

LOOKING FORWARD TO IMPROVE AUDITING PUBLIC PROCUREMENT IN THAILAND

SAIs CONTACTS Audit Department Jln. Menteri Besar, Berakas A BB3910 Bandar Seri Begawan Tel: +673 (2) 38 05 76, 77, 78 Fax: +673 (2) 38 07 69 **National Audit Authority of Cambodia** #16, Street 240 Sangkat Chaktomuk, Khan Daun Penh Phnom Penh, Cambodia Tel: +855-23-80 4699 Fax: +855-23-21 4575 **The Audit Board of the Republic of Indonesia** Jln. Gatot Subroto no 31 Jakarta Pusat Tel: +62 (21) 2554 9000 Fax: +62 (21) 572 0944 **State Audit Organization Of The Lao PDR** Nahaidiao Street, Prime minister' office area, Vientiane Municipality, Lao PDR, P.O.BOX 10067 **Office of the Auditor General of Malaysia** No. 15, Level 4, Persiaran Perdana, Presint 2, 62518 W.P. Putrajaya, Malaysia Tel: +60 3 88 88 97 00, 88 88 97 35 Fax: +60-3-88 88 97 01, 88883084 **Office of the Auditor General (OAG) Office Building** No. 12, Naypyitaw, Myanmar Tel: ++95 - 67 - 407335 Fax: +95 - 67 - 407339 **Commission on Audit** Commonwealth Avenue, Quezon City, Philippines Tel: +632-931 92 20 Fax: ++632-931 92 32 **Auditor-General's Office Singapore** 55 Newton Road 08-02 Revenue House Singapore 307987 Tel: +65 6355 4611 Fax: +65 6221 3185 **Office of the Auditor General of Thailand** Soi Areesampan, Rama VI Road Bangkok 10400, Thailand Tel: +66 (2) 2739018 Fax: +66 2 273 9693, 273 96 99 **Office of the State Audit of Vietnam** No. 111 Tran Duy Hung Street, Hanoi, Vietnam Tel: +84 (4) 6282 2151 Fax: +84 (4) 6282 2159

Presently, the auditing public procurement is the main audit type which the Office of the Auditor General (OAG) Thailand has emphasized since 1979.

In fact, this auditing type is still based on the compliance audit. The main objective of auditing public procurement is to ensure that the procurement process of goods and services including public works have been conducted in compliance with the the public procurement law and regulations. Under OAG audit mandate , it is necessary to verify whether the public procurement procedures are made through three perspectives: (1) procuring goods and services under transparency processes, (2) supporting competitive public procurement market, and (3) obtaining values for money. However, the concept of value for money is an ultimate goal which performance auditing approach could achieve this goal.

In practice, the public procurement audit of OAG consists of three phases as follows: (1) the audit of preparation of procurement plan, (2) the audit of tendering and awarding processes, and (3) the audit of contract management. Hence, auditing public procurement is an important tool that enhances transparency and accountability in public procurement of Thailand. OAG has been empowered to carry out the public procurement audit in regards of legality and value for money. Further, the auditing public procurement will encourage the integrity of the procurement system and reduce the risk of corruption in public procurement.

Even though the auditing public procurement of OAG is still based on the approach of compliance auditing, we have developed the audit method in order to obtain value for money of public procurement. For example, in 2011 we created the checklist template for screening procurement risk. Additionally, we proposed several measures about good governance for public procurement process.

However, we always learn good practices about public procurement audit from other SAIs. For instance, many SAIs in Europe have improved the auditing public procurement by using only the approach of performance audit such as the National Audit Offices in UK, Denmark, and Finland. Meanwhile, many SAIs have utilized both the compliance and performance audits in public procurement as the Tribunal de Contas (Portugal), Bundersrechnungshof (Germany), and the Spanish Court of Audit (Spain). However, it shows that SAIs in Europe have attempted to develop the model for public procurement auditing as known as Procurement Performance Model.

The procurement performance model builds up key questions as reference pointers for auditors in evaluating performance of the procurement function of the audit entities. It sets the assessment of public procurement under three levels as follows: (1) the meta level will assess the government overall procurement strategy, (2) the macro level will evaluate the department's procurement function unit, and (3) the micro level will inspect a single procurement project.

Currently, OAG focuses only the micro level in public procurement under these levels especially the audit of tendering process and contract management. In the future, it might be a challenge that the auditing public procurement of OAG could ensure the transparency and accountability in public procurement system. Thus, OAG could improve the audit method and enlarge audit vision in procurement auditing by using procurement performance model in order to obtain the value for money in public procurement.

the UNiQUE ness

In the middle of the sprawling Philippine capital, Rizal Park is both a beautiful escape from the traffic and noise and a potent symbol of the country's tumultuous history.

Still widely known as 'Luneta' (its name until it was officially changed in the 1950s), Manila's iconic park is spread out over some 60 hectares of open lawns, ornamental gardens, paved walks and wooded areas, dotted with monuments to a whole pantheon of Filipino heroes.

At dawn, various groups gather to practise t'ai chi or the local martial art of arnis, or arnis de mano, a pre-Hispanic style of stick-fighting. The long-running Concert at the Park also takes place at the open-air auditorium; it's free and starts at around 5.30pm on Sundays.

It was in this park that José Rizal was executed by the Spanish colonial authorities. The Rizal Monument, guarded by sentries in full regalia, contains the hero's mortal remains and stands as a symbol of Filipino nationhood.

To one side of the monument you will find the Site of Rizal's Execution; at the entrance is a black granite wall inscribed with Rizal's 'Mi Ultimo Adios' (My Last Farewell). Eight tableaux of life-size bronze statues recreate the dramatic last moments of the hero's life; at night these statues become part of a light-and-sound presentation dedicated to Rizal (admission P50; 7pm Wed-Sun).

LUNETA, MANILA



It's in Tagalog, but they'll do it in English if you have a big enough group (or pay them enough).

At the western end of the park is the Quirino Grandstand, where Philippine presidents take their oath of office and deliver their first address to the nation. At the opposite end of the park the gigantic three-dimensional relief map of the Philippines is worth a look – see if you can spot 'perfect' Mt Mayon.

As night falls, around 7:00 p.m. the park runs the Light and Sound Show (which is free) where the fountains dance with the music. The lights hit the fountains, creating various shapes and texture, adding emotions to the music flow. Fireballs occasionally light up the darkness and put emphasis with explosive sounds. These are nice shows, with eye-catching laser effects, accompanying sounds and narration, and short storyline.

Along the north side are several ornamental gardens and the Chess Plaza, a shady spot where regulars test each other and look for new blood with shouts to visitors of 'Hey Joe, do you play chess?'

Trivia note: all road distances in the Philippines are measured from Kilometer Zero, just across the street from the Rizal Monument.

ASEANSAI

NEWSLETTER

VOLUME 1 / 2014

THE ASEANSAT TECHNICAL MEETING, ASEANSAT SYMPOSIUM ON “ENHANCING PUBLIC ACCOUNTABILITY IN ASEAN TO ACHIEVE REGIONAL COMPETITIVENESS AND PROSPERITY” AND BPK RI INTERNATIONAL SEMINAR ON “PUBLIC ACCOUNTABILITY AND ACCRUAL REPORTING”



The ASEANSAT Technical Meeting was held from January 17-18, 2014 in Mandarin Oriental Hotel, Jakarta, Indonesia. This event was to discuss, align, develop and finalize the Work Plan and Budget 2014 – 2015 of ASEANSAT Committees and Secretariat. The technical meeting was attended by delegates from SAIs of Brunei Darussalam, Cambodia, Indonesia, Lao, Malaysia, Philippines, and Vietnam, as well as an observer from GIZ. The meeting concluded with the ASEANSAT Head of Administrative Function presenting the final draft of ASEANSAT Work Plan and Budget 2014-2015.

Following the technical meeting, SAI Indonesia held the ASEANSAT Symposium on “Enhancing Public Accountability in ASEAN to achieve Regional Competitiveness and Prosperity”. This symposium was one of the activities held in conjunction with the celebration of the 67th anniversary of SAI Indonesia as well as for ASEANSAT Knowledge Sharing Work Plan 2014-2017 implementation. The theme of this symposium is based on the importance of accountability for the achievement of good governance in the ASEAN region. During the symposium, the attending ASEANSAT members presented papers, inter alia, related to their role in improving public accountability in each respective country as well as expectations of increasing accountability through regional and international cooperation.

on this issue

THE ASEANSAT TECHNICAL MEETING, ASEANSAT SYMPOSIUM ON “ENHANCING PUBLIC ACCOUNTABILITY IN ASEAN TO ACHIEVE REGIONAL COMPETITIVENESS AND PROSPERITY” AND BPK INTERNATIONAL SEMINAR ON “PUBLIC ACCOUNTABILITY AND ACCRUAL REPORTING”

THE HEAD OF ADMINISTRATIVE FUNCTION'S NOTE

ASEANSAT INSTRUCTORS' DESIGN MEETING (IDM) FOR THE COURSE DESIGN AND INSTRUCTIONAL TECHNIQUES (CDIT) WORKSHOP

WORKSHOPS TO PROMOTE CAPACITY BUILDING FOR AUDIT OFFICERS IN MYANMAR SAI

LEGAL STATUS OF THE STATE AUDIT OFFICE OF VIETNAM AND THE AUDITOR GENERAL HAS BEEN CONSTITUTIONALIZED IN THE AMENDED CONSTITUTION OF THE SOCIALIST REPUBLIC OF VIETNAM

LOOKING FORWARD TO IMPROVED AUDITING PUBLIC PROCUREMENT IN THAILAND

THE UNIQUENESS - LUNETA, MANILA

THE HEAD OF ADMINISTRATIVE FUNCTION'S NOTE



Greetings and salutations readers of the ASEANSai Newsletter!

Jabatan Audit Brunei Darussalam (SAI Brunei Darussalam) in its capacity as the Administrative Function of ASEANSai is very thankful and honoured to be given the opportunity to continue the issuance of the ASEANSai Newsletter.

On behalf of SAI Brunei Darussalam, I wish to express how much we look forward to conveying updates on ASEANSai progress, the latest developments on ASEANSai activities, and also other information which may be of interest to our readers.

In this edition, we have included reports on two activities which were organized within the first three months of 2014. The first of which is the clustered set of events held in January at the Mandarin Oriental Hotel in Jakarta, Indonesia. These events comprised of the ASEANSai Technical Meeting (17-18 January), the ASEANSai Symposium on "Enhancing Public Accountability in ASEAN to achieve Regional Competitiveness and Prosperity" (19 January), and the SAI Indonesia-organized International Seminar on the symposium topic (20 January). The highlight of these events is the finalization of the ASEANSai Work Plan and Budget for 2014 - 2015.

The other activity was the ASEANSai Instructors' Design Meeting (IDM) for the Course Design and Instructional Techniques (CDIT) Workshop which was held in Bali, Indonesia on 17-28 March 2014. This meeting was conducted as preparation for the Course Design and Instructional Techniques (CDIT) Workshop which was held in June 2014 in Johor, Malaysia.

Aside from the report on those ASEANSai activities, we have also included an article each from the Office of the Auditor General of the Union, the Republic of the Union of Myanmar (SAI Myanmar), the Office of the Auditor General of Thailand (SAI Thailand) and the State Audit of Vietnam (SAI Vietnam). Additionally, in keeping with the customary practice of past newsletters, we have also inserted a 'Uniqueness' column which covers the beautiful Luneta of the Philippines.

Last but not least, I hope that you will enjoy this edition. I also would like to encourage all ASEANSai members to contribute articles for the newsletter so that future editions will be of a more enriching reading experience.

Best regards,

Pengiran Fauziah binti Pengiran Haji Muhammad Kifli

HEAD OF ADMINISTRATIVE, SAI BRUNEI DARUSSALAM
Jln. Menteri Besar, Berakas A
BB3910, Bandar Seri Begawan
Tel: +673 (2) 38 05 76, 77, 78
Fax: +673 (2) 38 07 69
<http://www.audit.gov.bn>
www.aseansai.org

ASEANSai INSTRUCTORS' DESIGN MEETING (IDM) FOR THE COURSE DESIGN AND INSTRUCTIONAL TECHNIQUES (CDIT) WORKSHOP

The ASEANSai Instructors' Design Meeting (IDM) for the Course Design and Instructional Techniques (CDIT) Workshop was held in Bali, Indonesia on 17-28 March 2014.



This was the third instructor's design meeting that was held by the ASEANSai Training Committee after the first meeting in Thailand and second meeting in Brunei for the topic of QAFA and RBFA. The meeting was conducted as preparation for the Course Design and Instructional Techniques (CDIT) Workshop that will be held in June 2014.

The meeting was opened by Mr. Nizam Burhanuddin, the Head of Principal Directorate of State Finance Audit, the Audit Board of the Republic Indonesia. There were 7 instructors from Malaysia, Indonesia, Thailand, and Philippines that joined and attended the meeting, also one representative from The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) Cambodia.

This meeting was the first activity in 2014 that was conducted according to the ASEANSai Training Plan 2013-2017. This was also the first activity that was funded by the GIZ as the implementation of cooperation between ASEANSai and GIZ to strengthen the capacity of ASEANSai and its members in public sector audit.

The objective of this meeting was to create courseware for the Course Design and Instructional Techniques (CDIT) Workshop. This courseware is a guideline to design a course, produce a course outline, and develop all course materials for all trainings that will be conducted by ASEANSai.

WORKSHOPS TO PROMOTE CAPACITY BUILDING FOR AUDIT OFFICERS IN MYANMAR SAI

The Office of the Auditor General of the Union (OAGU, Myanmar SAI) held workshops to promote capacity building for audit officers at various levels for all the Audit Offices in Myanmar SAI at the Assembly Hall of the OAGU. These workshops were held three times during August and September 2013.

The workshops were opened by the Auditor General of the Union, Mr. Thien Htaik, where he also delivered his speeches. The workshops were attended by the Deputy Auditor General and senior officials from the OAGU together with 365 officers.



The objectives of the workshops were for the participants to share their auditing experiences together with the significant audit findings, identify the strengths and weaknesses of their performances, obtain necessary instructions by laws and regulations and other matters as instructed by the UAG.

During the workshops, the significant audit findings were reported and discussed by the audit officers, and recommendations were also given by the UAG and other senior officials. The participants shared their experiences and difficulties, enquired on unclear conceptual principles, discussed significant audit findings, shared their opinions on how to apply the best practices and the audit procedures effectively as well as identified and clarified the shortcomings in the audit processes.

As a result, the participants benefited from the workshops as all the officials from the OAGU were able to discuss and provide recommendations on the significant audit findings and difficulties presented by the participants. Furthermore, the workshops were conducted by the UAG.

In conclusion, the audit officers generally appreciated such workshops and these workshops are planned to be held bi semi-annually.

LEGAL STATUS OF THE STATE AUDIT OFFICE OF VIETNAM AND THE AUDITOR GENERAL HAS BEEN CONSTITUTIONALIZED IN THE AMENDED CONSTITUTION OF THE SOCIALIST REPUBLIC OF VIETNAM

By implementing the Resolution A/66/209 of UN General Assembly dated 22nd December, 2011 and conforming to the Lima Declaration and Mexico Declaration, the legal status of the State Audit office of Vietnam (SAV) is enshrined in the Constitution of the Socialist Republic of Vietnam (Constitution of Vietnam) for the first time as an independent constitutional institution quoted in a separate chapter: Article 118 in Chapter 10 of the amended Constitution of Vietnam stipulates the legal status of the SAV and the Auditor-General as follows:

1. The State Audit office is an organisation created by the National Assembly, shall act independently and only obey the law. It exercises the audit of the management and use of public finance and property.
2. The Auditor-General shall be the head of the State Audit Office, elected by the National Assembly. The term of office of the Auditor-General shall be provided by the law. The Auditor-General shall be responsible for and report on audit results and his/her work to the National Assembly and, when the latter is not in session, to its Standing Committee.

3. The organization, duties, and authorities of the State Audit Office shall be provided by the law.

The legal status of the SAV is stipulated by the Constitution to strengthen their position and responsibilities. Accordingly, the SAV shall conduct the audit of the management and use of public finance and assets. Such regulations have been stipulated as the SAV's development has been recognised in becoming an important organization with the capacity to inspect, inventurise and control using state funds, national assets, fulfill the role of monitoring support, power controlling, especially the power of mobilisation, concentration, distribution and use of national finance, state budget in Rule of law. The SAV's position has been established in the political system of the State of Vietnam, in the power system and the bureaucracy of the State.