

Forging Multifaceted Cooperation: ASOSAI's 6th Assembly and 5th International Seminar

Editor's Note: This article was prepared by the staff of the Office of the Comptroller and Auditor General of India.



Hosted by the Comptroller and Auditor General of India, the 6th Assembly and 5th International Seminar of the Asian Organization of Supreme Audit Institutions (ASOSAI) were held in New Delhi from November 13-19, 1994.

It was in an atmosphere

of regional unity with a spirit of rededication for forging multifaceted cooperation and strengthening the role of supreme audit institutions (SAIs) that 73 delegates from 20 member countries (Australia, Bangladesh, Brunei Darussalam, China, Cyprus, India, Indonesia, Iraq, Israel, Japan, Jordan, Korea, Malaysia, Nepal, Pakistan, Philippines, Saudi Arabia, Sri Lanka, Thailand and Yemen) participated in the week long program. Also participating were 17 observers from Bhutan, Hong Kong, Macau, the World Bank, the Asian Development Bank, the INTOSAI Development Initiative, OLACEFS, the Standing Conference of Public Enterprises, and the Institute of Cost and Works Accountants of India.

Opening Ceremony

The inaugural ceremony held at Vigyan Bhavan on November 13 began with the traditional lighting of lamp by the chief guest, Mr. K. R. Narayanan, Vice President of India. In his address, Mr. Narayanan extolled the role played by state audit in national development, and noted that the executive need not be audit shy. He said that any good government would welcome audit scrutiny because it helps clarify and legitimize government decisions. He also pointed out that an independent audit institution is undoubtedly an important state organ, especially in a democratic system in which accountability is the very essence of public administration. Mr. Narayanan also released a special postal cover to commemorate the occasion.

In his welcome address the Comptroller and Auditor General of India, Mr. C. G. Somiah, reviewed the achievements of ASOSAI during the fifteen years since its inception, and pointed out that audit is taking a stronger role in improving public administration in general. "There are some misconcep-

tions regarding the role and functions of state audit," Mr. Somiah said. "Audit is no longer confined to the financial transactions and statements. It indeed ranges over the entire field of public administration. The scope of audit has been gradually expanding in response to the changing nature of public accountability. The role of audit is not necessarily to criticize what happened, with so-called hindsight. It is assiduously developing a constructive role of suggesting remedial measures and further improvements not only in accounting and internal controls but also in public administration in general."

Mr. Guo Zhenqian, outgoing Chairman of ASOSAI and Auditor General of the People's Republic of China noted that New Delhi was the venue of the first Assembly and that ASOSAI has progressed enormously over the last 15 years with its members playing an active role in its development. Specifically, Mr. Guo said, "Since the last Assembly and International Seminar, some member countries of ASOSAI have scored new achievements in their economic development and reforms, and the status of Asia in world political and economic affairs has upgraded greatly. However, economic development always goes along with the increase of government financial revenues and expenditures, and expansion of capital movement, bringing to every country many problems in funds and economic management. Therefore, it is necessary to establish and strengthen the legal system, improve the economic management and audit systems and enhance auditing supervision so as to help build a clean government."

Special invitee Dr. Manmohan Singh, India's Finance Minister stated that audit work has to be organized to help check waste and inefficiency in raising and using resources; at the same time it should not in any way affect the ability and incentive for exercising creativity and initiative in providing government services. Dr. Singh stressed that the fear of audit must not lead to the creation of a mind-set in public administration which is adverse to innovation and risk taking and which inhibits speedy decision-making processes.

Mr. Shinji Yazaki, Secretary General of ASOSAI and President of the Board of Audit of Japan, delivered the "vote of thanks" and reminded members that all of ASOSAI's accomplishments have been made possible by member SAIs' common understanding that their mutual cooperation greatly contributes to the higher quality of government auditing. Mr. Yazaki said, "Looking at the future development of public auditing, government financial and administrative activities, as you are aware will continue to expand in countries worldwide, having great impact on national economy and people's life. These government activities are also becoming highly

technical and complex. Taxpayers' expectations to SAIs thus are increasingly growing, and requiring them to constantly evaluate these widening and diversifying government activities and thereby promote their efficiency and effectiveness."

Programs

Apart from the opening and closing ceremonies, there were three each of plenary and sub-theme committee sessions where organizational matters, future activities and the seminar theme were discussed. In addition, several social and cultural functions as well as conducted tours kept the delegates, observers and those accompanying them busy. Separate programs for the accompanying persons had been arranged. The heads of delegations paid a courtesy call on the President of India, Dr. Shankar Dayal Sharma.

Seminar

The theme of the seminar, "The Role of SAI in Promoting Effective Accounting and Adequate Internal Control System in Government", was considered under the three sub-theme headings:

- Audit Mandate, Strategies and Methodologies in Improving Accounting and Internal Control System in Government.
- Audit of Government Financial Statements and Reports.
- Resource consideration of SAI for ensuring effective accounting and adequate internal control system.

The principal papers on the sub-themes were contributed by the SAIs of Thailand, Malaysia and Korea respectively. The principal paper writers prepared comparative review papers on their topics incorporating the responses to the principal papers received from other member SAIs. The comparative review papers were discussed earlier at a workshop organized in Tokyo, Japan during July 1994 and draft recommendations made for consideration at the New Delhi Seminar.

New Delhi Declaration

The three sub-theme committees, constituted by the Assembly in its first plenary under the Chairmanship of Australia, Indonesia and Sri Lanka respectively, considered the comparative review papers and the draft recommendations of Tokyo workshop. Thailand, Malaysia and Korea served as rapporteurs and presented the respective comparative review papers; representatives of the host SAI served as secretaries to the three committees. A working group consisting of representatives from Thailand, Malaysia, Korea, Japan and India (Convenor) drafted the "New Delhi Declaration of Guidelines for Promoting Effective Accounting and Adequate Internal Control System in Government". The draft declaration was deliberated upon and endorsed by the ASOSAI Assembly. The declaration emphasizes the following main points:

- Sound planning, budgeting, internal control, accounting and reporting systems facilitate the accountability in the public sector.

- The SAIs have a dual role as an important instrument of ensuring accountability and as an aid to the executive.
- Whereas it is the executive responsibility to develop and install the accounting and internal control systems, SAIs should ensure, by means of reviewing and suggesting improvements, that the systems are effective and adequate.
- The products of the INTOSAI committees on accounting and internal control standards have focussed awareness of the need for the SAIs to intervene effectively to improve accounting and internal control systems.
- In view of the importance, particularly of financial control, the ASOSAI second research project (published in 1993) was devoted to a comparative study of the financial accountability and management in government in the Asian region.

The New Delhi Declaration has been published as a special document of the 6th Assembly and 5th International Seminar of ASOSAI, and is available from the Office of the Comptroller and Auditor General of India.

Presentation by INTOSAI Development Initiative (IDI)

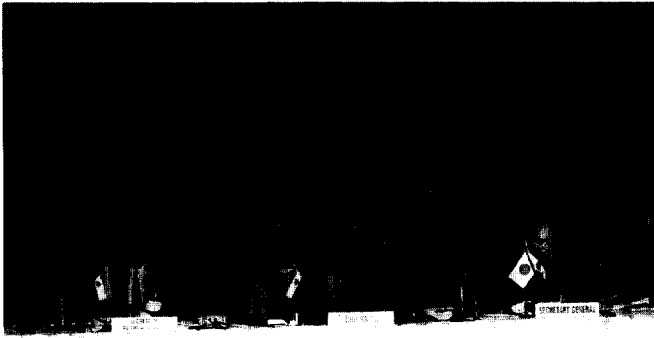
Mr. Yvan Gaudette of IDI presented to the Governing Board and to the Assembly the proposed long-term ASOSAI-IDI Programs 1996-2000 which emphasized the need for reorientation of IDI's role. Training activities being one of the significant items on the Agenda of ASOSAI, the new Governing Board which met after the conclusion of the Assembly acted quickly and constituted a committee comprising of representatives of SAIs of India, Indonesia, Korea, Saudi Arabia and Japan to study and formulate proposals for future ASOSAI training activities and funding.



Mr. K. R. Narayanan, Vice President of India delivering the inaugural address at the Opening Ceremony of the Assembly on November 13, 1994.

New Chairman and Governing Board Members

In the first plenary of the Assembly, the Chairmanship of ASOSAI was formally handed over by China to India for a three-year term from 1994-1997. The Assembly also elected Japan as the Secretary General of ASOSAI for a second three-year term. The new Governing Board members are India, Japan, Australia, China, Indonesia, Korea, and Saudi Arabia. Sri Lanka was elected as special adviser to the Governing Board.



Plenary Session of the Assembly were held at the Convention Hall of Ashok Hotel. Seated on the dias are (left to right) Mr. Dharam Vir, Secretary to the Assembly, Mr. C. G. Somiah, Chairman of ASOSAI, and Mr. Shinji Yazaki, Secretary General of ASOSAI.

Looking Forward to the Future

The next triennial Assembly and International Seminar of ASOSAI will be hosted by the Australian National Audit Office and will be held at Canberra during 1997. The official invitation was made by Mr. John C. Taylor, Auditor General for Australia, and the Assembly unanimously accepted it.

The accomplishments of the ASOSAI so far, on the training and research fronts, establishment of the Computer Expert Group, publication of the ASOSAI Journal, and the increase in its total membership to 24 as reported by the Secretary General were well received by acclamation at the Assembly. The spirit and hopes of ASOSAI for the next three years culminating in Canberra can perhaps be best summed up by quoting the words of Mr. J. B. Sumarlin, Chairman of the Supreme Audit Board of Indonesia at the closing ceremony. "I believe based on their (ASOSAI Chairman and Secretary General) experience and leadership and good cooperation among member countries of ASOSAI, they will carry out our programs and fulfill the needs and expectations of our organization. I also believe, that for the coming years, we will have a more dynamic and active organization in the hands of the two gentlemen and their staff. Looking at the future development of our programs and activities, please allow me to express my opinion that during the coming three years our organization will be facing a number of important and unavoidable challenges. One of the very basic and fundamental challenge or issue is how to make our ASOSAI become a strong and viable institution that can stand, among other things, on its own feet. I trust and believe that our new leaders will manage to solve the issues in a proper way."

The Assembly ended with a note of hope to strive for upholding the motto "Mutual Experience Benefits All".

For more information, and to obtain a copy of the New Dehli Declaration, contact: Mr. K. P. Lakshmana Rao, Principal Director (RIR), Office of the Comptroller and Auditor General of India, 10 Bahadur Shah Zafar Marg, New Dehli 110002, India. ■