

# ASEANSAI

ASEAN Supreme Audit Institutions



## Annual Report 2019

## FOREWORD

Since its establishment on 16 November 2011, the ASEAN Supreme Audit Institutions (ASEANSAI) which comprises of the 10 member SAls has remarkably and continually developed its organization. ASEANSAI pursues its targeted goals and objectives by investing resources in professional capacity building and development of public audit for all member SAls, contributing to the promotion of transparency, accountability, and good governance in the region.

A clear reflection of ASEANSAI commitment to escalate its role, not only at the professional level but also within and emerging out of the regional and national level could be seen. Members gathered at the meetings, and shared the ideas to build competency and common interest. It is the mission of ASEANSAI to promote the core values; build capacity, promote cooperation, and foster the mutual understanding.

Number of productive activities has been conducted in 2019 includes (1) to promote the accountability and transparency of public administration within ASEAN region by organizing the ASEAN-ASEANSAI-AIPA Joint Seminar on Laying the Foundation for Future Cooperation; (2) to strengthen ASEANSAI active role within ASEAN by attending annual ASEAN Forum, as well as attending various ASEAN bodies' meeting and those of associated entities; (3) to maintain communication with International Development Partners (OAGN, EU, IDI); and (4) to improve the management of organization of ASEANSAI whereby the upgraded ASEANSAI website was launched with new Knowledge Management System (KMS) called "Essentials".

On this opportunity, I would also like to highlight the regional cooperation of ASEANSAI where the respective representatives of the organization participated at the 2019 2<sup>nd</sup> INTOSAI Regions' Coordination Platform Meeting. In addition to that, in 2019, ASEANSAI has accomplished the trainings on compliance audit and financial audit as the part of sustainability program of previous Long-term ASEANSAI Program on ISSAI Implementation (LTAPII).

At the 5<sup>th</sup> ASEANSAI Summit, a Forum to raise awareness on SAI Performance Measurement Framework (PMF) for high level was successfully delivered as well as the handed over of ASEANSAI Chairmanship for the period of 2019 – 2021 from The State Audit Organization of Lao PDR to Jabatan Audit Negara Malaysia.

Finally, a renewal of Memorandum of Understanding between ASEANSAI and Swedish National Audit Office (SNAO) has been signed at the end of the period to support the remaining activities of ASEANSAI Strategic Plan 2018-2021.

Thenceforwards, I hope this report would provide comprehensive information on the ASEANSAI activities in 2019.

**Bahtiar Arif**

Head of ASEANSAI Secretariat

Secretary General of the Audit Board of the Republic of Indonesia





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## A. INTRODUCTION

ASEAN Supreme Audit Institutions (ASEANSAI) is the organization of 10 SAIs of the member states of ASEAN, which was established on 16 November 2011 in Bali, Indonesia. ASEANSAI encourages and promotes good governance within the ASEAN region. Focus of the organization activities includes the regional knowledge exchange, capacity development for SAI, and technical cooperation on emerging and common audit issues.

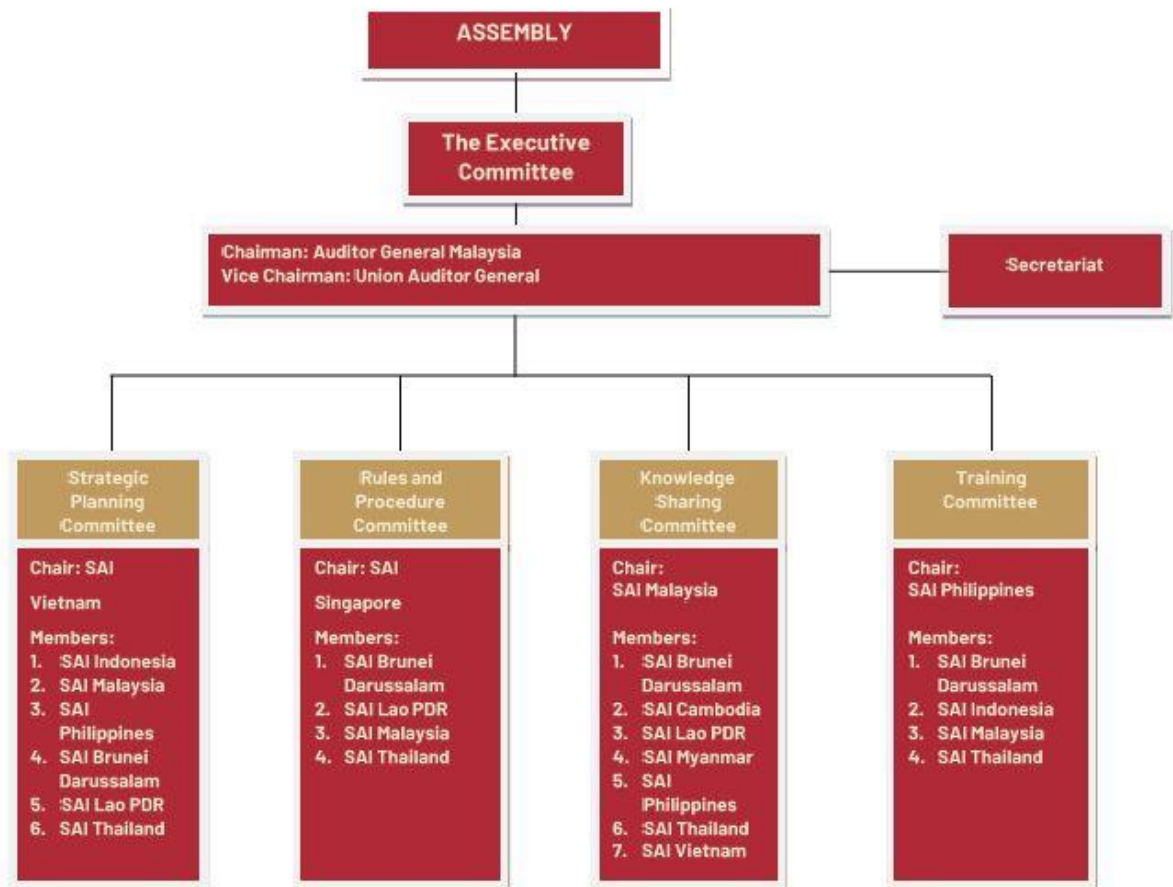
In ASEANSAI, the Assembly is the highest decision-making body. The Executive Committee comprising of Chairman and Vice-Chairman of ASEANSAI has task to provide recommendations, implementations, and monitor policies set by the Assembly. Four Committees (Training Committee, Strategic Planning Committee, Rules and Procedures Committee, and Knowledge Sharing Committee) and a Secretariat were established to implement the Assembly's decision, in line with the Strategic Goals and Objectives of ASEANSAI.

As an independent, autonomous, and non-political organization, ASEANSAI serves as a forum to enhance capacity and collaboration in the field of public sector auditing in ASEAN region. One of its objective is to contribute positively and constructively to the ASEAN Community. This objective is implemented by exchanging knowledge and experience in conducting audit in each member SAI. In achieving its objectives, ASEANSAI has been acknowledged as an entity associated with the ASEAN in February 2013.

On 6 November 2019, during the 5<sup>th</sup> ASEANSAI Summit, the Chairmanship of ASEANSAI was handed over from SAI Lao PDR to SAI Malaysia. Through the inauguration, SAI Malaysia and SAI Myanmar as the ASEANSAI Chairperson and Vice Chairperson respectively led the organization for the period of 2019 – 2021.



## ORGANIZATION STRUCTURE OF ASEANSAI 2019 – 2021



**Note:**  
Auditor General Malaysia  
Union Auditor General  
Head of Secretariat

: Dato' Nik Azman bin Nik Abdul Majid  
: Prof. Maw Than  
: Mr. Bahtiar Arif



## **B. ASEANSI ACTIVITIES**

### **1. SECRETARIAT ACTIVITIES**

The activities undertaken by Secretariat in 2019 cover the following:

#### **a. Development of ASEANSI Website**

The development or upgrading the ASEANSI website was started at the end of 2018 to the beginning of 2019. With the support from Consultant and GIZ, Secretariat has been updating the website by maximizing the functions and using it as the groundwork to develop ASEANSI Knowledge Management System (KMS).

The current function of website was enhanced not only for media of external and internal communication but also for data repository. Data repository was expected to keep all materials and data related to ASEANSI activities since its establishment.

This updated function of ASEANSI website is called "ASEANSI Essentials" and was launched parallelly with the Workshop on ASEANSI Knowledge System on 27 February 2019 in Jakarta, Indonesia. This title (re: Essentials) shows that information on the platform is important for member SAs; not only for knowledge sharing but also for capacity building.

ASEANSI members who have the username and password can access the data repository. Counterparts and other Stakeholders can also access certain documents by conveying the request to ASEANSI Secretariat.

#### **b. ASEAN-ASEANSI-AIPA Joint Seminar: Laying the Foundation for Future Cooperation in Promoting Accountability and Transparency in ASEAN**

In relation with the completion of ASEANSI and German Government cooperation which was implemented through GIZ on April 2019, the closing event which was ASEAN-ASEANSI-AIPA Joint Seminar was held to mark the finishing of the cooperation on 26 February 2019 in Jakarta, Indonesia. ASEANSI Secretariat made the coordination with ASEAN Secretariat and AIPA to deal with the theme of Seminar which was related in building the base of collaboration and cooperation intra-agency in the future to promote the good governance as well as enhancing the accountability and transparency in ASEAN region through development of networking, sharing information, and lesson learned.

The Joint Seminar was held with the purpose to:

1. Build the foundation of inter-agency cooperation through networking, exchange, and interaction;
2. Identify issues which become the base of cooperation in the future; and
3. Promote good governance and enhance accountability and transparency in ASEANSI.

The Seminar emphasized the role and contribution of each agency (ASEAN, ASEANSI, AIPA) with the purpose to achieve the good governance through accountability and transparency of public sector. This Seminar also played the role as turning point and



base of inter-agency cooperation to support collaboration in the future. The output of seminar was the joint press release from the three agencies and proceeding which have been published as joint publication.

The Seminar was opened by Vice President of Republic of Indonesia, Mr. Jusuf Kalla, officially.

With the support from German Government through the project “ASEC 202”, support for “ASEANSAI” and “AIPA4ASEAN” which was implemented by GIZ, the Seminar brought together around 100 high-senior officials and representatives from the three agencies and other entities of ASEAN.

During the Seminar, participants identified common practice applied in each agency to promote transparency and accountability of sector public. Further, participants explored the interest and opportunity to collaborate in the future between the there agencies to strength the relation and synergy from their task in contributing the good governance in ASEAN.

At the end, it is expected that these three agencies had the same perspective on the needs to build networking outside government level to promote accountability and transparency in ASEAN, to bring the benefit for the people,

### **c. ASEANSAI Knowledge Management System Workshop**

On 27<sup>th</sup> February 2019, the ASEANSAI Secretariat hosted a one-day workshop in Jakarta to introduce the operationalization and management of its newly developed online platform for regional knowledge exchange among ASEANSAI members. 22 participants, representing the ASEANSAI committee chairs and representatives of the member SAIs participated in this hands-on training.

Over the past months, the ASEANSAI Secretariat, supported by a multi-disciplinary team of IT, knowledge management, PR and project management experts, has worked on enhancing the existing ASEANSAI website. The process has been supported by the German Government, implemented by GIZ.

An initial assessment of the organization’s knowledge management needs and the subsequent developments of option to address this topic strategically was conducted in November 2018. A short-term IT-expert supported the ASEANSAI Secretariat in the development of ASEANSAI Essentials, implementing a taylor-made technical solution to integrate the agreed structure, additional features and technical support.

#### Introducing ASEANSAI Essentials

As its initial step, the features have been embedded in the ASEANSAI website to ensure the organization’s knowledge is archived in the system. The system will be clearly defined between internal users and public in accessing and managing the documents.





During the workshop, the participants learned about digital workflows of the ASEANSI website and new features of ASEANSI Essentials, as a platform to share and archive the regional organization's experiences and lesson learned.

Then, the participants appointed focal persons for each ASEANSI committee to manage knowledge material in the future and facilitate the efficient use of Essentials in the future. User guidelines and a number of instructional videos have been prepared to support users of ASEANSI Essentials in using the new platform.

**d. Visit of Committee Anti-Corruption of Afghanistan to ASEANSI Secretariat**

The Committee Anti-Corruption of Afghanistan visited ASEANSI Secretariat Office on 15 March 2019. The visit aimed to conduct comparative studies on the strategy communication as well as to share the experience and knowledge related to cooperation with other government agencies to promote the good governance.

There were 3 groups in the Committee Anti-Corruption of Afghanistan; Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC), Access to Information Commission (AIC), and Anti-Corruption Justice Centre (ACJC).

On this opportunity, ASEANSI Secretariat presented the profile of ASEANSI including the history of establishment, organization structure, activities, cooperation with Development Partners, and its outreach.

**e. Farewell of German "Support to ASEANSI" Project Team with Vice Chairman of BPK**

As the German Government's support to ASEANSI, implemented by The Deutsche Gesellschaft für Internationale Zusammenarbeit / German Corporation for International Cooperation GmbH (GIZ), concluding in April 2019, Principal Advisor of the "Support to ASEANSI" Project, Ms. Birthe Meyer, accompanied by Mr. Johannes Kummerow, met the Vice Chairman of BPK, Prof. Bahrullah Akbar for the official farewell on 20 March 2019. Accompanied by Secretary General of BPK, as the Head of ASEANSI Secretariat, Mr. Bahtiar Arif, Prof Bahrullah Akbar conveyed his appreciation to GIZ for the support given to ASEANSI since 2013.

On the occasion, Vice Chairman of BPK highlighted various forms of support for ASEANSI, provided by the project, such as trainings, knowledge sharing activities, and development of ASEANSI's organizational capacities. Those activities covered various areas; ISSAI implementation through LTAPII, ASEANSI monitoring and evaluation system, improvement of relations with Development Partners, and establishment of ASEANSI Knowledge Management System "ASEANSI Essentials".

Furthermore, Prof. Bahrullah Akbar also emphasized that the GIZ team's support was not only facilitated ASEANSI activities but also contributed in improving the capacities and skills of ASEANSI personnel. As ASEANSI Secretariat, BPK learnt a lot from this project such as professional project management and organizational capacity.



At the end of the courtesy call, Prof. Bahrullah Akbar wished every success for GIZ team and hoped that there will be another opportunity to enhance the cooperation between ASEANSI and German Government in the future.

**f. The 3<sup>rd</sup> Forum of Entities Associated with ASEAN**

BPK as ASEANSI Secretariat attended the 3<sup>rd</sup> Forum of Entities Associated with ASEAN to discuss the progress that has been achieved since the establishment of the Forum in 2017 and to discuss on how the Entities could strengthen the collaboration to achieve more integrated and people-focused ASEAN. More than 150 participants, represented ASEAN, civilian, women, business and professional association, attended the Forum in Jakarta, Indonesia held on 29 April 2019.

Led by ASEAN Secretariat, the Forum served as a platform for Entities to explore the possibility on cooperation between ASEAN center and sectoral agencies among the Entities itself.

Participants were briefed on the priority under the 3 pillars of the ASEAN Community (the ASEAN Political-Security Community-APSC, the ASEAN Economic Community-AEC, and the ASEAN Socio-Cultural Community-ASCC). In addition, they also had the opportunity to discuss with Ambassadors from ASEAN member countries on the role that can be implemented by the accredited-Entities in developing ASEAN Community. Meanwhile, representatives from sectoral agencies were had discussion to share the issues on what they did and how the Entities could be involved. Currently, 72 Entities that related with ASEAN were listed on the attachment 2 of ASEAN Charter.

**g. 2019 2<sup>nd</sup> INTOSAI Regions' Coordination Platform Meeting**

As the Secretariat of ASEANSI, BPK was invited to attend the 2<sup>nd</sup> Meeting of INTOSAI and INTOSAI Regions' Coordination Platform (IRCP) in Cape Town, South Africa from 21 to 23 May 2019. This activity was a coordination forum between INTOSAI and regional SAI organizations to strengthen the collaboration.

The meeting was attended by 54 participants from 8 regions, INTOSAI Bodies, all Chairman of the INTOSAI Goals, Committee of Policy, Finance, and Administration, INTOSAI-Donor Cooperation, Secretariat General, IDI, INTOSAI Journal, and the next Chair of INTOSAI. The meeting was opened by Kimi Makwetu (Auditor General of SAI South Africa and the Chairperson of INTOSAI Capacity Building Committee) and Tsakani Ratsele (Deputy Auditor General of SAI South Africa) by calling for high-level involvement and commitment to identify problems, opportunities, and solutions for INTOSAI Region's issues.

For three days, INTOSAI Global Bodies and INTOSAI Regions met in Cape Town, South Africa to discuss the problem and to coordinate the cooperation for the interests of INTOSAI members.

Agenda for the meeting covered a variety of subjects, which were identified as priorities by the participating organizations. Some of the issues discussed including:



- The importance of leadership and the role of INTOSAI in strengthening current and future leadership of its members;
- ISSAI current quality and utility conditions, and what various parties can do to improve the quality of INTOSAI professional statements and other INTOSAI products.
- Challenges and success factors in the implementation of ISSAI, including the need for professional quality control and quality assurance process to support the implementation.
- How to coordinate INTOSAI communications to improve the accessibility.
- What is currently progressing in INTOSAI, which is related to the audit of the implementation of the UN Sustainable Development Goals and how coordination can be improved.
- Information regarding the implementation of INCOSAI in Moscow, updating information on SAI PMF Implementation Strategy and strategic development of INTOSAI-Donor Cooperation.

On the same occasion, ASEANSI Secretariat, along with Chair of Training Committee and representative of the Chairperson, held Bilateral Meeting with Einar Gørrissen, Director General and Archana Shirsat, Deputy Director General of INTOSAI Development Initiative (IDI).

The meeting discussed the progress of the implementation of IDI-ASEANSI Cooperative Financial Audit Program 2018-2019 and discussed the possibility of cooperation in other areas. During the meeting, IDI also conveyed the concept of MoU between IDI and ASEANSI for IDI support in developing ASEANSI capacity in the field of ISSAI implementation, audit implementation on SDGs, SAI PMF, blended learning solutions (a combination of e-learning and face-to-face meeting) and capacity building of the ASEANSI Secretariat.

#### **h. Visit of the Office Auditors General of Norway (OAGN) to ASEANSI Secretariat**

At the Donor Coordination Meeting (DCM) held in Vientiane, Lao PDR (November 2017), Mr. Ingvald Heldal, the Resident Advisor of the Office Auditors General of Norway (OAGN) and one of the delegates of the meeting, expressed the interest in working with ASEANSI in the field of SAI Performance Measurement Framework (PMF).

As a follow up, Mr. Ingvald Heldal visited the ASEANSI Secretariat in Jakarta, Indonesia was carried out with agenda to discuss the initiation of initial cooperation between ASEANSI and OAGN, and the possibility of long-term cooperation between both institutions, covering the priorities of current and future ASEANSI, the OAGN method in technical assistance, and bilateral collaboration with ASEANSI.

Since the DCM, the ASEANSI Secretariat and OAGN have been communicating intensively, both via email and video conference to follow up the possibility of cooperation. In addition to that communication, OAGN also communicated with SAI Philippines as Chair of the Training Committee and committee responsible for ASEANSI activities related to the SAI PMF.





The OAGN delegation visited SAI Philippines in May 2019 to discuss the implementation of SAI PMF. SAI Philippines also submitted a 30-minute meeting proposal with the Auditor General, which put them as participant, to raise the awareness and to emphasize the benefits of SAI PMF; either through internal self-assessment or peer review.

Concurrently, IDI also organized SAI PMF program attended by several SAI from ASEAN countries (Philippines as trainers, Thailand, and Indonesia) participated. Accordingly, the SAI PMF Training with OAGN as SME aims to strengthen the SAI PMF Assessor of IDI and to produce Assessors to help assessments of SAI PMF in ASEAN Region.

In supporting ASEANSAT, OAGN will provide Subject Matter Expert that has been mutually agreed upon.

#### **i. The 5<sup>th</sup> ASEANSAT Senior Official's Meeting (SOM)**

State Audit Organization of Lao PDR hosted the 5<sup>th</sup> ASEANSAT Senior Officials' Meeting (SOM) in Vientiane, Lao PDR from 4 to 5 July 2019. This meeting was attended by 30 senior officials from 10 members SAs and was held with the purpose to prepare the 5<sup>th</sup> Summit of ASEANSAT by discussing potential issues which will be tabled and approved at the Summit. Prior to the SOM, a preparatory meeting was held on 3 July 2019 between SAI Lao PDR as the Host SAI and SAI Indonesia as the Secretariat.

Dr. Mrs. Viengthong SIPHANDONE, President of the State Audit Organization of Lao PDR and Chairperson of ASEANSAT was officially opened the SOM. On her speech, she highlighted the importance of the meeting which is to review, discuss and approve some crucial issues. She convinced that with the eight years' successful operation of ASEANSAT with mutual understanding and cooperation among member SAs and striving effort, the meeting will accomplish its objectives.

Moving to the main agenda, Mr. Bahtiar Arif, Secretary General of The Audit Board of The Republic of Indonesia and Head of ASEANSAT Secretariat led the discussion on the following issues:

- 1) Finalization of the revised draft of ASEANSAT Rules and Procedures (R&P);
- 2) Finalization of the upgraded draft of Guideline on Monitoring & Evaluation System (MES);
- 3) Finalization of ASEANSAT Guidelines on Audit of Public Procurement;
- 4) Drafting Committees' Work Plan 2020-2021;
- 5) Agenda the 5<sup>th</sup> ASEANSAT Summit 2019; and
- 6) Other issues related to Secretariat function and duties.

Following the SOM, representatives from Executive Committee; SAI Lao PDR as the current Chair, SAI Malaysia as the Vice Chair, SAI Indonesia as the Secretariat and SAI Myanmar as the upcoming Vice Chair sit together at the Pre-Handover ASEANSAT Chairmanship Meeting. Purposes of this meeting were to discuss the preparation of the upcoming ASEANSAT Summit and to share the experience to ensure smooth transition of the ASEANSAT Chairmanship.



#### **j. The 52<sup>nd</sup> ASEAN Day**

ASEAN was officially inaugurated the new building of ASEAN Secretariat (ASEC) during the celebration of 52<sup>nd</sup> anniversary of ASEAN on 8 August 2019 through series of celebration event which involved the citizen, marked the new chapter of organization' history.

President of the Republic of Indonesia, Joko Widodo, symbolically signed the inscription and handed the key of the building to Secretary General of ASEAN, Dato Lim. Along with other 600 guests, ex-Secretary General of ASEAN, Tan Sri Dato Ajit Singh and Ambassador Le Luong Minh, also presented at the event.

The inauguration was followed by performances from the C-ASEAN Consonant - an ensemble of musical performances from ASEAN Member States playing their national musical instruments, and the London School Beyond Academy (LSBA) whose band members were children with special needs. Following the performances was the signing of a Memorandum of Understanding (MoU) between the ASEAN Foundation and the Maybank Foundation to mark the 3-year partnership commitment for the "eMpowering Youth Across ASEAN" program.

The ASEAN Foreign Ministers also placed the requests and aspirations from ASEAN leaders for the next 25 years in a time capsule. Other important highlights of the celebration included the launching of official exhibition "Shifting Tides" and the presentation of artwork from ASEAN first resident artist, Pannaphan Yodmamee, from Thailand. Some ASEAN Member Countries and Dialogue Partner Countries also took the opportunity to present their artworks to the new ASEAN Gallery.

On the same occasion, ASEAN and the European Union (EU) launched the 2019 EU-ASEAN Blue Book, a publication that provides an overview of development of the cooperation between these two regional institutions. Both parties marked the opening of the ASEAN-EU Cooperation Day and Scholarships by featuring the ASEAN-EU cooperation program and scholarship opportunities from ASEAN and EU Member States.

#### **k. SAI-Donor Engagement Workshop**

ASEANSAI and INTOSAI Donor Secretariats were in collaboration to organize the SAI-Donor Engagement Workshop from 16 to 19 September 2019 in Philippines, to support SAI in Asian Region in engaging with Development Partners. The workshop was opened by the keynote speech from Ashraf Mohammed (Deputy Director General Procurement, Portfolio and Financial Management Department of ADB) with the topic of "Strengthening Audit institutions to Promote Financial Accountability and Good Governance in Asia and Pacific".

The workshop was intended to support SAIs in developing high quality concept notes which would improve their position while engaging with Development Partners; and subsequently, allow them to implement the project with the support from Development Partners. The main objective of this workshop was to empower SAIs in creating



longterm partnerships with Development Partners and to seek support for institutional strengthening and capacity building.

Attended by 19 delegates from 17 SAs from Asian regions, the workshop covered the topic of discussion as follows: Deciding on Support, Engaging Donors, Think like a Donor, Staying Connected, Concept Note Development, Planning, Executing and Monitoring, and Why to Coordinate.

During the workshop, ASEANSI Secretariat was invited to share experience on the session "Strengthening Audit Institutions for Promoting Financial Accountability and Good Governance in Asia and Pacific". On this opportunity, representatives from BPK as ASEANSI Secretariat were discussed the good practices in implementing the projects which were supported by Development Partners, and were highlighted the approaches to resolve challenges during project implementation.

## **I. Audit ASEANSI – World Bank Cooperation Project**

The Financial Statement of ASEANSI-World Bank Cooperation Project on Establishment of ISSAI Facilitators Pool was prepared in compliance with the prerequisite as enclosed on the Grant Agreement between ASEANSI and World Bank.

The project was effectively implemented on 18 November 2016 with the closing date of project on 30 September 2018. Outputs of this project were:

- Two pilot audits were implemented in Cambodia and Philippines;
- 75% of the participants were involved in audit assignments and delivered ISSAI training; and
- Development of ISSAI Facilitators Pool which could fulfil the needs of SAs and ASEAN region.

ASEANSI, through the Secretariat, carried the project in accordance with the terms and conditions set forth of referred to the Grant Agreement and Standard Operating Procedures. The grant was managed for the project activities, that focused on facilitation skills, to enable participants on facilitating the ISSAI Implementation in their respective SAs and the region.

In the fourth quarter of 2016, there was an event conducted in Kuala Lumpur, Malaysia on Design Meeting Facilitations Skills Workshop (DFSW). In 2017, there were 4 events implemented; (1) Facilitation Skills Workshop (FSW) in Vientiane, Lao PDR; (2) 1st Field Workshop (FW) in Vientiane, Lao DPR; (3) 2nd FW in Hanoi, Vietnam; and (2) 3rd FW in Nay Pyi Taw, Myanmar. While in 2018, 2 events were successfully conducted; (1) Interim Wrap-up Meeting (IWM) in Manila, Philippines; and (2) Final Wrap-up Meeting in Melaka, Malaysia which also marked the closing of LTAPII.

The project was closely monitored and evaluated with the regular report made to the Management and the World Bank. The financial management system was also maintained and quarterly submitted to the World Bank as part of the Project Report.





At the end of the project, an audit was conducted by Registered Public Accounting Firm (KAP Doli, Bambang, Sulistyanto, Dadang, & Ali), which was also selected through prior consultation with the World Bank from October 2018 to January 2019, to confirm the accuracy and reliability of financial information presentation and disclosure.

Detailed audit process was as follow:

<b>Audit Schedule</b>	
October to December 2018	Field Audit in ASEANSI Secretariat Office.
End of December 2018	Draft Audit Report and Management Letter was issued for further signatory process by Chairperson and Vice Chairperson ASEANSI.
January 2019	Signed Audit Report and Management Letter (soft-copy version) was submitted to the World Bank.

#### **m. Donor Coordination Meeting and Technical Meeting**

As a part of the 5<sup>th</sup> ASEANSI Summit series activities, Donor Coordination Meeting was held on 5 November 2019 in Kuala Lumpur Malaysia. The meeting officially opened by Dato' Nik Azman Nik Abdul Majid, Auditor General Malaysia as the Host SAI and attended by Chair of Strategic Planning Committee, Knowledge Sharing Committee and Training Committee and also ASEANSI Development Partners such as Swedish National Audit Office (SNAO), Office of Auditor General (OAG) of Norway, INTOSAI Development Initiative (IDI) and World Bank.

Led by Bahtiar Arif as the Head of ASEANSI Secretariat, the meeting aimed to discuss the areas of cooperation between ASEANSI and development partners in order to avoid overlapping activities; to get a better perspective of ASEANSI's strategic direction, as well as its projects and activities for 2020 – 2021 and to build relations between ASEANSI and partners donors as well as give space for networking among development partners.

Constructive discussions were made during the meeting and the results were brought to discussion at the Technical Meeting which was organized at the same day in the afternoon. As further follow-up, all involving parties were expected to establish further cooperation on capacity building and knowledge sharing within the ASEAN Region, including;

1. ASEANSI would continue discussion on the support from Development Partners on the relevant program, such as:
  - a) SAI Sweden for activities related to strategic plan development, monitoring system, and continuation of LTAPII program;



- b) IDI for activities related to SDGs;
  - c) SAI Norway for activities related to improvement of capacity on performance audit, data analytic, SDGs, ISSAI implementation, and SAI PMF; and
  - d) World Bank for activities related to ASEANSI Guidelines on Public Procurement.
2. ASEANSI Secretariat would develop the database on human resources capacity development. If the Development Partners had information regarding the system to assess the impact of database, ASEANSI would coordinate for further study.

In addition, positive follow-up from all parties, particularly in establishing further cooperation in the future in supporting the capacity building and knowledge sharing within the ASEAN Region, were expected to be implemented.

#### **n. The 5<sup>th</sup> ASEANSI Summit**

Dr. Viengthong Siphandone President of State Audit Organization of Lao PDR handed over her position as the ASEANSI Chairperson 2017 – 2019 to Dato' Nik Azman Nik Abdul Majid, Auditor General Malaysia as the ASEANSI Chairman 2019 – 2021 at the 5<sup>th</sup> ASEANSI Summit held on 6 November 2019 in Kuala Lumpur, Malaysia. This event was officially opened after the delivery of keynote address and gong thumping by Dato' Seri Dr. Wan Azizah Wan Ismail, Deputy Prime Minister of Malaysia.

During the 5<sup>th</sup> ASEANSI Summit, some strategic issues were approved such as Committees' Report, Revised Rules & Procedures, Upgraded Guideline on Monitoring & Evaluation System, Guideline on Audit of Public Procurement, and Appointment Auditor for ASEANSI Financial Statements, Appointment ASEANSI Committees 2020 – 2021, Committees' Work Plans.

During the occasion, ASEANSI invited representative from INTOSAI Development Initiative (IDI) to present IDI SDGs Audit Model (ISAM) which would support SAIs in conducting the SDG audits. This initiative would include the development of an audit model to audit SDG implementation as a first step before providing capacity development support to SAIs for its application.

#### **o. Launch of ASEAN Integration Report 2019**

ASEANSI Secretariat had the opportunity to attend the Launch of ASEAN Integration Report 2019 in ASEAN Secretariat Office on 26 November 2019.

The event was officially opened by the Vice Secretary General on Social and Cultural Community of ASEAN, Kung Phoak, and was attended by Stakeholders on ASEAN Community as well as EU Ambassador for ASEAN, Igor Driesmans.

ASEAN Integration Report (AIR) 2019 is the main publication of the Directorate Supervision of Integration of ASEAN Secretariat. This report presents a comprehensive assessment of the progress and achievement of ASEAN economic integration since the adoption of the Blueprint of ASEAN Economic Community (AEC) Blueprint 2025 in 2015.



The report also presents a thematic chapter on the Fourth Industrial Revolution, which one is the main problems that emerged and prioritized by ASEAN.

This report was highlighted that four years after the implementation of the AEC Blueprint 2025, ASEAN economic integration has produced results in a number of fields, in which the overall is still in process. There is a need for ASEAN to deepen and expand intra-ASEAN trade and investment relations, while simultaneously keeping markets open through partnerships that strengthened with economies around the world.

This report underlined the need for ASEAN to prepare the organization for the future, in the context of the fourth industrial revolution and consideration for sustainability.

#### **p. ASEANSI Newsletter**

As stated on the ASEANSI Rules and Procedures, the ASEANSI Newsletter was scheduled to be issued once in every 3 months. The Newsletter is one of the media communications among ASEANSI members to share the knowledge and information.

The contents of ASEANSI Newsletter consists of activities column, information column from member SAs, and uniqueness column (the content is rotating in each issue between the member based on alphabetical order). All ASEANSI members may contribute the article in the form of short article, special report, and news related to sector public audit or other topics.

In each issue of the Newsletter, ASEANSI Secretariat determine the title of headlines based on the recent activity of ASEANSI. Every 3 months, Secretariat will send the request to member SAs inviting the participation and contribution on the content of the Newsletter.

In managing the Newsletter, the issuance of each edition was made by inviting the involvement of ASEANSI members. Secretariat would send the announcement of upcoming newsletter issuance and would invite participation from the members for the articles. Contribution from the members would be placed on the uniqueness column and/or columns related to audit activities. On the other hand, contribution from ASEANSI Committees was documented in the form of article which captured the last 3-months activities.

#### **q. Cooperation with European Union (EU)**

In 2019, ASEANSI was continuing the communication with European Union (EU) on initiating collaboration to support the implementation of ASEANSI Strategic Plan 2018-2021 such as to encourage SA assessment capacity in accordance with the Performance Measurement Framework (PMF) and to strengthen the organization and its role in the ASEAN Agenda as a follow-up to prior communications in 2019 including the development of ASEANSI Strategic Plan 2022 – 2027 and etc.





## **2. ASEANSAI Committee Activities**

### **a. Strategic Planning Committee**

- **Endorsement of ASEANSAI Guideline on Monitoring and Evaluation System**

The Guidelines were first communicated in January 2015 to all ASEANSAI members through technical level meetings. SAI Vietnam as the Chair of Strategic Planning Committee (SPC) has reviewed and improved the Monitoring and Evaluation System (MES) to be better implemented.

After the implementation of this system for several years, it is deemed necessary to strengthen the efficiency of the system by improving monitoring tools and expanding MES applications for better use in future ASEANSAI activities.

The SPC holds a meeting to review the use and application of MES, and to identify challenges and limitations in its implementation. It is hoped that through this review, strategic decision making and implementation of strategic plans can be achieved. During the process, SPC, Training Committee (TC), and Secretariat worked together in upgrading the guidelines and improving the implementation of the system.

BPK as a member of the SPC and in its role as the ASEANSAI Secretariat, contributed in preparing and updating the Guideline on Monitoring & Evaluation System.

On 1 October 2018, the Chair of SPC sent a letter to all ASEANSAI members to obtain input on the revised draft of the MES Guideline. Input from ASEANSAI members was accommodated and distributed on 18 June 2019 for final approval.

The ASEANSAI Guideline on MES was endorsed at the 5<sup>th</sup> ASEANSAI Summit in Kuala Lumpur on 6 November 2019.

### **b. Rules and Procedures Committee**

- **Endorsement of the 2<sup>nd</sup> Revision of ASEANSAI Rules and Procedures**

The latest version of the draft revision of the ASEANSAI Rules and Procedures (R&P) was finalized and approved at the 5<sup>th</sup> Senior Officials' Meeting (5<sup>th</sup> SOM) in Lao PDR on 4 July 2019. All inputs from ASEANSAI members were incorporated and disseminated to all members. The final draft of the 2<sup>nd</sup> Revision of the ASEANSAI Rules and Procedures was approved at the 5<sup>th</sup> ASEANSAI Summit on the 6 November 2019.

The key changes to the revised R&P were as follow:

- a) Providing better clarity on the appropriate signatory for the financial statement and management representation letter of ASEANSAI.
- b) Providing better clarity on the Terms of Reference and areas to be included in the work plan of various committees.
- c) Adding a new Chapter 6 on Monitoring and Evaluation, to align with the requirements under the ASEANSAI Guideline on Monitoring and Evaluation.
- d) Updating the requirements on reporting by committees, for example Committee Progress Report.



### **c. Knowledge Sharing Committee**

- **Endorsement of ASEANSI Guideline on Public Procurement**

ASEANSI Guideline on Audit of Procurement is an enhancement on Guidelines for Public Procurement that was produced as a result of the Focus Group Discussion (FGD) on Public Procurement which was initiated in July 2014.

The guideline was firstly published in 2015 by SAI Malaysia as the Chair of Knowledge Sharing Committee (KSC). Since then, the Guideline has been widely used within ASEANSI members. Along with the use of the guideline, some improvement is considered need to be put in place, such as adding the risk assessment as well as the Audit Program to help Auditors conducting the audit. It is also expected that the guideline will serve as a Manual for Auditors to keep with relevant international standards and produce a better quality of Audit Reports.

The KSC has worked together to improve the Guidelines. The finalization draft was submitted to all ASEANSI members on 31 May 2019 for obtaining the input. It is hoped that this Guideline will be used by all ASEANSI members as guiding principles and best practices.

BPK as a member of ASEANSI and also as one of the participating parties in the preparation of the 1<sup>st</sup> edition of the Guideline, also provided input in the preparation and finalization of the 2<sup>nd</sup> edition of this Guideline.

After the implementation of the 5<sup>th</sup> Senior Officials' Meeting (SOM) in Laos PDR in July 2019, input from all the ASEANSI members was compiled and reviewed by SAI Thailand for then to be ratified at the 5<sup>th</sup> ASEANSI Summit in Kuala Lumpur, Malaysia on 6 November 2019.

### **d. Training Committee**

- **ASEANSI-IDI Review Meeting ISSAI based on Cooperative Financial Audit Program: Mentor Onsite Visit**

As a part of the 3i Programme – ISSAI Implementation Initiative, the IDI has been supporting SAs in different INTOSAI regions in conducting ISSAI compliant audits. With ASEANSI, IDI gives the support on the Cooperative Financial Audit.

The IDI-ASEANSI Cooperative Financial Audit Program was started by the training and planning workshop held in December 2018. Based on the preliminary audit plan prepared at the planning workshop, the audit team conducted actual audit in the early 2019.

As the follow-up, from March to May 2019, the program entered the Mentor Onsite Visit phase. Each mentor provided one-week onsite support to each SAI in conducting the audit. On this phase, the mentor had opportunity to discuss directly with the audit team on the audit progress and the challenges they encountered in performing the audit. Mentor also provided the input and assisted the audit team to perform the audit as planned and in line with the ISSAI.

Mentor Onsite Visit Schedule			
No.	Date	SAI	Mentors
1.	18-22 March 2019	Vietnam	Malaysia
2.	25-29 March 2019	Cambodia	Philippines
3.	1-5 April 2019	Thailand	Philippines
4.	1-5 April 2019	Myanmar	Indonesia
5.	8-12 April 2019	Philippines	Indonesia
6.	8-12 April 2019	Indonesia	Philippines
7.	6-10 May 2019	Malaysia	Malaysia
8.	20-24 May 2019	Lao PDR	Philippines

After completing the Mentor Onsite Visit, the audit teams were requested to prepare the audit report to be reviewed by IDI manager and Resource Person.

At the end of the program, workshop on Quality Assurance would be organized to indicate the extent of compliance to financial audit ISSAI requirements.

- **Pre-course Design Meeting for the Instructors' Design Meeting on the Audit of Public Procurement Based on the Enhanced ASEANSI Guidelines on Public Procurement Audit Manual and Compliance Audit ISSAIs**

The Pre-course Design Meeting for the Instructors' Design Meeting on the Audit of Public Procurement-based on the enhanced ASEANSI Guidelines on Public Procurement Audit Manual and Compliance Audit ISSAIs-was an advance preparation for the proposed Writeshop agenda (to be held in October 2019) that would facilitate the distribution of the work of the Course Designers. This meeting was conducted from 13 to 15 August 2019 in Philippines.

During the meeting, participants developed the case study and suggested solutions to maximize their time in the preparation/development of the other deliverables of their assigned topics.

The challenge was the applicability of the case study to different SAIs.

Next follow-up of the activities would be;

- (1) Conducting the Instructors' Design Meeting on the Audit of Public Procurement based on enhanced ASEANSI Guidelines on Public Procurement and Compliance Audit ISSAIs scheduled in 2019 after the revision of the Manual by SAI Thailand and SAI Malaysia.
- (2) Conducting the Workshop on Audit of Public Procurement (WAPP Phase 2) scheduled in 2020.



- (3) Conducting the actual audit in respective SAIs of the participants in 2020.
- (4) Conducting the Audit Review and Wrap-up Meetings (success stories/challenges/lessons learned) scheduled in 2021.

- **Course Design and Development Writeshop on Financial Audit – Audit Documentation, Audit Evidence, Analytical Procedures, and Reporting**

As part of the sustainability initiatives of the Long-Term ASEANSI Programme on ISSAI Implementation (LTAPII), the ASEANSI Training Committee (TC) chaired by the Supreme Audit Institution (SAI) of the Philippines (Commission on Audit), conducted the Course Design and Development Writeshop (CDDW) in Financial Audit for Instructors from 19 to 27 August 2019 in Phnom Penh, Cambodia.

The CDDW utilized course designers from 4 ASEANSI-accredited ISSAI Facilitators on Financial Audit, particularly from the SAI of Cambodia, Malaysia and Myanmar, and 1 financial auditor from SAI Philippines. With the guidance from Subject Matter Experts (SMEs) of the Swedish National Audit Office (SNAO) and the mentors from the TC, courseware on specific financial audit topics *Audit Documentation, Audit Evidence, Analytical Procedures, and Reporting* was designed and developed.

The courseware consists of 6 sessions aiming to link the planning phase to the execution and reporting phases of the financial audit process. Each session consists of a set of course materials, namely, Session-at-a-Glance (SAAG), PowerPoint Slides, Facilitator's Guide (FG), Structured Learning Exercises (SLEs) and Participants' Notes.

Outputs of this meeting will be used and delivered during the conduct of Financial Audit Workshop in 2020 to capacitate ASEANSI auditors. Once capacitated, participants will have advance knowledge in financial audit and will empower them to align the national standards with the ISSAIs.

Challenge faced during the meeting was not all participants have knowledge on course designing. Hence, the need to give lectures/discussions on course design and development shall be delivered before participants were enabled to prepare the assigned course materials.

Follow-up activities including:

- (1) Finalization of the courseware on financial audit on/or before 30 September 2019.
- (2) Conduct of training on financial audit in 2020.
- (3) Application of learnings in respective SAIs through capacity building and development of their national audit standards/guidelines in accordance with the ISSAIs.

- **Pre-Course Design Meeting on Compliance Audit**

The Pre-Course Design Meeting on Compliance Audit was held from 9 to 14 September 2019 in Manila, Philippines. The course design is part of Training



Committee's Work Plan to sustain the ISSAI Implementation Project (LTAPII) particularly on Compliance Audit area.

The meeting aimed to assist member SAIs in developing the national audit standards and guidelines to be aligned with the ISSAIs. As the output of the meeting, proposed contents for the design of the Compliance Audit Courseware was developed.

It was planned that the courseware will be disseminated to all ASEANSI members through a workshop or training which will be conducted in 2020.

- **Instructors' Design Meeting (IDM) on the Audit of Public Procurement based on the Enhanced ASEANSI Guidelines on Public Procurement Audit Manual**

ASEANSI Guidelines on Public Procurement (AGPP) was published in 2016 through collaborative efforts of the Knowledge Sharing Committee (KSC). Thenceforwards, using the AGPP as basis, a courseware for the Workshop on the Audit of Public Procurement (WAPP) was developed by the Training Committee (TC). The WAPP was piloted in October 2016 with 23 auditors from 7 ASEANSI members.

As the next stage from the implementation of Action Plan of the WAPP, the follow-up Workshop (FUWAPP) was held in April 2018. One of the most significant outputs from the FUWAPP is the list of inputs on the enhancement of the AGPP which was later on provided to the KSC for consideration. The enhanced AGPP has to be disseminated to the auditors of the ASEANSI members through a workshop. Therefore, the Instructors' Design Meeting on the Updated ASEANSI Public Procurement Audit Manual was held in Singapore from 21 to 25 October 2019.

Representatives from SAI Malaysia, SAI Philippines, SAI Indonesia, and SAI Thailand were participated in the meeting along with SAI Singapore as the Host SAI.

During the meeting, participants were discussed and agree on:

- 1) Sessions to be handled by each course designers-cum-facilitator for the upcoming workshop;
- 2) Coverage of the WAPP-2 in terms of number of sessions and time allotment per session; and
- 3) Assignment on the draft course materials to be reviewed by each course designer's member (peer review).

Participants also presented the comment on reviewed course materials and finalized the reviewed sessions after receiving feedback from the peer review.

As the way forward, involving course designers were agreed to submit the revised courseware (after peer review) to the TC by the end of November 2019. TC Training Specialist which was participated at the meeting will also finalize the Action Plan and monitor the submission templates for Action Plan.

- **Raising Awareness of Member SAI on SAI Performance Measurement Framework (PMF) for High Level**

In line with the Training Committee Work Plan, before the roll out of SAI Performance Measurement Framework (SAI PMF) SAI Philippines as the Chair of Training Committee (TC) conduct a survey for mapping the implementation of SAI PMF within the ASEAN Region through a survey.

Based on the survey, it was defined that a forum to raise awareness on SAI PMF for high level is needed to support the implementation. With the support from Office of Auditor General of Norway (OAG Norway) as recourse person organize a session during the 5<sup>th</sup> ASEANSAT Summit to deliver key important messages for high level.

SAI Philippines presented the application of SAI PMF in ASEANSAT, where the Training on SAI PMF for Future Assessors will be conducted to build the awareness of ASEAN member SAs for a self-assessment of their performance through SAI PMF by involving their Future Assessors in the workshop.

SAI PMF assessment will assist SAI in demonstrating transparency and openness to stakeholders, measuring performance over time, providing input to the strategic planning process, benchmarking SAI against the ISSAIs, and attracting interest from development partners.

- **Quality Assurance (QA) Review of IDI - ASEANSAT ISSAI based Cooperative Financial Audit: Onsite Visits**

As a continuation of IDI-ASEANSAT Program ISSAI based Cooperative Financial Audit, from November to December 2019, the Quality Assurance (QA) Review Onsite Visits were held in 8 ASEANSAT member countries.

Main purpose of this QA Review was to provide an independent assurance for the Stakeholders, for the progress of ISSAI requirements' implementation in the audit, conducted by participants of the program.

The QA Review were supervised by independent and trained QA Reviewer which was also appointed by the IDI. The Reviewer also the member of Financial Audit and Accounting Sub-Committee (FAAS) of INTOSAI Professional Standards Committee.

Schedule for QA Review was as follow:

Schedule			
No.	SAI	Date	QA Reviewer
1.	Thailand	25-26 Nov 2019	Ms. Cheryl Ann Rachael Wright <b>SAI Trinidad &amp; Tobago</b>
2.	Cambodia	28-29 Nov 2019	
3.	Philippines	18-19 Nov 2019	Mr. Alfred Nyamalum Wambang <b>SAI Kamerun</b>
4.	Myanmar	21-22 Nov 2019	



5.	Vietnam	28-29 Nov 2019	Ms. Meresimani Katuba
6.	Malaysia	2-3 Dec 2019	<b>SAI Fiji</b>
7.	Indonesia	2-3 Dec 2019	Ms. Bogna Kuczynska
8.	Lao PDR	5-6 Dec 2019	<b>European Court of Auditors</b>

After the QA Review, the Reviewer will prepare a draft report to be reviewed by IDI, where the final report will also be conveyed to IDI and each respective SAI at the latest on 23 December 2019.

- **Workshop on ISSAI Implementation Needs Assessment for Financial Audit**

INTOSAI Development Initiative (IDI) launched the new program, IDI-ASEANSAI ISSAI Implementation Needs Assessment for Financial Audit, as a form of further support to SAIs in ASEAN region to enhance the application of financial audit based on ISSAI. This program came after the completion of previous program which was the IDI-ASEANSAI based on Cooperative Financial Audit.

As the first activity of this program, the Workshop on ISSAI Implementation Needs Assessment for Financial Audit was held from 16 to 20 December 2019 in Bangkok, Thailand. Main purpose of this workshop was to train participants on applying the ISSAI Compliance Assessment Tool (iCAT) which was also developed by the IDI.

It is expected that the outputs of this program including SAI Level Reports on ISSAI Needs Assessment and Sustainability Plan for Financial Audit, along with ASEANSAI Report on Future Needs of Member SAIs in Financial Audit.

## C. CONCLUSION

In the past eighth years, ASEANSAI has witnessed various development progress, giving an example of ISSAI implementation activities. Moreover, the strengthening position of SAIs in their respective countries, improved capacity, and heightened audit quality have led to effective value generation for all parties and have aimed at generating more benefits in public sector administration. These achievements were made possible also with the support and active participation from Development Partners.

The current development of ASEANSAI is moving in conjunction with on-going progress of ASEAN in implementing the 2025 vision, on the part of upholding the good governance practices in the ASEAN region. As a symbol of SAI unity in the ASEAN region, ASEANSAI will continue to support member SAI to fulfil their role to strengthen the role within ASEAN region and to improve cooperation with regional and international partners. It will eventually led in achieving better governance, transparency, and accountability which will not only benefit each individual country but ASEAN as a whole.

