

MINUTES of the 14th ECOSAI GOVERNING BOARD MEETING
Almaty, Kazakhstan
OCTOBER 27, 2009

1. The 14th Governing Board Meeting of ECOSAI was held on October 27, 2009 at Almaty, Kazakhstan. The meeting was attended by the following heads of delegates from all Governing Board member SAIs.
 - i. Mr Oxikbayev Omarkhan Nurtayevich, President ECOSAI, Chairman of the Accounts Committee for Control over Execution of the Republican Budget of the Republic of Kazakhstan.
 - ii. Mr Muhammad Ayub Tarin, Additional Auditor General of Pakistan, representing the Secretary General, ECOSAI
 - iii. Mr Hasanov Jafar, Auditor of the Accounts Committee of the Azerbaijan Republic
 - iv. Mr Ashirov Bakhytbek, Auditor of the Accounts Committee of the Kyrgyz Republic
 - v. Mr Ahmet Ozdemir, Member of 2nd Chamber of Turkish Court of Accounts

2. A list of all delegates is at **Annex-A** to these Minutes.

3. The Board deliberated on the following agenda:
 - (i) Presentation of Agenda for Adoption
 - (ii) Activity Report by the Secretary General, ECOSAI
 - (iii) Presentation of the Annual accounts of ECOSAI for the year ended on 31 December 2008
 - (iv) Presentation of the 9th ECOSAI Training Committee Report
 - (v) Report on the Publication of the ECOSAI Circular
 - (vi) Report on the Islamic Development Bank Funded ECOSAI Training Course on Essential Financial Skills
 - (vii) Consideration of the Date and Venue of the Next Governing Board Meeting/Assembly

Opening of the Meeting

- 4. The meeting opened with a welcome address by Mr. Oxikbayev Omarkhan Nurtayevich, President, ECOSAI and Chairman of the Accounts Committee for Control Over Execution of the Republican Budget of the Republic of Kazakhstan (**Annex-B**). In his opening remarks, he presented his thanks to the delegates for their participation in the meeting. The President highlighted the role of ECOSAI in strengthening the professional capacities of the Supreme Audit Institutions of the ECO region. He underscored the significance of the SAIs for the financial viability, effectiveness and accountability of public funds. In his address, the President paid his tribute to the services of Mr. Mehmet Damar, former President, ECOSAI and former President of the Turkish Court of Accounts.
- 5. Mr. Mukasher Tulebek Tuleuovich, Secretary of the Almaty City Council, and Mr. Kudyshev Murat Tishbekovich, Deputy Mayor of Almaty also addressed the meeting. In their speeches, the dignitaries welcomed the delegates to Almaty and expressed their earnest wishes for the fruitful outcome of the Meeting.

Business of the Meeting

- 6. On the proposal of the Chair, the Board unanimously adopted the agenda for the Meeting.

Activity Report by the Secretary General

- 7. Mr. Muhammad Ayub Khan Tarin, Additional Auditor General of Pakistan, presented, on behalf of the Secretary General, ECOSAI, the Report on the Activities of the ECOSAI (**Annex-C**) for the year 2008. He highlighted various initiatives taken by the Organization and explained the progress made during the preceding year. The Activity report covered matters such as the ECOSAI Training workshop on *Essential Skills in Financial Auditing* held in Iran in October 2008, the future training events, liaison with Islamic Development Bank on financing of ECOSAI training activities, and publishing of ECOSAI Circular 2009.

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8. In the activity Report, Mr. Tarin emphasized that ECOSAI is a forum that enables its members to further cement their religious and cultural bonds through interaction and dialogue in the area of public auditing. He expressed the hope that this forum would become more dynamic and productive by promoting greater public accountability and transparency in the member countries.
 9. The Board approved the Activity Report.

Presentation of Annual accounts

10. The Secretariat presented the annual accounts of the ECOSAI for the year ended on 31 December 2008 (**Annex 'D'**). The presentation of accounts included the proposal that member SAIs should ensure that they separately pay bank charges at the time of transferring funds so that the full and exact amount of annual contribution (US \$ 500) is received in the ECOSAI Bank account.
11. The Board approved the annual accounts and the proposals submitted by the Secretariat.

Presentation of the 9th ECOSAI Training Committee Report

12. The Secretariat presented the Report of the 9th ECOSAI Training Committee Meeting (TCM) held in the morning of October 27, 2009 at Almaty, Kazakhstan (**Annex E**).¹ The 9th TCM noted that in accordance with Paragraph 5 of the Minutes of 13th ECOSAI Board Meeting, the SAI Iran had organized a Training Course on *Essential Skills in Financial Auditing* organized from 18 to 23 October 2008. The TCM also noted that two SAIs were required to take up the two training events, originally recommended by the 8th TCM and approved by the 13th Governing Board Meeting
 - (i) Examination of Financial Corruption and the role of the SAI
 - (ii) Auditing in Information Technology Environment
13. The TCM Report mentioned that SAI Kyrgyz Republic would possibly host a Training Course in 2011, either on one of the two topics mentioned on paragraph 12 above or on another topic to be communicated to the Secretariat, later. In case, the SAI Kyrgyz Republic decided to organize the training event on a new topic, the approval of the Governing Board may be solicited through circulation of a note by the Secretariat. The SAI Kazakhstan would host a Training Event in 2011 on one of the two topics mentioned

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- at paragraph 12. The SAI Kazakhstan would choose the topic of the training after SAI Kyrgyz Republic had made the decision about the topic of training event. The Report also mentioned that the SAI Turkey would organize a Training Course on Environmental Auditing, approved by the 7th TCM, in Antalya Turkey from 5-16 April 2010.
14. The President remarked that the work of TCM should be guided by a clear set of priorities determined by the Board. These priorities could effectively identify the critical areas, where the training activities should focus.
15. The Board adopted the recommendations contained in the TCM Report.

Report on the ECOSAI Circular

16. The Secretariat presented a report on the publishing of 9th issue of the ECOSAI Circular (**Annex-E**). The Board was informed that the issue contained three research articles, news from the member SAIs and reports on training activities in the member SAIs. The Secretariat also circulated copies of the ECOSAI Circular among the delegates. The President, ECOSAI emphasized that the member SAIs, in general, and Governing Board Members, in particular, should proactively contribute to the development of the Circular. The President highlighted the importance of the Circular as a vehicle for disseminating professional knowledge and experience sharing. The President also mentioned that the SAI Kazakhstan was publishing a periodic journal called *State Auditing*. He mentioned that there was a need that member SAIs also exchange these journals amongst them for the sake of professional capacity development.
17. The Board approved the Report.

Report on the Islamic Development Bank (IDB) Funded ECOSAI Training Course on *Essential Skills in Financial Auditing*

18. The Secretariat presented a Report on IDB-funded, ECOSAI sponsored, Training Course on *Essential Skills in Financial Auditing* hosted by the SAI Iran from 18 to 23 October 2008 in Iran (**Annex-F**). The Report informed the Board that the Islamic Development Bank (IDB) provided US \$ 18,000 for financing the event. The subject funds were meant for financing the travel and boarding/lodging expenses and the per diem cost to the

participants of training course. The IDB transferred funds to the Bank Account of the ECOSAI Secretariat on October 15, 2008. On October 22, 2008, the ECOSAI Secretariat advised the National Bank of Pakistan for transferring the amount of US \$ 18,000 to the Bank Account # 2170438001004, maintained at Bank Meli, Hessabhaye Dowlati BR. Ferdowsi Street Tehran, Iran, of the Supreme Audit Court of Iran. In November 2008, the Secretariat learnt from the National Bank of Pakistan, that the subject funds had been blocked 'based on the fact that a blocked entity Bank Meli, Tehran was involved in the transaction'. Accordingly, the Secretariat requested the office of Foreign Assets Control (OFAC), Department of Treasury USA for release of funds to the origin. The OFAC processed the request and regretted to release the funds as this, in their opinion, would be inconsistent with OFAC policy. An appeal made by the Secretariat for refund of the subject funds to the account of Secretariat was also denied subsequently.

- 19. The Board was informed that Secretariat had taken up the matter with the Government of Pakistan for intervention. In response, the Government of Pakistan advised the Secretariat to take up the matter afresh with the OFAC by seeking support from the IDB. In case the OFAC declines the request, the Government of Pakistan would consider other alternatives for securing the blocked ~~of~~ funds.
- 20. The President advised the Secretariat to pursue the reimbursement of funds against the expenditure incurred by the SAI Iran.

Consideration of the Date and Venue of the Next Governing Board Meeting/Assembly

- 21. The President announced to host the 15th ECOSAI Governing Board Meeting and 5th ECOSAI Assembly in Astana in October 2010. He mentioned that the final date of the event would be announced five months before the event. The representative of the Secretary General remarked that it would be a good idea to announce the date after consultation with member SAIs to ensure that the schedule of the 15th ECOSAI Governing Board Meeting and 5th ECOSAI Assembly did not conflict with any other regional and international event.

Closing of the Meeting

21. Expressing hope that the 14th Governing Board Meeting would go a long way in enhancing the professional capacities of the member SAIs, the President declared the meeting as closed.

Mr Oxikbayev Omarkhan Nurtayevich, President ECOSAI, chairman of the Account Committee for Control over Execution of the Republican Budget of the Republic of Kazakhstan.



Mr Muhammad Ayub Tarin, Additional Auditor General of Pakistan, representing the Secretary General, ECOSAI



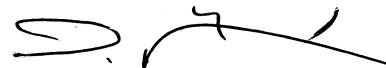
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Enclosed: Annexes A to F (forming integral part of these Minutes)