

**ASEANSAI TRAINING COMMITTEE REPORT**  
**Workshop on Risk-based Approach to Financial Auditing**  
**Quality Hotel, Kuala Lumpur Malaysia**  
**7 to 11 October 2012**

**October 5 to 6, 2013 INSTRUCTORS PRE-WORKSHOP MEETING**

In preparation for the ASEANSAI Workshop on Risk-based Approach to Financial Audit (RBFA) to be conducted on October 7 to 11, 2013, all seven instructors, namely: Mrs. Leila S. Paras and Mr. Eugenio R. Dizon, both from SAI Philippines; Mrs. Hajah Siti Kamariah binti Haji Mohiddin from SAI Brunei Darussalam; Mr. Cris Kuntadi from SAI Indonesia; Mrs. Noor Fatimah binti Wan Hassan from SAI Malaysia; Ms. Wanwarang Tipmanee from SAI Thailand; and Mrs. Elizabeth Teh-Chuah had a two-day pre-workshop meeting at Kasbah Room 7, Quality Hotel on October 5 to 6, 2013. The meeting was facilitated by Mrs. Leila S. Paras, the designated team leader and coordinator of the group. There were minor adjustments made in the sessions, considering the change in the time and also the non-availability of another instructor, Ms. Sunita Charoensilpa from SAI Thailand, who was part of the team who designed and developed the workshop materials in Brunei Darussalam and was replaced by Ms. Wanwarang Tipmanee for the delivery of the course.

**October 7, 2013 OPENING CEREMONY**

The Opening Ceremony was held at the Kasbah Room 7 of the Quality Hotel, City Center Kuala Lumpur, Malaysia on October 7, 2013. The Deputy Auditor General of SAI Malaysia, Datuk Hj. Anwari bin Suri gave the Welcome Remarks emphasizing the importance of the conduct of the ASEANSAI Workshop on RBFA. This was followed by a photo session for all 16 participants from 7 ASEANSAI member countries, officials and guests from the National Audit Department of Malaysia who attended the Opening Ceremony. Attached is the list of instructors, participants and secretariat.

**October 7 to 11, 2013 WORKSHOP ON RBFA**

**Day 1** - The Workshop started with the session on Setting the Learning Climate facilitated by Ms. Leila S. Paras and Mrs. Elizabeth Teh-Chua. The session had two parts, the first part is the Icebreaker and Getting to Know exercise and the second part is the expectations setting. This session enabled the participants, the instructors and the members of the Secretariat to get to know each other and set a harmonious learning climate as well as know the personal objectives, workshop objectives and expected outcome of the workshop. This was followed by Session 1.1 Overview of the RBFA Process which discussed the different phases of the RBFA and the activities under each phase which will be discussed

in more detail in each session for the next five days. This was likewise facilitated by Mrs. Leila S. Paras and Mrs. Elizabeth Teh-Chua.

Session 1.2 Preliminary Engagement Activities focused on the preliminary activities that the auditor needs to carry out before carrying out the engagement. The facilitators for this session were Ms. Leila S. Paras and Mrs. Noor Fatihah binti Wan Hassan.

The last session for the first day was Session 1.3 Developing Overall Audit Strategy which was facilitated by Mrs. Leila S.Parasand Mr. Cris Kuntadi. The session discussed the elements of an overall audit strategy. In both Sessions 1.2 and 1.3, the participants were required to work on a Case Study: Caribe Electric Authority which required them to prepare the templates documenting the activities performed in the RBFA process. The same case study was used throughout the five-day workshop which required the participants to prepare the required templates to document the output of the audit.

**Day 2** - The next day started with Session 2.1 Understanding the Entity and Its Environment which discussed the documents to be gathered in obtaining an understanding of the entity which will enable the auditor to assess the risk of material misstatements.The facilitators for this session were Mr. Eugenio R.Dizon and Ms. Wanwarang Tipmanee. In the afternoon of Day 2, Session 2.2 on Understanding the Entity's Internal Control was facilitated by Mr. Eugenio R. Dizon and Mrs. Elizabeth Teh-Chua. The session focused on how to gather information about the entity's internal control framework that are relevant to the audit such as: control environment; entity's risk assessment process;; information systems including business processes, relevant to financial reporting and communication; control activities; and monitoring.

**Day 3**–Session 2.3 on Understanding the Entity's Information Framework discussed about how to obtain and document an understanding of the information system, including the related business processes, relevant to the financial reporting and to identify potential controls within the system that may be relied upon. The session was facilitated by Mr. Eugenip R. Dizon and Mrs. Hajah Siti Kamariah binti Haji Mohiddin. The next session, Session 3.1 Identifying and Assessing Risk of Material Misstatements was facilitated by Ms. Wanwarang Tipmanee and Mr.Cris Kuntadi. The session focused on how the auditor assesses the risks of material misstatements at financial statement level and the assertion level for classes of transactions, account balances, and disclosures to provide a basis for designing and performing further audit procedures.

**Day 4** – Session 3.2Linking Controls to Assertions explained how the auditor should identify the controls that are likely to prevent, or detect and correct, material misstatement in specific assertions. This session was facilitated by Mrs. Elizabeth Teh-Chua and Mr. Cris Kuntadi. This session was followed by Session 4.1 Designing Further Audit Procedures which discussed how the auditor designs and implements overall responses to address the assessed risks of material misstatements at the financial

statement level and at the assertion level. This session was facilitated by Mrs. Hajah Siti Kamariah binti Haji Mohiddin and Mrs. Noor Fatimah binti Wan Hassan. This session was followed by Session 4.2 Obtaining Audit Evidence and Documenting the Audit which was likewise facilitated by Mrs. Hajah Siti Kamariah binti Haji Mohiddin and Mrs. Noor Fatimah binti Wan Hassan. The session discussed how the auditor obtains audit evidence, the sources of audit evidence and the methods of obtaining audit evidence in support of both testing of controls and substantive audit procedures.

**Day 5** - Session 5.1 Accumulating and Evaluating Misstatements focused on how the auditor accumulates misstatements that could potentially affect the opinion in the auditor's report and evaluates the aggregate effects of misstatements on the financial misstatements. This was facilitated by Mr. Cris Kuntadi and Mr. Eugenio R. Dizon. The last session, Session 5.2 Forming and Reporting Auditor's Opinion explained how the auditor uses the evaluation of the various types of misstatements identified during the audit to form an appropriate opinion on the financial statements. This session was facilitated by Mr. Cris Kuntadi and Ms. Wanwarang Tipmanee.

**Session 6.1** on Action Plan and Wrap-up which was facilitated by Ms. Leila S. Paras required the participants to prepare a Commitment Plan on what they plan to do to apply RBFA when they go back to their respective SAIs. A report on the implementation of their commitment plan shall be submitted to the ASEANSI Secretariat within six months from the end of the Workshop.

The **Closing Ceremony** was held at the Saloma Bistro and Theatre at 8:00p.m., hosted by the National Audit Department of Malaysia. This was attended by H.E. Tan Sri Dato' Setia Hj. Ambrin bin Buang, the Auditor General; Honorable Datuk Hj. Anwari bin Suri, Deputy Auditor General – Federal Audit; Honorable Dato' Mustafa bin Hj. Saman, Deputy Auditor General – State Audit; other officials from the National Audit Department; Mrs. Yuli Puspitasari and Ms. Zusana Gertruida Frans, representatives of the ASEANSI Secretariat and other distinguished guests. In the closing programme, the representative of the participants, Mr. Baruddin Tuah of Brunei Darussalam gave his reflection of the workshop and Mrs. Leila S. Paras the coordinator and the representative of the Chair of ASEANSI Training Committee gave a message while H.E. Tan Sri Dato' Hj. Ambrin bin Buang, the Auditor General of the National Audit Department of Malaysia delivered the closing message. The group was treated to a sumptuous dinner and a cultural show. Some of the participants and instructors enjoyed dancing the "bamboo dance" with the dancers, to the audience's delight. After the dinner and cultural show, the Auditor General and Deputy Auditor General Datuk Hj. Anwari bin Suri distributed the certificates and tokens to the participants and the instructors.

### **October 12 to 13, 2013 INSTRUCTORS POST-WORKSHOP MEETING**

The post-workshop meeting of the instructors was held at the Kasbah Room 7, Quality Hotel. As a result of the debriefing sessions of the instructors at the end of each day's session, it was decided that there

should be minor changes that need to be done on some sessions. Session 3.1 Identifying and Assessing Risk of Material Misstatements and Session 3.2 Linking Controls to Assertions should be consolidated into one session. Session 4.2 Obtaining Audit Evidence and Documenting Audit should include as an exercise the identification of the methods of obtaining evidence and documentation for the tests to be conducted for the Caribe Electric Authority Case Study. Session 5.2, Forming and Reporting Auditor's Opinion should include as an exercise the identification and forming of the opinion for the Caribe Electric Authority case study based from the results of accumulating and evaluating misstatements templates in the previous session. The necessary changes were done by the respective instructors during the two-day post-workshop meeting .