

## **Minutes of the 23<sup>rd</sup> ECOSAI Governing Board Meeting**

**October 9, 2018**

**Azerbaijan-Baku**

The 23<sup>rd</sup> ECOSAI Governing Board Meeting was held at Azerbaijan on October 9, 2018. The following dignitaries, representing Governing Board member SAls attended the meeting, along with their delegations.

1. Mr. Seyit Ahmet Bař, President of the ECOSAI, President of the Turkish Court of Accounts
2. Mr. Javaid Jehangir, Secretary General of ECOSAI, Auditor-General of Pakistan
3. Dr. Mohammad Sharif Sharifi, Auditor General of the Supreme Audit Office of the Islamic Republic of Afghanistan
4. Mr. Vugar Gulmammadov, Chairman of the Chamber of Accounts of Azerbaijan
5. Mr. Adylgazy Bergenev, Member of Accounts Committee for Control over Execution of the Republican Budget of Kazakhstan

The complete list of participants is placed at Annex-I.

### **1. Welcome Speech**

Mr. Vugar Gulmammadov, Chairman of the Chamber of Accounts of Azerbaijan, host of the 23<sup>rd</sup> ECOSAI Governing Board Meeting, extended a warm welcome to the delegates and expressed his thanks for their participation in making the Governing Board meeting a success.

### **2. Inauguration**

Mr. Seyit Ahmet Bař, 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 23<sup>rd</sup> Governing Board Meeting.

#### **4. Activity Report by the Secretary-General ECOSAI**

In a prelude to the presentation of Activity Report, Mr. Javaid Jehangir, Secretary General ECOSAI and the Auditor General of Pakistan, expressed his thanks to SAI of Azerbaijan for making excellent arrangements for the Governing Board meeting. He then highlighted the significant activities of ECOSAI for 2017-2018. He informed the participants about the importance of capacity building initiatives that were undertaken by ECOSAI. He noted his concern over the absence of some of the member SAIs in ECOSAI trainings during the year 2017. The Activity Report of the Secretary-General is placed at Annex IV.

After the Activity report for the year 2017-2018 was presented by the Secretary General ECOSAI, Mr. Baş, President asked for discussion, questions and comments.

#### **5. Presentation of the Annual Accounts of ECOSAI for the year ended 31 December 2017**

Mr. Yusuf Ziya Ada, Deputy Director of IR Department SAI Turkey, on behalf of ECOSAI Secretariat, presented the accounts of the ECOSAI for the year ending December 31, 2017.

Mr. Baş, President of ECOSAI, noted that SAI Iran has not paid the contribution for 2017<sup>1</sup>.

The Governing Board unanimously approved the accounts.

#### **6. Presentation of the Training Committee Report**

Mr. Ada, SAI Turkey presented the Report of the 18<sup>th</sup> ECOSAI Training Committee Meeting (TCM) held on October 9, 2018, in Baku, Azerbaijan. After the presentation of the report, the President ECOSAI asked for discussions and comments.

Mr. Adylgazy Bergenev, Member of Accounts Committee for Control over Execution of the Republican Budget of Kazakhstan, shared their willingness to work in cooperation with TİKA.

It was decided in GBM that training in Kazakhstan would be held in collaboration with TİKA. SAI Kazakhstan would reschedule the training program and inform the Secretariat accordingly.

Dr Mohammad Sharif Sharifi, Auditor General of the Supreme Audit Office of the Islamic Republic of Afghanistan informed the audience that they would not be able to host training on "Risk-based auditing" in 2019 due to scheduled elections in their country.

Mr. Javaid Jehangir, Auditor General of Pakistan and Secretary General of ECOSAI expressed his concern over the discouraging response of member SAIs for participating in ECOSAI trainings.

The Governing Board decided that the ECOSAI Secretariat would reschedule the trainings as indicated in the Training Plan and would circulate the proposal to the member SAIs.

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<sup>1</sup> It must be noted that Iran due to sanctions submits the fees in cash every three years the members meet for ECOSAI Assembly.



The representative of SAI Kazakhstan suggested that the member SAIs should be informed much earlier about the training events. He also proposed that member countries may arrange the training workshops in alphabetical order.

It was unanimously agreed that instead of organizing the trainings/workshops by member SAIs in alphabetical order, these should be arranged on volunteer basis. President ECOSAI informed the Governing Board that SAI Turkey was always ready to provide financial and educational support to the host member SAIs.

Mr. Baş, President ECOSAI proposed to ask all member SAIs about their willingness to host next ECOSAI Assembly, which is due to be held in 2019. The Board decided that the ECOSAI Secretariat would seek the view of member SAIs and inform if there is any volunteer to host the Assembly in 2019.

The Governing Board approved the 18<sup>th</sup> 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 20<sup>th</sup> Governing Board decision, SAI Pakistan has been publishing ECOSAI Circular on half yearly basis. The Secretariat appreciated the efforts of SAI Turkey that arranged to print the ECOSAI Circular for spring 2017 and autumn 2017 issues and disseminated it among member SAIs and also to the INTOSAI and ASOSAI Secretariat. This year also ECOSAI Secretariat published the ECOSAI Circular for spring 2018 and distributed it among the member SAIs. The ECOSAI Secretariat requested all members SAIs to provide their contributions to the ECOSAI Circular and help the Secretariat to improve its quality. SAI Turkey offered to arrange printing of ECOSAI Circular on regular basis.

The Governing Board was informed that Turkish Court of Accounts had disseminated the printed ECOSAI 2018 Spring Issue to all ECOSAI members and General Secretariat of INTOSAI, ASOSAI and EUROSAI on 3 October 2018.

#### **8. Update on the issue of ECOSAI to become a Regional Member of ASOSAI**

Mr. Yusuf Ziya Ada, on behalf of ECOSAI Secretariat informed the GB members that the proposal of considering the case of ECOSAI to become a sub-regional member of ASOSAI was approved during the 51st ASOSAI Governing Board Meeting held in February 2017, at Bali Indonesia. The ASOSAI Board 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. On April 16, 2018, Secretary General ASOSAI wrote a letter to all ASOSAI Governing Board Members asking them to give their opinion as to whether they support the idea of recognizing ECOSAI as sub-regional member of ASOSAI. The ASOSAI Secretariat replied in affirmative and assured full support to the cause of extending ASOSAI recognition to ECOSAI. ASOSAI Secretariat invited ECOSAI Secretariat to present the activity report of ECOSAI, which was presented by ECOSAI President on behalf of ECOSAI Secretary General as the delegation from SAI Pakistan was constrained from travelling to Vietnam to attend ASOSAI Meetings, as the new Government of Pakistan, as part of its austerity drive was in the process of revising its policy on travel abroad. GB members were informed that ECOSAI was not given complete

membership as sub-regional member; however, it had been given the "Observer" status, which is an encouraging development.

Mr. Javaid Jehangir, proposed that a decision should be made about who would be represent ECOSAI in ASOSAI Meetings in future. It was recommended that one representative from ECOSAI Secretariat and other from ECOSAI Presidency or from any ECOSAI member SAI may be part of the delegation, who would represent ECOSAI in ASOSAI. Mr. Baş suggested that the Secretariat could follow-up the observer issues. He also proposed that representing ECOSAI as an observer in any organization should also be mentioned in ECOSAI Charter.

It was decided that Secretariat would look into the Charter and come up with a proposal.

#### **9. Report on MoUs between member SAIs**

Mr. Javaid Jehangir, Secretary General ECOSAI shared updates on this Agenda point. He informed that the ECOSAI Secretariat requested the member SAIs for submission of status and progress on MoUs signed between/among other ECOSAI member SAIs. However, Secretariat received response only from SAI Tajikistan.

Secretary General informed the GB members that SAI Pakistan has signed MoUs for bilateral cooperation with SAIs of Iran (2016) and SAI Turkey (2016). SAI Iran has signed similar MoU with SAI Tajikistan. SAI Pakistan and SAI Tajikistan had entered into bilateral cooperation by signing MoU on 19 June, 2018. For implementing the provisions of MoU, SAI Pakistan has proposed a bilateral work plan 2018-2019 to SAI Tajikistan and another to SAI Iran. The work plans are expected to be agreed during the current year. He also informed the audience that the work plan shared with SAI Turkey contained an activity on Peer Review. In the light of which, a three member team of SAI Pakistan carried out a five day orientation/ experience sharing workshop on "Peer Review" for the personnel of SAI Turkey at Ankara from 7<sup>th</sup> to 11<sup>th</sup> May, 2018. The team not only shared the knowledge related to Peer Review as given in ISSAI 5600 but also shared relevant ISSAIs related to Peer Review. Owing to the success of the training, SAI Turkey invited SAI Pakistan to conduct Peer Review of the Turkish Court of Accounts in the areas of Independence and Mandate. Secretary General also mentioned that the two SAIs formalized their understanding on Peer Review through an agreement signed in Islamabad on 15<sup>th</sup> August 2018 followed by Planning Meeting. The field work for the Peer Review will commence in October/November this year.

The President ECOSAI stressed upon the importance of MoUs among ECOSAI member SAIs for strengthening the professional relationship in diverse fields of public sector auditing.

Regarding the importance of the MoUs among ECOSAI member SAIs, Mr. Vugar Gulmammadov, Chairman of the Chamber of Accounts of the Republic of Azerbaijan mentioned that SAI Azerbaijan has signed MoU with SAI Kyrgyzstan. Mr. Jehangir, also highlighted the importance of implementation and achievements of MoUs.



#### **10. Report on non-attendance of Heads of some member SAIs in ECOSAI GBM/ Assembly meetings**

Mr. Javaid Jehangir, Secretary General of ECOSAI informed the participants of the GBM that ECOSAI Secretariat had requested the Director General (CARs & ECO), Ministry of Foreign Affairs of Pakistan, Islamabad to contact the Chamber of Accounts, Uzbekistan and SAI Turkmenistan, and share their correct postal address, email, telephone number, and contact person name so that communication may be resumed with these SAIs. However, the response from DG CARs is still awaited.

The Secretary General also mentioned that ECOSAI Secretariat had also requested Turkish Court of Accounts, Turkey for playing their role for participation of SAIs of Turkmenistan and Uzbekistan in ECOSAI meetings and other activities. TCA had been successful in resuming contact with SAI of Uzbekistan. And a three member team from SAI Uzbekistan had participated in the ECOSAI Seminar on "Challenges to Public Sector Auditing Routines," held in Istanbul from September 3 to September 6, 2018.

Mr. Seyit Ahmet Baş, informed the audience that he met the ambassadors of both Uzbekistan and Turkmenistan in May 2018 and received a very positive feedback from both sides. However, a delegation only from Uzbekistan attended the Seminar held in Istanbul. He further proposed that the ECOSAI Assembly might be organized in Kazakhstan that would help all the Central Asian Republics to attend it. Mr. Baş also requested Secretary General ECOSAI to circulate the proposal to all ECOSAI members to know the intention of any other SAI that would like to host the next ECOSAI Assembly in 2019.

It was decided that SAI Kazakhstan would evaluate this issue of hosting the Assembly, and make a decision before the end of this year. If the decision is positive SAI Kazakhstan would organise ECOSAI Assembly in October 2019.

#### **11. Report on efforts for seeking financial assistance from IDB for ECOSAI training activities**

Mr. Javaid Jehangir, Secretary General ECOSAI informed the audience that in order to resume the process of receiving financial assistance from donors for ECOSAI training activities, Islamic Development Bank was requested on July, 3 2018 to provide financial assistance. Another letter was written to Joint Secretary (IDB), Economic Affairs Division in Pakistan, requesting her to approach IDB in seeking support for the ECOSAI Training Plan 2018-2021. ECOSAI secretariat was asked to provide financial plan for ECOSAI trainings, which was timely submitted. However, ECOSAI Secretariat had received regret from Islamic Development Bank informing that it would be extremely difficult for the Bank to support ECOSAI's programs, due to the unresolved issue of unspent funding previously allocated for the 2008 training course held in Iran. Mr. Jehangir also mentioned that ECOSAI Secretariat had also written a letter to President National Bank of Pakistan seeking his assistance in releasing of stuck funds. Mr. Baş informed that they also had a problem in transferring money from IDB for some events in 2018 and therefore, SAI Turkey had to make expenditures from their own budget.

## **11. Report on possibilities of Cooperative Audit (Joint Audit and Parallel Audit)**

Mr. Javaid Jehangir, Auditor General of Pakistan and Secretary General ECOSAI informed that a proposal for Cooperative Audit with SAI Iran was shared, which was awaiting a response.

Secretary General informed the audience that SAI Pakistan and SAI Turkey agreed to conduct Joint Audit of "Mass Transportation Project" in Islamabad, Pakistan. The audit was planned in two phases (i) Planning and desk work phase and (ii) field audit phase. A five member team from SAI Turkey carried out planning and desk work from March 4 to March 10, 2018 in Islamabad, Pakistan. Later, a three member team again visited Islamabad from April 22 to April 28, 2018 to conduct field work of the subject audit. The joint report of the audit is in the final stages. The Cooperative Audit (Joint Audit) exercise was found to be a very fruitful activity by both the SAIs and it provided a great learning opportunity. The two SAI learnt from each other's experiences and skills. There is a need for encouraging more such cooperative audit activities among and between member SAIs of ECOSAI.

Mr. Ada, who was member of the audit team on "Audit of Mass Transportation Project," shared with the Board that initially they faced language issue during audit; however, it was eventually resolved.

Mr. Baş told the audience that activities like joint audit and parallel audit should be encouraged as these help in getting new experiences in public sector auditing.

## **12. Other matters**

Mr. Javaid Jehangir, Auditor General of Pakistan and Secretary General of ECOSAI stressed that a group of mentors could be formed who would guide to ease the training activities.

Mr. Seyit Ahmet Bas, suggested and it was eventually decided that since ECOSAI has very limited budget and no support of any donor organization to sponsor its activities; therefore, the auditing expenditures would be cut down and that would be utilized for training activities.

## **13. Closing address by Mr. Seyit Ahmet Baş, 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 23rd GB meeting. He expressed satisfaction on the smooth proceedings of the GBM. He thanked Mr. Vugar Gulmammadov, Chairman of the Chamber of Accounts of Azerbaijan for hosting this important event in a befitting manner. The President also acknowledged and appreciated the efforts of the ECOSAI Secretariat for secretarial services for the event.





Mr. Seyit Ahmet Baş,

President of the ECOSAI and President of the Turkish Court of Accounts

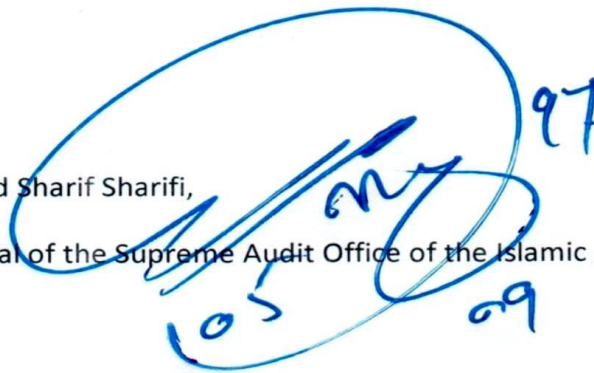
Mr. Javaid Jehangir,

Secretary-General of ECOSAI and Auditor-General of Pakistan



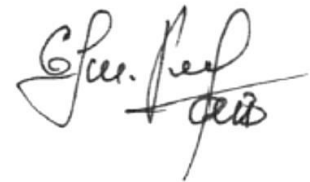
Dr Mohammad Sharif Sharifi,

Auditor General of the Supreme Audit Office of the Islamic Republic of Afghanistan



Mr. Vugar Gulmammadov,

Chairman of the Chamber of Accounts of Azerbaijan



Mr. Adylgazy Bergenev,

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