



REPORT ASEANSAI ACTIVITIES 2015

**ASEAN SUPREME AUDIT INSTITUTIONS
(ASEANSAI)**



FOREWORD

ASEANSAI was established on 16 November 2011 as the realization of a shared desire among Supreme Audit Institutions in the ASEAN region. ASEANSAI is a forum that serves to facilitate sharing knowledge and experiences in the field of public sector audit. ASEANSAI is expected to be able to play an important role in increasing the capacity of audit institutions in the respective states of ASEANSAI.

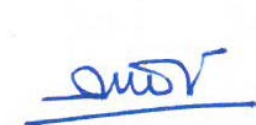
ASEANSAI has passed couple years since it was established. Over the years, there have been various activities undertaken by ASEANSAI. All of ASEANSAI Committees have been actively conducted their projects. ASEANSAI Secretariat also has an opportunity to conduct a study visit to SAI Chile as the Secretariat of Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) to learn how SAI Chile manages and runs the OLACEFS Secretariat effectively.

During 2015, there was a second handover of the ASEANSAI Chairmanship from the Auditor General of Jabatan Audit Brunei Darussalam to Auditor General of the National Audit Authority of Cambodia for period 2015-2017. At the same time, the President of State Audit Organization of Lao PDR was appointed as the Vice Chairperson of ASEANSAI for the same period.

ASEANSAI has also stepped forward to the settlement of Protocol amending the ASEANSAI Agreement and the cooperation with donors. Moreover, ASEANSAI has developed the capacity of its members through Knowledge Sharing and Training Committee activities. The activities have been increased and geared towards training topics which are interest and concern to its members.

The activities were aligned with international developments in the field of public sector auditing, most particularly, the implementation of International Standards of the Supreme Audit Institutions (ISSAIs) as evidently supported by the Long Term ASEANSAI Programme on ISSAI Implementation (LTAPII).

Furthermore, I hope this report will provide an overview on the activities that have been running during 2015. Hopefully, ASEANSAI can work better and can give benefits to the development of institutional capacity and the improvement of governance in their respective member states.



Som Kim Suor (Mrs.)

Chairperson of ASEANSAI

Auditor General of Cambodia

TABLE OF CONTENT

I. Introduction

II. The Contents of The Report

1. ASEANSAI Secretariat Function Activities

- a. The ASEANSAI Donor Coordination Meeting
- b. The ASEANSAI Assembly Meeting and Technical Meeting
- c. Study Visit to SAI Chile as Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) Secretariat
- d. Audit Workshop for South East ASIAN Supreme Audit Institutions
- e. The 3rd ASEANSAI Senior Officials Meeting and Pre-hand Over ASEANSAI Chairmanship
- f. Effective Public Relations and Communication for Supreme Audit Institutions in ASEAN Training
- g. The 3rd ASEANSAI Summit and Handover Chairmanship from SAI Brunei Darussalam to SAI Cambodia
- h. Meeting with ASEAN Inter-Parliamentary (AIPA) Secretariat

2. ASEANSAI Administrative Function Activities

3. The ASEANSAI Committee Activities

- a. The ASEANSAI Strategic Planning Committee
 - Workshop on Communicating The ASEANSAI Monitoring System
- b. The Rules and Procedures Committee
 - High Level Visit and Coordination for Amendment of ASEANSAI Agreement and ASEANSAI Rules and Procedures
- c. The Knowledge Sharing Committee
 - The 2nd Focus Group Discussion on Public Procurement Audit – ASEANSAI Knowledge Sharing Committee
 - ASEANSAI Knowledge Sharing on Water Management Auditing
 - ASEANSAI the 3rd Focus Group Discussion on Public Procurement Audit
 - ASEANSAI KSC Workshop on the Use of Computer Assisted Audit Tools (CAATs)
- d. The ASEANSAI Training Committee
 - Planning Meeting for ISSAI Implementation Project
 - ASEANSAI Design Meeting on Risk-based Audit and Internal Control

- ASEANSAI-LTAPII : E-learning Course for the Workshop on Risk-based Audit Approach on Financial Audit (online)
- ASEANSAI-LTAPII : Workshop on Risk-based Audit Approach in Financial Audit
- The 2nd Workshop on IntoSAINT

III. Conclusion

ANNUAL REPORT OF THE ASEANSAI 2015

I. Introduction

ASEAN member states faced the mismanagement and misuse of state money in several countries and need to be responded and resolved together. In response to these matter, SAIs on ASEAN Member States view the need to establish cooperation in order to increase their role in the enhancement of transparency and accountability in their respective countries and in ASEAN in general. This cooperation is done by establishing the ASEANSAI as a media of building institutional capacity of SAIs of ASEAN Member States.

ASEANSAI was declared in the SAIs Summit of the ASEAN Member States on November 16, 2011, during the 19th ASEAN Summit in Nusa Dua, Bali, Indonesia. The establishment was done by the signing the Agreement of ASEANSAI by ten Heads of SAIs of ASEAN Member States. The Audit Board of the Republic of Indonesia (BPK) has taken a lead to establish the ASEANSAI and hosted the SAIs Summit of the ASEAN member states at that important event. All SAIs of the ASEAN member states have supported and given strong commitment to build SAIs capacity together through the ASEANSAI.

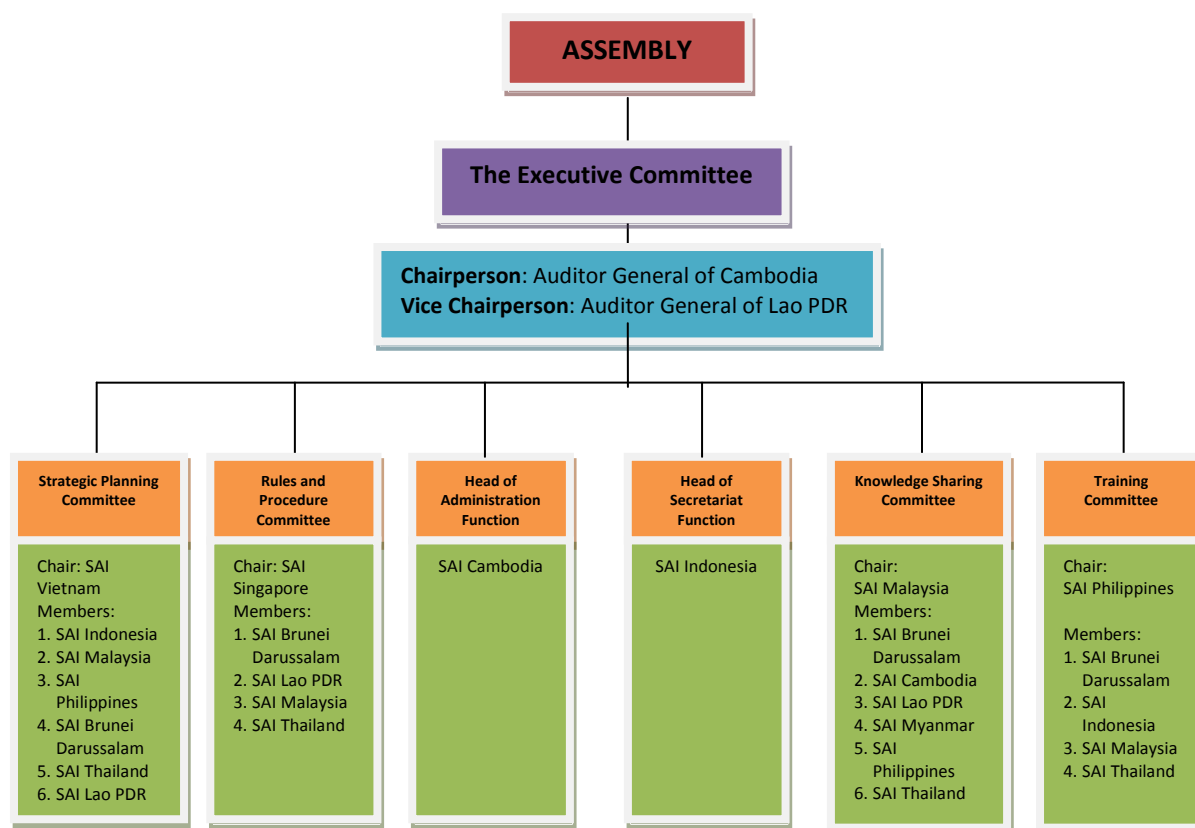
ASEANSAI is an independent, autonomous, and non-political organization and becomes a forum to enhance capacity and collaboration in the field of public sector auditing in ASEAN region. ASEANSAI also would like to contribute positively and constructively to the ASEAN Community. This will be done by exchanging knowledge and experiences in conducting audits in each member SAI. In order to achieve the above expectation, the ASEANSAI also be an entity associated with the ASEAN.

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

Meanwhile, Secretariat is headed by the Head of Secretariat which shall be appointed by the Chairman of ASEANSAI. Based on the result from General ASEANSAI Assembly Meeting which held in Brunei Darussalam on 2013, there was an agreement for a transitional arrangement before the establishment of Permanent Secretariat and Administration Office. The arrangement was BPK would continue the Secretariat duties in managing finance and bank account, keeping records, and communicating with donors, while the administration supports would be provided by SAI who served as the Chairman. This practice still followed until now.

On the other hand, the Committee is formed from among the Members of ASEANSAI. ASEANSAI Committee consists of Strategic Planning Committee, Rules and Procedure Committee, Knowledge Sharing Committee, and Training Committee. Below is the organizational structure of ASEANSAI

ORGANIZATION STRUCTURE OF ASEANSAI FOR PERIOD 2015-2017



Note

Auditor General of Cambodia

Auditor General of Lao PDR

Head of Secretariat Function

Head of Administration Function

: **Mrs. Som Kim Suor**

: **Mrs. Viengthong Siphandone**

: **Mr. Hendar Ristriawan**

: **Mr. Sophat Chea**

II. The Contents of The Report

The establishment of ASEANSAI was one of the form act responsibility of public sector audit that is very important in minimizing the mismanagement and misuse of state money. During 2015, ASEANSAI has conducted activities in the following main areas:

1. ASEANSAI Secretariat Function Activities

The ASEANSAI Secretariat collaborates with the ASEANSAI Administration Function assisting the Executive Committee of ASEANSAI in managing the work of the Assembly; include facilitating and managing the ASEANSAI Assembly Meeting and relation with external stake holders.

a. The ASEANSAI Donor Coordination Meeting

Regarding to the ISSAI Implementation project in 2015, based on results of Workshop on ISSAI Implementation in Bandung and Action Plan Meeting in Manila in 2014, it is deemed necessary to have a clear action plan to clarify responsibilities for each participant within the project. The action plan also includes project activities allocation and responsibilities for each donor. Considering each donor has different source and ways in supporting the ASEANSAI project, a meeting to discuss the commitment from each donor is required.

Donor coordination meeting was held in 7 February 2015 in Kuala Lumpur Malaysia, a day before ASEANSAI Assembly Meeting 2015. The occasion is considered as perfect time to coordinate all the donors to have a common idea about how the project of ISSAI implementation will be done and funded effectively. The meeting aimed at:

- Discussing the ISSAI Implementation action plan which will be supported by donors; and coordination among all donors.
- Allocating and clarifying the roles and responsibilities of each donor;
- Finding specific alternatives for World Bank to arrange a Memorandum of Understanding (MoU) with ASEANSAI on ISSAI Implementation Project;
- Discussing the ADB project on Regional Technical Assistance (RETA) and its alignment with the ISSAI Implementation Project.
- Discussing the ISSAI Implementation action plan which will be supported by donors; and coordination among all donors.

The meeting was opened by Auditor General Malaysia, Tan Sri Ambrin bin Buang, and attended representatives of responsible SAIs : Philippines (Project Leader), Malaysia and Indonesia (sub project leader), Brunei and Indonesia (Secretariat). Three representatives of development partners were from GIZ (Alexander Beetz, Jana Leutner, Daniel Blessing, Dennis Roy), Worldbank (Roberto Tarallo, Chris Fabling, Unggul Suprayitno) and Asian Development Bank (Agustina Musa). The discussion was led by Bahtiar Arif (from Indonesia as Secretariat Function).

The meeting results a clear understanding of responsibilities for each donors within the project.

b. The ASEANSAI Assembly Meeting and Technical Meeting

The ASEANSAI Assembly Meeting and Technical Meeting, held in 8 February 2015, were attended by heads and representatives of nine SAI members. SAI of Myanmar did not come to the meeting.

At the opening, Auditor General of SAI Malaysia, Tan Sri Ambrin Buang conveyed a speech and emphasize the objective of ASEANSAI was to promote collaboration between auditors of member nations in strengthening capacity building on a national level. Standards have already been established on a global level, and by adopting them in the national level through knowledge sharing and training (between members), it can facilitate the process of capacity building. Representatives from INTOSAI Development Initiatives (IDI) described the importance of ISSAI Awareness for ASEANSAI top management and strategy for ISSAI Implementation Project.

Further, the Assembly Meeting discussed annual reports from Executive Committee, Knowledge Sharing Committee, Strategic Planning Committee, Training Committee, Rules and Procedures Committee, and Secretariat Function. Special attention was put on concept paper of strengthening ASEANSAI Secretariat, ADB Proposal on Regional Technical Assistance (RETA), and ASEANSAI ISSAI Implementation Project. The Assembly summarized feedbacks from all member SAIs and would circulate it at the end of February 2015. Since the proposal of strengthening ASEANSAI Secretariat was principally approved, the draft of ammended Agreement would be finalised and circulated. All members SAIs would administer internal clearance and other procedural needs. The ammended Agreement is scheduled to be signed at ASEANSAI Summit November 2015 in Cambodia.

Meanwhile, the technical meeting discussed the restructurisation ASEANSAI Secretariat and detailed amendments of ASEANSAI Agreement. Suggestions from member SAIs including tenure of ASEANSAI Secretariat, role of the Secretariat as driving force, and matters related with the amendments of ASEANSAI Agreement related to ASEANSAI Secretariat. The meeting agreed to discuss further the ADB Proposal on RETA for ASEANSAI and to refine the MoU between ASEANSAI and ADB. Each SAI was given chance to convey their inputs/comments on the ADB Proposal and its draft MoU.

The main issues that have agreed during the technical meeting are as follow:

- 1) BPK as the Secretariat will draft the revised Amendment to ASEANSAI Agreement after taking into consideration of the issues that have been agreed on the proposal on restructuring the ASEANSAI Secretariat. The signing of the Amendment to ASEANSAI Agreement is targetted to be held during the ASEANSAI Summit in November 2015.
- 2) BPK as the Secretariat will revise the draft MoU between ASEANSAI and ADB by taking into consideration the issues that have been discussed during the Donor Coordination Meeting on 7 February 2015. The revised draft MoU will be circulated to all ASEANSAI members and at the same time BPK will request ADB to extend the RETA in order for all ASEANSAI members to obtain the internal clearance.

c. Study Visit to SAI Chile as Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) Secretariat

ASEANSAI is in the process of proposing an amendment of Agreement related to the designation and the working period of the Secretariat. On the other side, OLACEFS is similar to ASEANSAI in the way the Secretariat and the Chair are administered by two different SAIs. Furthermore, although experienced as ASEANSAI Secretariat for 3 years, BPK deem the need to learn from a more experienced entity. Since SAI Chile is now the OLACEFS Executive Secretariat, BPK as the ASEANSAI Secretariat conducted a visit to Santiago, Chile on 21-28 March 2015 to study the way OLACEFS Secretariat functions.

This study visit aims at acquiring valuable knowledge in the way OLACEFS Secretariat is run. Specifically, from the following ways:

1) Project Management

ASEANSAI is interested to learn how SAI Chile as the General Secretariat of OLACEFS conducts the whole cycle of initiating, planning and design, executing, monitoring and controlling, to closing projects in OLACEFS.

2) Knowledge Management

ASEANSAI intends to learn how knowledge is effectively developed, shared and used among members of OLACEFS.

3) Communication Skills

ASEANSAI intends to learn how SAI Chile effectively communicates with OLACEFS members, and counterparts.

4) Event Management

Each year, ASEANSAI holds several events and meetings, such as the ASEANSAI Assembly and technical meetings, hosted by different SAI members. There is immediate need of clarity of roles and responsibilities of the host SAI and the Secretariat, and how they should coordinate and synergize.

Output from this visit are:

- a) Report to ASEANSAI on the reasons for a strong Secretariat.
- b) Input-paper with lesson learnt on how to revise rules and procedures; clarifying on distinction between statute/agreement as well as rules and procedures.
- c) Gap-analysis on capacity building needs for ASEANSAI Secretariat.

d. Audit Workshop for South East ASIAN Supreme Audit Institutions

Audit Workshop for South East ASIAN Supreme Audit Institutions, jointly hosted by CNAO and China's Ministry of Commerce, were held from 1-10 June 2015, in National Audit University, Nanjing, China. The workshop aims at providing capacity building opportunities for the senior Auditors from the supreme audit institutions of ASEAN.

During the seminar, participants shared the successful audit experiences and found solutions to the common challenges through targeted teaching and interactive discussions. Keynote lectures and participants' interactions are introduced to the programme.

The seminar was designed mainly under the theme of "Roles of auditing in promoting good national governance", together with other topics such as an outlook of China's economic development and governmental audit, ISSAIs' assimilation in China, computer

and IT audit, budgetary audit, investment project audit, environmental audit, accountability audit, etc.

As part of the seminar programme, working sessions with some local audit institutions as well as cultural visits were arranged to help the participants better understand the Chinese auditing system as well as Chinese culture, history and development.

e. The 3rd ASEANSI Senior Officials Meeting and Pre-hand Over ASEANSI Chairmanship

The 3rd ASEANSI Senior Officials Meeting (SOM) was successfully held in Bandar Seri Begawan, Brunei Darussalam on 27-28 July 2015. The meeting which was attended by 35 senior officials from all SAI in ASEAN aimed to discuss various outstanding issues that needs to be resolved before the handover of the ASEANSI Chairmanship at ASEANSI Summit in Phnom Penh, Cambodia.

The topic of discussion included finalization of the draft amendment of ASEANSI Agreement, proposed agenda for the ASEANSI Summit, ASEANSI Committees' Work Plan 2016/2017, and other matters. The meeting agreed on 11 items as follow:

- 1) All SAIs will proceed with internal clearance for existing draft protocol amending the agreement on establishment of the ASEAN Supreme Audit Institutions to enable the Agreement to be endorsed during upcoming Summit.
- 2) All SAIs agree with the proposed agenda for ASEANSI Summit. There were some proposed changes: **First**, to include Cambodia's national anthem and ASEANSI song. **Second**, courtesy call with Prime Minister of Cambodia to replace audience with His Majesty Raja Preah Bat Samdech Preah Boromneath. **Third**, approval of Chair and members of ASEANSI committees. **Fourth**, Appointment of Auditor for FS 2014 and 2015. The detail agenda will be discussed with the Executive Committee and circulated to the member of ASEANSI after the SOM.
- 3) In order to achieve the effectiveness of activities and considering the availability of resources, all committees will synchronize and revise the work plan including the proposed budget in detail. It is expected that the revised work plan 2016-2017 would be submitted to Secretariat one month after the July SOM
- 4) For the signing MoU between ASEANSI and ADB, it is agreed on some items: **First**, The MoU with the ADB will be postponed because of the clarity of Annex 1 as activities described already supported by GIZ and World Bank until 2017. **Second**, Secretariat will seek possibility of future cooperation with ADB.
- 5) Related to the draft financial statement 2014 and interim financial statement 2015, SAIs agreed that Chair of ASEANSI will send a formal letter to GIZ for requesting information on activities to be funded during the project phase 2.
- 6) With regards to the proposed budget 2016-2017 for ASEANSI activities, it is agreed that there will be a segregation of funding for activities to be funded by GIZ and self funded by the ASEANSI Committees.
- 7) All of current Committees' Chair agreed to reassume the chairmanship until 2017. It is also agreed that SAI Brunei Darussalam, SAI Laos and SAI Thailand wished to join SPC as members.
- 8) Self nomination for the next secretariat will be issued one month after SOM for approval in the ASEANSI Summit.

- 9) Related to the issue on Appointment of Auditor for 2016, it is agreed that the Secretariat will request SAIs to propose as Auditor for 2015-2016 and wait the candidacy up to one month after SOM.
- 10) SAI Malaysia will provide more detail on the proposal of External Auditor ASEAN Secretariat.
- 11) The signing of the letter of commitment of ISSAI Implementation is waived.

Following the SOM, pre-handover of ASEANSAI Chairmanship was conducted at the Office of Jabatan Audit Brunei Darussalam on 29 July 2015 and attended by SAI Brunei Darussalam as ASEANSAI Chairman and Administrative Function, BPK as Secretariat Function and SAI Cambodia as the next ASEANSAI Chairman (period 2015-2017). The meeting mainly discussed the preparation of Summit and the detailed agenda of the Summit. Output of the meeting is division of task between SAI Brunei Darussalam, BPK, and SAI Cambodia in conducting ASEANSAI Summit 2015.

f. Effective Public Relations and Communication for Supreme Audit Institutions in ASEAN Training

In order to improve the awareness of ASEANSAI members on its results and activities, GIZ organized a Training on "Effective PR and Communication for Supreme Audit Institutions in ASEAN" which was attended by 16 Officials from 9 SAIs in ASEAN in Bangkok, Thailand on 11-13 August 2015.

The training aimed to enhance the understanding of PR and communication as well as requirements for good Public Relations (PR) for ASEANSAI members staff. During the training, the participants were encouraged to have discussion and share their experiences in doing PR and communications. There were also practical exercise in a group where participants brought their own cases of ASEANSAI activity and PR material to be produced afterwards. The training resulted draft of PR products such as ASEANSAI slide presentation, fact sheet of Effective Budget in Lao PDR, brochure of ASEANSAI Monitoring and Evaluation System, and ISSAI poster to be used and distributed during ASEANSAI events.

By attending this training, the participants is equipped with better communication and documentation which will support the activities of ASEANSAI. Further, the good public relations capacity gained during the training will make broader public of partners, governments or civil society more aware of the SAI and ASEANSAI.

g. The 3rd ASEANSAI Summit and Handover Chairmanship from SAI Brunei Darussalam to SAI Cambodia

The 3rd ASEANSAI Summit was held on 5 November 2015 in Phnom Penh, Cambodia. The main purpose of the meeting was to hand over the ASEANSAI Chairmanship and endorse ASEANSAI outstanding issues including ASEANSAI activities report for 2013-2015 and the next ASEANSAI Workplan for 2015-2017. The Summit was attended by ten ASEANSAI members and the representatives from Donors.

On the opening ceremony, Auditor General of Cambodia as the host of the meeting and Auditor General of Brunei Darussalam, as the Chair of ASEANSAI period 2013-2015 delivered the opening speeches. There were also some guest speaker conveying the

speeches, such as H.E. Tan Sri Dato' Setia Ambrin bin Buang (Chair of ASOSAI and Auditor General Malaysia), H.E. Mr. Yang Ningsheng (Director General of CNAO's Kunming Regional Office as special representative of Auditor General of China as the Chair of INTOSAI) and Mr. Alexander Beetz (Team Leader for Support to ASEANSAI).

The Summit Session started with the report on ASEANSAI activities for period 2013-2015 led by H.E. Mr. Matali bin Haji Md. Yusof, Auditor General Brunei Darussalam, as the Chair of ASEANSAI to get the Assembly approval. After the Assembly approval on the report was gained, H.E. Mr. Matali bin Haji Md. Yusof, as the Chair of ASEANSAI period 2013-2015 handed over the ASEANSAI Chairmanship to H.E. Madam Som Kim Suor, Auditor General of Cambodia as the upcoming ASEANSAI Chairperson for period 2015-2017 symbolized by the handing over of the ASEANSAI Gavel and the ASEANSAI Book: The Journey Continue. In addition to that, it also agreed that Dr. Mrs. Viengthong SIPHANDONE, President of State Audit Organization of Lao PDR was appointed as the Vice Chairman of ASEANSAI for the period of 2015-2017.

As the newly appointed Chairperson of ASEANSAI, H.E. Madam Som Kim Suor, Auditor General Cambodia led the Summit with the following result:

- 1) Approval on the appointment of ASEANSAI Secretariat and Administrative Function during the transitional period before signing the Protocol on Amending the ASEANSAI Agreement for the single and longer-term Secretariat. It was agreed that National Audit Authority of Cambodia to be the Administrative Function and BPK to be the Secretariat Function;
- 2) Approval on the ASEANSAI Committee with the following composition:
 - Strategic Planning Committee is chaired by SAI Vietnam. The six includes SAI Malaysia, SAI Philippines, SAI Brunei Darussalam, SAI Thailand, SAI Indonesia and SAI Lao PDR.
 - Rules and Procedure Committee is chaired by SAI Singapore. The four members includes SAI Brunei Darussalam, SAI Lao PDR, SAI Malaysia and SAI Thailand.
 - Knowledge Sharing Committee is chaired by SAI Malaysia. The seven members includes SAI Brunei Darussalam, SAI Cambodia, SAI Lao PDR, SAI Myanmar, SAI Philippines, SAI Thailand and SAI Vietnam.
 - Training Committee is chaired by SAI Philippines. The four members includes SAI Brunei Darussalam, SAI Malaysia, SAI Indonesia and SAI Thailand.
- 3) Approval on the appointment of SAI of Thailand as the ASEANSAI Auditor for Financial Statements for Year Ended 2014 and 2015.
- 4) Approval on the ASEANSAI Committee Work Plans 2016-2017.

i. Meeting with ASEAN Inter-Parliamentary (AIPA) Secretariat

The meeting between ASEANSAI Secretariat Function and AIPA Secretariat took place in the Office of AIPA Secretariat on 25 November 2015. The purpose of the meeting was to learn the benchmarking of AIPA Secretariats' status and its relations with donors. From the meeting, ASEANSAI Secretariat learned that AIPA Secretariat is independent and unnecessarily obtain the internal clearance to sign the MoU/agreement with external parties, including with the donors.

2. ASEANSI Administrative Function Activities

As agreed in the ASEANSI General Assembly Meeting in Brunei Darussalam, November 2013 that there would be a transitional arrangement before the establishment of permanent secretariat and administration office could take place and initiated after the signing of the Amendment of the ASEANSI Agreement. The arrangement was that the SAI Indonesia would continue its secretariat duties in managing finance and bank account, keeping records, and communicating with donors, while the administration support duties to the ASEANSI Executive Committee would be conducted by the SAI of Brunei Darussalam.

As of November 2013, SAI Brunei Darussalam assumed the role of ASEANSI Administration Function to provide administration support to the Chairman of ASEANSI and the Executive Committee. The functions and duties of the ASEANSI Administration Function are :

- 1) To be responsible to the Chairman of the ASEANSI;
- 2) To assist the Executive Committee of the ASEANSI in managing the administrative matters;
- 3) To coordinate with the Permanent Secretariat in performing its duties; and
- 4) To perform any other duties as directed by the Executive Committee of the ASEANSI.

In alignment with the functions and duties ASEANSI Administration Function, four objectives has been established and conducted as detail below:

Objective 1: Providing administrative support to Executive Committee

- Administrative arrangement of the Administration Function
ASEANSI Administration Function has prepared the draft Work Plan and proposed budget 2014-2015 for ASEANSI Administration Function to be endorsed in the ASEANSI Assembly in Jakarta, January 2014.
ASEANSI Administration Function has also prepared the draft Work Plan for ASEANSI Executive Committee and submitted for discussion during ASEANSI Senior Officials' Meeting in Brunei Darussalam held from 27th to 28th July 2015.
In addition to this, ASEANSI Administration Function has coordinated with SAI Indonesia and other ASEANSI members for the finalization of the draft Protocol Amending the Agreement on the Establishment of the ASEANSI from November 2013 to October 2015.
- Reporting to ASEANSI Executive Committee
As stipulated in the ASEANSI Rules and Procedures, each ASEANSI Committee was required to submit their semi-annual report to the ASEANSI Executive Committee. ASEANSI Administration Function has communicated to all ASEANSI Committees to provide the semi-annual report for the period from January 2014 to June 2014; July 2014 to December 2014 and January 2015 to June 2015 to be reported to the ASEANSI Executive Committee.
- Facilitating Meeting for the ASEANSI Executive Committee

ASEANSAI Administration Function has coordinated with ASEANSAI Secretariat Function in facilitating ASEANSAI Executive Committee Meeting which was held in Cambodia on 21st October 2014 to discuss issues such as the finalisation of the draft Protocol Amending The Agreement on the Establishment of the ASEANSAI; the concept paper on the restructuring of the ASEANSAI Secretariat; draft Memorandum of Understanding between ASEANSAI and Asian Development Bank (ADB); audited ASEANSAI Financial Statements for Year Ended 31 December 2012 and 31 December 2013; the upcoming ASEANSAI Assembly and the tentative programme.

Objective 2: Facilitation of collaborations and management of communication flow for members of ASEANSAI

- Facilitating ASEANSAI Meetings

ASEANSAI Administration Function has also coordinated with SAI Indonesia in facilitating several ASEANSAI meetings for all ASEANSAI members that include the compilation of the meeting materials, circulation of the meeting materials and preparation of the summary of discussion for each meeting. Those meetings were listed as follows:

- (i) ASEANSAI Technical Meeting and Assembly Meeting in Jakarta, January 2014.
- (ii) ASEANSAI Preparatory Meeting, Assembly Meeting and Technical Meeting in Kuala Lumpur, February 2015.
- (iii) ASEANSAI Preparatory Meeting and Senior Officials' Meeting in Brunei Darussalam, July 2015.
- (iv) ASEANSAI Summit in Cambodia, November 2015.

- Requesting report or articles from ASEANSAI members on any activities or events for the newsletter purpose issued on quarterly basis

ASEANSAI Administration Function has also been given the responsibility to publish ASEANSAI Newsletters since November 2013 and managed to publish several ASEANSAI Newsletters as follows:

- (i) ASEANSAI Newsletter Volume I-2014 (Jan to Mar 2014).
- (ii) ASEANSAI Newsletter Volume II-2014 (Apr to Jun 2014).
- (iii) ASEANSAI Newsletter Volume III-2014 (Jul to Sep 2014).
- (iv) ASEANSAI Newsletter Volume IV-2014 (Oct to Dec 2014).
- (v) ASEANSAI Newsletter Volume I-2015 (Jan to Mar 2015).
- (vi) ASEANSAI Newsletter Volume II-2015 (Apr to Jun 2015).
- (vii) ASEANSAI Newsletter Volume III-2015 (Jul to Sep 2015).

Objective 3: Supporting the development of Committees' work plan and monitoring the work plan implementation

- Requesting the Terms of Reference and Work Plan from Committees and Permanent Secretariat

In the year 2013, ASEANSAI Administration Function has coordinated with ASEANSAI Secretariat Function by requesting all ASEANSAI Committees to submit their Terms of Reference and Work Plan 2014-2015 to be discussed and endorsed in the ASEANSAI Assembly in Jakarta in January 2015.

ASEANSAI Administration Function has also coordinated with ASEANSAI Secretariat Function in 2015 by requesting from each ASEANSAI Committee and compiling of the ASEANSAI Committees' Work Plan 2016-2017 for discussion in the ASEANSAI Senior Officials' Meeting held on 27th and 28th July 2015 in Brunei Darussalam.

- Arranging meeting to finalise the work plan of each committee
After the ASEANSAI Senior Officials' Meeting in Brunei Darussalam, ASEANSAI Administration Function has coordinated with ASEANSAI Secretariat Function by requesting and compiling the revised Committees' Work Plan 2016-2017 to be endorsed in the ASEANSAI Summit to be held on 5th November 2015.
- Monitoring the implementation of Committees' work plan
As required in the ASEANSAI Rules and Procedures, each ASEANSAI Committee was required to submit their semi-annual report to the ASEANSAI Executive Committee. ASEANSAI Administration Function has communicated to all ASEANSAI Committees to provide the semi-annual report for the period from January 2014 to June 2014; July 2014 to December 2014 and January 2015 to June 2015 to be reported to the ASEANSAI Executive Committee.

Objective 4: Ensuring a smooth transfer of responsibilities of Chairman and Secretariat to the next Chairman of ASEANSAI

- Preparing the handover of Chairmanship in 2015 (i.e. Materials for the handing over and gavel to pass to the new Chairman)

ASEANSAI Pre-Handover Chairmanship Meeting was held in Brunei Darussalam on 29th July 2015 with SAI Cambodia and SAI Indonesia to discuss and share knowledge together served as knowledge transfer from the outgoing Chairman of ASEANSAI to the upcoming Chairman and also the supports rendered by ASEANSAI Head of Administration and ASEANSAI Secretariat to the Chairman of ASEANSAI.

- Preparing the next ASEANSAI Summit
ASEANSAI Administration Function has coordinated with SAI Indonesia (ASEANSAI Secretariat Function) and SAI Cambodia (incoming Chairman and host of the ASEANSAI Summit 2015) in preparing for the ASEANSAI Summit in November 2015.
- Preparing the ASEANSAI Book
ASEANSAI Administration Function has assembled an ASEANSAI Book with the theme "The ASEANSAI's Journey Continues" for the period from November 2013 until July 2015 as a continuation from the previous ASEANSAI Book published by ASEANSAI Secretariat, SAI Indonesia. The ASEANSAI Book depicts articles contributed by all ASEANSAI members and will be distributed to each SAI during ASEANSAI Summit.

3. ASEANSAI Committee Activities

a. The ASEANSAI Strategic Planning Committee

Workshop on Communicating The ASEANSAI Monitoring System

The Strategic Plan Committee (SPC) Workshop on the topic of “Communicating the ASEANSI Monitoring System” was successfully held in Jakarta, Indonesia on 19-23 January 2015, with the administrative support from the State Audit Office of Vietnam (SAV).

The workshop was attended by SAI Vietnam, SAI Indonesia, SAI Brunei Darussalam, SAI Cambodia, SAI Lao PDR, SAI Malaysia, SAI Philippines, and SAI Thailand as the participants with technical assistance provided by Subject Matter Expert (SME) from Gesellschaft für Internationale Zusammenarbeit (GIZ). It was held with the purpose to disseminate and apply the monitoring system which supports the progress of the Strategic Plan 2014-2017 to ASEANSI members, and to develop the draft of the annual report for reporting purpose in the ASEANSI Assembly Meeting on 8 February 2015 in Malaysia. The participant actively discussed and exchanged their views and opinions on the topic.

The SAV would prepare and present the Monitoring System on behalf of Strategic Plan Committee in the ASEANSI Assembly. It is also decided that the SPC would remind Committees for submitting the bi-annual report with the newest format.

b. The Rules and Procedures Committee

High Level Visit and Coordination for Amendment of ASEANSI Agreement and ASEANSI Rules and Procedures

The meeting is held in SAI Singapore's office on 26-28 April 2015. The purpose of the meeting is to discuss the recent development of ASEANSI including the settlement of amendment of ASEANSI Agreement as well as revision of ASEANSI Rules and Procedures, to strengthen the relationship and equalize perception in the years to come, and to discuss unsolved things related to the amendment of ASEANSI Agreement.

It is concluded from the meeting that SAI Singapore agreed with the importance of longer-term ASEANSI Secretariat and would revise the Rules and Procedures after amendment of ASEANSI Agreement is signed. For the next step, BPK as Secretariat would circulate the latest draft of amendment of ASEANSI Agreement to all member SAIs along with the explanation of:

- 1) Extension Tenure of the secretariat.
- 2) Requirement to elect the Secretariat.
- 3) Formation Secretariat.
- 4) The inclusion of the Intellectual Property Right.
- 5) Additional paragraph under Article 11.

c. The Knowledge Sharing Committee

The 2nd Focus Group Discussion on Public Procurement Audit – ASEANSI Knowledge Sharing Committee

The 2nd Focus Group Discussion (FGD) on Public Procurement Audit was the continuance of the first meeting which was held from June 18 to 20, 2014 in Johore, Malaysia. This 2nd FGD which was held at the National Audit Academy of Malaysia, was attended by 14 participants from Supreme Audit Institutions of Brunei Darussalam, Cambodia,

Indonesia, Lao PDR, Malaysia, Philippines, and Thailand. SAI Myanmar was also part of the project team but they were unable to attend the FGD due to their tight schedule.

The framework and proposed contents of the ASEANSAI Research Report on Public Procurement Audit were presented and discussed on the first day of FGD. Views from the members were solicited to improve the research report. Amendments were made to the contents of the country papers to standardize it. It was agreed that all members would have to review back their country papers and submit a final version to be included as the annexure of the research report.

On the 2nd and 3rd day of FGD, each SAI presented the chapters assigned to them. Redundant and coinciding information were identified and debated. The chapters were revamped and the framework was modified. Issues on information technology & procurement as well as examples of high impact procurement cases handled by each SAI were discussed. The FGD on research guidelines was wrapped-up on the 3rd day.

At the end of the discussion, it was concluded that SAI Malaysia would circulate the FGD report to all members SAI by 24 June 2015. In view of time, there would be a close monitoring on the submission of the write-ups as well as close communications among the team members through emails. It was also proposed that the 3rd FGD on Public Procurement Audit to be held in Kota Kinabalu, Sabah, Malaysia in 7-9 September 2015.

The FGD proved to be a success. It has successfully provided a platform for all the participants to tap into the wealth of experiences and expertise in developing a common, comprehensive, and practical 1st ASEANSAI Research Report and Auditing Guidelines on Public Procurement.

ASEANSAI Knowledge Sharing on Water Management Auditing

BPK hosted the ASEANSAI Knowledge Sharing Workshop on Water Management Auditing held in Yogyakarta, 18-20 August 2015 and was attended by 22 participants from nine SAI of ASEANSAI members. As the Project Leader for this project, Dr. Sutthi Suntharanurak, Research and Development, from Office of Auditor General of Thailand led the discussion during the two days workshop.

Mr. Prajuck Boonyoung, Inspector General 1, representing OAG Thailand as the Project Leader conveyed opening address at the opening session and followed by Mr. Ir. Md. Wahid bin Mohd Nor, Director of the Water Management Division from JAN Malaysia, representing Chair of Knowledge Sharing Committee. Finally, this workshop was officially opened by Mr. Sapto Amal Damandari, Vice Chairman of BPK.

The objective of the workshop is to provide a forum for knowledge sharing about auditing management among ASEANSAI member countries through exchange of ideas, experiences, researches, and best practices in the field of audit on water management.

This workshop was divided into two main activities. The first activity is led by OAG Thailand as the project leader of water cluster in which they shared their knowledge

about water management auditing focused on three topics: (a) research on topics of water management auditing based on studies from audit reports; (b) sharing audit experience on flood mitigation and (c) river of life project which came from lesson learned of parallel auditing of Mekong River. The second activity is giving opportunity to other SAIs to share knowledge their and experience on water management auditing.

It is expected that this workshop would improve the understanding and experience of ASEANSAI members on conducting audit on water management by learning from other SAIs.

ASEANSAI the 3rd Focus Group Discussion on Public Procurement Audit

The 3rd ASEANSAI Focus Group Discussion (FGD) on Public Procurement Audit was the continuance of the second meeting which was held from 15-17 June 2015 at National Audit Academy, Malaysia. This 3rd FGD was held at the Grandis Hotel Kota Kinabalu, Sabah and attended by 14 participants from Supreme Audit Institutions of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, and Thailand. SAI Myanmar was also part of the project team but they were unable to attend the FGD due to their tight schedule.

The draft ASEANSAI Research Report on Public Procurement Audit were presented and discussed on the first day of FGD. Each chapter of the report was discussed in detail. Views from the members were solicited to improve the research report. Amendments were made and additional information was included to enhance the contents and presentation fo the research report.

SAI Cambodia, Indonesia, and Philippines have submitted the revised country paper. It was agreed that SAI Brunei Darussalam, Myanmar, Malaysia, Lao PDR, and Thailand would review back the country papers and submit a final version to be included as the annexure of the research report.

The 2nd draft of research report would be refined by SAI Malaysia. SAI Malaysia would amend the draft according to the outcome of the discussion. SAI Malaysia would also communicate with other member SAIs through email to obtain any additional information needed in finalising the report. The softcopy of the 2nd draft report would be circulated to all members of the FGD in October 2015 for comments.

ASEANSAI KSC Workshop on the Use of Computer Assisted Audit Tools (CAATs)

The ASEANSAI KSC Workshop on the Use of Computer Assisted Audit Tools (CAATs) is held in Singapore on 29 September-1 October 2015. The purpose of the workshop is to promote and facilitate sharing of knowledge on using Computer-Assisted Audit Tools (CAATs) amongst participating SAIs to improve audit efficiency and productivity.

In the workshop, participants learned demonstration conducted by IT Audit Department (ITAD) of SAI Singapore on the computer log analysis using Microsoft Excel as well as demonstration in the use of CAATs in areas other audits conducted by ITAD using ACL and Excel. Participants also exchanged the knowledge and experiences with other SAIs in auditing such as fraud detection, thickness data processing, and data analysis using CAATs.

Results of the workshop are:

1. Participants learned the use of CAATs such as Audit Command Language (ACL) software and Excel.
2. Participants enhanced their knowledge in the field of audit where CAATs can be used through the training of trainers.
3. Improved the efficiency and productivity through the implementation of CAATs audits in the relevant audit area.

d. The ASEANSAT Training Committee

Planning Meeting for ISSAI Implementation Project

In line with ASEANSAT strategic Goal (SG 3) "to strengthen the organizational and audit capacity of member SAIs", ASEANSAT under the Knowledge Sharing Committee (KSC) develops a project called ISSAI implementation. In order to prepare the project, COA of Philippines as the ISSAI Project Leader conducted Planning Meeting for ISSAI Implementation on 23-24 March 2015 in Tagaytay City, Philippines. Its objectives is to draw up a framework of how each of the ISSAI sub-project, namely (a) Internal Control, (b) Risk-based Audit, and (c) Pool of ISSAI Facilitators contribute to the overall objective of ISSAI implementation and the establishment of an ASEANSAT Pool of ISSAI Facilitators.

The meeting was attended by twelve participants consist of, BPK as ISSAI Sub Project Leader on Risk-based Audit, OAG Thailand as ISSAI Sub Project Leader on Internal Control, JAN Malaysia as Sub Project Leader on ISSAI Facilitator Pool, COA of Philippines as ISSAI Project Leader, ASEANSAT Secretariat Function and GIZ Representatives. During the meeting, each sub project leaders present their project concept to invite feedback and input from the participants. Following this, they work together to develop a TOR by integrating the internal control and risk based audit projects which will be conducted from 2015-2017. The participants agreed to name the activity as Long-term ASEANSAT Programme on ISSAI Implementation (LTAPII).

The program will involve the IDI Certified ISSAI facilitators in ASEANSAT members and its targeted participants are audit team for each SAIs. Considering that the program will be long term and to maintain the confidentiality of the documents exchange that may occur, each Head of SAI will be required to sign a letter of commitment to the ISSAI Implementation program. Finally, the program is expected to increase the number of ISSAI facilitators in ASEANSAT members and improve the ISSAI implementation in the respective SAIs.

ASEANSAT Design Meeting on Risk-based Audit and Internal Control

In the Knowledge Sharing Workshop held in Bandung on 18-22 August 2014, 5 (five) of 15 (fifteen) ISSAIs on Financial Audit were the focus of the sharing experiences by the participants. It was in this workshop where the need for training on risk-based audit (RBA) and internal control surfaced, underscoring the importance of possession of knowledge and skills on these two topics/areas as critical in the implementation of ISSAIs in their respective SAIs.

Since both training needs pertain to challenges in the implementation of ISSAI 1315, the ASEANSAT Design Meeting on Risk-based Audit and Internal Control is held in Cambodia on 15-26 June 2015. The meeting objectives are:

1. To finalise training design and courseware for the combined IC and RBA workshop.

2. To finalise online audit plan materials (platform and contents).

This meeting was attended by representatives of the SAI Philippines, Indonesia, Malaysia, and Thailand.

The results of the meeting are:

1. Draft commitment letter to be signed by Head of SAIs;
2. Timeline of the programme and plan of activities;
3. Division of tasks and preparation of the material;
4. Suggestion of Combined Workshop agenda.

As a further follow up, ASEANSAT Secretariat will coordinate with SAI Philippines as the Project Leader of LTAPII regarding the distribution of commitment letter and possibility of signing during the 3rd ASEANSAT Senior Officials Meeting in Brunei Darussalam (end of July 2015). As the Sub Project Leader of LTAPII on risk-based audit, SAI Indonesia will prepare platform of the online audit and the material to be used in the online course and the workshop.

ASEANSAT-LTAPII : E-learning Course for the Workshop on Risk-based Audit Approach on Financial Audit (online)

E-learning course for the Workshop on Risk-Based Audit Approach (RBA) on Financial Audit (online) is conducted during 31 August-18 September 2015. The course is the first activity from LTAPII programme which use the website through the link <http://elearning.aseansat.org>. The online platform was developed by SAI Indonesia as the Sub Project Leader on RBA.

The purpose of this online course is to gain a better understanding on risk-based audit approach, particularly on how to apply ISSAI requirements by using risk-based audit and internal control approach.

The activities in e-learning course including discussion of learning modules and assignment from the mentor to the mentees regarding the preparation of mentees' audit plan. The output from the course is audit plan which also will be presented on LTAPII Workshop in Ha Noi on October 2015.

ASEANSAT-LTAPII : Workshop on Risk-based Audit Approach in Financial Audit

The State Audit Office of Vietnam (SAV) hosted the LTAPII – Workshop on Risk-based Audit Approach in Financial Audit in Ha Noi, from 3-13 October 2015. The workshop was opened by H.E. Mr. Doan Xuan Tien, Deputy Auditor General SAV and attended by 47 persons, consisting of participants and mentors from nine SAIs of ASEANSAT and one Subject Matter Expert from Swedish National Audit Office (SNAO). Supported by the German Government through Gesellschaft für Internationale Zusammenarbeit (GIZ), this workshop is a part of LTAPII series of events held after the completion of the online audit plan.

Prior to this workshop, all of the participants have attended the online audit plan or e-learning course thorough ASEANSAT e-learning website at the end of August until mid of September 2015. Each of the participants were required to complete the module and submit assignment onto the website by the end of each week. As a follow up of the e-

learning course, the participants attended this workshop to present each audit plan to get direct input from other participants and review from their mentors and the expert. During the two-weeks workshop, the participants also learned and discussed about stage of the auditing, starting from the planning process, executing and the audit report.

By attending this workshop, each SAI have to prepare their audit plan which will be implemented during January-May 2016. In conducting the audit, all participants are also encouraged to discuss any issues raised during the audit with their mentor or Subject Matter Expert through online and onsite support. At the end of the programme, it is expected that each participants have been capable to conduct a financial audit from planning, executing and reporting stage based on ISSAI.

The 2nd Workshop on IntoSAINT

Self-Assessment (SAINT) is a tool which enables public sector organizations to assess their vulnerability and resilience to integrity violations. IntoSAINT is other version of SAINT which have been adjusted with SAI's needs.

The State Audit Office of Vietnam (SAV), with the support from GIZ, had its second Integrity Self-Assessment of the Supreme Audit Institution (IntoSAINT) workshop on 25-26 November 2015 in Vinh City, Vietnam. The workshop was held with the aim to conduct the first assessment in SAV. BPK is invited to the workshop to assist SAV's facilitators in conducting IntoSAINT assessment.

20 participants from 16 divisions of SAV who act as the assessors, participated in the workshop. Participants were briefed with the explanation of IntoSAINT, business process in organization that will be assessed, inherent vulnerability and vulnerability enhancing factors, as well as gap analysis to guide the participants in creating recommendation to improve the organization.

During the workshop, the assessors identified the "procurement and inspection working unit" as the two most vulnerable areas while the "complexity, transition, dynamics and management" are the most important vulnerability factors to SAV business process. The assessors are also pointed out the "monitoring" and "responsibility" as the least mature clusters to manage the Integrity Control System (ICS) of SAV.

Having done with gap analysis of the vulnerability and ICS maturity, the assessors came up with 20 recommendations to reduce the vulnerability level and to strengthen the maturity control in SAV.

As the workshop result, a report consisting those recommendations was sent to the SAV Deputy Auditor General who is in charge with international affairs and audit quality control.

III. Conclusion

In the 5 years of its establishment, ASEANSI has been growing into more active and productive organization. ASEANSI has conducted various activities to build capacity and promote cooperation between the members through seminar, workshop, and other activities in the field of public sector auditing.

ASEANSAI is also slowly gaining the interest at the ASOSAI and other regional groups at international level. This is reflected by the invitations to present the ASEANSAI activities and increasing requests to work with other organization, particularly the development partners.

In 2015, ASEANSAI has initiative to conduct capacity building programme for all members through the Long Term ASEANSAI Project on ISSAI Implementation. This programme implies the progress of ASEANSAI activity from sharing of knowledge into capacity building programme which will promote the capacity of ASEANSAI members.

The benefit of ASEANSAI should not only for SAI in ASEAN members, but also for all environment inside ASEAN. People are now more conscious about their role in participating in the conduct of governments. Governments are also trying to fulfill the world demands for transparency, accountability, and open participation. The more responsive government to the demands of its people, the more capable they overcome today's challenges. Thus, a meaningful collaboration between government and stakeholders shall be continuously promoted within ASEAN.



ASEANSAI Secretariat Function
The Audit Board of The Republic of Indonesia
Jalan Gatot Subroto No. 31 Jakarta
www.aseansai.org
email: international@bpk.go.id