

- 1330 - The Auditor's Responses to Assessed Risks
- 1450 - Evaluation of Misstatements Identified during the Audit
- 1500 - Audit Evidence
- 1505 - External Confirmations
- 1520 - Analytical Procedures
- 1530 - Audit Sampling
- 1560 - Subsequent Events
- 1570 - Going Concern
- 1580 - Written Representation
- 1700 - Forming an Opinion and Reporting of Financial Statements
- 1705 - Modification to the Opinion in the IAR

The identified issues are now ready to undergo studies and be resolved through the combined efforts of the sectors of the Commission.

In agreement with the ISSAI-specific issues raised, as these were the same issues identified by other SAIs, Ms. Holmerin appealed the participants' worries as she stated, "Don't worry too much about these issues. You are on your way to implementing these guidelines." "The best is learning by doing: You need to incorporate the training in actual audit work, applying the standards in the audit you are doing right now," she added.

As part of the activities lined up in the program, participants were asked to answer individually a Questionnaire on ISSAI Implementation in Financial Audit for them to assess whether the said questionnaire is difficult to answer or not. This questionnaire will be farmed out to other ASEANSAI member countries to initially determine the status of ISSAI implementation in the SAI and the financial reporting framework of the country. Said questionnaire was refined based on the comments of the participants.

At the end of the FGD, an evaluation survey for participants was conducted. The first two aspects are the preparation and content of the event, and the use of FGD's results.

Based on the survey results for the preparation and content of the event, it can be concluded that majority of the respondents were very much satisfied on important factors such as the information regarding the objectives, agenda and content of the event, the FGD methodology, the opportunities to contribute and benefit from discussions, and the support of facilities and equipment to this event. On another note, many suggested that more time should be allocated for discussion of each topic.

For questions regarding the use of the FGD's results, most participants very much agreed on the importance of knowledge on ISSAI to their work, the identification of challenges faced on ISSAI implementation, and the motivation to independently deepen their understanding on ISSAI. On the other hand,

many merely agreed that the solutions to address the challenges were consensual, and that they would be able to apply the new knowledge at their workplace.

Overall, the feedback given to the two abovementioned aspects is positive.

As follow-up measures to this event, many suggested that the knowledge gained from this FGD be shared to staff, auditors, and top management of the sectors of the participants, and to address the issues raised through policy study, formulation and implementation—all of which aim for a more effective implementation of ISSAI in COA.

At the last part of the program, Ascom Tolentino presented a line-up of activities to be undertaken on the following days, together with the time frame and person's in-charge for each activity. The goals of these activities are to further address the concerns raised during the FGD, to ensure that the useful knowledge gained by participants from the FGD would reach people from their respective sectors, and to ensure that such knowledge would be practiced in auditing. Among these activities are:

- Identification of the draft policies resulting from the FGD
- Drafting of the Statement of Commitments for the Assistant Commissioners
- Constitution of the ISSAI Pool of Facilitators, the group of FGD participants tasked to oversee the implementation of ISSAI and of the recommendations agreed upon
- First Meeting with the ISSAI Pool of Facilitators

Impressed by the depth of the discussions, Ms. Holmerin concluded that the group has come very far in understanding almost everything that needs to be done. On the other hand, the GIZ advisors expressed their intent to pattern the next FGDs in the ASEANSAI based on what they called "The Manila FGD Experience."

Indeed, this is a milestone on the road for the smooth implementation of ISSAI in the Philippines and the continued advancement of the different members of the ASEANSAI in the realm of audit and quality public service.



The participants of the FGD on ISSAI Implementation together with Ms. Karin Holmerin of Swedish National Audit Office, GIZ Advisors Dr. Denis Rene Roy and Ms. Jana Leutner and Ascom Luz Loreto-Tolentino

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THE UNIQUENESS - LAO PDR

THE PLAIN OF JARS



The Plain of Jars is situated on the Xieng Khouang Plateau in north-central Laos, and is comprised of thousands of stone jars in clusters of up to 300, and varying from one to over three meters in height.

Local legend claims the jars were constructed to distill an alcoholic brew to celebrate a victorious military campaign over an ancient king. However, archaeological evidence suggests that the jars are funerary urns, carved by Bronze Age people around 2,000 years ago.

Due to its strategic location, the Plain of Jars played a pivotal role in the Second Indochina War and was the site of many ground battles and intense aerial bombardment. Xieng Khouang is now a peaceful area with cool weather, vast grasslands, several ethnic minorities, hot springs and caves.

Based on the Plain of Jars' extraordinary heritage, the Lao Government is preparing a nomination dossier for submission to the UNESCO World Heritage Centre to inscribe the area as a World Heritage Site. The Plain of Jars is accessible by air from Vientiane and Luang Prabang. Overland travel is possible from northern and central Laos and north-central Vietnam.



ASEANSAI

NEWSLETTER

VOLUME II / 2015

THE 2ND ASEANSAI FOCUS GROUP DISCUSSION ON PUBLIC PROCUREMENT AUDIT, NATIONAL AUDIT ACADEMY, NEGERI SEMBILAN, MALAYSIA

15 - 17 JUNE 2015



ASEANSAI Knowledge Sharing Committee (KSC) Work Plan 2014 - 2017 was endorsed during the ASEANSAI General Assembly in Brunei Darussalam in November, 2013. Research on Public Procurement Audit Project was one of the activities planned under the Work Plan. The objective of the project is to exchange and share knowledge, skills and experiences as well as identifying best practices on public procurement audits conducted by ASEAN SAIs. The expected deliverables are the Research Report and the Guidelines on Public Procurement Audit.

and Research Sector; and Dr. Nor Haiza Abdul Aziz@Juned, Principal Assistant Audit Director (Research) from Special Audit and Research Sector. The Deputy Auditor General of Malaysia, Datuk Hj. Anwari bin Suri hosted the luncheon reception at SAI's Malaysia Headquarters in Putrajaya on 17 June 2015.



During the discussion 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. (Continue To Page 2)

The 2nd ASEANSAI 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, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines and Thailand. SAI Myanmar was also part of the project team but they were unable to attend the 2nd FGD due to their tight schedule.

The 3-day FGD was facilitated by SAI Malaysia: Mr. Zulkipli Abdullah, Director of Special Audit and Research Sector; Mr. Zaaba Zainuddin, Sabah State Audit Director and Head of Subject Matter Expert team on Procurement; Dr. Masiah Ahmad, Deputy Director (Research) from Special Audit

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AUDITING PUBLIC PROCUREMENT: ROLES OF THE OFFICE OF THE AUDITOR GENERAL OF THAILAND IN ENSURING TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC PROCUREMENT



THE HEAD OF ADMINISTRATIVE FUNCTIONS NOTE

Greetings readers of the ASEANSAI Newsletter! It is my pleasure to present to you the second edition for this year.

Firstly, let me express my sincerest thanks to all of the contributors of this edition. Your excellent contribution, I am sure, will definitely make this edition a very interesting read for our readers.

As a quick run through over the articles, allow me to summarize the seven articles we collected for this edition. The first of these articles relates to the 2nd ASEANSAI Focus Group Discussion on Public Procurement Audit which was held at the National Audit Academy in Negeri Sembilan, Malaysia from 15-17 June 2015. The topic of public procurement audit, need I remind, is one of the research topics spelt out in the Knowledge Sharing Committee Work Plan 2014-2017.

On the topic of public procurement audit, we also have an article from SAI Thailand on the SAI's role in ensuring transparency and accountability in public procurement.

The next article is also from SAI Thailand which is on their project utilizing the civil society in audit work as means of providing the public with better understanding of the role and mandate of the SAI as well as to empower the civil society in the prevention and monitoring of spending public money.

This article is followed by an article on SAI Myanmar hosting two workshops on reviewing Myanmar's Professional Qualification syllabus and training the trainers respectively. These workshops which were supported by the Institute of Chartered Accountants in England and Wales (ICAEW) were held in February 2015.

The fifth article is a contribution from SAI Cambodia which reports on the signing of Memorandum of Understanding (MoU) between SAI Cambodia, SAI Lao PDR and SAI Vietnam in February 2015

The next article relates to the Focus Group Discussion on the Implementation of ISSAIs which was hosted by the Project Leader of the ISSAI Implementation of ASEANSAI, SAI Philippines at the Professional Development Center, The Commission on Audit, Quezon City.

Finally, the last article is a Uniqueness article on The Plain of Jars (UNESCO World Heritage) situated on the Xieng Khouang Plateau in north-central Laos.

All in all, I hope you will enjoy this edition of the newsletter as I did when I went through the articles. In reiterating my message from the previous edition, do submit your articles for your contribution will make this newsletter an enriching reading experience as well as keeping abreast with the latest developments in ASEANSAI and from our fellow members. Thank you.

Warm Regards
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(From Page 1)

Amendments were made to the contents of the country papers to standardize it. The FGD on research report was wrapped-up on the 3rd day with the agreed proposed contents of the research report on public procurement audit together with the Action Plans and Timelines for the completion of the Research Report. It was also agreed that all members will have to review back their country papers and submit a final version to be included as the annexure of the research report.

The framework and proposed content of the ASEANSAI Guidelines on Public Procurement Audit were also presented and discussed on days two and three of the FGD. Each SAIs 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 SAIs were discussed. The FGD on research guideline was wrapped-up on the 3rd day. The proposed contents and the milestones of the guideline on public procurement audit were agreed.

The proposed 3rd FGD on Public Procurement Audit will be on 7-9 September 2015 at Kota Kinabalu, Sabah, Malaysia.

The ASEANSAI 2nd FGD on Public Procurement Audit proved to be a success and had 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 Guideline on Public Procurement.

AUDITING PUBLIC PROCUREMENT: ROLES OF THE OFFICE OF THE AUDITOR GENERAL OF THAILAND IN ENSURING TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC PROCUREMENT

This article attempts to share OAG Thailand's contribution in ensuring transparency and accountability in public procurement.

The main goal of public procurement is to satisfy the public interest. In this sense, good procurement should satisfy the needs of the people, should be fair to businesses, should save and avoid wastage of public funds. On contrary, corruption in public procurement will increase poverty and inequality by diverting funds away from the attention of social needs; it will engender bad choices, encouraging competition in bribery rather than in quality or price. However, Supreme Audit Institution (SAI) is one of the most important pillars of good governance and anticorruption agencies. Especially, SAI could enhance transparency and accountability in public procurement.

Presently, the Office of the Auditor General of Thailand (OAG) is conducting another type of audit which is the audit of public procurement. Under compliance audit, the main audit objective of this audit is to ensure that the procurement process of goods and services including public works have adhered to the public procurement law and regulations. It is essential to check whether public procurement is made through transparent processes, supporting competitive public procurement market and obtaining value for money. For OAG Thailand, the auditing of public procurement consists of three phases. The first phase is the audit of preparation of procurement plan. In the next phase, the auditor will review the tendering and awarding processes. For the last phase, the auditor will examine the execution of public procurement contract. Under the State Audit Act, the audit report and recommendations will be submitted to the audit entity in order to improve its procurement management. However, many irregularities cases were submitted to anti-corruption agencies because these cases might be related to corruption in public procurement. Many previous audit findings will be revised for developing measure of transparency and accountability in public procurement system.

PROJECT FOR STRENGTHENING AND PARTICIPATION OF CIVIL SOCIETY IN AUDIT WORK

At present, the Office of the Auditor General of Thailand (OAG) recognizes the importance of increasing the capacity of all types of audit with an emphasis on proactive auditing with aim at to be deterrent for unlawful actions that would result in damage to the money of the State.



It also intends to develop into an organization with moral, ethical, transparent and verifiable body and will be a center for promoting good governance of the country. In addition, the OAG also supports the principle of participatory democracy by focusing on building strong relationships with the public sector, raising awareness and making people responsive to the importance of the State's money including the creation of a corporate network to promote good governance nationwide. Therefore, the project to strengthen the civil society to engage with the audit of the OAG has been conducted in order to provide the public with a better understanding of the role and mandate of the OAG as well as get empowerment to contribute to the prevention and monitoring of spending money. This resulted in the creation of a partnership to support the work of the OAG to be more efficient.



This year, the project is set up in 6 regional audit offices; Phra Nakhon Si Ayutthaya, Supanburi, Udonthani, Chinat, Phuket and Kanchanaburi with its own activities, for example walking campaign, seminar on "The Involvement of Civil Society for Local Sustainable Development", exhibitions as well as activities to strengthen the participation of citizens in the audit work. Moreover, it also provides the training for volunteers in each regional office by focusing on the basic knowledge of the audit work.



OFFICE OF THE AUDITOR GENERAL OF THE UNION (OAGU), MYANMAR HOSTS WORKSHOPS SUPPORTED BY INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES (ICAEW)

10-11 FEBRUARY & 17-18 FEBRUARY 2015



With the support of the Institute of Chartered Accountants in England and Wales (ICAEW), a two-day Review of Myanmar's Professional Qualification syllabus workshop was held at the Office of the Auditor General of the Union, in Naypyitaw, Myanmar on 10-11 February 2015. The 25 delegates headed by Director General (Administration, Training and Research Department) from the Office of the Auditor General of the Union (OAGU), 2 delegates from Myanmar Institute of Certified Public Accountants, 3 delegates from Yangon Institute of Economics and Dr Mark Campbell, head of International Capacity Building and 2 specialists consultants, Mr Mike Turner and Mr. Stephen Lamdin from ICAEW attended the workshop. During the workshop, the delegates reviewed, committed and agreed the detailed syllabus of the new professional qualification.

Again, on 17-18 February 2015, train-the trainer workshop was held at OAGU. 14 delegates from OAGU and 7 delegates from different ministries attended that workshop. This workshop covered the areas such as principles of an effective training course, how to plan a training session, teaching writing skills for strategic level exam, practical training and techniques and tips and presentation skills. Mr. Mike Turner, ICAEW specialist consultant delivered the two-day program.



SIGNING OF MOU AMONG SAI CAMBODIA, SAI LAO PDR & SAI VIETNAM FEBRUARY 2015



On the occasion of the ASEANSAI Assembly Meeting on 8 February 2015, the 13th ASOSAI Assembly Meeting and the 6th ASOSAI Symposium on 10-13 February 2015 in Kuala Lumpur, Malaysia, The State Audit Organization of Lao PDR took this opportunity to attend the signing ceremony of Memorandum of Understanding among the National Audit Authority of the Kingdom of Cambodia, the State Audit Organization of Lao PDR and the State Audit Office of Vietnam. This signing ceremony was focusing on enhancing and increasing of the traditional relation and cooperation as well as the all-round cooperation among 3 SAIs to be blossomed.

PAVING THE ROAD TOWARDS SMOOTH IMPLEMENTATION OF ISSAI IN THE PHILIPPINES AND IN THE ASEANSAI 16-20 FEBRUARY 2015

The Commission on Audit (COA), the Supreme Audit Institution (SAI) of the Philippines, hosted the Focus Group Discussion (FGD) on the Implementation of International Standards of Supreme Audit Institutions (ISSAI) on 16-20 February 2015 at the Professional Development Center, COA, Quezon City, as part of its undertakings as the Project Leader of the ISSAI implementation of the ASEAN Supreme Audit Institutions (ASEANSAI).



Commissioner Heidi L. Mendoza, Officer-in-Charge of SAI Philippines, giving her Opening Remarks

COA Officer-in-charge Commissioner Heidi L. Mendoza, led the close to fifty (50) participants which included Assistant Commissioners, Directors and Auditors of the different audit sectors.

The FGD, with the presence of an ISSAI expert, Ms. Karin Gabrielle Holmerin, Senior International Advisor of the Swedish National Audit Office, was made possible with the funding support of the GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) through Dr. Denis Rene Roy and Ms. Jana Leutner, Advisors for Support to ASEANSAI.

On the onset, Commissioner Mendoza expressed the Commission's appreciation to GIZ, saying, "Our heartfelt gratitude to the GIZ for their unwavering support and commitment to this endeavour. We assure you that every single centavo is money well spent and we pledge to give our 100% commitment to ensure that each program sees success."

Professional and Institutional Development Sector (PIDS) Assistant Commissioner (AsCom) Luz L. Tolentino shared the background of the ISSAI-based Philippine Public Sector Standards on Auditing (PPSSA) and presented how the COA implements the ISSAI/PPSSA. According to AsCom Tolentino, "This FGD aims to confirm understanding of the ISSAI requirements, obtain agreement among the audit sectors on the ISSAI compliance documentation, identify the challenges in the implementation of ISSAI in the audit sectors, as well as propose solutions to address these challenges."

As Com Tolentino and Director Melanie R. Añonuevo of the Professional Development Office (PDO) of PIDS acted alternately as moderator of the five-day event. The Project on ISSAI Implementation is also in keeping with the work plan of the ASEANSAI Training Committee chaired by COA, whose activities and projects are coordinated and implemented by the PDO.

Director Añonuevo reiterated the rationale of the ISSAI implementation, instructed participants to break into groups and directed how to go about the business at hand: issues and challenges of implementing the ISSAIs in COA.



Director Melanie R. Añonuevo giving instructions to the participants in one of the session activities.

Ranking officials of the COA present during the FGD eagerly expressed their intent to actively participate in the efforts to ensure a coordinated and smooth ISSAI implementation through the audit sectors. The formation of a core group of ISSAI Pool of Facilitators also came into light that/which will spearhead the dissemination of knowledge gained from the FGD and the undertaking of activities to cover the widest range of actors for ISSAI implementation. These officials also gave assurance for their full support by agreeing to the signing of a Statement of Commitments.

Starting on the second day of the FGD, the group activities included the review of the issues/challenges and proposed solutions on the following ISSAI Series:

- 1200 - Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards of Auditing
- 1210 - Agreeing the Terms of Audit Engagements
- 1220 - Quality Control for an Audit of Financial Statements
- 1260 - Communication with Those Charged with Governance
- 1320 - Materiality in Planning and Performing the Audit

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