

Report Activities

2017



ASEAN Supreme Audit Institutions

FOREWORD

Since its establishment on November 16th, 2011, the ASEAN Supreme Audit Institutions (ASEANSAI) which comprises of the 10 member States has remarkably and continually developed its organization, pursuing its targeted goals and objective by enormous investing in technical capacity building and development of public audit for all member of ASEANSAI, contributing to the rule of laws and promoting good governance.

ASEANSAI with its Committees; Strategic Planning Committee, Knowledge Sharing Committee, Training Committee, Rules and Procedures Committee along with the Secretariat have actively and successfully implemented the ASEANSAI Strategic Plan 2014-2017 into practice. A number of productive activities have been conducted by the Committees.

In 2017, ASEANSAI has made a number of accomplishment including; (1) Signing the Memorandum of Understanding (MoU) with the Swedish National Audit Office (SNAO); (2) Revising the Rules and Procedures to serve a better needs of ASEANSAI; (3) Continuing the implementation of Long-term Programme on ISSAI Implementation; (4) Delivering the training and knowledge sharing workshop on Quality Assurance and Land & Mineral Resources Audit, Complaint Letter Audit and (5) appointment of the long term of ASEANSAI Secretariat.

Furthermore, ASEANSAI also have successfully developed the Strategic Plan 2018-2021 which outlines focal development targets and prioritized projects to be implemented with the aims to strengthen the capacity and to promote good governance in ASEAN regions.

I would also like to highlight the regional and inter-regions cooperation of ASEANSAI. In February 2018, ASEANSAI presented its profile and role at the 51st ASOSAI Governing Board Meeting held in Bali, Indonesia. In addition to that, in September 2017, ASEANSAI also had the opportunity to make a presentation on the activity progress and discussed the future cooperation with IDI at the IDI Regional Workshop in Oslo, Norway. Sequentially, IDI agreed to support ASEANSAI in the field of ISSAI-based Financial Audit in 2018 - 2019. At the sub-regional level, AIPA invited ASEANSAI to deliver speech on the importance of SAI Independence at the 38th AIPA General Assembly in Manila, Philippines.

I hope this report will provide an overview on the ASEANSAI activities during 2017.

Dr. Mrs. Viengthong SIPHANDONE

Chairperson ASEANSAI

President of the State Audit Organization of Lao PDR



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ACTIVITY REPORT OF THE ASEANSAI 2017

I. INTRODUCTION

ASEANSAI was declared at the Summit of ASEAN Member States on November 16, 2011, during the 19th ASEAN Summit in Nusa Dua, Bali, Indonesia. The establishment was officiated by the signing of ASEANSAI Agreement by ten Head SAs in ASEAN. All SAs in ASEAN have supported and given strong commitment to build SAs capacity together through the ASEANSAI.

ASEANSAI was designed to stand independently and professionally based on the core value of togetherness, sharing, understanding, respecting and enhancing as a part of the ASEAN Community.

As an independent, autonomous, and non-political organization, ASEANSAI becomes a forum to enhance capacity and collaboration in the field of public sector auditing in ASEAN region. One of its objective is to contribute positively and constructively to the ASEAN Community. This is implemented by exchanging knowledge and experience in conducting audit in each member SAI. In achieving its objectives, ASEANSAI has been acknowledged as an entity associated with the ASEAN in February 2013.

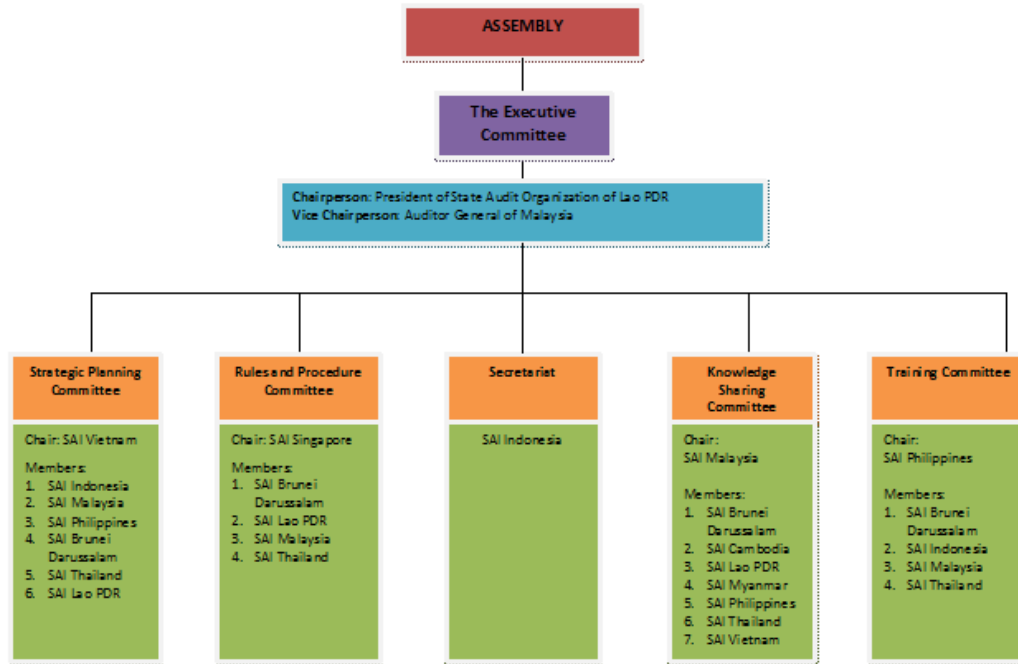
The ASEANSAI members comprises of 10 SAs of the ASEAN Member States. It consists of four important bodies; Assembly, Executive Committee, Secretariat and the Committees. Assembly, as a decision-making body, is composed of all ASEANSAI members who serves as the Auditor General or Head of each SAI while Executive Committee comprises of the Chairperson and Vice Chairperson of ASEANSAI.

Meanwhile in November 2017, the Chairmanship of ASEANSAI was handed over from SAI Cambodia to SAI Lao. Through the inauguration held at the 4th ASEANSAI Summit, SAI Lao and SAI Malaysia as the ASEANSAI Chairperson and Vice Chairperson will lead the organization for the period of 2018 – 2019.

In addition to that, Secretariat which was previously divided into Secretariat Function and Administration Function merged to be single Secretariat through the approval made during the 4th ASEANSAI Summit. ASEANSAI Summit also agreed on the appointment of SAI Indonesia to be the longer term ASEANSAI Secretariat for period 2018 – 2023.



ORGANIZATION STRUCTURE OF ASEANSAI 2018-2019



Note:
 President of State Audit Organization of Lao PDR : Mrs. Viengthong Sipheudone
 Auditor General of Malaysia : Tan Sri Dr. Madinah Mohamed
 Head of Secretariat : Mr. Bahtier Arif

II. ASEANSAI ACTIVITIES

1. ASEANSAI Secretariat

One of the tasks of Secretariat is to assist the Executive Committee in managing the works of the Assembly; provide administrative and communication support, including maintaining relation with External Stakeholders.

The activities undertaken by Secretariat in 2017 covers the following:

a. GIZ – ASEANSAI Evaluation Mission

With the continued support from GIZ, ASEANSAI has developed its potential as the regional organization through the sharing of knowledge and experience between the fellow members and other external stakeholders. Therefore, the Evaluation Mission was held to evaluate the existing cooperation between GIZ and ASEANSAI as well as to formulate the upcoming cooperation scheme and next steps to resolved the remaining-outstanding issues within ASEANSAI.

The meeting for this Mission was held on 23 January 2017 in the Headquarter of BPK, Jakarta. The results of the meeting are as follow:

- 1) The need for Knowledge Management System as a center to organize and document the paperwork and the existing network of ASEANSAI.
- 2) The need for systematic approach, on the shape of GIZ integrated expert's involvement in ASEANSAI activities, to strengthen the capacity of younger SAls.
- 3) Trilateral cooperation should be further established in order to close capacity gaps between member SAls.
- 4) Proposed consideration for ASEANSAI to become the External Auditor for ASEAN. By playing this role, it would significantly add to the professionalization of ASEANSAI, while improving transparency and efficiency of ASEAN. It would, furthermore, imply the institutional strengthening of ASEAN.
Additional goal on ASEANSAI Strategic Plan could be further strengthening the member SAls' independency.
- 5) The evaluation team recommended an extension for the cooperation for 2 to 3 years, from January 2019 to maintain the achieved results and to ensure the sustainability of the organizational structures.

b. ASEAN German Review Meeting

In regard to the cooperation between German Development Cooperation and ASEANSAI within the framework "Support to ASEANSAI Programme" through GIZ, the German Federal Ministry for Economic Cooperation and Development (BMZ) in early 2017 was



preparing the next stage of commitment toward economic partnership with the German Government.

A Review Meeting between representatives from German Government and ASEANSAL was conducted on 7 February 2017 to discuss the cooperation that has been established between ASEANSAL with German Government and the possibility of cooperation in the future.

In summary, the meeting discussed:

- 1) Cooperation between German Government and ASEANSAL
The cooperation development since 2013 where some of ASEANSAL activities has been successfully conducted with the support from German Government.
- 2) Achieved results of ASEANSAL with the support from German Government
The achievements include the implementation of Monitoring and Evaluation System (MES), development of organizational structures thru comparative study to SAL Chile as OLACEFS Secretariat, and dissemination of ISSAI implementation thru Long-term ASEANSAL Program on ISSAI Implementation (LTAPII).
- 3) ASEANSAL influence toward the ASEAN region
ASEANSAL plays the role in developing the capacity of member SALs in the field of public sector audit from the institutional level, organizational level, and professional level. In addition, ASEANSAL also plays the part in strengthening the independency of SALs, implementing Agenda 2030 for sustainable development, encouraging the member to be External Auditor for ASEAN.
- 4) Expectation from the cooperation of German Government - ASEANSAL
ASEANSAL expecting the support from German Government in developing the Strategic Plan, strengthening the Secretariat, and developing the Knowledge Management System.

c. ASEAN Inter-Secretariat Retreat

The first ASEAN Inter-Secretariat Retreat was held on February 13-14, 2017 in Bali, Indonesia. It was attended by representatives from the following ASEAN agencies, namely: ASEC, AIPA, ASEANSAL, ASEAN Centre for Biodiversity (ACB), ASEAN Institute for Green Economy (AIGE), ASEAN Foundation (AF), ASEAN Coordinating Centre for Humanitarian Assistance (AHA Centre), ASEAN Centre for Energy (ACE) and ASEAN Business Advisory Council (ABAC).

In 2012, the ASEAN Secretariat (ASEC) and AIPA Secretariat convened its first "retreat" in Bali, to explore intensifying inter-secretariat cooperation and opportunities, particularly in sharing of best practices on communication and information/promotional materials. ASEC delegation was led by the then Deputy Secretary-General (DSG) Bagas Hapsoro, while the AIPA delegation was led by then AIPA Secretary-General, PO Ram. After a four-year interval, the two secretariats held a follow-up informal meeting in ASEC in November 2016. The meeting was to welcome the newly appointed AIPA SG, Isra Sunthornvut, and to discuss prospects to resume the forum of cooperation initiated



during the Bali Retreat in 2012.

The exchange of views and sharing of information among ASEC, AIPA and ASEANSI at this informal meeting was considered useful. Participants felt it would be beneficial to share the same with other ASEAN-related institutions and entities, in particular, those based in Jakarta. From here, the idea for an inter-secretariats retreat involving greater number of ASEAN-related institutions and entities was thus born.

The Retreat discussed and exchanged views on ways and methodologies to:

- 1) "Lower the fences" between and among centres/secretariats to forge mutual understanding and knowledge of each other's roles and mandates;
- 2) Strengthen partnership between centres/secretariats e.g. through corporate cooperation to lower operational and administrative costs;
- 3) Synergise communication efforts to build up the ASEAN brand, and
- 4) Plan joint-activities to commemorate the 50th anniversary of ASEAN.

The results of the meeting are as follow:

- 1) Participants appreciated the initiative for such an inter-secretariat meeting/retreat and look forward to synchronising the communication strategies and enhancing cooperation in corporate affairs matters. It was expressed to sustain and institutionalise such gathering on a regular basis.
- 2) Participants agreed on the sharing of communications materials, such as publications, photo databases, press releases or media bulletins. ASEC also encouraged ASEAN institutions to have common elements in the front page of each web-site, such as the ASEAN emblem, the three ribbons, same colour scheme, and a link to the ASEAN website.
- 3) Participants further agreed to share the contact list of their communication and publications focal points. ASEC will manage the coordination of the focal persons.

d. GIZ – ASEANSI Activity Management Workshop

Conducting regional activities is one major task of the ASEANSI Chairmanship as well as the Committees. The activities are designed and conducted by the different Committees which contribute to the achievement of the ASEANSI goals, as anchored in the Strategic Plan.

During the Strategic Planning Workshop for the New Plan of 2018-2021, conducted in February 2017 in Bali, it became apparent that roles and responsibilities between SAs, but especially between different committees, the Chairs and the Secretariat, are not always clear.

This has an impact on the way Monitoring and Evaluation (M&E) is currently implemented and, thus, how knowledge and learning are being documented. Knowledge Sharing is a key, however, to improve the processes within ASEANSI and, eventually, achieve the agreed strategic goals. Therefore, workshop on Activity Management was held for three days, from 25 to 27 April 2017 in National Audit Academy of SAI Malaysia, Nilai, Malaysia.



16 participants from 8 ASEANSAL members' countries (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam) and 2 representatives from GLZ joined the workshop.

In summary, the results of the meeting are as follow:

- 1) Participants worked out a set of synchronized and amended templates for Activity Management, consisting of 7 documents. It was agreed that those documents will be circulated and, from now on, be used for all ASEANSAL activities.
- 2) Participants further committed to share the templates and their learnings in Activity Management in their respective SAs.
- 3) Good practices, challenges and needs regarding communication in ASEANSAL were also discussed and through teambuilding and exchange of contact details a basis developed for participants to have easy access and entry points for reaching out to their peers in other SAs in the future.
- 4) Participants were given the chance to reflect on their own roles within ASEANSAL and formulate their expectations towards their colleagues.
- 5) In an attempt to clarify roles and responsibilities, it became clear that each type of activity might need different distribution of tasks and responsibilities.
- 6) Challenges in applying the Monitoring and Evaluation (M&E) System of ASEANSAL were discussed and a number of next steps/ solutions developed. Four M&E tool templates (Participants' Evaluation Sheet, Activity Assessment, Committee Report, Annual Report) were discussed in groups and amended in an attempt to make them easier to apply in the future and to be fed into the currently revised M&E Guidelines.

e. Forum of Entities Associated with ASEAN "Forging Ahead Together"

Article 16 of the ASEAN Charter envisions a working engagement between ASEAN and its associated entities. The ASEAN Secretariat (ASEC), specifically the Community Relations Division (CRD), is mandated to monitor the status of entities and levels of engagement of each entity associated with ASEAN and facilitate the accreditation process of entities seeking association. In executing its mandate, CRD views that more effort is needed to raise the entities' level of awareness about ASEAN, especially as ASEAN celebrates its 50th anniversary in 2017.

The 1st Forum of Associated Entities was therefore convened in the office of ASEC Jakarta (4 May 2017) to brief the Entities on their potential contributions in implementing ASEAN Vision 2025, their privileges and obligations as associated entities, and plans to commemorate the 50th anniversary of ASEAN.

A total of 153 participants representing 55 entities associated with ASEAN, entities seeking accreditation with ASEAN, an ASEAN-related centres took part in the Forum. Other participants included the Permanent Representatives (PRs) of Brunei Darussalam, Malaysia, Myanmar, and members of the CPRs from Cambodia, Indonesia, Lao PDR, Philippines, Singapore, and Vietnam. Other notable participants included the First



Secretary (ASEAN Affairs) of Embassy of the Federal Republic of Germany and representatives from the GIZ cooperation program. The Community Affairs Directorate and relevant officers from the ASEAN Secretariat were also present.

During the Forum, participants were introduced to one another to strengthen the relations and to build further networking amongst ASEAN entities/related agencies. Participants were also informed about the three pillars of ASEAN: Political Security Community, Economic Community and Socio-Cultural Community and how they can contribute in implementing the Blueprint 2025.

Further, the awareness of participants on their privileged and obligations as entities associated with ASEAN were also raised. The Speakers from ASEC highlighted the areas of responsibilities and the meant to be an ASEAN associated entity. Various views and insights were exchanged during the Q&A session.

Participants were also briefed the preparation of 50th anniversary of ASEAN and the use of anniversary's logo within the entities. The regional commemorative activities to celebrate the ASEAN's Golden Jubilee will include; (a) Tribute to Founding Fathers; (b) ASEAN Youth Social Entrepreneurship Awards; and (c) ASEAN Heroes of Biodiversity.

At the end of the Forum, participants also agreed to exchange the publications, updates, news, and information to widen the networks and deepen the partnership as a way forward.

f. Socialization of ASEAN Social Media

In relation to earlier "Workshop on Social Media Strategy and Utilization" and development of Standard Operating Procedures (SOP) implemented by ASEAN Secretariat (ASEC), socialization of the use of social media for the staff and ASEAN entities is perceived necessary to enhance the cooperation between divisions at ASEC as well as between ASEC with the entities.

As a follow up, ASEC organized the "Socialization of ASEAN Social Media" by inviting representatives from the entities associated with ASEAN and staff amongst the divisions of the ASEC on 29 May 2017 in the office of ASEC Jakarta.

The main purpose of this meeting is to enhance the cooperation between the divisions of the ASEAN Secretariat and the cooperation between the ASEAN Secretariat in particular the Community Relations Division (CRD) with the entities associated with ASEAN to build the ASEAN brand on the social media platform.

The meeting which was attended by representatives from entities associated with ASEAN and the ASEAN Secretariat resulted the agreement on the exchange of publications, news, and information between the entity and ASEC which will be published in the ASEAN social media platforms. Currently, ASEC has 3 major platforms; Facebook, Twitter, and Instagram.

Entities who wants to load their news content in the ASEAN platform are expected to:

- 1) Deliver the news content at least 3 days in advance.
- 2) Deliver the post for Facebook with no more than 75 words and post for Instagram



with no more than 100 characters.

g. GIZ support to ASEANSAL Strategic Planning Workshop

The GIZ Support to ASEANSAL project is running in its second phase from May 2015-December 2018. After the 4 consecutive years of project support to ASEANSAL, it is come the time to take stock achievements gained so far and to develop an outlook for the remaining months of the project.

While the GIZ project team needed space to internally review its work and develop a joint outlook, aligned the orientation with the needs of ASEANSAL and its members SAls; and developed an outphasing strategy for the project; a Strategy Planning Workshop is held on 13th July 2017 at Mesa Stila, Magelang. The workshop provided space for GIZ internal project coordination and planning works and included ASEANSAL Secretariat for levelling off, joint discussion, align the strategy, and outlook the ASEANSAL and the GIZ project.

Objectives of the workshop are:

- 1) To develop an outphasing strategy for the GIZ-ASEANSAL project;
- 2) To update and concrete the activity/operational plan for July 2017-December 2018 along with the outphasing strategy; and
- 3) To develop a communication strategy for the GIZ-ASEANSAL project (towards ASEANSAL members & donor partners).

During the workshop, participants were actively discussed the achievements and challenges of ASEANSAL, prioritization of ASEANSAL activities, and presented possible supports for the ASEANSAL activities in the remaining periods.

As the results of the workshop, participants were agreed on:

- 1) Communicating the plan to conduct Donor Coordination Meeting to member SAls as a side meeting of Summit 2017.
- 2) Raising the issue of windows of opportunities for ASEANSAL to the Heads of SAls/Top Management.
- 3) Raising the issue of "ASEANSAL/GIZ closing activity" to engage with the Heads of SAI and facilitating the strong content dialogue that also show a high visibility to the international development partners.

h. The 4th Senior Officials Meeting

The 4th ASEANSAL Senior Officials Meeting (SOM) was held in Siem Reap, Cambodia from 1 to 2 August 2017. The meeting aims to finalize ASEANSAL documents and discuss some outstanding matters which will be endorsed at the 4th ASEANSAL Summit. The meeting was preceded by a speech from Mr. Hendar Ristriawan (Secretary General) as the Head of ASEANSAL Secretariat Function and continued by opening speech from H.E. Mrs. Som Kim Suor, Chairperson of ASEANSAL and Auditor General of the National Audit Authority



of Cambodia.

In her speech, Her Excellency Mrs. Som Kim Suor sought continuous supports from all developing partners and requested all SAI members to work hand in hand to implement strategic plan and work plans of all committees for ASEANSAL mutual benefit.

The meeting was led by Mr. Hendar Ristriawan as the Head of Secretariat Function and accompanied by Mr. Sophat Chea as the Head of Administration Function to discuss finalization of the revision Rules and Procedures, finalization of the ASEANSAL Strategic Plan 2018 – 2021, synchronization of the Committee's Work Plan, progress report of the Long-Term ASEANSAL Programme on ISSAI Implementation (LTAPII) and other issues (Financial Statement, budget preparation, appointment Chair of Committees, Secretariat and ASEANSAL Auditor, status cooperation with donors and proposal for External Auditor of ASEAN).

Attended by 37 senior officials including two representatives from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the meeting agreed to endorse the documents at the 4th ASEANSAL Summit which will be held in November 2017 in Vientiane, Lao PDR.

During the meeting, representative from GIZ, Mr. Daniel Blessing as the Principal Advisor deliver a presentation on the results of GIZ project mid-term evaluation review between ASEANSAL and GIZ. He also conveyed the project handover strategy which will be focused on the (1) transfer of processes and practices into the sole responsibility of ASEANSAL bodies, (2) collaboration to highlight learning and innovation of ASEANSAL and (3) identification of windows of opportunities for ASEANSAL. At the end, GIZ recommend the area of cooperation with ASEANSAL for the next remaining months before termination of memorandum of understanding between ASEANSAL and GIZ.

The meeting participants also agreed upon the ASEANSAL Summit Agenda on 6 November 2017 which includes the Donor Coordination Meeting held on 5 November 2017 in Vientiane, Lao PDR. The Donor Coordination Meeting (DCM) aims to build relations between ASEANSAL and (potential) partners/donors as well as give space for networking among donors and identify potential areas of cooperation between ASEANSAL and Donors.

i. Pre-handover of ASEANSAL Chairmanship

Pre-handover of the 4th Chairmanship from SAI Cambodia and to SAI Lao was conducted on 2 August 2017 after the 4th Senior Officials Meeting in Siem Reap, Cambodia witnessed by SAI Indonesia as the Secretariat. The meeting objective is to discuss and prepare of the 4th ASEANSAL Summit in November 2017 and also the transfer of Chairmanship.

SAI Cambodia transfers its experience and knowledge in chairing the ASEANSAL for two years period, including the focal person, technical and operational communication and relations between Chair and the Secretariat. The meeting also actively discussed about the lesson learned, best practices obtained from SAI Cambodia's Chairmanship and



expected relations between new Chairmanship and the Secretariat.

j. 38th AIPA General Assembly

Mr. Hendar Ristriawan, the Head of ASEANSI Secretariat, accompanied by Mr. Wahyudi (SAI Indonesia) and Mr. Sophat Chea (Head of Administration Function - SAI Cambodia), attended the 38th ASEAN Inter-Parliamentary General Assembly 15 - 17 September 2017 in Manila Philippines. More than 300 delegates from 10 parliament institutions ASEAN countries and from 9 countries outside ASEAN and 3 institutions as the observer such as Korea, Australia, Japan, Russia, EU, China and Belarus were also took part in this event.

The heads of delegates were also invited to courtesy call with H.E. Pantaleon D. Alvarez, the Speaker of the House of Representatives of the Republic of Philippines and President of ASEAN Inter-Parliamentary Assembly (AIPA).

At first plenary session of General Assembly, on behalf of ASEANSI, Mr Ristriawan delivered speech on the importance of SAI independency especially in ASEAN region. He pointed that ASEAN should embody the synergy among government stakeholders and private through strengthening the governance and transparency. In this case, SAI has the important role in encouraging the good governance practices and transparency in public sector.

Mr. Ristriawan highlighted that good cooperation between Parliaments and SAIs is strategic. The ensuring of SAI independence, as well as ensuring Parliamentary oversight, are sustainable benefits that ultimately serve as a safeguard of the bountiful future we all wish to pass on. Parliament may support SAI to be more functionally and organizationally independent through promoting awareness among parliaments on the essential of SAI independence, through supporting the establishment and protection of the SAI's mandate with a strong constitutional and legal framework and through ensuring the actual application of the provisions of the framework. When a SAI is both empowered and required by the Constitution to report its findings annually and independently to Parliament or any other responsible public body, the following extensive distribution and discussion will ensure and enhance opportunities for enforcing the findings of the SAI.

Therefore, ASEANSI has initiated cooperation with AIPA to socialize the SAI Independence principles to the parliaments in Southeast Asia region.

k. Donor Coordination Meeting

The ASEANSI Donor Coordination Meeting was held on 5 November 2017 in Landmark Mekong Riverside Hotel, Vientiane, Lao PDR attended by 44 delegates from members SAI and development partners.

During the meeting, ASEANSI Committee (Strategic Planning Committee, Training Committee, and Knowledge Sharing Committee) presented the prioritized projects. Strategic Planning Committee has 2 prioritized projects; (1) Coordination with Committee Chairs on upgrading the current Monitoring & Evaluation System (MES); and



(2) Support the development of ASEANSI Strategic Plan 2022-2027.

While on the other side, Training Committee has 3 prioritized projects; (1) Follow-up Workshop on the Audit of Public Procurement (FUWAPP); (2) Workshop on Audit on Preparedness of Countries for Implementation of Sustainable Development Goals (SDGs); and (3) Workshop on SAI Performance Measurement Framework (SAI PMF) for future assessors.

Lastly, Knowledge Sharing Committee has 2 prioritized projects; (1) Good practices on SAI Independence; and (2) Sustainable development related issues.

In response to presentation from the Committees, Development Partners expressed their support to ASEANSI as follows:

- 1) SAI Norway offered to provide expertise on SAI PMF through sharing of experience.
- 2) Swedish National Audit Office (SNAO) confirmed to continue the support on LTAPII and to provide expertise on Strategic Plan to assist the Strategic Planning Committee in developing the next Strategic Plan.
- 3) GIZ offered its support in upgrading the MES.

In the future, the coordination and sharing information between Development Partners who work with SAI in ASEAN as well as ASEANSI, would be conducted by distributing ASEANSI Newsletter and development of portal information that serves as ASEANSI-Development Partners forum which will be put further in the ASEANSI website. ASEANSI Secretariat will become the lead in creating the portal and expect input from each of Development Partner to achieve a comprehensive overview on the activities.

Further, it was also agreed that in focusing the support to ASEANSI as organization and its regional activities, a scoping mission as an initial activity must be conducted before Development Partners getting engaged with ASEANSI. This is for befitting the expectation between Development Partners and ASEANSI as well as defining the area of cooperation and clarifying the needs of the SAIs.

I. The 4th ASEANSI Summit

The 4th ASEANSI Summit was held on 6 November 2017 in Vientiane, Lao PDR and officially opened by H.E. Mr. Sonexay SIPHANDONE, Deputy Prime Minister of the Lao PDR. Main agenda of this meeting is the handover of ASEANSI Chairmanship from National Audit Authority Kingdom of Cambodia to Sate Audit Office of Lao PDR. In addition to that, the meeting also endorsed the ASEANSI Strategic Plan for the period of 2018-2021, approved the revision of ASEANSI Rules and Procedures, approved the Committee's Work Plan for 2018-2019 and appointment of long-term Secretariat.

Dr. Viengthong SIPHANDONE, Auditor General Lao PDR was inaugurated as the ASEANSI Chairperson for the period of 2017-2019. While the Audit Board of the Republic of Indonesia was appointed as the long term Secretariat for the period of 2017-2023 and Office of Auditor General of Thailand was re-appointed as the ASEANSI Auditor.



During the meeting, the Committee's Chairs, Head of Administration Function and Head of Secretariat Function delivered the activity report on its performance for the period of 2015 until 2017 and the Work Plan of each committee for the next two years.

The ASEANSAT Summit was attended by 60 participants consist of all Head of SAIs in ASEAN Region, delegates from SAI members, development partners, and embassies of ASEAN countries.

2. ASEANSAT Committee Activities

a. Strategic Planning Committee

1) The 8th Strategic Plan Committee Meeting on Developing the ASEANSAT Strategic Plan 2018-2021

In the framework of 2017 workplan of Strategic Plan Committee (SPC) in particular and ASEANSAT as a whole, the 8th SPC Meeting on developing the ASEANSAT Strategic Plan (SP) 2018-2021 was conducted in Bali, Indonesia from 16 to 18 February 2017.

The meeting was attended by technical level representatives from seven SPC members, representative of Chair ASEANSAT (National Audit Authority of Kingdom of Cambodia) and GIZ's experts.

On the opening session, Dr. Harry Azhar Azis, Chairman of the Audit Board of the Republic of Indonesia (BPK) as the host SAI of the event, delivered a welcome speech in which he emphasized the importance of developing the SP for new period while the SP 2014-2017 is coming to an end.

Afterward, on behalf of SAI Vietnam's (SAV) Auditor General as the Chair of SPC, Mr. Phan Truong Giang, Deputy Director General of International Cooperation Department, gave opening remarks in which clearly mentioned the objectives of the Meeting and developing the draft SP 2018-2021.

The meeting agenda focused on finalizing relevant input materials for development of new SP including survey questionnaire results, the 2015-2016 results report on ASEANSAT SP implementation, ISSAI 12 Review, Benchmark with INTOSAI, ASOSAI SP in developing ASEANSAT SP 2018-2021; SWOT analysis of ASEANSAT SP 2014-2017 and particularly making contribution to the first draft SP prepared by SAV.

After three days-discussion, with GIZ facilitators and experts' active support, the SPC members basically reached an agreement on strategic goals and objectives under the SP 2018-2021.

As a planned follow up, SAV will closely coordinate with SPC members to prepare the final draft of SP to be submitted at the ASEANSAT Senior Officials Meeting in August 2017 and to be approved at the 4th ASEANSAT Assembly in November 2017.

2) Coordination Meeting to formulate ASEANSAT Committees' Work Plan 2018-2021

ASEANSAT Coordination Meeting to formulate Committees' Work Plan 2018-2021 was held from 12 to 13 June 2017 in Jakarta, Indonesia. Eleven participants from the



member of Strategic Planning Committee and representatives from ASEANSI Secretariat and GIZ attended the meeting.

Further purposes of the meeting were:

- a) To accelerate the formulation of Committee's Work Plan for achieving the finalization of Committee's Work Plan and ASEANSI Strategic Plan at the 4th Senior Officials Meeting which to be held on July to August 2017 in Cambodia.
- b) To synergize the Committee's Work Plan and ASEANSI Strategic Plan period 2018-2021.
- c) To coordinate the activities under Training Committee and Knowledge Sharing Committee.

The meeting was arranged between Committee Chairs with expertise support from GIZ to direct the Committee's Work Plan towards the Strategic Goals (SG) and Strategic Objectives (SO) to ensure their alignment, complete the implementation matrix, and agree on activities need to be done prior to the SOM.

The implementation matrix was discussed and fulfilled with involvement from Committee Chairs. For the coming period, it was agreed that Committees would carry out long-term projects/programs with concrete key performance indicator (KPI), outputs, and outcomes instead of individual activities to ensure its efficient conduction.

As a follow up, State Audit Vietnam (SAV) would continue to finalize the 5th draft of Strategic Plan to seek further contributions from all members SAs before submitting to SOM.

b. Rules and Procedures Committee

1) Revision of ASEANSI Rules and Procedures

Following the signing of the protocol on amending the ASEANSI Agreement in December 2016, the Rules and Procedures (R&P) of ASEANSI needs to be emended accordingly based on the changes on the Agreement.

The Rules and Procedures Committee (RPC) revised the R&P which was started since mid of 2016 and circulated the first draft to all ASEANSI members in early 2017 to obtain inputs and incorporate it. The second circulation was made end of July 2017 to obtain member's approval before tabled at the Senior Officials Meeting and bring to the ASEANSI Summit.

Based on the discussion during the 4th Senior Officials Meeting (SOM) on 4-5 August 2017 some changes need to be accommodated on the latest draft. Following this, the RPC circulated draft of the revised ASEANSI Rules and Procedures to all member SAs on 28 August 2017 to be endorsed at the ASEANSI Summit.

There were no objections received from the members for the proposed draft with some additions to the existing one as follows:

- a) Add paragraph 1.5 – Related to seeking comments and decisions from the ASEANSI Assembly.



- b) Edit paragraph 1.11 – Related to notification on the termination of ASEANSAL membership.
- c) Edit paragraph 4.8 – Related to work plan of each committee to be aligned with ASEANSAL Strategic Plan.
- d) Add paragraph 4.6 – Related to the Monitoring and Evaluation System.
- e) Revise part 5 related to nomination and procedure for appointing the Secretariat, its function, and resource for Secretariat's operations.
- f) Add part 10 – Related to Protection of Intellectual Property Right to be in line with Article 2 of the Protocol Amending the Agreement on the Establishment of ASEANSAL.

Therefore, based on the due process, the revised file was considered final and endorsed by the Assembly at the 4th ASEANSAL Summit in Lao PDR (5 November 2017).

2) Appointment and Approval of the ASEANSAL Secretariat

Based on decision made at the 4th Senior Officials Meeting (4-5 August 2017), members of ASEANSAL agreed on the appointment of SAI Indonesia to be Longer-term ASEANSAL Secretariat for the period of 2018-2023.

As SAI Indonesia has met requirements stated in the revised ASEANSAL Rules and Procedures, SAI Indonesia could function legally as the Longer-term ASEANSAL Secretariat.

The appointment was endorsed at the 4th ASEANSAL Summit in Lao PDR (5 November 2017). During this appointment, Mr. Moermahadi Soerja Djanegara as the Chairman of SAI Indonesia expressed his appreciation to all ASEANSAL members for entrusting SAI Indonesia to be the Longer-term ASEANSAL Secretariat period 2018-2023.

He further assured that SAI Indonesia will continue the commitment as driving force and maintain sustainability of ASEANSAL for the benefit of all its members.

c. Knowledge Sharing Committee

1) Workshop on Audit of Land and Mineral Resources

Workshop on Land and Mineral Resources Audit was conducted on July 12 to 14 2017 in Hanoi, Vietnam. The objective of the workshop is to develop knowledge sharing about auditing through exchange of ideas, experiences, researches, and best practices on land and mineral resources auditing.

SAI Indonesia acted as the Project Lead and discussed about two areas; (a) land acquisition and permits for electricity infrastructures and mining activities, and (b) exploitation and utilization of mineral and natural resources (coal, gas, and geothermal) for national energy security. Then other participating SAIs shared knowledge and experience through country paper about land and mineral resources auditing.



2) Workshop on Audit of Public Complaint

The Workshop on Audit Complaint Letter: ASEANSI and Fighting against Corruption was held in Bangkok, Thailand on August 29-31, 2017. The objective of the programme is to encourage and develop knowledge sharing about auditing management among ASEANSI member countries through various perspectives, experience, research and best practices in the field of public sector audit. SAI Thailand as the Project Lead shared knowledge and experience about the auditing complaint letter which related to the role of SAI in fighting against corruption.

Seven topics were discussed by distinguished lecturers from academic and government agencies including international anti-corruption experts from distinguished universities in Thailand, National Anti-Corruption Commission (NACC) and international organization.

The topics discussed were as follows:

- a) Auditing complaint letter and the role of SAIs in fighting against corruption;
- b) Introduction to corruption under political economy perspective;
- c) Investigative audit: Lessons learned from SAI Thailand;
- d) Proactive audit under preventive approach: New paradigm for anticorruption;
- e) The role of international organization in fighting against corruption;
- f) Anti-corruption in ASEAN: How National Anti-Corruption Commission (NACC) cooperates with other Anti-Corruption Agencies (ACAs);
- g) Interactive sharing experience and discussion.

d. Training Committee

1) Quality Assurance Training

The capacity building activities undertaken by ASEANSI for its members, through Training Committee and Knowledge Sharing Committee, allowed the members to identify areas where they need further technical assistance on.

It was turned out that most member SAIs have supported the initiative of ASEANSI to engage with the Swedish National Audit Office (SNAO) experts in its capacity-building activities on the area of quality assurance (QA) function. SAI Philippines as the Chair of Training Committee held the Quality Assurance Training from 24-28 April 2017 in Manila.

Prior to the training, participants were requested to prepare; (1) list of tasks that they perform as a QA function and an estimation on how much of their total time is spent on each task; and (2) a list of people in the SAI who decide on audit processes for PA, FA, and CA. In addition, participants were also requested to bring the Strategic Plan of each SAIs as well as annual plan for the QA function of each SAIs.

During the training, participants learned the difference between QA and quality control (QC), roles and task of a QA function, audit processes for performance audit (PA)-financial audit (FA)-compliance audit (CA) connected to QA and QC,



responsibilities for QA and QC, and annual plan for a QA function.

2) LTAPII – Facilitation Skills Workshop

ASEANSAI LTAPII Phase 1 which took place from 2015 to 2016 aimed to train the participants on the concepts and applications of ISSAIs by focusing on Risk-Based Approach on Financial Audit (RBAFA) with the relevant ISSAIs pertaining to it. The Phase I has been completed with the Audit Review Meeting which was held from 25 to 29 July 2016 in Bangkok, Thailand.

Meanwhile, Phase 2 is planned to start at the end of 2016 to 2018 with the objective of establishing ISSAI facilitator's pool that aimed at a sustained implementation of ISSAIs in the ASEAN region and SAI. This phase comprises of three parts namely:

- a) Training of ISSAI Facilitators.
- b) Monitoring & Evaluation of the Planned Activities.
- c) Certification of ISSAI Facilitators.

The first activity of Phase 2 has been held with the Design Meeting on Facilitation Skills Workshop (DFSW) in Kuala Lumpur, November 2016; while the second activity which is the Facilitation Skills Workshop (FSW) is held in Vientiane, May 2017.

The objectives of FSW are:

- a) To enable participants to acquire facilitation skill (advocator, project manager, and facilitator) to be able to deliver the designed course on Risk Based Approach on Financial Audit (RBAFA); and
- b) To start developing the ASEANSAI pool of trained ISSAI facilitators.

FSW was held at Don Chan Palace Hotel, Vientiane, Lao PDR from 7 to 19 May 2017 with 32 participants from 7 ASEANSAI member countries took part in the workshop. During the meeting, participants learned on advocating ISSAI implementation, facilitating the ISSAI implementation project, designing the participatory learning, staging of group development, managing group dynamics, presentation skills, leading skills and process, and facilitating structured activities.

As the output of the workshop, participants drafted the action plan to implement their facilitation skills in their respective SAIs. This action plan was to be signed by Head of SAI and conducted within the 6-months period.

As for the Interim Wrap-up Meeting to discuss the strategy for 2 new selected pilot audit and progress of LTAPII Phase 2 were agreed to be conducted in December 2017.

3) LTAPII – Field Workshop

As one of the FSW follow up, the Field Workshop in four selected SAIs (Cambodia, Lao PDR, Myanmar, and Vietnam) was planned to be conducted during September to November 2017.

The objectives of this Workshop are:



- a) To implement the knowledge and skills gained during the FSW; and
- b) To enable the FSW Participants facilitating the ISSAI Implementation in their respective SAIs and ASEANSI region.

In this workshop, previous participant of FSW LTAPII Phase 2 played the role as Facilitators. They delivered the course on; introduction to risk-based approach, preliminary engagement activity, understanding the entity and its environment, internal controls (IC), risk assessment, materiality in planning and performing an audit, design overall responses and further audit procedures, audit sampling, audit accounting estimation, forming an opinion, reporting the financial statements, and quality control for an audit of financial statements.

1st Field Workshop

In September 2017, the 1st Field Workshop was conducted at Muong Thanh Luxury Hotel, Vientiane, Lao PDR from 26 to 29 September 2017 and was attended by 41 participants from seven ASEANSI member countries and one Subject Matter Expert (SME) from SAI Sweden.

The Facilitators were from the team of SAI Malaysia (Mr. Muhammad Fareez and Ms. Norita Ismail) and the team of SAI Lao PDR (Mr. Soysangkom KEOLA, Mr. Bountha PHETDALA, and Mr. Vilayvanh BOUTTA).

From the collected evaluation sheets, It can be seen that the participants were able to have a better understanding on risk-based audit on RBAFA and IC based on relevant ISSAIs.

The workshop was officially closed by Mr. Paddaphet Sayakhot, Vice President of SAI Lao PDR and Ms. Alifah Aida Lope Abdul Rahman of SAI Malaysia, on behalf of Representative Sub Project Leader LTAPII Phase 2.

2nd Field Workshop

On 29 October until 1 November 2017, the 2nd Field Workshop was conducted in Hanoi, Vietnam. The workshop was attended by 42 participants from seven ASEANSI member countries and two Subject Matter Experts (SMEs) from SAI Sweden.

The Facilitators were from the team of SAI Indonesia (Ms. Tri Widyantoro, and Mr. Tri Marhendra Rahardyan), the team of SAI Thailand (Ms. Buddhachard Tanjong, Ms. Pattamon Puttaseema, and Ms. Piyarat Tangkanjanapas), and the team of SAI Cambodia (Mr. Iech Sovachantha and Mr. Patri Som).

From the collected evaluation sheets, it is found that participants were also able to have a better understanding on risk-based audit on RBAFA and IC based on relevant ISSAIs.

The workshop was officially closed by Mr. Phan Truong Giang, Deputy Director General International Cooperation Department of SAI Vietnam and Mrs. Maria Susana S. Medez of SAI Philippines, on behalf of Representative Project Leader of LTAPII.

3rd Field Workshop



On 11 – 15 December 2017, the 3rd Field Workshop was conducted in Nay Pyi Taw, Myanmar. The workshop was attended by 44 participants from eight ASEANSAL member countries and one Subject Matter Expert (SME) from SAI Sweden.

The Facilitators were from the team of SAI Malaysia (Mrs. Rose Zainam) and the team of SAI Philippines (Mrs. Maribeth Factora de Jesus, Mrs. Eden Bautista Bunayog, and Mr. Mark Anthony Giuban Flores).

From the collected evaluation sheets, It is found that the participants were able to have a better understanding on risk-based audit on RBAFA and IC based on relevant ISSAIs.

The workshop was officially closed by Mrs. Naing Thet Ooo, Director General of SAI Myanmar and Mrs. Maria Susana S. Medez of SAI Philippines, on behalf of Representative Project Leader of LTAPII.

3. Other Activities

a. IDI Workshop with INTOSAI Regions

IDI invited ASEANSAL to attend the Workshop with INTOSAI Regions that was conducted from 4 to 6 September 2017, in Oslo, Norway. During the workshop, ASEANSAL was represented by Mrs. Luz L. Tolentino on behalf of Training Committee and Mr. Chea Sophat as the Head of Administration Function.

There were some point agreed between ASEANSAL and IDI during the workshop:

1) Proposal IDI : IDI-ASEANSAL Cooperative on ISSAI Based Financial Audit

The session started with the sharing from ASEANSAL on the issues; (1) progress of LTAPII; (2) achievement of LTAPII; and (3) challenges in LTAPII.

As the response, IDI shared their experience in implementing ISSAI with other regions. IDI also presented the program on ISSAI Implementation Initiative Cooperation 3i Phase II.

Further, IDI suggested if ASEANSAL to share the list of 18 Expected ISSAI Facilitators from LTAPII and discussed on how IDI can support ASEANSAL in regards to ISSAI based financial audit.

2) Related ASEANSAL Activities with INTOSAI Programme, such as SDGs and SAI PMF

SAI PMF

IDI agreed to send the Experts to SAI PMF Workshop where higher management of ASEANSAL members should be invited. Further, ASEANSAL shall start to look for the Host SAI and set the schedule for the workshop. As for the cost, the Plenary agreed that cost related to activities are borned by the respective participants from SAI members and Host SAI. Last, to proceed the workshop, ASEANSAL shall inform IDI when and where the workshop will be taken place.

SDGs

IDI expressed their interest in supporting ASEANSAL and suggested detail collaboration that should be discussed after the IDI Planning Workshop in December 2017.



3) ASEANSAI Strategic Plan

IDI expressed their willingness to support the ASEANSAI Monitoring and Evaluation System. However, IDI wished ASEANSAI to send the draft of current Strategic Plan 2018-2021 in advance for additional comments.

4) Other Issues

The Plenary agreed that further communication from IDI to ASEANSAI shall be thru ASEANSAI Secretariat as the Focal Point. ASEANSAI members who are intrested in joining the IDI program shall inform ASEANSAI thru the Secretariat beforehand.

b. 3rd Regional Workshop on Financial Audit Guidelines

ADB through the Regional Technical Assistance (RETA) Program on Enhancing the Role of SAls in selected ASEAN Countries has provided supports to ASEANSAI members in updating the financial audit guidelines in compliance with the International Standard of Supreme Audit Institutions (ISSAIs). Previously, the regional workshop on financial audit guidelines were held in Vietnam (year 2015) and Malaysia (year 2016). As for the 3rd workshop, ADB requested the Audit Board of the Republic of Indonesia (BPK) to be the Host SAls.

The 3rd Regional Workshop on Financial Audit Guidelines were conducted in Atlet Century Park Hotel, Jakarta, Indonesia from 3 to 5 October 2017. Other than enhancing the role of SAls in adopting and implementing ISSAIs through sharing the experience, the purpose of this workshop is also to focus on updating the progress of implementation of the International Standard of Supreme Audit Institutions (ISSAIs) on Financial Audit and to discuss forensic audit for further improving the ISSAI compliance of the members of ASEANSAI.

As the Speakers, ADB invited representatives from Office of Anti-corruption and integrity (OAI) and Operations Services and Financial Management Department (OSFMD) to facilitate the session on financial audit and forensic audit. At the workshop, participants were requested to present their experience in adopting ISSAIs in respective SAI.

As the result of the workshop, participants should finalize the action plan that previously prepared on the 2nd workshop and request the approval from higher authorities for the implementation of action plan. If it is approved, and the SAI needs support, ADB is willing to support the expenditures from the action plan.

III. CONCLUSION

In the sixth years of its establishment, ASEANSAI has been growing into more productive organization. ASEANSAI has conducted various activities to build capacity and actively participate to leverage the accountability and transparency in public financial administration in ASEAN region through seminar, workshop, training and other activities related public sector auditing.

ASEANSAI also has been starting to build cooperation with the international organization to



support the implementation of International Standards of Supreme Audit Institutions (ISSAI) from sub regional level.

The benefit of ASEANSAI should not only for SAI in ASEAN members, but also for its surroundings inside ASEAN region. This will made significant contribution to the ASEAN Vision 2020 and ASEAN Community pillars to share vision of ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.



