills for privatization auditing in a cost-effective manner.

Program (2)

SAI's participation in privatization process

Main Topics:

- a. Bidders' accessibility to the SAI's auditing documents.
- b. Considerations of planning for privatization auditing
- c. Issues that should be examined by the SAI.
- d. Objectives thought by the SAI concerning the seller's aims of selling.
- e. Issues considered by the SAI concerning selling time.
- f. Main issues to be investigated by the SAI concerning the seller's appraisal of privatizable enterprise.
- g. Factors to be considered by the SAI concerning the seller's selection of selling method.

- h. Implementation of selling by the seller with integrity and due care to appropriateness of procedures for public enterprise
- i. Steps that should be taken by the SAI to identify the method observed by the state for administering the remaining charges after selling the state-owned-enterprises.

Program (3)

Main Topics:

- a. Steps that should be taken by the SAI to ensure that the seller obtained on external counsel during selling process and with appropriate price.
- b. Auditing risks that should be considered by the SAI concerning the privatizable state-owned-enterprise's staff management.
- c. Steps that should be taken by the SAI to evaluate enterprise marketing.
- d. Information that should be delivered to bidders.
- e. Steps that should be taken by the SAI to evaluate tenders.
- f. How should the SAI evaluate the seller's method for determining which tenders should be incorporates in the list of candidates?
- g. Points that should be examined by the SAI when the seller negotiate with the preferred tenderer.
- h. How should the SAI examine the final negotiations between the seller and the preferred tenderer.

Program (4)

Main Topics:

management of buying operations for privatizable companies

- a. Guarantees that should be taken by the SAI when allowing management, employees or external bidders to obtain the enterprise.
- b. Factors that should be considered by the SAI when assessing the financial value of any incentives that might be provided by the seller to encourage bidders from management or employees to buy the enterprise.
- c. Issues that should be examined by the SAI when auditing the value realized by the seller against money when selling the enterprise for management.

Program (5)

Main Topics:

Comprehensive privatization processes:

- a. Steps that should be taken by the SAI to ensure accessibility of sufficient information and full understanding concerning comprehensive privatization process to facilitate extensive. Participation by qualified people in general who shall be transformed into investors.
- b. Steps that should be taken by the SAI to investigate and examine whether there are rules for intermedi-

ation in the stock exchange.

- c. How should the SAI evaluate the selling operation's transparency, efficiency and legality?

Program (6)

Main Topics:

Bidding operations.

- a. How can the SAI ensure fair and impartial implementation of competitive biddings.
- b. Steps that should be taken by the SAI to ensure that selling by bidding shall lead to an integrated commercial transaction in return for the accepted selling price.

Program (7)

Main Topics:

Floating operations:

- a. SAI considerations for the seller role evaluation when floating bonds in the market.
- b. Why should the SAI evaluate sellers' management method for floating bonds to be sold in the market?
- c. How can SAI evaluate the operation of guaranteeing stock subscription covering when stocks are floated in the market?
- d. How can the SAI evaluate appropriation of some stocks to employees as a part of floating the stocks as a whole for selling?

- e. Issues considered by the SAI concerning the seller's manner for attracting potential investors to buy shares.
- f. How can the SAI evaluate retail market effectiveness concerning stock floating in the market?
- g. Main issues that should be investigated by the SAI for examining stock pricing when bonds are floated in the market.
- h. Issues that should be examined by the SAI when auditing the seller's appropriation of shares to investors.
- i. SAI considerations when examining any procedures for fixing newly issued shares market price after being issued or secondary selling.
- j. Cost/benefit factors that should be considered by the SAI when evaluating how the seller nominated external counselors/contractors for selling operation.
- k. How should the SAI evaluate whether the seller succeeded in budget preparation and cost control of external contractors?
- l. How should the SAI identify and prepare report on costs that occurred due to privatization.