

Ninth ASOSAI Assembly and 2nd Symposium

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The Asian Organization of Supreme Audit Institutions (ASOSAI) held its 9th Assembly and 2nd Symposium in Manila, Philippines, October 20–26, 2003. Hosted by the SAI of Philippines, the Assembly drew delegates from 33 SAIs as well as observers from other SAIs, the Asian Development Bank, the INTOSAI Secretariat General, the INTOSAI Development Initiative (IDI), and this Journal.

Opening Ceremony

The 9th Assembly of ASOSAI opened on October 21, with Dr. Panya Tantiyavarong, ASOSAI Chairman and Chairman of Thailand's State Audit Commission, and Chairman Guillermo N. Carague of the Assembly host, the Philippine Commission on Audit, leading the opening ceremonies. They both welcomed the 130 delegates and observers from 33 ASOSAI member countries.

Philippine Vice President Teofisto T. Guingona, Jr., was the guest of honor and keynote speaker at the opening ceremony. In his address, he called the attention of ASOSAI to "the need for auditing to be responsive to the demands of globalization and technology advances as well as to the goals and development needs of its member countries."

Chairman Carague urged the delegates to make use of the 9th Assembly as a "venue to renew old ties, bid farewell to those whose terms are expiring, and warmly welcome those who are joining for the first time" and to perpetuate the bond of friendship and camaraderie to ensure the continued smooth functioning of ASOSAI in the future. In addition, he stressed that everyone must be more "vigilant in the discharge of the responsibilities of their own SAIs in the face of recent developments that have buffeted the world of accountancy and which saw the unraveling of a number of supposedly financially sound companies and even the collapse of one of the world's oldest and largest auditing firms."

Ceremony to Unveil ASOSAI Marker

The 130 ASOSAI assembly delegates and observers gathered at the Professional Development Center Building of the Commission on Audit to witness the unveiling of the souvenir architectural representation celebrating the 9th ASOSAI Assembly and 2nd Symposium. Upon arrival, the delegates were greeted by top Commission officials. The special guest speaker during this event was Dr. Francisco Tantuico, Jr. (former Chairman of the Commission of Audit, ASOSAI founding member, and first ASOSAI Secretary General), who briefed the delegates on the founding of ASOSAI.

First Plenary Session Summarizes Governing Board Meeting

The first plenary session reviewed the report of Secretary General Vijayendra N. Kaul on ASOSAI's activities since the previous Assembly. Highlights of the report included the

- approval of financial statements for 2000-2002 and the report of the audit committee,
- ASOSAI training activities,
- the sixth ASOSAI research project on IT audit,
- presentation and discussion of audit guidelines on fraud and corruption, and
- IDI's report on training initiatives in ASOSAI.



During the first plenary session, Mr. Vijayendra N. Kaul (India), Secretary General of ASOSAI, second from left; Mr. Guillermo N. Carague (Philippines), Incoming ASOSAI Chairman, center; and, Dr. Panya Tantiyavarong (Thailand), Outgoing ASOSAI Chairman, second from right; addressed the assembly.

The SAIs of Afghanistan, Bahrain, Georgia, the Lao People's Republic, and Mauritius were admitted as members of ASOSAI. It was also reported that ASOSAI, the Asian Development Bank, and the Government Auditing Foundation of Japan had signed an agreement to provide technical assistance that aims to enhance the training capabilities of member SAIs by expanding the existing pool of training specialists. This pool of 27 certified training specialists was created in 1998 under the Long Term Regional Training Program.

Second Symposium on Quality Management in Public Audit

The 2nd Symposium on "Quality Management in Public Audit" was held with the former Philippine Finance Secretary and now Asian Institute of Management President Roberto de Ocampo as guest speaker. In his speech on "Public Audit and Good Governance," he stated that his topic "is timely as countries all over the world today are very concerned about good governance in both the public and corporate sectors." He also stated, "Quality audit means a balance between discretion and common sense versus being a stickler for the absolute letter of rule. It means not losing sight of the forest by being too finicky about the trees. It means the ability to prioritize so as not to waste time—both the auditor's and the auditee's. It means not overburdening either of them by an overzealous passion for detail so that one ends up losing sight of the overall objective of the audit—was government money spent properly?"

Assistant Commissioner Roberto B. Catli moderated a panel presentation on quality management in public audit. Participants included Dr. Gertrude Schlicker (INTOSAI General Secretariat), Mr. Muhammad Yunis Khan (Pakistan), Mr. Asif Ali (Bangladesh), Mr. Kevin Brady (New Zealand), and Mr. Sunil Bahri (India).

Dr. Schlicker stated, “Assuring high level quality in an audit organization involves a succession of steps that must be taken over a period of time.” The standards of quality should first be defined and ensure that quality control procedures are put in place. Once this is done, the auditor has to see to it that the quality control procedures are working efficiently and “identify ways of improving the effectiveness or efficiency of procedures.” She even suggested techniques on how to do this—“use of various types of post-audit quality reviews, building an institutional culture wherein high quality is a fundamental value that is reflected in the management of the SAI’s human resources and its relation with other institutions.”

Mr. Muhammad Yunis Khan, the Auditor General of Pakistan, stated that “the clientele of the SAI is the public, the taxpayer, and the public representatives who approve public spending and scrutinize the audit reports.” Therefore, for SAIs, the challenge of quality management in public audit is to come as close as possible to meeting the differing expectations of the clientele. Pakistan’s strategies include dissociating itself from direct involvement in accounting and promoting implementation of accounting reforms, among them the installation of a national network of core accounting systems with accrual reporting features and the potential for upgrading to full accrual in the coming years. Pakistan’s expectation is that “sound accounting and financial reporting will provide the basis for effective auditing during the next 5 years.”

To Mr. Asif Ali, Comptroller and Auditor General of the Bangladesh SAI, quality management in public audit is “certification of the accounts; compiling of the audit reports; the organizational capability of manpower, techniques, and practices; as well as implementation of the auditing standards and guidelines issued by the INTOSAI and the ASOSAI.” Mr. Kevin Brady of the New Zealand SAI emphasized four elements: “(1) understanding the environment in which auditors work; (2) ensuring that the office has the best people; (3) [determining] how to go about promoting good governance; and (4) practicing what is being preached.”

The Indian SAI’s experiences and quality initiatives include “measurement of the effectiveness of audit based on a desirability-acceptability matrix that grades the audit paragraphs or audit comments found in the audit reports; information technology-related initiatives such as workflow automation to standardize processes; external certification, starting with the training institutions; peer reviews; and revamping the technical inspection and internal audit within the organization.” Of course, all these initiatives have taken into account “that standards are complied with at all levels and there is a way of ensuring quality.”

Election of Governing Board and Audit Committee Members

Mr. Carague advised the Assembly participants that the SAI of the People’s Republic of China will host the 10th Assembly of ASOSAI in 2006 and that the SAI of India will continue as the Secretary General of ASOSAI for the next 3 years.

Elections were held during the meeting to determine the SAIs that would constitute the ASOSAI Governing Board for the next 3 years. The Governing Board consists of nine member countries, of which five are elected by the Assembly. The countries of Bangladesh, Bhutan, Malaysia, Pakistan, and Saudi Arabia were elected for a 3-year term at this meeting. The other three members are the head of the SAI where the last Assembly was held (Philippines), the head of the SAI where the next Assembly will be held (Peoples' Republic of China), and the Secretary General of ASOSAI (India). The Governing Board unanimously appointed Japan as its fourth member. The SAIs of Indonesia and Turkey were elected to positions on the Audit Committee.

For additional information regarding the 9th ASOSAI Assembly, please contact Mr. Guillermo N. Carague, Chairman of the Commission on Audit, Central Office, Commonwealth Avenue, Quezon City 1119, Philippines; telephone: ++63-2-93192-32; fax: ++632-9319223; e-mail: gemcarague@coa.gov.ph; or Web site: www.coa.gov.ph.