

REPORT

**KNOWLEDGE SHARING
WORKSHOP
ON
INTERNATIONAL STANDARDS
OF
SUPREME AUDIT INSTITUTIONS
(ISSAIs) IMPLEMENTATION**

**PADMA HOTEL, BANDUNG
18 - 22 AUGUST 2014**



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REPORT ON THE ASEANSAI KNOWLEDGE SHARING WORKSHOP ON ISSAIs
PADMA HOTEL BANDUNG WEST JAVA, INDONESIA
18-22 AUGUST, 2014

1. Background

1.1 ASEANSAI was established with the objective to develop the capacity of its member in order to improve their roles and enhancing transparency and accountability in their respective countries. On the other hand the primary mandate of the Knowledge Sharing Committee (KSC) is to encourage ASEANSAI cooperation, collaboration and continuous improvement through knowledge sharing. As members of the KSC, our role is to ensure that we provide access to existing methods, techniques and experiences and how we learn from each other practices.

1.2 The idea of conducting the ASEANSAI Knowledge Sharing (KS) Workshop was agreed upon by the Chair of the ASEANSAI Knowledge Sharing Committee to help us identify and choose mechanisms for improving our knowledge management (KM) and knowledge sharing. The assistance from GIZ experts was enlisted to work with KSC member in the workshop.

2. ASEANSAI KS WORKSHOP ON ISSAIS

2.1 Day 1 – August 18, 2014 (Monday)

[a] Opening Session

The ASEANSAI KS Workshop was held from August 18 to 22, 2014 in Padma Hotel Bandung West Java, Indonesia and was attended by 23 participants from 9 SAIs which are SAI of Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam and facilitated by 5 GIZ experts namely Dr. Denis Roy (Senior Advisor); Ms. Karin Gabrielle (Senior International Advisor, Swedish National Audit Office); Ms. Jana Leutner (Advisor); Ms Lucia Auge (KS and Network Management Expert) and Mr. Thomas Piekarczyk (KS and Network Management Expert). Two ASEAN Secretariat were also present at the workshop namely, Ms. Ervina Lasma

Magdalena (Technical Officer Internal Audit & Evaluation Division) and Ms. Ingrid Maya Sophy (Technical Officer Finance and Budget Division).

The Workshop was officiated by Mr. Hasan Bisri, Vice Chairman of The Audit Board of the Republic of Indonesia on August 18, 2014. In his remarks, he informed that this year will be very important as it will define the road ahead for ASEANSI. According to him this Workshop would have the strategic value and benefit for the achievement of vision and mission ASEANSI as stated in the strategic plan of ASEANSI 2014-2017. He furthermore pointed out that through having the mapping of baseline particularly within ASEANSI countries, the ASEANSI members could have sharing experience in applying ISSIs in order to accelerate the implementation of auditing standard for the sake of improving the quality of audit in public sector. He furthermore stressed that this Workshop would give a clear contribution to identify the common issues raised in ISSI implementation and try to develop the alternative solution.

Mr. Wilfredo A. Agito from SAI Philippines later delivered his opening remarks on behalf of the project leader of ISSIs implementation. He remarked that ASEANSI KS Workshop was held in aimed to strengthening the organizational and audit capacities of ASEANSI members by building on the strengths of each member SAI through the sharing of knowledge and experiences, as well as benchmarking on best practices. He explained that each SAI is requested to accomplish the suggested matrix that would identify the ISSI requirements that were the compliance of which: SAIs are willing to share with other ASEANSI participants; the participants would like to be clarified on; and those ISSIs which are not applicable to the SAI and the reasons for non-applicability. According to him through the discussion in the Workshop will focus on 15 identified ISSI Financial Audit Guidelines. However only 2 most difficult and 2 easiest to implement ISSIs will be presented by each SAI. Finally he hope that at the last day of this Workshop, each SAI is expected to prepare an action plan for the submission to the KSC Chair which will serve as roadmap in implementing and monitoring ISSI implementation.

[b] Ice Breaking Session

The activity on the first day was started with the Ice Breaking Session. The participants were asked to introduce herself/himself to at least 2 participants and asked simple questions such as their hobby, favourite colour, place of birth and others in order to establish good relationship.

[c] Session on Understanding of the ISSAIs

In order to know the level of understanding of the participants on 15 ISSAIs and the status of its implementation, each SAI was asked to identify based on the colour code matrix given. The details on 15 ISSAIs that need to be given the colour code and explanation for each colour were shown in Table 1 and 2 below:

TABLE 1

15 ISSAIS FINANCIAL AUDIT GUIDELINE

No.	ISSAI No.	Description
1.	1210	Terms of Engagement
2.	1220	Quality Control for Audits of Historical Financial Information
3.	1230	Audit Documentation
4.	1300	Planning an Audit of Financial Statements
5.	1315	Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
6.	1320	Materiality in Planning and Performing an Audit
7.	1330	The Auditor's Responses to Assessed Risks
8.	1450	Evaluation of Misstatement Identified during the Audit
9.	1500	Audit Evidence
10.	1520	Analytical Procedures
11.	1530	Audit Sampling
12.	1580	Written Representations
13.	1700	Forming an Opinion and Reporting on Financial Statements
14.	1705	Modifications to the Opinion in the Independent Auditor's Report
15.	1706	Emphasis of Matter Paragraphs and other Matter(s) Paragraphs in the Independent Auditor's Report

TABLE 2
THE EXPLANATION ON COLOUR CODE MATRIX

Colour		Description
	Green	ISSAI is well understood and can be implemented or is being implemented or has been implemented.
	Blue	ISSAI is difficult or challenging to understand and implement but we have found solution for implementing it.
	Yellow	ISSAI is understood but difficult to implement.
	Pink	ISSAI is difficult to understand and it is difficult to implement.

The results from the application of the colour code matrix from each SAI for the 15 ISSAIs were as follow:

Colour	Total
	80
	40
	40
	8

Generally, most of the 15 ISSAIs are well understood and can be implemented by participative SAIs. It was suggested that each SAI communicates to each other through the available communication media such as e-forum, webpage, teleconference, Skype or Whatsapp to build knowledge capacity and shares experiences and also discuss on the challenges in implementing ISSAIs to improve the status of compliance to ISSAIs from time to time.

[d] Presentation from SAIs

Each SAI had presented the Country Paper relating to ISSAIs implementation. The areas that were discussed among others were about the background on ISSAIs implementation, example on 2 ISSAIs that SAIs have a good experience, 2 ISSAIs that SAIs have difficulties in implementing ISSAIs and sharing on SAIs experience in implementing ISSAIs. The summaries of the presentation from SAIs were as follows:

(i) SAI Brunei

ISSAI 1210 – Term of an Engagement

- All entities are mandated to be audited.
- SAI Brunei would issue official Audit Visit Memorandum to inform the management, of SAI's intentions to carry out the audit. SAI's requirements are discussed and acknowledged by the management during the Entrance Meeting.

ISSAI 1450 – Evaluation of Misstatement Identified during the Audit

- All entities will correct the misstatements highlighted by SAI Brunei Darussalam.

ISSAI 1500 – Audit Evidence

- In regards to the audit evidence must be sufficient, auditors practice are based on 1) auditor's judgement 2) level of risk of misstatements (higher risk, more evidence required) 3) quality of evidence
- In regards to the requirement of the evidence gathered must be appropriate in term of quality, the auditors will pick up based on its relevancy & reliability to support conclusion. Third parties confirmation / independent sources are most reliable.

ISSAI 1705 – Modifications to the Opinion in the Independent Auditor's Report

- On the requirements that if the auditor withdraws as contemplated by paragraph 13(b)(i), before withdrawing, the auditor shall communicate to those charged with governance. In practice of SAI Brunei the auditor will not withdraw from the audit, as all the audits carried out are mandated by laws and acts.

(ii) SAI Cambodia

- **Good experiences in ISSAI implementation**

ISSAI 1315: Identifying and assessing the risks of material misstatement through understanding the entity and its environment

- SAI Cambodia implementing the Risk Assessment Matrix in regards to the requirement of ISSAI 1315 by:
 - i. Identify risks of material misstatement (at financial statement level and Assertion level)
 - ii. Assess the level of risk - Low, Medium and High on Compliance risk, Fraud risk, Inherent risk and Control risk
 - iii. Respond to risks - design audit procedures such as Test of Control (if control is reliable), Test of Details of Account Balance and Substantive Test of Transactions)

ISSAI 1330: The Auditor's responses to assessed risks

- Responses to risks are designed and implemented in order to obtain sufficient appropriate audit evidence related to the risks.
- Audit Program- a form of response to risks, includes:
 - 1. Risks identified
 - 2. Objectives
 - 3. Audit methodology
 - 4. Sources of documents

ISSAI 1320: Materiality in Planning and Performing an Audit

- When planning the audit, auditor determines:
 1. Overall Materiality

Because the audited entity does not have Balance Sheet, overall material level is calculated by multiplying **average revenues** (current and previous year revenue) with percentage ranging from 0.5% to 2.5% based on auditor's professional judgment
 2. Performance Materiality

Taking the amount of overall materiality multiply by % (75%, 50%, 25%) based on reliability of the internal control of audit entity.

- **Difficult experiences in ISSAI implementation**

ISSAI 1210: Agreeing the Terms of Audit Engagements

- No formal arrangement of audit engagement letter

ISSAI 1530: Audit Sampling

- In pilot audit, auditors have not properly documented the methods to select items for testing and the sample size because Practical guidance on sampling approach and sample size are not yet developed and included in the Financial Audit Manual and limited training on sampling.

(iii) SAI Indonesia

- **Good experiences in ISSAI implementation**

ISSAI 1210 – Terms of an Engagement

- SAI of Indonesia (Badan Pemeriksa Keuangan/BPK) conducts financial audit based on their mandate.
- The legal framework on the terms of an engagement are from Article 23E Constitution 1945, Article 2 on Law 15 Year 2004, and Article 2 on Law 15 Year 2006
- The implementation of the practice are through:
 - Statement of Responsibility;

- Reviewed by Internal Control Unit;
- Audit Management Guidance;
- No withdrawal from the audit engagements;
- Reasonable assurance.

ISSAI 1580 - Written Representations

- ISA Paragraph 3:

“Written representations are necessary information that the auditor requires in connection with the audit of the entity’s financial statements. Accordingly, similar to responses to inquiries, written representations are audit evidence.”

- In SAI Indonesia’s Financial Audit Implementation Guideline and Financial Audit Guidance both for auditing central and local government, it is stated that written representation must be obtained as part of out financial audit process and procedures

• Difficult experiences in ISSAI implementation

ISSAI 1220 - Quality Control for Audits of Historical Financial Information

- Quality Control System in BPK :
 - Institutional Level :
 - ✓ Independence and mandate;
 - ✓ Leadership and internal governance;
 - ✓ Human resource management;
 - ✓ Auditing standard and methodology;
 - ✓ Institution support;
 - ✓ Stakeholder relation;
 - ✓ Continuous improvement;
 - ✓ Result;
 - Engagement Level
 - ✓ Audit performance

- Quality Assurance System in BPK :
 - Based on time
 - ✓ Hot review;
 - ✓ Cold Review.
 - Based on reviewer
 - ✓ In-team review;
 - ✓ Cross Review;
 - ✓ Peer Review

- The challenges for ISSAI 1220 implementation are high workload; time constraint; external reviewer is involved during the discussion only and there is usually an ad hoc team at BPK level for engagement partners to consult.

ISSAI 1230 - Audit Documentation

- Instruments in BPK related to ISSAI 1230 Requirements:
 - State Finance Auditing Standards 2007
 - Guidelines on Audit Working Papers Management 2011
 - Technical Guidance on Central Government Financial Auditing and Technical Guidance on Local Governments Financial Auditing (subject to be replaced by Guidance on Financial Auditing).
- The challenges in implementing ISSAI 1230 :
 - There is policy regarding confidentiality
 - Due to time constraint and high workload, some auditors have not indexed and referenced the audit file in a timely basis.
 - Audit documentation is also not reviewed and signed by supervisor and Auditor in Charge before the report is published.

(iv) SAI Lao People's Democratic Republic

The presentation paper is based on matrix format given by SAI Philippines through sharing practices in ISSAI 1210 – Term of an Engagement and ISSAI 1230 – Audit Documentation.

(v) SAI Malaysia

- The status of compliance for 15 ISSAIs are as follows:

NO.	ELEMENTS	STATUS OF COMPLIANCE TO ISSAI FA REQUIREMENTS				TOTAL
		MET	PARTIALLY MET	NOT MET	NOT APPLICABLE	
1.	PRE ENGAGEMENT	34	0	0	0	34
2.	PLANNING	55	3	12	2	72
3.	FIELDWORK	36	0	0	0	36
4.	REPORTING	76	0	0	4	80
TOTAL		201	3	12	6	222

- Based on the 15 requirements of ISSAI Financial Audit :
 - 201 (90.5%) requirements have fully complied with ISSAI.
 - 3 (1.4%) requirements are partly met complied with ISSAI.
 - 12 (5.4%) requirements not comply with ISSAI.
 - 6 (2.7%) requirements are not applicable to SAI.

- **Good experiences in ISSAI implementation**

ISSAI 1580 – Written representation

- In ISSAI 1580 one of the requirement is that the auditor requested management written representation that have fulfilled its responsibilities to prepare financial statements. The practice in SAI Malaysia is that representation letter addresses to the auditor.

ISSAI 1700 – Forming an Opinion and Reporting on Financial Statements

- The auditor shall form an opinion on whether the financial statements are prepared in accordance with the applicable financial reporting

framework. In practice SAI Malaysia form an opinion as stated in the Auditors Report (On The Financial Statements)

- **Difficult experiences in ISSAI implementation**

ISSAI 1315: Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment

- The requirement to obtain an understanding of the information system, including the related business processes, relevant to financial reporting. The challenges come from the procedures within both information technology and manual system. The financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures
- It is recommended that the auditors to identify audit procedures relevant for both information technology and manual systems and also the relevancy and reliability of accounting systems used to generates the financial statements reporting.

ISSAI 1330 : The Auditor's Responses to Assessed Risks

- The requirement outline is to determine the use of audit evidence about the operating of effectiveness of internal controls obtained in previous audit. The risks arising from characteristics of each control (manual or automated). Therefore the auditors shall design and perform tests of controls to obtain sufficient appropriate audit evidence as to the operating effectiveness of relevant controls.
- SAI Malaysia recommends that to understanding the entity and analyses evidence when responding to assessed risk and consider reasons on the risk assessment for material misstatement process at class of transactions, account balances & disclosures.

(vi) SAI Myanmar

- Status of implementation for level-4 ISSAI is starting stage:
 - ✓ Financial Audit have been developed and practiced in line with AG law
 - ✓ Prescribe updated guidelines and instructions
 - ✓ not implement ISSAI level- 4 yet
 - ✓ SAI practice is not conflict with ISSAI.

- **Good experiences in ISSAI implementation**

ISSAI 1230 - Audit Documentation

- SAI Myanmar perform audit tasks in line with Audit Documentation System (ADS)
- Auditors record and sign in working paper (who done and who reviewed)
- Auditor assemble the audit documentation file at the same time with the date of draft audit report and the documentation cannot delete or discard audit document

ISSAI 1330 - The Auditor's Responses to Assessed Risks

- Auditors update and change the overall audit strategy and audit plan if necessary
- Auditor plan the nature, timing and extent of direction and supervision of team members
- Auditor record in audit document about audit plan, or if any significant changes and the reason for that changes

- **Difficult experiences in ISSAI implementation**

ISSAI 1210 – Terms of an Engagement

- In an Audit Engagement Letter SAI Myanmar doesn't include the objective, scope and timing of the audit of the Financial Statements (FSs).

- The responsibilities of the Management and Auditors doesn't include in the Engagement Letter.
- The terms of Audit Engagement never change.
- In SAI Myanmar under its law or regulation, the auditor is unable to withdraw from the audit engagement.

ISSAI 1580 - Written Representations

- Does not request to management to provide a written representation for the FSs.
- The responsible person from the audited entities already signed in the FSs.
- The Management has responsibilities about FSs.
- The auditor doesn't disclaim an opinion on the FSs.

[vii] SAI Philippines

- **Good experiences in ISSAI implementation**

ISSAI 1300 - Planning an Audit of Financial Statements

- In SAI Philippines their Top Officials conduct Command Conference from Chairman to the Director Level. It is documented under the SAI's Strategic Plan Document which provide direction to the Directors of the audit sector.
- SAI Philippines also conducted Planning Conference between Directors, Audit Group Supervisors and Audit Team Leaders. It is in the form of Audit Plan/Audit Focus/Audit Instructions.

ISSAI 1315 – Identifying and Assessing the Risks of Material Misstatement through understanding the Entity and its Environment

- SAI Philippines has experience in the area of requirement which is understanding and assessing the level of controls of the Auditee by applying Agency Level Control Checklists (ALCC Template).

- The auditor is able to focus in areas where controls are weak where possible financial misstatements may arise and have better management in audit risks.

- **Difficult experiences in ISSAI implementation**

ISSAI 1210 – Agreeing the Terms of Audit Engagement

- SAI Philippines shared that ISSAI 1210 could not be applied to all the auditee because it will compromise our mandate prescribed by the Phil Constitution and the State Audit Code of the Philippines. Therefore it is recommended to prepare audit guidance defining the circumstances when a term of engagement maybe applied.

ISSAI 1530 - Audit Sampling

- Absence of an updated guidelines;
- No guidance pertaining to performing alternative procedures if the auditor is unable to apply the designed audit procedures to a selected item;
- If the audit of the samples does not pass compliance and/or substantive evaluation, no guidance of the next step to be done;
- The sampling policy does not provide guidelines regarding projection of misstatements for test of details and the projection of deviations for test of controls.
- No guidelines on what to do when transactions that were not selected and audited become the subject of graft and corruption case or legislative inquiry

It is recommended to formulate an updated Audit Sampling Guidelines that conforms with the requirements of ISSAI 1530

(viii) SAI Thailand

Thailand standards on auditing (i.e. translation of ISAs) are regarded as the generally accepted auditing standards.

- **Good experiences in ISSAI implementation**

ISSAI 1315 - Identifying and Assessing the Risks of Material Misstatement through understanding the Entity and its Environment

- Due to OAG regulations prescribing standards for internal control as guidance for an audited agency in formulating its internal control, the audited agencies shall prepare annual internal control report that reflects each of internal control components, including the results of risk assessment process relevant to financial reporting objectives.
- The auditor will focus on understanding the controls that would mitigate a risk of a material misstatement in the financial statements.
- The auditor shall perform risk assessment procedures which include:
 - ✓ Assessing risks of material misstatement of the financial statements at F/S and assertion levels;
 - ✓ Identifying areas where special audit consideration may be necessary;
 - ✓ Designing and performing further audit procedures to obtain sufficient appropriate audit evidence.

ISSAI 1520 - Analytical Procedures

- Analytical procedures are implemented within below stages :
 1. Risk assessment procedure
 2. Substantive analytical procedures
 3. Final analytical procedures
- Simple analytical procedures are conducted (such as a comparison of last year's results to this year) will help to identify an issue that needs to be followed up
- Analytical procedures are designed to point out audit areas which are indicative of potential risks, need special emphasis or additional attention.

- **Difficult experiences in ISSAI implementation**

ISSAI 1220 - Quality Control (QC) for an Audit of Financial Statements

- SAI Thailand implement QC at every level which are:
 - ✓ Leadership Responsibilities for Quality on Audits
 - ✓ Relevant Ethical Requirements
 - ✓ Acceptance and Continuance of Client Relationships and Audit Engagements
 - ✓ Assignment of Engagement Teams
 - ✓ Engagement Performance
 - ✓ Monitoring
 - ✓ Documentation
- The challenges are:
 - ✓ Although the director of audit office & director of division shall review the audit documentation on or before the date of the auditor's report, there is no standardized engagement level quality framework in place.
 - ✓ QC implementation would lead to possible changes in all areas of functioning in OAG. This creates fear and resistance in OAG staff.

ISSAI 1530 - Audit Sampling

- In SAI Thailand environment it is more usual to select specific items for testing based on auditors' judgment.
- It involves a subjective selection of items for testing and a subjective evaluation of the results.
- In practice, the auditors often select only high value items, all items over a certain amount, or all items within a certain period or all items over a certain amount/period.
- The challenges are:

- ✓ Inconsistencies between audit manual and actual audit approach implemented
- ✓ The results of audit procedures applied to items selected in these ways cannot be projected to the entire population.
- ✓ Differences in individual auditor's ability, knowledge, experience and prejudice
- ✓ Pressure on the auditor to reduce time and cost used in audit work

SAI Thailand gives recommendation:

- ✓ Revise current financial audit manual and related directives in accordance with the requirements of the ISSAI1530
- ✓ Provide illustrative examples
- ✓ Promote understanding of Audit Sampling through knowledge sharing program

(ix) SAI Vietnam

- The status of compliance for ISSAIs is as follows:

Audit process	Compliance Requirement	No. of requirements	Compliance	Partial Compliance	Not Compliance	Not applicable
1	Pre-engagement	63	24	22	4	13
2	Planning	186	23	153	9	1
3	Field work	123	15	77	25	6
4	Reporting	159	17	78	21	43
	SUM	531	79	330	59	63
		100%	15%	62%	11%	12%

- **Good experiences in ISSAI implementation**

ISSAI 1220 - Quality Control (QC) for an Audit of Financial Statements

- The Auditor General promulgated many regulations which help to establish multiple control and cross supervision mechanism to the audits. Those regulations and AG decision regularly reviewed and amend to adapt the changes in audit practice.
- The Head of Regional/Specific Department Audit is in a role as audit authorization partner to propose Audit Team and Team Leader. Each Team Leader in turn has responsibility to manage sub team to conduct their audit compliance relevant laws, regulations, policies and standards and to achieve identified objectives.

ISSAI 1210 - Audit Documentation

- The auditors' implementation of audit documentation is being frequently reviewed by many different management layers. Every violation or depart from the regulations and standards of audit documentation is detected and corrected on timely basis.

- **Difficult experiences in ISSAI implementation**

ISSAI 1315 - Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment

- The auditor of SAI Vietnam facing difficult in determining what standards should they follow between financial and compliance objective.
- In ISSAI 1315 guidelines on the selection what risk assessment procedures to be applied in practice does not provide efficiency of audit works. The efficiency of audit works determined by how risk assessment procedures are conducted and how professional judgment is implemented in performing audits.

- Audited entities are in wide range of organization and field of operation, detail guidance for every field of audit activities require great effort and time to complete.

ISSAI 1320 - Materiality in Planning and Performing an Audit

- The ISSAI 1320 guidance is so vague that auditors cannot apply to determine what criterion can be used to define material misstatement for a certain element and for financial statements as a whole, or how to determine material misstatement level/levels of matters concerned.
- There are many debates on what materiality is, how to identify materiality of subject matter, how to measure materiality and how to deal with materiality in audit.

[e] Conclusions of the Day

Each SAI had presented the Country Paper relating to ISSAIs implementation. It were identified that from the summarized of 15 ISSAIs Consoled Matrix Table prepared by SAI Philippines, participative SAIs had been given 10 ISSAIs examples on sharing experiences, 11 ISSAIs has concluded the challenges and 4 out of 15 ISSAIs did not provide any good examples.

2.2 DAY 2 - August 19, 2014 (Tuesday)

[a] Reflection Session

The day started with the 'Reflection Session' on presentation of Day 1 this has depicted two ISSAIs that has been challenged to be implemented and 2 ISSAIs that has been successfully implemented from each SAI. It then related to the next session on building strength through knowledge sharing. Building strength through knowledge sharing is among the main concerned of the ISSAI Implementation Workshop.

[b] Knowledge Sharing and Group Discussion Session

Participative SAI was put into 4 groups for this session whereby each group needs to select the challenges in relation to two ISSAIs:

- ISSAI 1210 – Term of Engagement
- ISSAI 1300 - Planning an Audit of Financial Statements.

The formed groups also were asked to propose solution on those ISSAIs based on three important elements: professional capacity, organizational capacity and/or institutional capacity. General definition of these three elements detailed as below:

- Professional staff capacity (PC) refers to SAI people and their ability to carry out their roles professionally.
- Organizational capacity (OC) refers to the internal system and process of SAI
- Institutional capacity (IC) of a SAI refers to the SAI having the appropriate independence and legal framework, mandate and environment to carry out its core business function effectively.

As the output from the group discussion there were 4 issues of identified challenges under ISSAI 1210-Agreeing the Terms of Audit Engagement that

had been addressed during the presentation of Day 2 as well as 6 issues of identified challenges and its solution had been discussed under ISSAI 1300- Planning an Audit of Financial Statements. The identified issues for both ISSAI were shown in the **Table 3** below.

Output :

TABLE 3
IDENTIFIED CHALLENGES OF ISSAI 1210 AND 1300

SAI Group	Identified Challenges
ISSAI 1210 : Agreeing the Terms of Audit Engagement	
Indonesia & Lao PDR	1. Identifying and assessing Financial Reporting Framework
Philippines & Vietnam	2. Communicating other agreement on audit work
Malaysia & Myanmar	3. Use of engagement letter
Philippines & Vietnam	4. Identifying roles & responsibility of auditor & auditee
ISSAI 1300 : Planning an Audit of Financial Statements	
Indonesia & Lao PDR	1. Using audit information already available in the SAI
Philippines & Brunei	2. Documenting changes to audit plan
Philippines & Brunei	3. Adapting to new names of documents such as strategic audit plan, audit strategy and audit plan.
Malaysia & Myanmar	4. Preparing & Communicating overall audit strategy
Philippines & Brunei	5. Aligning the audit plan throughout the SAI
Indonesia & Lao PDR	6. Adjusting to set deadlines required by parliament/law

As the groups had discussed four identified challenges under ISSAI 1210 and six identified challenges under ISSAI 1300, the next agenda were to propose solutions on each of the challenges.

Generally, solutions proposed by the participants were on mandate, documenting procedure and deepen understanding of ISSAI as well as the role of auditor and auditee. The details on the proposed solutions can be referred to **Appendix A, page 1 to 6.**

Before the end of day 2, the participants had decided to discuss another three ISSAIs on Day 3 which were:

- ISSAI 1315 - Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment
- ISSAI 1320- Materiality in Planning and Performing an Audit
- ISSAI 1330- The Auditor's Responses to Assessed Risks.

2.3 DAY 3 - August 20, 2014 (Wednesday)

[a] Group Discussion Session

Activity on Day 3 was continued with the discussion on ISSAI 1315, 1320 and 1330. Participants were allocated to different group which however still remain the total of four groups in order to build the concept of building capacity on knowledge and strengthening “togetherness” among participants.

Output :

As the output from the discussions, it was identified:

- 11 identified challenges under ISSAI 1315
- 5 identified challenges in under ISSAI 1320
- 5 identified challenges under ISSAI 1330

The details on identified challenges were as shown in Table 4 below:

TABLE 4
IDENTIFIED CHALLENGES OF ISSAI 1315, 1320 and 1330

SAI Group	Identified Challenges
ISSAI 1315 : Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment	
Philippines & Cambodia & Vietnam	1. Identifying and prioritizing risks in the audit team
Philippines & Cambodia & Vietnam	2. Getting awareness from top management
Philippines & Brunei & Thailand	3. Understanding the design of internal control
Philippines & Brunei & Thailand	4. Handling the absence of internal control structure
Philippines & Brunei & Thailand	5. Documenting the understanding of the entity's operation
Malaysia & Indonesia	6. Discuss risks with entities top management
Malaysia & Indonesia	7. Understanding entities IT Information System
Myanmar & Indonesia & Lao PDR	8. Developing efficient audit procedure
Myanmar & Indonesia & Lao PDR	9. Overcoming the resistance of auditors to change
Philippines & Cambodia & Vietnam	10. Training the auditors to understand the different types of risks
Philippines & Cambodia & Vietnam	11. Distinguishing between risks of financial misstatement and non-compliance
ISSAI 1320 : Materiality in Planning and Performing an Audit	
Philippines & Brunei & Thailand	1. Find a procedure to calculate/define materiality for overall materiality as well as classes of transaction (Overall & Performance)
Malaysia & Indonesia	2. Getting a common understanding of the terms
Philippines & Cambodia & Vietnam	3. Raise awareness from top management
Myanmar & Indonesia & Lao PDR	4. Raise awareness from external stakeholders (parliament and Government)
Philippines & Cambodia & Vietnam	5. Finding a materiality level for compliance
ISSAI 1330 : The Auditor's Responses to Assessed Risks	

SAI Group	Identified Challenges
Malaysia & Indonesia	1. Finding a procedure to connect risks with proper audit procedures
Myanmar & Indonesia & Lao PDR	2. Increasing the level of understanding of the auditors
Philippines & Cambodia & Vietnam	3. Finding a procedure to pick out the significant risks
Philippines & Brunei & Thailand	4. Finding the control that you want to test and testing it
Malaysia & Indonesia	5. Gathering more persuasive audit evidence when the risk is high

Based on 21 identified challenges, each group were then had to pick up four challenges and to come up with propose solutions. The groups were asked to present on what had been discussed on the next day that was Day 4 as the secretariat had planned the Social Programme in the afternoon.

2.4 DAY 4 - August 21, 2014 (Thursday)

a] Group Discussion Session

The 4th day of the Workshop was continued by presentation from the four groups which was formed from the day 3 before relating to ISSAIs:

No. ISSAI	Description
1315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
1320	Materiality in Planning and Performing an Audit
1330	The Auditor's Responses to Assessed Risks

All groups had presented by covering the scopes on issues of challenges in implementing respective ISSAIs; proposed solution to the discussed challenges; and shared experiences regarding the challenges. The outputs from the group presentation were in Table 5 and more notes on the discussion can be referred to **Appendix A, page 7 to 15.**

Output:

TABLE 5
IDENTIFIED CHALLENGES AND PROPOSED SOLUTIONS OF
ISSAI 1315, 1320 and 1330

Participative SAI	No. ISSAI.	Challenges Discussed	Output (Proposed Solutions)
Philippines, Vietnam & Cambodia	1315 & 1330	Identifying & prioritizing risks in the audit teams Finding a procedure to pick out the significant risks	*Organizational Capacity <ul style="list-style-type: none"> • Develop a framework that can be adjusted to a different phase and align it with risk assessment • Develop a criteria to determine significant risks • Benchmarking with other SAIs • Consultation with experts and stakeholders • Design procedures and templates *Professional staff capacity <ul style="list-style-type: none"> • Training of consultation with auditors
	1315 & 1320	Raising awareness from top management	*Organizational Capacity <ul style="list-style-type: none"> • Issuance of a policy/directive on the adaption of ISSAIs • include ISSAI implementation as part of the strategic plan of the SAI in order to give awareness to top management • Study tour of top management to other SAI adapted ISSAIs • Consider ISSAI experts in the briefing focus group discussions for top management • Conduct focus group discussion with top management such as with policy group; buy in • Benchmarking with other SAIs
Philippines, Vietnam & Cambodia	1315	Difficulty to understand the different types of risks and other complicated concepts	*Organizational Capacity <ul style="list-style-type: none"> • Include good examples in the guidelines (illustrative examples) • Consultation with experts/practitioners *Professional staff capacity <ul style="list-style-type: none"> • Training of auditors, post training evaluation report • Coaching and mentoring between experience auditor and junior auditor

Participative SAI	No. ISSAI.	Challenges Discussed	Output (Proposed Solutions)
	1315	Distinguishing between risk of financial statement and non-compliance	*Organizational Capacity <ul style="list-style-type: none"> • Raising awareness from top management of SAI • Consultation with experts/practitioners *Professional staff capacity <ul style="list-style-type: none"> • Coaching and mentoring
	1320	Finding materiality level for compliance issues	*Organizational Capacity <ul style="list-style-type: none"> • Raise awareness of top management on the important to set reasonable materiality • Set proper guidelines/guidance • Include criteria for consideration in the guidelines *Professional staff capacity <ul style="list-style-type: none"> • Training of auditors on issue of materiality and exchanging experiences on the issue of materiality
Philippines, Brunei & Thailand	1315	Documenting the understanding of the entity's operations	*Organizational Capacity <ul style="list-style-type: none"> • Adopt template for the understanding the entity and its environment (Understanding the Operations) : <ul style="list-style-type: none"> a. Nature of audited entity <ul style="list-style-type: none"> i. Type of audited entity ii. Applicable law & regulation iii. Applicable financial reporting framework iv. Specific reporting requirements v. Accounting system and IT used to prepare financial information vi. Nature of the entity's operation structure vii. Expansion of the subsidiaries viii. Related parties and the nature of the related party relationships ix. Nature of misstatements of other errors reflected in the results of previous audits b. Significant changes from prior periods may give rise to, or change, risk of material misstatement • Provide database on auditee information and update regularly

Participative SAI	No. ISSAI.	Challenges Discussed	Output (Proposed Solutions)
Philippines, Brunei & Thailand	1315	Understanding the design of the internal control	*Organizational Capacity <ul style="list-style-type: none"> • Adopt checklist by referring to common framework (COSO Framework) • Capacity building: ASEANSI Workshop on understanding the design of internal control; also training the auditors of SAI by those trained by ASEANSI • Walk through in order to increase the understanding of the internal control structure and processes • Conduct on the job training for SAI auditors
Philippines, Brunei & Thailand	1315	Handling the absence of internal control structure	*Institutional Capacity <ul style="list-style-type: none"> • Put in a circular note addressed to ministries to raise awareness to adopt internal control structure and a common framework (e.g COSO Framework) • Include the need for government to describe its internal control structure (e.g. in the financial manual/regulation of the government) • Increase awareness of the auditee on the need of internal control structure and provide training • Issue management letter and recommend to introduce internal controls •
Philippines, Brunei & Thailand	1320	Finding a procedure to calculate/define materiality (overall, special and performance including qualitative and quantitative)	*Organizational Capacity <ol style="list-style-type: none"> 1. Define the entity in term of: <ul style="list-style-type: none"> ○ Revenue generating ○ Spending entities 2. Applying materiality percentage. Suggested: <ul style="list-style-type: none"> ○ 1-3% of total assets ○ 3-5% of equity ○ 1-3% of total revenues/expenditure
Philippines, Brunei & Thailand	1330	Finding the controls that you want to test and verifying them	*Organizational Capacity <ul style="list-style-type: none"> • Adopt policy on test of controls considering: <ol style="list-style-type: none"> a. tolerable deviation b. how to make conclusions • Train auditors • Test control by: <ol style="list-style-type: none"> a. from the results of the walk through procedures b. determine the good controls c. select samples to test d. make conclusions based on policy for tolerable deviation
Indonesia, Lao & Myanmar	1315	Overcoming the resistance of auditors to change	*Institutional Capacity <ul style="list-style-type: none"> • Law to obligate SAI to develop standard and methodology • SAI will develop methodology procedures/manuals • Training, seminar, workshop to socialize

Participative SAI	No. ISSAI.	Challenges Discussed	Output (Proposed Solutions)
			the new concept *Organizational Capacity <ul style="list-style-type: none"> Commitment and encouragement from the supervisors to the auditors
Indonesia, Lao & Myanmar	1315	Developing efficient audit procedure	*Professional Staff Capacity <ul style="list-style-type: none"> Improvement from previous year experience (from documentation & database) Better audit planning Guidelines of audit management Developing e-audit (audit documentation tool and sampling tools such as ACL or IDEA)
Indonesia, Lao & Myanmar	1320	Raise awareness from external stakeholders (parliament and government)	*Institutional Capacity <ul style="list-style-type: none"> Create a forum to socialize/give understanding about materiality (so that government understand auditing) Creating simple and practical notes/modules about materiality concept Using simple terms in order to make easier for them to understand
Indonesia, Lao & Myanmar	1330	Increasing the level of understanding of the auditors	*Organizational Capacity <ul style="list-style-type: none"> Intensive training, seminar/workshop (in house and overseas) Prescribe/develop guidelines/guidance which are easy to understand Circulate case study which is related to risk assessment Learning from other developed SAIs
Malaysia & Indonesia	1315	Understanding entities IT-System	*Organizational Capacity Short/Medium Term: <ul style="list-style-type: none"> Implement the understanding of internal control of the IT system To involve IT expertise into the audit team Develop IT audit procedure Long Term: <ul style="list-style-type: none"> Strategic planning for strengthening IT audit To form a dedicated IT unit *Professional Capacity <ul style="list-style-type: none"> Training (to train more auditors and CISA experts)
Malaysia & Indonesia	1315	Discuss risks with entities top management	*Organizational Capacity <ul style="list-style-type: none"> Management has to develop its own risk assessment process: <ul style="list-style-type: none"> ✓ Engagement (Entrance Management, Discussion) ✓ Clear Agenda to be discussed ✓ Similar perception on the risks

Participative SAI	No. ISSAI.	Challenges Discussed	Output (Proposed Solutions)
Malaysia & Indonesia	1320	Getting a common understanding of the terms	<p>*Institutional Capacity</p> <ul style="list-style-type: none"> External Publication (Booklet, Handbook, Portal/Media) <p>*Organizational Capacity</p> <ul style="list-style-type: none"> Use the terms consistently (Guidelines/Standards/Manual/Audit Plan) <p>*Professional Staff Capacity</p> <ul style="list-style-type: none"> Training (Workshop, Course) on terminologies or confusing terminologies Internal Publication (Portal, Magazine/Journal, emails, forum) On the job training (Coaching)
Malaysia & Indonesia	1330	Gathering more persuasive audit evidence when the risk is high	<p>*Organizational Capacity</p> <ul style="list-style-type: none"> Communication to those who are in charge with governance (management/audit committee/authorities) Substantive procedures during interim audit To plan timing, nature and extent of the audit Identifying relevant corroborative audit evidence Exercising auditor's judgment
Malaysia & Indonesia	1330	Finding a procedure to connect risks with proper audit procedure	<p>*Organizational Capacity</p> <ul style="list-style-type: none"> Identify risks related to transactions in the financial statements Do a risk profile in connection with audit procedures (how to connect risks profile and audit procedures) Well established quality assurance mechanism Having simple matrix template Train the auditor of the importance of risk to the audit procedures (so that everybody can really see the risk and we can form a very appropriate opinion)

Some insights and inputs were given by GIZ experts and participants relating to issues on the challenges as mentioned in Table 3 and as shown below:

- Difficulty to understand the different types of risks and other complicated concepts
- Identifying & prioritizing risks in the audit teams

- ✓ Every SAI members should shares their knowledge, experiences and ideas regarding type of risks that they had encounter during the audit. It can be conducted through discussion, group e-mail, e-forum and other method.
 - ✓ Discussion among audit team members should be held to discuss type of risks that might be in the auditee entity, to prioritize the risk and focus on most important risks.
 - ✓ Auditors should not put high expectation from the ISSAIs implementation
 - ✓ SAIs should have database on type of risks by entity's industry and also information on the problem identified by the auditor on that particular risk.
- Finding materiality level for compliance issues
- ✓ Significant materiality level need to be considered and determined at the beginning phase
 - ✓ In regards to the conducting of the combination of compliance audit and financial audit, auditors to set realistic materiality
 - ✓ Bigger entity has higher risk. Therefore different entity should have different amount of materiality
 - ✓ For the purpose of consolidation account, there could be different materiality level

[b] Briefing and Appreciate Session

The presentation from all the groups was ended successfully with active participation and great ideas and insights shared by participants. Before the session ended, participants were briefed on the next day activity that is to discuss the way forward on the major identified challenges issues in implementing ISSAIs. The objective is to acknowledge to SAIs top level management on all the discussed issues based on the common understanding and proceed with seeking approval for the next ASEANSAI activity.

2.5 Day 5 – August 22, 2014 (Friday)

[a] Opening and Introduction of Day 5

The session started with the ‘memory called back session’ on what had been done on the previous day. Participants were briefed on the successful discussion to identified challenges for 5 ISSAIs and managed to end the discussion with collective proposed solutions besides getting clarifications from GIZ experts on certain issues that were unclear.

[b] Brainstorming and Picking Most Important Issues

Participants were next channelled to the strategy on prioritizing the most important issues to be proposed to ASEANSAI highest committee as the results achieved from the discussion of 5 ISSAIs. A total of eight areas of proposition have been finalized to be worked on:

Output:

- Raising awareness of SAI’s Auditor General on ISSAIs
- Ensure continuity of working on ISSAI implementation that can be worked on different levels
- Improving quality control and quality assurance
- Developing audit program that can connect risks to audit procedures
- Evaluation on internal control in IT system and do risk assessment process
- Resistance of auditors to change due to ISSAIs implementation
- Developing sampling techniques
- Better understanding on risk based approach in relation to ISSAI 1315 and 1330

For the purpose of group presentation that will be on the next session, it was agreed that participants need to present their plan based on four elements that were: **How? For Whom? When? and which responsibility? (SAI/ASEANSAI Committee).**

[c] Presentation of Group Work

The output from the group discussion was as follows:

Output:

How?	For Whom?	When?	Responsibility	Notes
1. Raising Awareness of AGs on ISSAI				
Include as part of the Assembly meeting agenda (ISSAI importance and challenges)	AGs	ASEANSAI Assembly (for example every January annually)	<ul style="list-style-type: none"> • Project Leader (SAI Philippines) • ASEANSAI Chair • KSC Chair • Secretariat • ISSAI Expert 	
Assign auditors with suitable background to participate in ASEANSAI activities	Person has ability to disseminate knowledge experience required	ASEANSAI activities should be stable and send advance notice at least 3 months before to SAI	Deputy AG or senior management (Background good understanding in ISSAI and auditing) or Person can report directly to AG Long Term and consecutive commitment in ASEANSAI	
2. Ensure continuity of working on ISSAI implementation				
KSC : include the assurance as part of the agenda (Reporting on progress status of ISSAI implementation)	<ul style="list-style-type: none"> • ISSAI facilitators • financial auditors 	Q4 - annually	<ul style="list-style-type: none"> • KSC Chair • Project Leader • Secretariat • Strategic Planning Committee 	- This is not a competition, but to see on what level the ASEANSAI countries are doing on the implementation - There are concerns about reporting on the standards (iCATs is only for usage within each SAI)
Develop a tool for feedback	ISSAI experts	Q1 to Q3 annually	<ul style="list-style-type: none"> • Financial auditors • Quality Assurance Office reviewer (if available) • Strategic Planning Committee 	- To report on status of ISSAI implementation - Very difficult to answer the status of implementation. Therefore the recommendation is it have to

How?	For Whom?	When?	Responsibility	Notes
				be reported on a higher level such as progress made
Include in annual operation plans (of each SAI)	Senior auditor that need long term involved	All the time	Consecutive involved in implementation	
Another Knowledge Sharing Workshop on ISSAI implementation for the 10 remaining ISSAIs and the proposed additions & Follow up on 5 ISSAIs that have been worked on in Bandung or Having Workshops on regular basis	Same participants as what been held in Bandung (August 2014)	As soon as possible in this year or January 2015	<ul style="list-style-type: none"> KSC Project Leader 	<ul style="list-style-type: none"> - To see what has happened after the first Workshop in Bandung - Check what has been accomplished - See if the first workshop has been successful - Work on remaining ISSAIs - The "Where" is all the time an issue (for hosting country) - Everyone who feels they could host a Workshop please let SAI Philippines know
3. Improving quality control and quality assurance <ul style="list-style-type: none"> How to introduce quality assurance in your audit practice How to introduce quality assurance in monitoring implementation of ISSAIs 				
First develop and share on practices in order to prepare template as well as manual/guideline	<ul style="list-style-type: none"> Managers Auditors AG (to agree on the templates) 	<ul style="list-style-type: none"> May 2015 Audit General Assembly 	<ul style="list-style-type: none"> Knowledge Sharing Committee Experts on quality assurance and ISSAI implementation 	Question of 2 different issues: 1) training on how to ensure quality assurance 2) for next meeting (bandung II) on how to implement quality assurance for introducing the standard
<ul style="list-style-type: none"> Workshop/ Training Website 	ISSAI facilitators/Experts	Bandung II	ASEANSAI instructor	
Peer support for review of Quality Assurance to	ASEANSAI members	Long term	To be determined	

How?	For Whom?	When?	Responsibility	Notes
share experience				
Proposal: ASEANSAI Training Centre	SAIs	365	ASEANSAI	<ul style="list-style-type: none"> - Need to centralize training because some SAI don't have training facilities - This doesn't only relate to the topic of improving quality control
4. Developing audit program that can connect risk to audit procedures				
Training	SAI	Anytime	Experts on audit program from SAI	
Template pilot project (to be developed and then shared or share the existing one)	<ul style="list-style-type: none"> • Policy makers • Research and Development Director • Research and Development staff 			
Meeting/ Discussion	SAI	Anytime	Knowledge Sharing Experts	
5. Internal Controls (IT System):Evaluation and risk assessment process				
<ul style="list-style-type: none"> • Hands on Workshop • Subject Matter Expert (within ASEANSAI) • External expert (big 4 private audit firms) • Country Papers • Sharing Templates and IT Techniques 	<ul style="list-style-type: none"> • Auditors • SAI IT officers (to support the auditors) 	April 2015 (1-2 weeks duration)	Proposal: <ul style="list-style-type: none"> • Project Leader SAI Brunei (because they are most advance) • ASEANSAI Training Committee • Knowledge Sharing Committee 	You need to decide if this workshop for people who is already know a lot on this matter or whether it is a workshop for less experienced auditors
6. Resistance of auditors to change				
Seminar on Benefits of ISSAI implementation	Top and Medium Level Management (within the SAI)	Mid October 2014 (2-3 Days)	Proposal: <ul style="list-style-type: none"> • Project Leader: SAI Vietnam • Change Management Consultant 	
Motivation and Leadership Program/Road Tour	Relevant Parties in SAI	2 days in each participative SAIs	<ul style="list-style-type: none"> • Asian Institute Management, Philippines • ASEANSAI Secretariat 	
7. Developing sampling techniques				

How?	For Whom?	When?	Responsibility	Notes
Workshop/ Meeting to develop sampling guidelines	<ul style="list-style-type: none"> • Senior Auditors of ASEANSAs • Members (having sampling guide) 	3 rd Q of 2015	Knowledge Sharing Chair	
Training for Trainers	Trainers of SAI members	4 th quarter of 2015	Training Committee of ASEANSAs (SAI Philippines)	
8. Better understanding on risk based approach in relation to ISSAI 1315 and 1330				
Articles/ Template sharing on website (not only for 1315 and 1330 but all implementation documents)	All SAI members of ASEANSAs	On going	<ul style="list-style-type: none"> • KSC • Secretariat • AG to sign the agreement 	<p>All SAI members should be able to participate</p> <p>This can be broadened to ALL implementation on documents that SAs are developing</p> <p>We could have an agreement between all ASEANSAs members to share documents and templates</p> <p>This agreement would have to be signed by each AG</p>
Training: <ul style="list-style-type: none"> • Workshop • Seminar 	Trainers of SAI Members	4 th quarter of 2015	Training Committee (SAI Members of the Committee)	
Coaching/ Sharing expert	SAs which have difficulties	Any time (according to bilateral agreement)	<ul style="list-style-type: none"> • Secretariat • SAI in need • SAI expert • ISSAI experts pool 	Secretariat as an entry point (having an overview on who the experts are)

Generally the specific issues that were mentioned through overall consensus to be communicated to top level management of each SAI touched on the adoption of a financial reporting framework (raising awareness to related parties through ASEAN forums/Sectorial Body Meetings/AIPA Meeting);

development of overall audit strategy; audit tools and software; developing entity database; audit programs and audit documentation.

[d] Proposed on the Application of Methods for Knowledge Sharing

Before the programme for the day ended, facilitator and ISSAIs expert had asked participants on their views and suggestions to keep contacting each other and offer the best methodology in order to strengthening knowledge sharing on ISSAIs implementation and to offer the best solution in overcoming the ISSAIs challenges

Output:

Methods for Knowledge Sharing

- Forum
- Webpage (with experts from ASEANSAL whereby expert to be identified; disclaimer so that no one can be made responsible if things do not work)
- FAQ or other common reference on ISSAI
- Workshop or Training (Terms of Reference, including budget, set criteria, discuss issues and to get an agreement by listing the selection of participants, who is going to conduct workshop, what material has to be prepared)
- Work rotation/attachments/secondments among ASEANSAL members
- Outsourcing of experts
- Discussions
- Continuous meeting
- Communities of Practice through emails, website for e-group, teleconference and forums

[e] Wrap Up by KSC Chairman and Project Leader

In the Wrap-Up Session, SAI Malaysia concluded that from the 5 day Workshop it has been able to cover 5 ISSAI out of 15 planned ISSAIs. The Workshop had managed to identify challenges in implementing ISSAIs and to come up with constructive proposed solution. Through in-depth discussions,

participants gained clearer understanding on ISSAIs requirement for instance, under ISSAI 1210 – Term of engagement it has been cleared to the participants about the concept of the term of engagement. The outputs that have been achieved from the Workshop need to be communicated to each SAI's top level management and not to forget to other stakeholders such as parliament, auditee and other authoritative agencies. According to SAI Malaysia, the Workshop has been able to map the action plan based on the most important ISSAIs issues. Some of the action plan will be addressed to appropriate ASEANSAI Committee consists of Strategic Planning Committee, Knowledge Sharing Committee and Training Committee. It is hoped that the community of the practitioner will keep on going and energize in implementing the ISSAIs.