



MINUTES OF THE 22ND ECOSAI GOVERNING BOARD MEETING

October 23, 2017

Turkish Republic of Northern Cyprus (TRNC)

The 22nd ECOSAI Governing Board Meeting was held at Turkish Republic of Northern Cyprus on October 23, 2017. The following dignitaries, representing Governing Board member SAIs attended the meeting, along with their delegations.

1. **Mr. Seyit Ahmet BAS**, President of the ECOSAI, President of the Turkish Court of Accounts
2. **Mr. Javaid Jehangir**, Secretary General of ECOSAI, Auditor-General of Pakistan
3. **Mr. Mujeebur Rahman Shirzad**, Deputy Auditor General, Supreme Audit Office of the Islamic Republic of Afghanistan
4. **Mr. Firsand Gurbanov**, Auditor/Member of the Chamber of Accounts of Azerbaijan
5. **Mr. Osman Korahan**, President, Court of Audit, Turkish Republic of Northern Cyprus

The complete list of participants placed at Annexure-I.

1. Welcome Speech

Mr. Osman Korahan, President, Court of Audit, Turkish Republic of Northern Cyprus, host of the 22nd ECOSAI Governing Board Meeting, extended a warm welcome to the delegates and expressed his thanks for their participation to making the Governing Board meeting a success.

2. Inauguration

Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts, Turkey, President of the ECOSAI, inaugurated the meeting with his address. The transcript of the inaugural speech of the President is placed at Annex-II.

3. Adoption of the Agenda

The meeting unanimously adopted the proposed agenda (Annex-III) for the 22nd Governing Board Meeting.

4. Activity Report by the Secretary-General

In a prelude to the presentation of Activity Report, Mr. Javaid Jehangir, Secretary General of ECOSAI and the Auditor General of Pakistan, expressed his thanks to SAI of Turkish Republic of Northern Cyprus (TRNC) for making excellent arrangements for the Governing Board meeting.

While presenting the activity report of the ECOSAI for the year 2016, he highlighted the significant activities of the organization carried out by the Secretariat during the year 2016. He informed the participants about the importance of capacity building initiatives that were undertaken by the ECOSAI. He noted his concern over the absence of some of the member SAIs in ECOSAI training during the year 2016. The Activity Report of the Secretary-General is placed at Annex IV.

5. Presentation of the Annual Accounts of ECOSAI for the year ended 31 December 2015 and Budget for the years 2016 by the Secretariat

Mr. Zulfiqar Khan, Director, SAI Pakistan presented the accounts of the ECOSAI for the year ending December 31, 2016. The Governing Board unanimously approved the accounts. However, the president ECOSAI observed that the total expenditure incurred on auditing the Accounts of the ECOSAI is proportionately higher than the expenditure audited. After detailed discussion, it was agreed that the cost of the audit of ECOSAI needed to be reduced. The Secretary-General ECOSAI proposed for further analyzing and reviewing the matter in the light of ECOSAI Charter and precedents/ practices in other international organizations. It was

decided that ECOSAI Secretariat would work on it and share options with the member SAIs. The decision to this effect would be taken in the next GBM.

6. Presentation of the Training Committee Report

Mr. Muhammad Usman, Director, SAI Pakistan presented the Training Committee Meeting report of the 17th ECOSAI Training Committee Meeting (TCM) held on October 23, 2017, at Turkish Republic of Northern Cyprus. The Governing Board approved the 17th ECOSAI Training Committee Report, placed at Annex-V.

7. Report on the publication of the ECOSAI Circular by the SAI Pakistan

In accordance with the 18th Governing Board decision, the SAI Pakistan has been publishing ECOSAI Circular on half yearly basis and according to decision of the 18th GBM; the ECOSAI Secretariat has published two issues of the ECOSAI Circular for spring and autumn 2017 and distributed it among the member SAIs. The Secretariat appreciated the efforts of the SAI Turkey that arranged to print of the ECOSAI Circular for spring 2017 and autumn 2017 issues and disseminated it among member SAIs and also to the INTOSAI and ASOSAI Secretariat. The ECOSAI Secretariat requested all members SAIs to provide their contributions to the ECOSAI Circular and help the Secretariat improve the quality of the Circular. The members appreciated the efforts made by the SAI Turkey and ECOSAI Secretariat. The SAI Turkey offered to arrange to print of ECOSAI circular on a regular basis.

Mr. Hilal Huseynov, Head of Department of International Cooperation & Information Technology of the Chamber of Accounts of Azerbaijan assured the GBM of contribution to the ECOSAI Circular through an article on auditing the accounts of the ECOSAI for the next issue.

8. Update on the issue of ECOSAI to become a Regional Member of INTOSAI

Director (International Relations & Coordination) of SAI Pak briefed the participants about efforts by ECOSAI Secretariat for making ECOSAI a Regional Member of the INTOSAI. He informed the GBM about the communication from the INTOSAI Secretariat that the INTOSAI Governing Board had not considered an increase in the number of the Regional Organizations since 1990 when EUROSAI was established as the 7th largest region, covering a whole continent,

due to multiple reasons. Therefore, the INTOSAI Governing Board also did not consider the request of ECOSAI Secretariat.

9. Update on the issue of ECOSAI to become a Regional Member of ASOSAI

The representative of the SAI Pakistan informed that the proposal for considering the case of ECOSAI to become a Regional Member of ASOSAI was approved during the 51st ASOSAI Governing Board meeting held in February 2017 at Bali, Indonesia. It was in the meeting decided that the Secretary-General ASOSAI would review ASOSAI Charter, consult ASOSAI Governing Board members and accordingly put up a written proposal for the next GBM of ASOSAI scheduled in October 2018. Additionally, the progress will be discussed in the upcoming ECOSAI GBM.

The president TCA directed the Secretariat writing a letter to all member SAIs of ECOSAI to seek their intent to become a member of ASOSAI. He added that this would lend further strength to the ECOSAI Secretariat to pursue the desire of ECOSAI to become a regional member of ASOSAI.

10. Report on MoUs between member SAIs

The representative of the SAI Pakistan shared updates on this Agenda point. He informed that SAI Pakistan had bilaterally signed Memorandum of Understanding (MoU) with SAIs of Turkey and Iran. In light of these MoUs, a delegation from SAI Turkey visited Pakistan from February 20-23, 2017 and in turn SAI Pakistan's delegation visited Ankara, Turkey from July 17-19, 2017. Multiple issues and areas of cooperation were discussed in these meetings.

SAIs of Turkey and Iran also entered into cooperation in public sector auditing, cooperative audits, peer reviews, mutual visits and joint training programs, etc. The president ECOSAI stressed the importance of MOUs among member SAIs of ECOSAI for strengthening the professional relationship in diverse fields of Government auditing.

11. Report on nonattendance of some member SAIs in ECOSAI meetings

The representative of the SAI Pakistan informed the participants of the GBM that sometime in the past ECOSAI Secretariat had requested the SAI Iran to discuss the matter of non-

participation of SAIs of Turkmenistan and Uzbekistan in ECOSAI meetings and other activities with ECO Secretariat based in Tehran. The idea behind this measure was to reactivate participation of non-active member SAIs. The Secretariat informed the Board that response of SAI Iran was awaited.

The Secretariat informed the GBM that it also sent a letter to the Ministry of Foreign Affairs, Islamabad for taking up the issue of non-participation of SAIs of Turkmenistan and Uzbekistan during 13th Meeting of the ECO Head of State/ Government held in Islamabad on March 1st, 2017. However, due to time constraints, this point could not be included in the agenda of the said meeting. It was agreed that all ECOSAI members would frequently interact with the SAIs which are not participating so that they may be encouraged to take an active part in the ECOSAI activities.

Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts and President of the ECOSAI, volunteered to take up the issue of non-attending of Uzbekistan and Turkmenistan with their respective Ambassadors based in Ankara.

Mr. Firsand Gurbanov, Auditor, and Member of the Chamber of Accounts of SAI Azerbaijan expressed commitment and resolve of SAI Azerbaijan to participate in all ECOSAI activities actively.

12. Report on contribution for ECOSAI

Mr. Zulfiqar Khan, delegate of the SAI Pakistan, informed the GBM that ECOSAI Secretariat had requested the Islamic Development Bank (IDB), Saudi Arabia, for extending its support for conducting ECOSAI training courses, however, the response of IDB was still awaited. The GBM was informed that the ECOSAI Secretariat had tried to explore other funding sources, yet in the current geopolitical scenario, this secretariat, for the time being, restricted its efforts regarding fundraising for ECOSAI training courses. The Secretariat proposed that ECOSAI member SAIs may also try to explore the possibility of other avenues of funding for ECOSAI training courses.

13. Report on business of auditing ECO Accounts by the audit teams from ECOSAI

The representative of the ECOSAI Secretariat informed that it had requested SAI Iran to approach the ECO Secretariat and express interest of ECOSAI in conducting the external audit of ECO Secretariat. The SAI Iran reported that the Iranian Ministry of Foreign Affairs (MFA) had contacted the ECO Secretariat and learned that the annual audit of the ECO Secretariat, based on the financial regulations of the ECO, is conducted by three of the ECO members. The selection of the audit team is subject to payment of the full membership fee of the ECO. In case the ECO Secretariat decides to outsource its internal audit task to ECOSAI, it needs to change their financial regulations which have to be approved by the ECO Council of Foreign Ministers. The ECO, quoting the above reasons, did not entertain the proposal of the ECOSAI.

14. Report on possibilities of Cooperative Audit (Joint Audit and Parallel Audit)

During the previous GBM, a sub-committee was formed to work on the issue of conducting a Co-operative audit by ECOSAI member SAIs. The sub-committee included:

- I. SAI Pakistan
- II. SAI Iran
- III. SAI Afghanistan

Upon request of the Secretariat, the SAI Afghanistan informed that due to Afghanistan's current political environment, their SAI's participation in this initiative might require approval from the top levels of government. The SAI also highlighted the need for first developing and agreeing upon a mechanism for such audit. This arrangement may stipulate how such joint audits are to be conducted and any other essential considerations that have to be factored in.

The SAI Pakistan informed that it had shared a proposal for cooperative audit with SAI Iran which was awaiting a response from the latter. It was agreed that the sub-committee, after receipt of the response of the SAI Iran, may circulate a final proposal for consultation with the ECOSAI member SAIs.

Mr. Mujeebur Rahman Shirzad, the Deputy Auditor General, Supreme Audit Office of the Islamic Republic of Afghanistan, expressed his desire for internship or exposure visits of their auditors with ECOSAI member SAIs for capacity building purposes. The respective SAIs well took the proposal.

Mr. Javaid Jehangir, Secretary General of ECOSAI/ the Auditor General of Pakistan explained the concept and practice of joint audit and parallel audit to the member SAIs. He suggested that the ECOSAI should prefer parallel audit over joint audit because of several limitations such as level of institutional development and limits to jurisdiction etc. He, therefore, considered the area of parallel or cooperative audit more appropriate than joint audit which may help in the transfer of skills and experience at various stages of audit cycle. However, the Secretary-General did not rule out the possibility of joint efforts among two or more-member SAIs in audit planning or data extraction components of audit cycle.

SAI Turkey offered a brief internship program with the help of Turkish International Cooperation and Development Agency (TIKA). However, Mr. Yusuf Ziya ADA of SAI Turkey added that the experience of SAI Turkey in internship/joint audit with some Turkish speaking countries did not yield very positive results. The ECOSAI secretariat offered to provide a concept paper on parallel audit and share it with TIKA, but the SAI Turkey sought further deliberations on this issue. Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts and President of the ECOSAI, proposed that a focal role should be assigned to the Training Committee (TC) to work on it and present it to the GBM. The Training Committee would also coordinate in this regard with all the member SAIs. The members of the GBM appreciated and concurred with this suggestion.

15. Other matters

No issue came under discussion under this agenda item.

16. Closing address by Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts.

Mr. Seyit Ahmet BAS, President of the Turkish Court of Accounts and President of the ECOSAI, delivered the closing address. He presented his profound thanks to the heads and members of all participating

delegations for their active participation in the 22nd GB meeting. He expressed satisfaction on the smooth proceedings of the GBM. He thanked Mr. Osman Korahan, President, Court of Audit, Turkish Republic of Northern Cyprus for hosting this important event in a befitting manner. The President also acknowledged and appreciated the efforts of the ECOSAI Secretariat for secretarial work for the event.



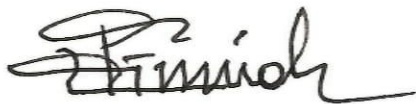
Mr. Seyit Ahmet BAS,
President of the ECOSAI and President of the Turkish Court of Accounts



Javid Jehangir,
Secretary-General of ECOSAI and Auditor-General of Pakistan



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