

SAI Indonesia and SAI Malaysia Sign the Renewal of MoU and Hold the 21st Technical Meeting to Strengthen Their Bilateral Cooperation

by SAI Indonesia

Aiming to continue its bilateral cooperation with the National Audit Department of Malaysia (NADM) in the field of public sector auditing, the Audit Board of the Republic of Indonesia (BPK) hold a Memorandum of Understanding (MoU) signing with the NADM on Monday (30/1). The MoU is signed virtually by Chairperson of BPK, Dr. Isma Yatun in Jakarta, Indonesia and Auditor General of Malaysia, Datuk Seri Nik Azman Nik Abdul Majid in Putrajaya, Malaysia.

In her remarks, Chairperson of BPK conveys her appreciation to the Auditor General of Malaysia for the NADM contribution and active roles in the ASEANSI, ASOSAI, and INTOSAI forums. She also emphasizes that the NADM is BPK's strategic partner in the Southeast Asia region in addressing various challenges and common issues. On the other side, the Auditor General of Malaysia also appreciates the active roles of BPK in the international SAI community and expresses his support for BPK's nomination as Chair of INTOSAI Year 2028.

More than signing the MoU, BPK and the NADM also hold the 21st technical meeting to share knowledge on remote auditing and follow-up audit. Director of Public Relations and International Cooperation, R. Yudi Ramdan Budiman acts as the moderator. Furthermore, the presentation on remote auditing is delivered by Director of Audit

II, Winarno accompanied by Thopan Aji P. and Reza Aryanto and the presentation on follow-up audit is delivered by Director of Follow Up Audit of the NADM, Mohd. Serjana Ibrahim. The hybrid discussion is also attended by participants from both institutions.

At the end meeting session, BPK and the NADM discuss possible topics for the implementation of the next bilateral cooperation. Several possible topics that will be proposed for discussion at the 22nd technical meeting include Audit on Sharia Compliance, Audit of Hajj Financial Management conducted by Tabung Haji Malaysia, Follow-up Audit, dan Audit on Forest Management. Through these two activities, BPK hopes the good relationship with the NADM can continue and brings benefits to the development of audit capacity of the two institutions.



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The Uniqueness

Banteay Srei Temple: The Nearby Temple of Angkor Area

Banteay Srei temple is a 10th-century Cambodian temple dedicated to the Hindu god Shiva. Located in the north-east of the main group of the area of Angkor, the temple once belonged to the medieval capitals of Yasodharapura and Angkor Thom. Banteay Srei is built largely of red sandstone, a medium that lends itself to the elaborate decorative wall carvings which are still observable today. When it is under the sunlight, it appears like a pink temple. The buildings themselves are miniature in scale, unusually so when measured by the standards of Angkorian construction. These factors have made the temple extremely popular with tourists, and have led to its being widely praised as a "precious gem", or the "jewel of Khmer art."

The Banteay Srei Temple, a top tourist destination in Siem Reap province, is a gem in Khmer art and a fairy palace in the heart of a mysterious forest. Consecrated on 22 April 967 A.D., it was initially known as Banteay Serai, meaning the Citadel of Victory. The temple was built by courtier Yajnavaraha, a scholar and philanthropist who aided those suffering from illness, injustice, or poverty. The temple's construction is credited to Yajnavaraha, who was known to have helped those suffering from illness, injustice, or poverty.

Banteay Srei is a "pink" Angkorian temple with intricately carved carvings and intricate scenes from Hindu mythology. The outer enclosures, which have collapsed, depict scenes from Hindu mythology. The inner enclosure, housing libraries and the sanctuary, features the most elaborate carvings. The temple is primarily dedicated

to Shiva, with Vishnu also prominently featured in the south side buildings. Banteay Srei offers a unique experience compared to other Angkorian temples, as it demonstrates wealth, power, and god veneration in detail and intricacy, rather than the massive size of Angkor Wat or Bayon. This provides an interesting counterpoint for those seeking to explore the Kingdom of Angkor.

Source: www.intocambodia.org



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The 5th ASEANSI Executive Committee Meeting

The 5th ASEANSI Executive Committee Meeting was virtually held on March 30, 2023. The meeting was participated in by 28 senior officials and delegates from Office of the Auditor General of the Union, Myanmar as Chairman, the Commission on Audit (COA) as Vice Chairman, the Audit Board of the Republic of Indonesia as Secretariat, and Office of the Auditor General of Thailand as Observer. The meeting aimed to discuss and formulate the strategy of coordination among the Executive Committee for the implementation of ASEANSI activities.

One of the main agenda items was the organization of the 7th ASEANSI Senior Officials' Meeting (SOM), which serves as a preparatory meeting for the ASEANSI Summit. The delegates reviewed the proposed agenda for the upcoming SOM, covering various topics such as the revised ASEANSI Rules & Procedures, Committees' Work Plan for 2024-2025, the 7th

ASEANSI Summit agenda, appointment of Committees' Chair, extension of the ASEANSI Secretariat, financial statements issue, appointment of the auditor, and the status of Timor Leste as an ASEAN member.

The outcomes of the 5th ASEANSI Executive Committee Meeting are expected to strengthen ASEANSI's initiatives and cooperation among member SAIs. The decisions made during the meeting demonstrate the commitment of ASEANSI member countries to fulfilling the organization's mission, vision, goals, and objectives, setting the stage for successful upcoming events such as the 7th ASEANSI SOM and Summit.



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the uniqueness

Furthermore, the organization of the 7th ASEANSAI Summit was discussed, with Chairperson Gamaliel A. Cordoba presenting the plan and tentative agenda for the summit. COA was proposed to host the summit in the first week of November 2023. The extension of the term for the ASEANSAI Secretariat was also addressed, with Chairperson Cordoba considering the possibility of extending SAI Indonesia's term to ensure operational continuity. The matter was suggested to be forwarded to all heads of SAIs for deliberation and aproval.

During the meeting, attention was given to resolving the financial statement issue and determining the status of Timor Leste as an ASEAN member. Suggestions and recommendations were discussed to address these matters effectively.

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The concept of a "green economy" has its roots in sustainable development, which is a concept that was first introduced in the 1987 report "Our Common Future" by the United Nations' World Commission on Environment and Development. The report highlighted the idea that economic growth should not occur at the expense of environmental degradation or depletion of natural resources.

The evolution of the concept can be roughly divided into several key stages:

The late 1980s - early 1990s: The sustainable development concept becomes more widely recognized. The 1992 United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit, held in Rio de Janeiro, highlights the need for a new model of economic growth that considers social equity and environmental protection.

The late 1990s - early 2000s: Concepts related to the green economy start to emerge. These include "green growth" and "low carbon economy," which advocate for economic growth and development that is environmentally sustainable. The Kyoto Protocol 1997 was a significant event during this period, setting binding targets for 37 industrialized countries and the European community for reducing greenhouse gas emissions.

2008 - 2012: The concept of green economy gains significant momentum in the wake of the 2008 global financial crisis. The United Nations Environment Programme (UNEP) releases the Green Economy Report in 2011, which argues that greening the economy is not only possible but also essential to sustainable development. The Rio+20 Conference in 2012 further solidifies the concept, calling for a green economy in the context of sustainable development and poverty eradication.

2013 onwards: Implementation and transformation towards a green economy accelerates. The Paris Agreement in 2015 is a key milestone, as countries commit to reducing emissions and limiting global warming. More governments and businesses start to incorporate green economy strategies and principles into their policies and practices, such as investing in renewable energy, implementing circular economy models, and promoting green jobs.

The push towards a green economy has been largely driven by the increasing awareness and understanding of the environmental impacts of traditional economic activities, including climate change, deforestation, air and water pollution, and biodiversity loss. This shift recognizes that long-term economic growth and prosperity can only be achieved if our planet's natural resources are used sustainably.

Furthermore, the green economy is seen as a means to not only address environmental issues but also to achieve other socio-economic objectives. For example,

investing in renewable energy or energy efficiency can create jobs, improve energy security, and reduce healthcare costs associated with pollution.

The shaping of the green economy involves policies and measures at the international, national, and local levels, across various sectors such as energy, transport, agriculture, and manufacturing. This includes policies to promote renewable energy and energy efficiency, regulations to limit pollution and resource extraction, incentives for sustainable practices, and investment in green technologies and infrastructure. It also involves changes in consumption patterns, such as shifting towards more sustainable products and services.

SAI and contribution in the green economy

Supreme Audit Institutions (SAIs) can play a role in promoting a green economy, and performance audits. The performance auditing is an important tool to promote the value for money. By examining the efficiency, effectiveness, and economy of government programs, policies, and operations, performance audits can identify opportunities for improvement and contribute to better outcomes for the environment and sustainability.

SAIs can use performance audits to support a green economy as following:

- 1. Oversight of Government Policies and Programs:** SAIs can assess the effectiveness of government policies and programs aimed at promoting a green economy. It could include audits of renewable energy programs, energy efficiency measures, public transport initiatives, recycling and waste reduction programs, and conservation efforts. If a policy or program is not achieving its intended outcomes, the SAI can identify the reasons why and make recommendations for improvement.
- 2. Promotion of Sustainable Practices:** Through their audits, SAIs can encourage government entities to adopt more sustainable practices in their operations. For example, an audit might review the energy use of government buildings and recommend ways to reduce energy consumption.
- 3. Accountability for Environmental Impact:** SAIs can hold government entities accountable for their environmental impact. It involves audits of compliance with environmental regulations, or audits of the environmental impact of specific government activities or projects.
- 4. Evaluation of Environmental Risk Management:** SAIs can assess how well government entities are managing environmental risks. For example, an audit might evaluate whether a government department has a robust system in place to identify and manage the environmental risks associated with its activities.
- 5. Advocacy for Sustainable Development:** Through their reports and rec-

ommendations, SAIs can raise awareness about the importance of sustainable development and the transition to a green economy. They can highlight successful practices, identify barriers to progress, and suggest ways to overcome these barriers.

6. Collaboration and Cooperation:SAIs can work with other stakeholders, including other government entities, non-government organizations, and international bodies, to promote a green economy. SAIs might involve sharing knowledge and best practices, collaborating on joint audits, or participating in international initiatives related to sustainable development and environmental auditing.

To fulfill these roles effectively, SAIs themselves need to have the necessary expertise and capacity in environmental auditing. Absolutely, SAI might involve training for auditors, development of audit criteria and methodologies related to sustainability, and use of tools such as Geographic Information Systems (GIS) to analyze environmental data.

Promoting audit impacts for green economy

Audit activities, particularly those conducted SAIs can significantly impact the green economy in multiple ways:

- 1. Enhancing Efficiency and Effectiveness:** Through performance audits, SAIs assess whether government initiatives aiming to support the green economy are effective and efficient. When inefficiencies or inadequacies are identified, the SAIs can recommend improvements, thereby ensuring better use of public resources and more impactful outcomes for the green economy.
- 2. Fostering Accountability:** Audits can hold governments and public organizations accountable for their commitments and obligations towards environmental sustainability. By doing so, they promote transparency, enhance trust, and encourage adherence to policies and regulations that support the green economy.
- 3. Informing Policy Development:** Audits can generate insights that help policymakers refine existing strategies or develop new ones related to the green economy. The findings from audits can illustrate challenges or highlight best practices, serving as a valuable resource for evidence-based policy-making.
- 4. Encouraging Sustainable Practices:** By evaluating and reporting on the environmental performance of public entities, audits can encourage these entities to adopt more sustainable practices in their operations. It can help to reduce their environmental footprint and contribute to the green economy. (cont’)



Dear Colleagues,

With the release of the first edition of the ASEANSAT Newsletter for 2023, I would like to extend my warm wishes for a year filled with optimism, joy, happiness, and success.

In this edition, we would like to spotlight the activities of ASEANSAT from January to March 2023, particularly focusing on the 5th ASEANSAT Executive Committee Meeting. We also feature contributions from SAI Indonesia, highlighting the renewal of the Memorandum of Understanding (MoU) and the successful 21st Technical Meeting held between SAI Indonesia and SAI Malaysia to strengthen their bilateral cooperation. Additionally, SAI Thailand provides an insightful article on the importance of the green economy and how it enhances the impact of audits.

For our unique column, we showcase the Banteay Srei Temple: The Nearby Temple of Angkor Area in Cambodia.

The Secretariat always open for your submission of articles, special reports, news and other materials related to the ASEANSAT and member's activities. You can share and submit the articles and other useful materials to the ASEANSAT Secretariat at aseansat@bpk.go.id.

Stay safe and enjoy reading!

Warm Regards,

Bahtiar Arif

 @aseansat_sec

 The ASEANSAT Secretariat

 www.aseansat.org

Green Economy and Enhancing Audit Impact by SAI (Cont’)

by Dr. Sutthi Suntharanurak¹

5. Mitigating Risks: Audits can play a role in identifying environmental and sustainability risks within public entities' operations and projects. By flagging these risks early, audits enable mitigation measures to be implemented, protecting both the environment and the public purse.

6. Raising Awareness: Audits can help to raise awareness among stakeholders and the public about the importance of the green economy and the role of government in supporting it. SAIs can lead to increased public pressure for sustainability and thereby drive further progress in the green economy.

Hence, to realize these impacts, however, it's essential that the findings and recommendations from audits are effectively communicated to relevant stakeholders and followed up on to ensure that corrective actions are taken. Also, SAIs themselves need to continually build their capacity in environmental auditing to effectively support the green economy.

Potential audit findings from green economy

When conducting performance audits in the green economy, there can be numerous potential findings based on the specific scope of the audit. These potential audit findings could be checklists for auditors to prepare in the future. The author collected the potential audit findings as follows.

1. Lack of a Comprehensive Strategy: An audit might reveal that a government lacks a comprehensive strategy or policy framework to promote the green economy. It could hamper efforts to transition towards more sustainable practices and might result in piecemeal or ineffective initiatives.

2. Ineffective Implementation of Programs: The audit could find that specific programs designed to promote the green economy, such as renewable energy incentives or conservation initiatives, are not being effectively implemented. This might be due to poor planning, inadequate resources, or lack of technical expertise.

3. Inadequate Monitoring and Evaluation: Auditors might discover that government entities are not adequately monitoring and evaluating their green economy initiatives. It could hinder their ability to identify problems, learn from experience, and demonstrate results.

4. Poor Compliance with Environmental Regulations: The audit might find that government entities or businesses are not complying with environmental regulations, leading to negative environmental impacts and potentially undermining efforts to promote the green economy.

5. Inefficient Use of Resources: An audit could reveal that government entities are using resources inefficiently in their operations, resulting in unnecessary environmental impacts and costs.

6. Inadequate Risk Management: The audit might find that government entities are not adequately identifying or managing environmental risks associated with their activities or projects. It exposes the government to potential liabilities and could also lead to adverse environmental impacts.

7. Lack of Coordination: Auditors could find that there is a lack of coordination between different government entities involved in promoting the green economy. It could result in duplicative efforts, gaps in coverage, or conflicts between different initiatives.

8. Inadequate Funding: The audit might reveal that funding for green economy initiatives is insufficient or not being used effectively. It could limit the scale and impact of these initiatives.

In addition to these findings, auditors might also identify good practices that can serve as lessons for other entities. By sharing these lessons, auditors can help to promote better practices and accelerate progress towards the green economy.

SAIs and giving policy recommendations and calls for actions in green economy

Following an audit of green economy initiatives, policy recommendations and calls to action can be provided. The author summarized some examples in each category as follows.

Policy Recommendations

1. Develop a Comprehensive Strategy: Governments should establish a comprehensive, long-term strategy for the green economy, setting clear targets and measures. The strategy should align with international commitments and should cover all relevant sectors and government entities.

2. Strengthen Coordination: Improved coordination mechanisms may be needed to ensure that all entities involved in promoting the green economy are working together effectively. It could involve establishing a dedicated coordinating body or enhancing existing coordination arrangements.

3. Enhance Monitoring and Evaluation: Governments should ensure that all green economy initiatives are accompanied by robust monitoring and evaluation systems to assess their impact and effectiveness. Findings from monitoring and

evaluation should be used to inform future policy and program development.

4. Increase Funding: Governments should allocate sufficient funding to green economy initiatives to ensure they can achieve their intended impacts. Funding mechanisms should be transparent and accountable.

5. Enforce Compliance: Governments should strengthen enforcement of environmental regulations to ensure that all entities are contributing to the green economy. It could involve increasing penalties for non-compliance, enhancing monitoring capabilities, or providing additional resources to enforcement agencies.

Calls for Action

1. Improve Program Implementation: Government entities should take action to improve the implementation of green economy programs. This might involve developing implementation plans, allocating sufficient resources, providing staff training, or improving project management practices.

2. Adopt Sustainable Practices: Government entities should adopt more sustainable practices in their operations, such as reducing energy use, minimizing waste, and sourcing goods and services sustainably.

3. Manage Risks Effectively: Government entities should have robust systems to identify and manage environmental risks. It might involve conducting environmental risk assessments, implementing risk mitigation measures, or providing training on environmental risk management.

4. Follow Up on Audit Recommendations: Government entities should take action to address the findings and recommendations from audits. This might involve developing corrective action plans, assigning responsibilities for implementation, and monitoring progress.

5. Enhance Public Engagement: Government entities should engage more actively with the public and other stakeholders in promoting the green economy. It could involve public consultations, partnerships with non-government organizations, or public awareness campaigns.

By acting on these recommendations, governments can enhance their efforts to promote the green economy, achieve better environmental outcomes, and contribute to sustainable development.

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