

**SUMMARY OF DISCUSSION
THE SENIOR OFFICIALS MEETING OF THE ESTABLISHMENT OF THE ASEANSAI
October 13–14, 2011, Jakarta, Indonesia**

TIME AND VENUE OF THE SENIOR OFFICIALS MEETING

1. The Senior Officials Meeting (SOM) of the Establishment of the ASEANSAI was held from October 13 – 14, 2011.
2. The meeting took place in Tiara 1&2 Room, Crowne Plaza Jakarta Hotel, Jln. Gatot Subroto Kavling 2-3, Jakarta 12930, Indonesia.

PARTICIPANTS

3. The meeting was attended by 23 delegates from 10 Supreme Audit Institutions of ASEAN Member States. They were:
 - a. Jabatan Audit Brunei Darussalam;
 - b. National Audit Authority of Kingdom of Cambodia;
 - c. The Audit Board of the Republic of Indonesia;
 - d. The State Audit Organization of Lao P.D.R;
 - e. Jabatan Audit Negara Malaysia;
 - f. Office of the Auditor General of the Union, the Republic of the Union of Myanmar;
 - g. The Commission on Audit of the Republic of Philippines;
 - h. Auditor General's Office of Singapore;
 - i. Office of the Auditor General of Thailand; and
 - j. State Audit of Vietnam.
4. The list of delegates can be seen in **ANNEX 1**.

DAY 1: October 13, 2011

OPENING SPEECH

5. The Senior Officials Meeting was officially opened by H.E. Mr. Hadi Poernomo, Chairman of the Audit Board of the Republic of Indonesia. Having welcomed the delegates to the SOM, Mr. Poernomo stated that the meeting was a historical moment. He pointed out the importance of this meeting for the establishment of the ASEANSAI. He looked forward to meeting all the heads of SAIs of ASEAN Member States for the Declaration of the ASEANSAI in Bali this coming November. He also expressed his hope that after the signing of the Agreement, committees could be established and activities could be undertaken to realize the objectives of the organization effectively. The opening speech can be seen in **ANNEX 2**.

KEYNOTE SPEECH

6. H.E. Dr. Marty Natalegawa, Minister of Foreign Affairs of Indonesia, delivered a keynote speech in the opening ceremony. Mr. Natalegawa stated that the establishment of ASEANSAI would contribute a great deal to the common effort of ASEAN Member States to achieve an ASEAN Community that was based on the principles of accountability, good governance and the rule of law. He further noted that the key to success for the eradication of corruption, fraud and

manipulations lay in the concerted effort of all Member States and SAIs to develop transparent and accountable auditing systems and institutions at all levels. For the success of the ASEANSAI, there were three elements that he emphasized, which were the aim of cooperation at enhancing capacity, the engagement and collaboration with all relevant stakeholders, and the role of Supreme Audit Institutions as the guardian of good governance and the rule of law. The keynote speech can be seen in **ANNEX 3**.

SENIOR OFFICIALS MEETING AGENDA

7. The Meeting adopted the agenda, which can be seen in **ANNEX 4**.

AGENDA 1: REVIEW OF THE MEETING AGENDA AND OBJECTIVES

8. As the host of the meeting, the Secretary General of the Audit Board, Mr. Hendar Ristriawan, also acting as the leader of the Audit Board's delegates delivered the agenda of the SOM which would take place in two days. The agenda of the first day was the discussion on the follow up of the Technical Meeting's Result, the draft agreement, the pending matters, and the Declaration and First Assembly of ASEANSAI. The agenda on the second day was social program to visit the mountain of Tangkuban Perahu and the city of Bandung.
9. In reference to the agenda, the objectives of the Senior Officials Meeting were to finalize the draft Agreement, resolve the pending matters that arose from the last Technical Meeting and discuss the agenda of the Declaration and the First Assembly of the ASEANSAI.

AGENDA 2: FOLLOW UP OF THE TECHNICAL MEETING'S RESULT

10. Mr. Hendar Ristriawan reported the follow up of the Technical Meeting's result.
11. After the Technical Meeting, the following activities were undertaken as a follow up of the Technical Meeting result:
 - a. The Summary of Discussion of the Technical Meeting was sent out to the SAIs on August 1, 2011;
 - b. The draft Agreement as of July 26, 2011 which resulted from the Technical Meeting received constructive comments from the SAIs.
 - c. The draft Agreement was revised as of September 28, 2011 and was circulated again to the SAIs before the SOM.
 - d. The comments received from the SAIs consisted of substantial and non substantial matters. The relevant non substantial matters were accommodated in the draft Agreement as of October 10, 2011. While the substantial matters were taken to SOM to be discussed and finalized.
12. Mr. Hendar also notified the pending matters from the Technical Meeting which needed to be resolved during the SOM were concerning financial matters such as the amount of annual contribution, the periode of financial statements, the time of audit of the financial statements the budget year, and concerning the importance of the participation of all SAIs of ASEAN Member States in the Declaration of ASEANSAI.

AGENDA 3: FINALIZATION OF THE DRAFT AGREEMENT

Before the discussion started, the delegates were asked their permission to have the Host, Mr. Hendar Ristriawan, take the lead as the chair of the Senior Officials Meeting. The delegates agreed.

13. Firstly, all the delegates agreed to the Rules of the Proceeding, which can be seen in **ANNEX 5**.
14. The delegates discussed the eleven issues concerning the draft Agreement in the List of Issues to be Discussed in **ANNEX 6**. In addition to the eleven issues, the delegates also discussed some changes proposed by the SAIs of Lao, Malaysia and Brunei Darussalam.
15. On the first issue concerning the title of the Agreement, the delegates agreed on the following matters:
 - The acronym “ASEAN SAI” should not have a space between ASEAN and SAI; thus it would be written as “ASEANSAI” to clearly show that it was an association of SAIs of ASEAN Member States, and not a SAI for ASEAN.
 - The word “ASEAN” would not be written in its full form.
 - The title would be changed to “Agreement on the Establishment of the ASEAN Supreme Audit Institutions (ASEANSAI)”.
16. On the second issue concerning “PREAMBLE”, the delegates agreed on the following matters:
 - The names of the SAIs would be written as preferred by the respective SAIs considering that each SAI had different positions within their respective government system.
 - The clause would be changed to:
“**We**, the delegates (Heads of Supreme Audit Institutions on behalf of):
 - the Government of Brunei Darussalam;
 - National Audit Authority of Kingdom of Cambodia;
 - the Audit Board of the Republic of Indonesia;
 - the State Audit Organization of Lao P.D.R;
 - the Government of Malaysia;
 - Office of the Auditor General of the Union, the Republic of the Union of Myanmar;
 - the Commission on Audit of the Republic of the Philippines,
 - the Government of Singapore;
 - the Government of Thailand; and
 - State Audit Office of Vietnamfor the parties to this Agreement to be referred to singularly as “Member of ASEANSAI” and collectively as “Members of ASEANSAI” are”
 - Each SAI would confirm the correctness of the names after the SOM.
17. On the third issue concerning Article 1 “NAME”, the delegates agreed on the following matters:
 - Referring to the title of the Agreement, the paragraph of Article 1 would be changed to:
“This Association shall be called the ASEAN Supreme Audit Institutions (ASEANSAI).
 - Another paragraph would be added to Article 1 as proposed by the SAI of Lao to be Article 2 as follow:
“The ASEANSAI is a professional organization which is autonomous, independent and non-political.”

18. On the fourth issue concerning Article 2 “OBJECTIVES OF THE ASEANSAI”, the delegates agreed on the following matter:
 - Objective no.4 would be deleted so as to make the Objectives of the ASEAN SAI more specific, thus the Objectives of the ASEANSAI would consist of three points.
19. On the fifth issue concerning Article 4 “MEMBERSHIP”, the delegates agreed on the following matters:
 - In the spirit of the ASEAN, SAIs of all ASEAN Member States should be members of ASEANSAI. If there was a new Member State in the ASEAN, the SAI of that Member State should automatically be a member of the ASEANSAI. In case the SAI declined, then it could withdraw from the membership as ruled by Article 20 on Withdrawal.
 - Article 4 would be changed to “The ASEANSAI membership shall comprise of the Supreme Audit Institutions of all ASEAN Member States.”
20. On the sixth issue concerning Article 12 “RIGHTS AND OBLIGATIONS OF THE MEMBERS”, the delegates agreed on the following matters:
 - Another paragraph would be added to Article 12 which was:
 3. Nothing in this Agreement shall be interpreted as requiring a Member SAI to carry out any act or activity where such act or activity would be contrary to that Member SAI’s national laws, regulations or policies.
 - Thus, Article 12 would consist of 3 paragraphs.
21. On the seventh issue concerning Article 13 “INCOME AND FINANCE”, the delegates agreed on the following matters:
 - The words “voluntary contribution and donations” would not be replaced by “fees” because the first paragraph already explained about the annual financial contribution that would be made by the members (the same meaning as “fees”).
 - The Article would remain the same with a correction in the word “voluntarily” to become “voluntary”; thus, the paragraph would read “The ASEANSAI may accept voluntary contributions and donations which shall form part of its Funds.”
22. On the eighth issue concerning Article 14 “EXPENDITURE”, the delegates agreed on the following matter:
 - The word “activities” would be added; thus, the paragraph would read “The Funds shall be used in accordance with a budget and activities approved by the Assembly.”
23. On the ninth issue concerning Article 17 “ENFORCEABILITY CLAUSE”, the delegates agreed on the following matter:
 - The Article would be deleted because there were no prior instruments, resolutions or working arrangements pertaining to the ASEANSAI. If in the long run, prior instruments, resolutions or working arrangements were found, then adjustments would be made accordingly.
24. On the tenth issue concerning Article 19 “ENTRY INTO FORCE”, the delegates agreed on the following matters:
 - The title of the Article would be changed to “EFFECTIVE DATE” in order to be more specific.
 - The Agreement would be signed by all the heads of SAIs in Bali in November, but considering the fact that the SAIs needed internal clearance from their respective government and the time of completion of such clearance was unknown to some SAIs, the binding effect of the Agreement for such SAIs could only take place after the internal clearance was obtained; thus, the Article was changed to become:

**“Article 19
EFFECTIVE DATE**

1. This Agreement shall be signed by all Members of ASEANSAL.
 2. This Agreement shall be effective on the date of its signing.
 3. In the case of SAs that still need internal clearance in accordance with their national laws and regulations, the binding effect of this Agreement as to such SA shall be subject to the obtainment of such clearance.”
- After the SOM, each SA would process for the internal clearance in their respective country and would notify the SA of Indonesia of the progress before the Declaration.
25. On the eleventh issue concerning the signature page of the Agreement, the delegates agreed on the following matter:
- The signees and whom they represented would be written according to the Preamble; thus, the signature page would read:

“XXXXXX

The Auditor General of Jabatan Audit Brunei Darussalam for the Government of Brunei Darussalam;

XXXXXX

The Auditor General of National Audit Authority of the Kingdom of Cambodia;

XXXXXX

The Chairman of the Audit Board of the Republic of Indonesia;

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The President of the State Audit Organization of Lao P.D.R;

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The Auditor General of Malaysia for the Government of Malaysia;

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The Auditor General of the Office of the Auditor General of the Union, the Republic of the Union of Myanmar;

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The Chairperson of the Commission on Audit of the Republic of the Philippines;

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The Auditor General of Auditor-General’s Office of Singapore for the Government of Singapore;

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The Auditor General of the Office of the Auditor General of Thailand for the Government of the Kingdom of Thailand; and

XXXXXXX

The Auditor General of State Audit Office of Vietnam.”

26. On the twelfth issue concerning three additional articles proposed by the SAI of Malaysia, the delegates agreed on the following matters:
- The proposed article concerning “INTELLECTUAL PROPERTY RIGHTS” would not be included in the Agreement at this stage. It would be taken into consideration upon further developments of the ASEANSAL activities in the long run.
 - The proposed article concerning “CONFIDENTIALITY” would be added to the Agreement as Article 13 with changes to the words “Party” and “Parties” to become “Member/s of the ASEANSAL” to clarify the meaning; thus, the Article would read:

**“Article 13
CONFIDENTIALITY**

1. Each Member of the ASEANSAL shall undertake to observe the confidentiality and secrecy of documents, information and other data received and supplied to the other Members of the ASEANSAL during the period of the implementation of this Agreement or any other agreements made pursuant to this Agreement.
 2. Members of the ASEANSAL shall agree that the provisions of this Article shall continue to be binding between and among them notwithstanding the termination of this Agreement.”
- The proposed article concerning “SUSPENSION” would be added to the Agreement as Article 14 with changes to the words “Party” and “Parties” to become “Member/s of the ASEANSAL” to clarify the meaning; thus, the Article would read:

**“Article 14
SUSPENSION**

Each Member of ASEANSAL reserves the right for reasons of national security, national interest, public order or public health to suspend temporarily, either in whole or in part, the implementation of this Agreement which suspension shall take effect immediately after notification has been given to the other Members of the ASEANSAL.”

27. On the thirteenth issue concerning an additional article by the SAI of Brunei Darussalam, the delegates agreed on the following matter:
- The proposed article concerning “Settlement of Disputes” would not be included in the Agreement because this Agreement was on the establishment of an organization with no obligations borne by the members that had the potential to cause any dispute among the members. Furthermore, in Article 6 paragraph 8, it was stated that “Decisions by the Assembly on any subject shall be made by consensus. Matters on which consensus cannot be reached shall be dropped.”

28. The final Agreement can be seen in **ANNEX 7**.

AGENDA 4: DISCUSSION ON OTHER ITEMS

29. There were four items discussed during this session. They were:
- Financial Matters
 - Establishment of Committees
 - Declaration of the ASEANSAL
 - First Assembly

30. On the Financial Matters, the delegates agreed on the following matters:
- The annual financial contribution by each Member of the ASEANSAI would be USD700 which was as the second assumption proposal. The assumptions that were made and the alternatives offered can be seen in **ANNEX 8**.
 - The periode of financial statements would be January to December.
 - The financial statements would be audited every two years.
 - The periode of the budget would be two years.
31. On the Establishment of Committees, the delegates agreed on the following matters:
- There would be four Committees to be established. They were the Strategic Plan Committee, the Training Committee, the Knowledge Sharing Committee, and the Rules and Procedures Committee. The proposed scheme for the Committees is shown in **ANNEX 9**.
 - The SAIs would later on inform the SAI of Indonesia on which Committee they would like to join.
32. On the Declaration of the ASEANSAI, Mr. Ristriawan explained that there was a change in the timing of the Declaration. It was originally planned to be held on November 16, 2011 in the presence of the President of the Republic of Indonesia, but now it was moved to November 17, 2011 in the presence of all heads of the ASEAN Member States. The tentative programme for the Declaration in Bali in November 2011 can be seen in **ANNEX 10**.
33. On the First Assembly, the delegates agreed that the First Assembly would be held in Bali after the Declaration. The SAI of Indonesia proposed to lead the development of the organization during the first two years after its establishment. Consequently, the SAI of Indonesia would be the host of the First Assembly and the Chairman of the ASEANSAI for 2011-2013.

AGENDA 5: PRESENTATION ON THE NEXT MEETING: THE DECLARATION OF THE ASEANSAI

34. The SAI of Indonesia presented a short film on the venues in Bali that would be used for the hotel accomodation and the events of the Declaration, the First Assembly, the ASEAN Summit, and the social programs.

CLOSING OF THE MEETING

35. The meeting was closed by Mr. Ristriawan. In closing, he briefly summarized agreed points during the meeting as follows.
- The draft Agreement was finalized and could be put forward by their respective SAI for approval from the governments.
 - The pending matters from the Technical Meeting were resolved. They were the amount of financial contribution which was USD700; the period of financial statements which was from January to December; the financial statement which would be audited in every two years; and the budget year which was for two years.
 - The Declaration of the ASEANSAI would be held in Bali, on November 17, 2011 in the presence of all the heads of states/governments.

DAY 2: October 14, 2011

SOCIAL PROGRAM

36. The delegates were taken to the top of the mountain of Tangkuban Perahu in West Java to see its crater lake. Then the delegates went to the city of Bandung where they visited the historical Museum of the Asia-Africa Conference and some commercial sites.

