

**SUMMARY OF DISCUSSION**  
**THE TECHNICAL MEETING OF THE ESTABLISHMENT OF ASEAN SAI**  
**July 25 – 27, 2011, Jakarta, Indonesia**

**INTRODUCTION**

1. The Technical Meeting of the Establishment of ASEAN SAI was held from July 25 – 27, 2011 in Jakarta, Indonesia. The Meeting was attended by 19 delegates from 9 Supreme Audit Institutions of ASEAN Member States, which are:
  - a. Jabatan Audit Brunei Darussalam;
  - b. National Audit Authority of Kingdom of Cambodia;
  - c. Badan Pemeriksa Keuangan Republik Indonesia (BPK);
  - d. The State Audit Organization of Lao P.D.R;
  - e. Jabatan Audit Negara (JAN) Malaysia;
  - f. Office of the Auditor General of the Union, the Republic of the Union of Myanmar;
  - g. The Commission on Audit of the Republic of Philippines (COA);
  - h. Office of the Auditor General of Thailand; and
  - i. State Audit of Vietnam.
2. The list of delegates is shown in **ANNEX 1**.

**OPENING REMARKS**

3. The Technical Meeting was officially opened by Mr. Taufiequrrachman Ruki, BPK Board Member. Mr. Ruki gave a warm welcome to all delegates to the Technical Meeting. The BPK Board Member stated that this establishment is in conjunction with the goal of ASEAN to establish the ASEAN Community in 2015 and SAIs together can play an important role to enhance good governance in the ASEAN region.

**KEYNOTE SPEECH**

4. Mr. Djauhari Oratmangun, Director General of ASEAN Cooperation of the Minister of Foreign Affairs of Indonesia, delivered a keynote speech in the opening ceremony. The Director General stated that by participating in this Technical Meeting, we were witnessing history in the making. In addition, he emphasized that the ASEAN pillar of politics and security consists of three aims, which were democracy, human rights, and enhancing good governance. The establishment of ASEAN SAI could fulfill one of the aims of the politics and security pillar which was to promote good governance in the ASEAN region.

**MEETING AGENDA**

5. The Meeting adopted the agenda, which can be seen in **ANNEX 2**.

## **VENUE OF THE TECHNICAL MEETING**

6. The Technical Meeting was held in the Atlet Century Park Hotel, Jl. Pintu 1 Senayan, Jakarta, Indonesia.

### **DAY 1: July 25, 2011**

#### **AGENDA 1: REVIEW OF THE MEETING AGENDA AND OBJECTIVES**

7. As the Host of the Technical Meeting, the leader of the BPK delegates, Mr. Bahtiar Arif, delivered the agenda of the Technical Meeting which would take place in three days. The main agenda for the first two days was discussion on the draft agreement of establishing ASEAN SAI. The agenda on the third day was social program to introduce the culture of Indonesia and Jakarta tourism to the delegates.
8. The objectives of the Technical Meeting were to discuss the first draft Agreement. Any pending matters which could not be solved during this Technical Meeting will be discussed and consulted in the respective SAIs after the participants returned to their countries. The draft Agreement would be finalized in the Senior Officer Meeting.

#### **AGENDA 2: UPDATE ON PROGRESS AND GENERAL ISSUES**

9. Mr. Bahtiar Arif presented an update of the progress and general issues of establishing ASEAN SAI.
10. The activities that had been done by BPK for the establishment of ASEAN SAI were:
  - a. Obtaining supports from other SAIs. BPK along with JAN Malaysia and State Audit of Vietnam had conducted dialogue and intensive communication with other SAI of ASEAN member states. So far, we have received support on the initiative of establishing the ASEAN SAI from nine SAIs out of ten SAIs of ASEAN member states.
  - b. Obtaining supports from other parties, such as President, the Ministry of Foreign Affairs, and the Indonesian Ambassador for ASEAN.
  - c. Conducting informal dialogue with the Chairman and Secretary General of INTOSAI and Secretary General of ASOSAI in regard the establishment of ASEAN SAI during the XXI UN-INTOSAI Symposium in Vienna, Austria, July 13-15, 2011. INTOSAI and ASOSAI supported informally this initiative.
11. Administration preparation that had been done included developing a concept paper and draft agreement. These documents were circulated to other SAIs of ASEAN member states. The documents were also shared in order to get inputs from the former Minister of Foreign Affairs, Mr. Hassan Wirajuda, the Ministry of Foreign Affairs, and the Indonesian Ambassador for ASEAN.
12. Mr. Bahtiar Arif also explained the next activities that needed to be done such as:
  - a. Sending a formal correspondence to INTOSAI and ASOSAI;
  - b. Finalizing the draft agreement at a senior officer meeting (SOM);
  - c. Preparing declaration and signing of the ASEAN SAI Agreement; and
  - d. Enacting of Chairman and Vice Chairman of ASEAN SAI before the ASEAN Summit.
13. Other issues that the Host notified to the meeting were:
  - a. The requirement of Full Powers from the respective ASEAN member states to enable the Head of SAI to sign the ASEAN SAI Agreement;

- b. The attendance of Head of SAIs in the ASEAN SAI declaration before the ASEAN Summit, in Bali, in November 2011; and

### **AGENDA 3: SAI'S PROGRESS REPORT ON THE ESTABLISHMENT OF ASEAN SAI**

14. The delegates from Jabatan Audit Brunei Darussalam expressed his welcome for this initiative. He also said that SAI of Brunei asked for some time to discuss internally with its Ministry of Foreign Affairs, Legal Officers, and the Prime Ministry because of its position which is under the Prime Ministry.
15. The delegates from National Audit Authority (NAA) of the Kingdom of Cambodia agreed to the initiative of the establishment of ASEAN SAI. They notified that there are points to be considered: resources and perception on public sector standards.
16. The delegates from State Audit Organization of Lao PDR agreed to this initiative of establishing ASEAN SAI and the draft agreement was being consulted with the Ministry of Foreign Affairs and the Director of ASEAN.
17. The delegate from JAN Malaysia expressed JAN's appreciation to BPK in holding this Technical Meeting and comprehensive preparation. JAN Malaysia hoped that ASEAN SAI could be established by 15 or 16 of November 2011 in Bali, Indonesia. JAN Malaysia still needed internal process with the Ministry of Foreign Affairs, the Attorney General, and the Cabinet Minister which would take a month. According to its mandate, JAN Malaysia was not able to sign the agreement without Full Powers from its government.
18. The delegate from Office of the Auditor General of Myanmar informed that BPK had undertaken a dialogue with the Office of the Auditor General on the establishment of ASEAN SAI at the beginning of July 2011. The Office of the Auditor General had proposed this initiative to the Prime Minister and got its support. It also supported BPK to be the first Chairman of ASEAN SAI.
19. The delegate from the Commission on Audit of Philippines welcomed the initiative of establishing the ASEAN SAI and hoped for good cooperation among SAIs in ASEAN member states. COA had made an effort to send their inputs and comments of the draft agreement before the meeting. In regard the signing of an international agreement, COA needs Full Powers from the government.
20. The delegate from Office of the Auditor General of Thailand informed that they were consulting with the Auditor General for further progress regarding the establishment of ASEAN SAI.
21. The delegate of State Audit of Vietnam reported that they received the Concept Paper from Indonesia and discussed it with the Ministry of Foreign Affairs. State Audit of Vietnam had sent a proposal on this initiative to its National Assembly and Government. They all supported this initiative.

### **AGENDA 4: DISCUSSION ON FIRST DRAFT OF THE CHARTER**

#### **Session I: Discussion on Preamble of the Charter (13.00-13.45)**

Before the meeting started, the forum was asked for their permission and had agreed to have the Host, Mr. Bahtiar Arif, take lead as the Chair of the Technical Meeting.

22. All delegates agreed to the Rules of Proceeding proposed, which can be seen in **ANNEX 3**.
23. The Meeting emphasised that there shall be cooperation among the SAIs in ASEAN member states during any international competition. For example, if an SAI of ASEAN member state is

bidding to be the external auditor of the United Nations, other SAIs shall support them and not compete with each other. The importance of cooperation among SAIs in ASEAN is to build capacity of the SAIs.

24. The Meeting also underscored the need to respect different mandates, laws and regulations of each ASEAN Member States.
25. At this stage, the delegates agreed to use the term “Agreement” rather than “Charter” which needs ratification from the respective countries. In the future, the Agreement can be increased to Charter.
26. The meeting agreed to restructure the Preamble. The restructured Preamble can be seen in **ANNEX 4**.

**Session 2: Discussion on Name of Organization, Objective and Purpose, Function and Scope of Cooperation (13.45 – 14.45)**

27. The meeting agreed for now that the name of the organization is ASEAN Supreme Audit Institution (ASEAN SAI). Most delegates did not have any comments on that name.
28. On the draft Agreement, it was mentioned that the purpose of this organization is to: 1) promote and enhance capacities and technical cooperation of SAIs of ASEAN member states; 2) promote exchange of knowledge, best practices, lessons learned; and 3) cooperate on other areas to be determined by the ASEAN SAI.
29. The delegates agreed to delete the article on “Purpose” due to redundancy with the article on “Objective”.
30. In this Technical Meeting, it is agreed that the “Objectives” of the ASEAN SAI were as follows:
  - a. To build capacity and promote cooperation among Supreme Audit Institutions of ASEAN Member States through exchange and sharing of knowledge and experiences in audit methodologies of public sector auditing;
  - b. To provide conducive environment and facilities for learning among SAI of Member States through implementation of best practices in the field of public sector audit and exchange of lessons learned; and
  - c. To cooperate on other areas to be determined by the ASEAN SAI.
31. The meeting agreed to revise the article of “Organizational Function” to be as follows:
  - a. To build a data bank of best practices, standards, and methodologies in public sector auditing including the identification of common risk areas to which ASEAN might be exposed to and later on be the subject of audit by member SAIs;
  - b. To organize seminars, workshop, studies, or other activities related to exchange of ideas and experiences in the field of public sector audit;
  - c. To harmonize audit methodologies and standards taking into consideration the peculiarities of each nation’s culture and tradition, laws and regulations; and
  - d. To undertake other activities that may promote goodwill, better understanding and friendships among member states.
32. The meeting agreed that the “Scope of Cooperation” shall be the following:

- a. To conduct studies and research in the field of auditing and accounting which will include sharing of data both narrative and statistical, court and investigative cases, and the like;
- b. To promote harmonization of standards in public sector audit up to its implementation in various SAIs by considering respective country's laws and regulations;
- c. To share existing and experimental audit methodologies including Resource persons on the subject matter;
- d. To share physical facilities for training, when available, including the training of people of one SAI by another SAI;
- e. To conduct advisory services and technical cooperation; and
- f. Other activities that will promote cooperation and good governance by various SAIs such as attachment program, parallel audit and peer review if applicable.

### **Session 3: Discussion on Membership and Structure (15.00 – 17.00)**

33. The meeting agreed to merge the two articles of "Membership" into one article.
34. The meeting agreed to the structure which consisted of Assembly, Executive Committee, Committees, and Secretariat.
35. The meeting adopted inputs from SAIs to include explanations on the article of "Assembly" as follows:
  - a. The SAI of the country in which the Assembly is to be held shall be the Chairman of ASEAN SAI. The SAI of the country designated to host the next Assembly shall be the Vice-Chairman.
  - b. The Chairmanship of ASEAN SAI does not refer to the Head of SAI, but to its institution.
36. The meeting agreed to replace the word "may" into "shall" in article 10 of "Function of the Assembly".
37. The meeting agreed on the article of "Executive Committee" as follows: "The Executive Committee consists of Chairman and Vice Chairman of the ASEAN SAI".  
An explanation was added to this article, which was "The appointment of the Chairman and Vice chairman is based on rotational basis in alphabetical order unless decided otherwise by the Assembly".
38. The meeting agreed to revise the original draft regarding the "Function of the Executive Committee" to be as follows:
  - a. The Executive Committee shall set the policy direction of the Assembly.
  - b. The Chairman of ASEAN SAI shall be the Presiding Officer of the Assembly. In the absence of the Chairman, the Vice-Chairman shall act on his/her behalf. Both shall have a term of two years.
  - c. The Executive Committee shall see that member SAIs adopts the policy directions set by the Assembly and shall adopt measures towards its implementation.
  - d. The Executive Committee shall appoint the Head of Secretariat.
  - e. The Executive Committee of ASEAN SAI shall promote objectives ASEAN SAI and shall work with SAIs in ASEAN states to strengthen the audit institution and the roles of SAIs in the affairs of ASEAN region.
39. The meeting agreed to add some points to the draft on the "Committees" which were:
  - a. The Committees shall be the members of ASEAN SAI.
  - b. The term of the Committees is determined by the Assembly, and

- c. The Committees should report to the Assembly.
40. The meeting agreed to add and delete some points on the article of “Secretariat” to be as follows:
- a. The Secretariat is the administrative body of ASEAN SAI and shall compose of Head of Secretariat and such staff as may be required.
  - b. The Secretariat shall hold office and conduct business at the Office of ASEAN SAI identified and determined by the Assembly.
  - c. The Secretariat shall perform administrative and financial functions that shall include:
    - The keeping of all accounts, records and files
    - The dissemination of necessary information by providing continuing contact among SAI of ASEAN member countries
    - The preparation and submission of the financial statements of accounts for audit not more than three months after the close of each financial year
    - The preparation of the program, agenda and other relevant matters pertaining to the Assembly, at least three months prior to the Assembly
    - The performance of other related duties that may be assigned to it
41. In the discussion of the article concerning the “Head of Secretariat”, it was agreed that:
- a. The Head of Secretariat of ASEAN SAI shall be appointed by the Chairman of ASEAN SAI for the same term as that of the Chairman.
  - b. The Chairman and Head of Secretariat of ASEAN SAI shall come from the same SAI.
  - c. In the discharge of his/her functions, the Head of Secretariat shall be guided by the Agreement of ASEAN SAI and all the rules and procedures laid down by the Assembly.
42. The meeting agreed to add a provision of “Functions and Duties of the Secretariat of ASEAN SAI”. The articles in this provision were taken from article 15 on the “Head of Secretariat of ASEAN SAI” of the original draft.
43. The meeting agreed to add another provision on the “Rights and Obligation of Members of ASEAN SAI”, with the articles as follows:
- a. The member of ASEAN SAI shall have the right to attend the assembly and give views, opinion, comments and suggestion during the assembly and/or other matter through the head of secretariat.
  - b. The member of ASEAN SAI has the rights to participate in all ASEAN SAI activities.
  - c. The member of ASEAN SAI has the obligation to ensure that the policies, agreement, and assembly decision, where applicable, of ASEAN SAI are carried out in the respective jurisdiction.
44. The meeting agreed on the deletion of the article on “National Secretariats”.

**DAY 2: July 26, 2011**

**Session 4: Discussion On Finance And Expenditure (09.00 – 09.45)**

45. The meeting agreed on the article of “Finance” as follows:
- a. The amount of contribution shall consider the budget process of respective ASEAN SAI Country.
  - b. The source of funding comes from annual contribution, voluntary contribution, and donation.
  - c. Member SAIs shall make equal annual contribution as determined by the Assembly.

- d. Add: The amendment of the rules and procedures should be laid down in the next assembly.
  - e. Add: The financial accounts should be prepared by the Secretariat based on international accounting standard and subject to be audited by the member of ASEAN SAI, appointed by the Assembly.
46. The meeting agreed on the article of Expenditure to add: “..and in accordance with a budget approved by the Executive Committee.”

**Session 5: Discussion On Partnership with ASEAN, Working Language, Enforceability, Amendment, Entry Into Force, Duration and Termination, and Withdrawal (09.45 – 10.30)**

47. The meeting agreed on the article of “Relationship with ASEAN” the following points:
- a. Change the title of article “Relationship with ASEAN” to “Association with ASEAN”.
  - b. In making communication, member of ASEAN SAI as a union practically will be presented by the Executive Committee.
  - c. Replace all words of “partnership” with “association”.
  - d. After ASEAN SAI is declared, Annex 2 of the ASEAN Charter (Organizations Associated with ASEAN) will be proposed to be amended.
48. The meeting agreed on the use of English as the only language used in the meeting and documents of ASEAN SAI. English has been widely used in ASEAN countries.
49. The meeting agreed on clauses regarding “Amendment”, with additional explanation:
- a. The Head of Secretariat shall circulate and communicate with the member of ASEAN SAI within two months prior to the Assembly.
  - b. Amendment is applied for urgent matters.
50. The meeting agreed on the article of “Entry into Force, Duration and Termination” that there will be no term of membership and the agreement shall remain in force until all member SAIs agree to terminate it.
51. The meeting agreed to add in the article of Withdrawal from ASEAN SAI membership: All the obligation or commitment of the withdrawing members SAI shall have been fulfilled/communicated with the Executive Committee.

**AGENDA 5: AGREED AND PENDING MATTERS**

52. The meeting agreed on some matters that needed to be discussed further in respective SAIs after the participants’ return, which were:
- a. Related to Finance:
    - the amount of contribution;
    - when the financial report should be prepared and audited;
    - the duration of financial year;
    - the type of budget; and
    - the time of audit on financial report (annually or before the Assembly).
  - b. The importance of the participation of all ten SAIs of ASEAN member states in the Declaration.

## **AGENDA 6: DISCUSSION ON PREPARATION OF DECLARATION AND FURTHER ACTIVITIES**

53. The meeting agreed on things to be done after the Technical Meeting for the preparation of declarations, as the following:
- a. The Temporary Secretariat of BPK will circulate the result of the Technical Meeting,
  - b. The result of the discussion on the first draft of Technical Meeting done by respective SAIs will be sent to the Temporary Secretariat by e-mail.
  - c. Communication with respective government to gain Full Powers needed in the context of the signing of the declaration.
  - d. The Senior Official Meeting (SOM) will be held on October 13-14, 2011 in order to finalize the agreement and pending matters in the Technical Meeting.
  - e. BPK will soon send the invitations for SOM and declaration.
  - f. BPK will soon start the preparation of declaration related to the venue and the agenda.
54. The Draft Agreement as the result of the Technical Meeting can be seen in **ANNEX 5**.

### **CLOSING OF THE MEETING**

55. The meeting was closed by The Head of Principal Directorate of Planning, Evaluation, Development, Education and Training of BPK on July 26, 2011. He expressed his appreciation to all delegates of SAIs of ASEAN member states for their contribution in the Technical Meeting to discuss the first draft of the Agreement. The pending matters are expected to be solved and finalized by October 2011 in the SOM. He also expected that there would be closer collaboration and discussion after this Technical Meeting.

### **DAY 3: July 27, 2011**

#### **SOCIAL PROGRAM**

56. BPK invited all the delegates to visit some historical places in Jakarta, such as the National Monument, National Museum and Old City area of Jakarta.

