

Minutes of the 7th ECOSAI Assembly
October 18, 2016
Ankara, Turkey

The 7th ECOSAI Assembly was held on October 18, 2016 in Ankara, Turkey. The following members attended the meeting as Heads of Delegation:

- Seyit Ahmet BAS, President of the Turkish Court of Accounts and President of the ECOSAI
- Rana Assad Amin, Auditor General of Pakistan and Secretary General of ECOSAI
- Dr. Mohammad Sharif Aman Sharifi, Auditor General, Supreme Audit Office of the Islamic Republic of Afghanistan
- Mr. Mahdi Dehrouyeh, Advisor to President, Supreme Audit Court, Islamic Republic of Iran
- Mr. Adil Maharramow, Deputy Chairman of the Chamber of Accounts of Azerbaijan
- Mr. Nurlan Nurzhanov, Member of Accounts Committee for Control over Execution of the Republic Budget, Kazakhstan.

The complete list of participants is at Annex-I.

1. Opening the Meeting

Seyit Ahmet BAS, President of the Turkish Court of Accounts (TCA) and President of the ECOSAI, welcomed the delegates and thanked them for their participation and making the events of ECOSAI successful. In his speech he also mentioned the valour and bravery shown by the people of Turkey during the failed coup in July 2016. He condemned this action and informed about the resilience showed by people who countered this action.

While discussing ECOSAI President TCA expressed the opinion that newly established organizations encounter certain problems and challenges in the beginning and gradually become geared to achieve their stated objectives which are laid down in their charters. The President TCA expressed satisfaction regarding the development of the ECOSAI, which is a

comparatively young organization. He termed the preparation and finalization of the ECOSAI Strategic Plan (2016-2021) a very positive step in the direction of achievement of objectives laid down in ECOSAI charter. He hoped that Strategic Plan will be implemented with sincere efforts of member SAIs. After this the President declared the 7th ECOSAI Assembly session open.

The opening speech of the President of the ECOSAI is placed at Annex-II.

2. Adoption of the Agenda

The President ECOSAI presented the proposed agenda of the 7th ECOSAI Assembly (Annex-III), which was unanimously adopted by the Assembly with a slight modification that the order of the agenda items was changed by placing the agenda items relating to election of Governing Board members and "Other Matters" at the end of Assembly session.

3. Activity report by the Secretary General of ECOSAI

Rana Assad Amin, Auditor General of Pakistan and Secretary General of ECOSAI presented the Activity Report of the ECOSAI for the last three years. At the outset, he appreciated the excellent arrangements made by SAI Turkey for all the events of the ECOSAI. The Secretary General reassured the full support of SAI Pakistan in achieving the aims and objectives of ECOSAI and to carry out activities of the ECOSAI. He also briefly informed about the activities of the ECOSAI for the last three years, the training activities were especially highlighted in his report.

The Secretary General shared with the participants of the meeting that four training courses were held under the auspices of ECOSAI during the last three years in SAIs Turkey and Iran and appreciated their efforts. The Secretary General also informed about the rescheduling of ECOSAI training course on "Performance Audit" from September 19-30, 2016 to December 5-16, 2016 at Lahore, Pakistan due to a lesser number of nominations for the course with hope that better number of nominations will now be received for the course. He also informed that SAI Pakistan has decided to facilitate the participants by providing meal and accommodation during the course.

The Secretary General highlighted the need for a sound Strategic Plan for providing impetus and realigning the activities of ECOSAI. He informed that draft of the ECOSAI Strategic Plan for 2016-2021 was unanimously approved by the Governing Board for presentation before the Assembly. He also mentioned that the draft budget for the next three years has been prepared aligning it with the strategic plan 2016-21 of ECOSAI trying to make ECOSAI a vibrant organization.

The Secretary General apprised the forum of the matter of blockade of funds sent to the SAI Iran by the office of Foreign Assets Control (OFAC) US Department of Treasury USA despite lifting of sanctions by the USA. He appreciated the contributions of member SAIs in the ECOSAI Circulars and for the first time it was published twice in a year. He also appreciated efforts of SAI Turkey in arranging printing of spring and autumn, 2016 issues.

The Secretary General informed about the efforts of ECOSAI Secretariat in redesigning the ECOSAI website and making it dynamic for member SAIs to post and update their news items and SAI related information. He further informed the participants that the audit of ECOSAI accounts for the period 2013-15 was conducted by auditors from the SAIs of Azerbaijan and Kyrgyz Republic and their report is being presented before this Assembly along with the accounts for 2013-15. He also mentioned that budget for 2016-18 was also being presented for the first time including provision for peer reviews, bilateral visits and co-operative audits.

The Secretary General informed the participants that SAI Pakistan has signed MoU with SAI Iran and MoU with SAI Turkey will be signed during sideline meeting of the Assembly and MoU between SAIs Pakistan and Tajikistan is in process as well. The situation was viewed as an encouraging sign for ECOSAI in its efforts to try and promote bilateral relations for knowledge and experience sharing.

The Secretary General informed participants that the ECOSAI Secretariat had initiated a proposal for the INTOSAI Secretariat to admit ECOSAI as Regional Working Group of INTOSAI and upon request of the ECOSAI Secretariat, INTOSAI has included this issue in the agenda for the upcoming 68th Governing Board meeting of INTOSAI to be held in December, 2016 at UAE.

In the end, the Secretary General thanked the delegates for participation and SAI Turkey for excellent arrangements during 7th ECOSAI Assembly.

The ECOSAI Assembly adopted the report of the Secretary General.

4. Approval of the Annual Accounts for the years 2013-2015 and Budget for the years 2016-2018

The Annual Accounts for the years 2013-2015 and Budget for the years 2016-2018 (Annex-IV) were presented by Mr. Khurram Raza Qureshi Director General (IR&C) of the ECOSAI Secretariat. While discussing the accounts for the years 2013-15 SAI Iran had requested to share the audit report on the accounts which was shared by auditor from SAI Azerbaijan.

While presenting the draft budget statement Director General (IR&C) highlighted the important heads of Accounts in the draft budget statement for the next three years. He informed that funds had been earmarked for the financial assistance of member SAIs for participation in the ECOSAI trainings and that for the first time allocation for peer reviews, bilateral visits and co-operative audits were included in the draft budget.

The Annual Accounts for the years 2013-15 and the Budget for the years 2016-18 were unanimously approved by the 7th ECOSAI Assembly.

5. Approval of the Report of the Audit Committee on audit of the ECOSAI accounts to be presented by the SAIs of Azerbaijan and Kyrgyz Republic

The Audit Report on the ECOSAI Accounts for the period 1st January, 2013 to 31st December, 2015 (Annex-V) was prepared by auditors of the SAI Azerbaijan and the SAI Kyrgyz Republic. The draft report was presented by Mr. Hilal Husenov, Director of Department of International Cooperation and Information Technologies, SAI Azerbaijan, in the 7th ECOSAI Assembly.

The Report of the Audit Committee on the ECOSAI accounts was unanimously approved by 7th ECOSAI Assembly.

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6. Approval of the 16th ECOSAI Training Committee Report

Mr. Khurram Raza Qureshi, Director General (IR&C), SAI Pakistan presented the report of the 16th ECOSAI Training Committee Meeting (TCM) held on October 17, 2016 at Ankara, Turkey. The Governing Board had approved the 16th ECOSAI Training Committee Report and it was now presented to members of the Assembly. The report mainly informed about the progress achieved on the Training Plan of ECOSAI for the period 2014-17 and need for having a training plan for the next three years and also showed the remodeled website of ECOSAI to the members where portions were allocated to individual SAIs for posting news items, photographs and videos as well.

The Assembly took note of the report and appreciated both the progress achieved in the implementation of training plan and the features of remodeled website.

7. Approval of the ECOSAI Strategic Plan 2016-2021

SAI Turkey placed before the Assembly the draft of ECOSAI Strategic Plan 2016-2021, for approval. It was explained by the SAI Turkey that the committee formed during 20th Governing Board Meeting of ECOSAI had prepared a draft of ECOSAI Strategic Plan for 2016-2021. The draft plan was shown to 16th TCM held on October 17, 2016 at Ankara, Turkey and was approved by the Governing Board for its presentation before the Assembly for consideration and approval.

Mr. Yusuf Ada, Principal Auditor from SAI Turkey presented the salient features of the ECOSAI Strategic plan 2016-21 and also informed that the ECOSAI Strategic Plan for 2016-2021 was circulated among member SAIs for comments and the suggestions/comments were incorporated in the draft plan.

The ECOSAI Strategic Plan 2016-2021 was unanimously approved by the ECOSAI Assembly.

8. Update on external audit of ECO Secretariat by ECOSAI member SAIs and efforts made to get funds released to the SAI Iran by the office of Foreign Assets Control (OFAC) US Department of Treasury

The Secretary General informed that Secretariat of ECOSAI requested the Supreme Audit Court of Islamic Republic of Iran to approach ECO Secretariat and explore the possibility of conducting external audit of ECO Secretariat Accounts by auditors from the ECOSAI member SAIs.

The Secretary General ECOSAI then provided an update on the efforts being made by Secretariat for getting the funds amounting to US \$ 18000 released from the OFAC. These funds were blocked in 2008. He informed that ECOSAI Secretariat has been making all efforts through the National Bank of Pakistan to pursue the concerned offices for release of funds. Despite renewed efforts of the ECOSAI Secretariat the issue has not been resolved due to prevailing international scenario. The Secretariat assured that the ECOSAI Secretariat will keep striving for the release of funds till the issue is resolved.

President TCA stated that the Assembly will consider making attempts to get the external audit of ECO and for this we will work and explore the mechanism to submit bids for external audit of the ECO Secretariat.

SAI Iran explained that the sanction and cease of funds should not deter the resolve of ECOSAI to move forward in its initiatives. Moreover, the audit of ECO will be explored by SAI Iran and a report will be submitted to the Secretariat.

Assembly took note of the matter and appreciated the efforts of the Secretariat of ECOSAI besides agreed to the proposal that SAI Iran will approach ECO Secretariat to explore possibility of being selected as external auditor of ECO.

9. Other matters

The Secretary General appraised the Assembly forum of the five proposals presented in the Governing Board.

i) Importance of MoU's between member states

The Secretary General ECOSAI reiterated the importance of signing the MoUs for bilateral co-operation among the SAIs. He highlighted that signing MoUs will help the member states in their efforts to cooperate in different areas of public sector auditing and in knowledge sharing activities through a formalized mechanism. He emphasized that the SAIs which are members of ECOSAI should consider signing MoUs among themselves.

The proposal was endorsed and approved by the Assembly.

ii) Non attendance of Heads of some member SAIs

Secretary General ECOSAI highlighted the issue of absence of a few member SAIs from the important events of GBM and Assembly. He expressed his concern that if Heads of SAIs do not attend the Governing Board and Assembly meetings it will become difficult to achieve the objectives and goals of the organization. He urged the need to identify the bottlenecks and reasons for non participation of the member SAIs. Moreover, he mentioned that SAIs of Turkmenistan and Uzbekistan have never attended the meetings and it is important for Central Asian States to participate as the organisation cannot move forward with the participation of a few states only. The Secretary General proposed that a committee of 2-3 member states may be constituted to identify the issues that hinder the attendance of member states. The Secretary General ECOSAI also clarified that the committee is to be constituted to find out the reasons through consultation and if needed the members may visit the non participating states if the reasons cannot be ascertained through discussion and diplomatic means. It was also proposed that SAI Iran may discuss the matter with ECO Secretariat based in Tehran to ascertain reasons for the non-attendance of meetings by members.

All the above proposals were endorsed and approved by the Assembly.

iii) Contributions for ECOSAI

The Secretary General ECOSAI explained that contributions from member SAIs were enhanced from \$US500 to \$US1000 recently. Moreover, he informed that Islamic Development Bank IDB had been the

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only donor in past and re-iterated that SAIs should explore further avenues of funding and contact international donors like World Bank, USAID, Asian Development Bank, DFID etc to receive funds for ECOSAI. He informed that World Bank has already agreed to assist peer review of SAI Pakistan and other SAIs may also seek similar assistance from development partners.

The agenda item was endorsed and approved by the Assembly.

iv) Business of auditing ECO

The Secretary General suggested that SAI Iran may contact ECO Secretariat so that the possibility of selection of ECOSAI audit teams as external auditor of the ECO Secretariat in Tehran can be explored. He further informed that a provision has been made in the budget for ECOSAI for receipts on account of audit of ECO Secretariat as well. SAI Iran agreed to take up the matter with ECO Secretariat.

This agenda item was endorsed and approved by the Assembly.

v) Possibilities of Cooperative Audits (Joint Audit and Parallel Audit)

The Secretary General ECOSAI proposed that committees /working groups/task force may be constituted to explore the possibilities of joint and parallel audits between member SAIs.

The President ECOSAI while urging that Central Asian states must also be proactive in these task forces formed a sub-committee with SAI Pakistan as Secretary General, SAI Iran, SAI Afghanistan to explore the possibility of conducting cooperative audits.

The agenda item was endorsed and approved by the Assembly.

10. Election of the new ECOSAI Governing Board and Audit Committee members

The ECOSAI Secretariat informed the Assembly that the tenure of the present members of ECOSAI Governing Board will end during this session

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and the selection of three new members of ECOSAI Governing Board is required to be made by the Assembly during this session. Secretariat then briefly explained the voting procedure. The following four SAIs had been nominated to serve as the ECOSAI Governing Board Members for the next three years:

- i. SAI Afghanistan
- ii. SAI Azerbaijan
- iii. SAI Kazakhstan
- iv. SAI Tajikistan

As three members were to be nominated therefore, balloting was conducted after which following three SAIs were elected as members of the Governing Board:

- i) SAI Afghanistan
- ii) SAI Azerbaijan
- iii) SAI Kazakhstan

The ECOSAI Assembly elected the above three SAIs on the ECOSAI Governing Board for the next three years.

It was further apprised by the Secretariat that term of service of existing members of ECOSAI Audit Committee is due to expire during the session and two members have to be elected on the Audit Committee. The following two members were nominated as the members of next Audit Committee unanimously.

- i. SAI Iran
- ii. SAI Tajikistan

The ECOSAI Assembly approved these nominations and appointed the above two SAIs on the ECOSAI Standing Audit Committee.

11. Announcement of the new President of the ECOSAI

The Secretary General announced that the SAI Turkey had shown its willingness to hold the next Assembly of the ECOSAI in Turkey as no other SAI had shown its willingness to host the next ECOSAI Assembly.

In terms of the provision of Article 6.1(a) of the charter of the ECOSAI, the General Secretary announced that the Head of SAI Turkey (Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts) would continue as the President of the ECOSAI for the period 2016-19.

The 7th ECOSAI Assembly unanimously approved the decision.

12. Determination of the date and venue of the next ECOSAI Assembly

It was decided that the President of the Turkish Court of Accounts would continue as President of the ECOSAI for the period 2016-19 and the 8th ECOSAI Assembly was scheduled to be held in Turkey in 2019.

The President Turkish Republic of Northern Cyprus (TRNC) expressed his willingness to host the next ECOSAI Assembly. The Secretary General informed that since TRNC has observer status, hence it cannot host the Assembly session. After a brief discussion a resolution was moved that TRNC be officially inducted in the ECOSAI after completing necessary requirements. After obtaining unanimous vote on this proposal it was decided that formalities will be completed after TRNC applies in writing for permanent membership status to the ECOSAI.

The 7th ECOSAI Assembly unanimously approved the decision.

13. Speech by the new President of the ECOSAI

Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts and the new President of the ECOSAI thanked all the members for reposing faith in him. He expressed his resolve to make all out efforts for rapid growth of this organization and adapting to the needs of international parameters. He also paid tribute to the contributions by member SAIs for achieving goals of ECOSAI.

14. Closing Address by Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts and President of the ECOSAI expressed his profound appreciation to all the honourable members for their active participation in the discussion and the decision making process.

After the closing remarks, the President declared the 7th ECOSAI Assembly closed.

