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**Asian Journal  
of  
Government Audit**

# Asian Journal of Government Audit

April 2009

*The Asian Journal of Government Audit is published twice in a year in English on behalf of the Asian Organisation of Supreme Audit Institutions (ASOSAI). The Journal is an official organ of ASOSAI and has the objectives of promoting sound and effective State Audit Systems and providing ASOSAI members with a forum for sharing of experiences in different areas of State Audit.*

*Articles, Special Reports, News items and other material on State Audit and related fields are invited for inclusion in the Journal. Material should be sent to the editorial office, c/o the Comptroller & Auditor General of India, 9 Deen Dayal Upadhyay Marg, New Delhi-110124.*

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# Editorial

*I am happy to present the April 2009 ASOSAI Journal, which provides information on the various activities in ASOSAI, as also news on developments in INTOSAI. This issue covers the important deliberations of the ASOSAI Governing Board Meeting held in November 2008, and brings you a gist of the significant decisions taken at the meeting.*

*Readers will find information on new heads of SAIs, apart from updates on ASOSAI's training programmes and other planned activities. The Journal also includes material on specific initiatives taken in different countries, such as participation in international/national meetings, signing of agreements, changes in budgetary systems and training programmes undertaken.*

*So always, this edition brings you articles contributed by different members on diverse topics relating to achievements from a public sector leadership course, issues relating to climate change and Budgetary System of Kazakhstan.*

*We hope that these articles will be of interest and value to our community. Your constant feedback and inputs encourage us as we continue to improve on the Journal. I request readers to send us material for future issues such as articles, reports and case studies at [ir@cag.gov.in](mailto:ir@cag.gov.in).*

*Sudha Krishnan*  
(Sudha Krishnan)

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## **58<sup>th</sup> Meeting of the INTOSAI Governing Board**

The 58<sup>th</sup> meeting of the INTOSAI Governing Board was held in Vienna, Austria from 13-14 November, 2008. The meeting which was attended by the 18 members of the Board and 10 observers including a representative of United Nations was chaired by Mr. Arturo Gonzalez de Aragon, C.P.C., Mexico

The following themes were selected for XX INCOSAI 2010 to be held in South Africa:

### **Theme I – Value and Benefits of Supreme Audit Institutions**

**(Theme Chair: SAI of South Africa); and**

### **Theme II- Environmental Auditing and Sustainable Development**

**(Theme Chair: SAI of China)**

- ❖ A Global Partnership Agreement with the international donor community is to be signed on the modalities for implementing development cooperation between INTOSAI and the global donor community.
- ❖ The Board decided to adopt “The role of independence of government audit as embodied by the Declaration of Lima and Mexico” as a priority theme for INTOSAI’s communication policy in the year 2009. Measures to embed the INTOSAI Declarations of Lima and Mexico in a UN resolution were also discussed.
- ❖ As a sequel to the Global Financial Crisis, the Governing Board set up a new Task Force, chaired by SAI of USA under Goal 3 of INTOSAI Strategic Plan to address possible fields of action and measures by government audit.
- ❖ The Board admitted the SAI of Serbia as a full member and the Association of French-speaking SAIs (AISCCUF) as an associate member of INTOSAI. INTOSAI now has 189 full members and three associate members.
- ❖ The 59<sup>th</sup> meeting of the Governing Board will be held in Cape Town, South Africa from 16-18 November 2009.

## INTOSAI Steering Committee Meeting of the Knowledge Sharing Committee

The first meeting of the Steering Committee of the INTOSAI Knowledge Sharing and Knowledge Services Committee (KSC) under Goal 3 of the INTOSAI Strategic Plan was held in New Delhi, India on 5-6 March, 2009. The meeting was presided over by Mr. Vinod Rai, Comptroller & Auditor General of India and Chairman of the Knowledge Sharing Committee. 23 delegates from 12 SAIs attended the meeting including observers from INTOSAI Secretariat, Director of Strategic Planning, IDI, Goal 1, Goal 2 and International Journal of Government Auditing.



Mr. Vinod Rai opened the meeting by welcoming the delegates to New Delhi and thanked them for their support in convening this meeting. SAI-Russian Federation, the Goal Liaison also addressed the meeting. He apprised the delegates of SAI-Russian Federation's active participation in the working of several INTOSAI Working Groups and assured close cooperation with the KSC Chair in optimizing the system of interaction between all SAIs and providing them professional assistance to achieve the objectives of Goal 3. He emphasised the importance of developing a special website for the KSC which would simplify the process of exchange of information between INTOSAI Working Groups. SAI-India presented the draft 'Terms of Reference' of KSC at the meeting outlining the proposed KSC tasks and their time frame, responsibilities of Committee Chair, Goal Liaison, Chair of Working Groups/Task Forces and the Reporting System. The meeting adopted the draft 'Terms of Reference' of the KSC after a lively discussion by the delegates. The draft 'Terms of Reference' will be presented to the 59<sup>th</sup> Governing Board meeting and XX INCOSAI for approval. Representatives from Working Groups reported progress of activities and results of their works. The observers from INTOSAI Secretariat, Director of Strategic Planning, Goal 1, Goal 2, IDI and International Journal of Government Auditing also presented their respective reports on the latest areas of activities.

## **20<sup>th</sup> United Nations/INTOSAI Symposium held in Vienna**

The INTOSAI General Secretariat organized in cooperation with the United Nations the 20<sup>th</sup> UN/INTOSAI Symposium in Vienna, Austria from 11 to 13 February 2009. The topic was "INTOSAI-Active partner in the international anti-corruption network; Ensuring transparency to promote social security and poverty reduction". The symposium was attended by more than 170 participants representing 68 different SAIs and high ranking representatives from eight different international organisations and institutions.

The participants underlined the need for close cooperation of SAIs and INTOSAI, including its Regional Working Groups, with international organisations like the UN organisations, IPU and World Bank, and civil society in an anti-corruption network and the need to pursue an interdisciplinary approach in fighting corruption that addresses the diverse forms in which corruption manifests itself. The participants also advocated the drafting of

INTOSAI standards and best-practice notes for SAIs to fight corruption, fraud and mismanagement and to foster the appropriate communication of such standards and notes by involving the INTOSAI Development Initiative and other stakeholders.

The symposium adopted by an overwhelming majority a series of recommendations and conclusions on the need to fight fraud and corruption ( The complete text of the conclusions and recommendations can be seen at <http://www.intosai.org/blueline/upload/sympconcl1602e.pdf> ). The participants also agreed that the Declarations of Lima and Mexico should be integrated in International Law through a pertinent UN resolution, as these texts protect the independence of SAIs, essentially required for effective government audit.



## 39<sup>th</sup> meeting of the Governing Board of ASOSAI

The 39<sup>th</sup> meeting of the Governing Board of ASOSAI was held in Lahore, Pakistan from 19-21 November 2008. The meeting was attended by all the members of the Governing Board and the Audit Committee. Some of the important decision taken during the meeting were as follows:

- ❖ SAI-Armenia became the 44<sup>th</sup> member of ASOSAI.
- ❖ ASOSAI decided to organize a workshop on “Audit of Privatisation” including the elements of “Public-Private-Partnership (PPP)”, possibly between September-November 2009 at the training facility of SAI-India at ICISA.
- ❖ The second ASOSAI Seminar for 30 middle or senior level audit managers would be held in Pakistan in 2009. The topic of the seminar would be “How to Strengthen Internal Controls in SAIs”.
- ❖ The last JICA sponsored seminar would be held in 2009 on the same topic “Tackling fraud and corruption in auditing” as was held in 2008 for countries eligible for JICA assistance among the members SAIs of ASOSAI.
- ❖ 11<sup>th</sup> ASOSAI Assembly\* would be held in Islamabad, Pakistan from 13-16 October 2009 at the Jinnah Convention Centre. The 40<sup>th</sup> and 41<sup>st</sup> meetings of the Governing Board of ASOSAI would be held on 12<sup>th</sup> October and 17<sup>th</sup> October 2009 at the same venue. The 4<sup>th</sup> ASOSAI symposium would be held on 15 October 2009 after the first plenary session on 13 October 2009.
- ❖ Board approved the topic “The role of SAIs in Enhancing Effectiveness of Public Expenditure” for the 4<sup>th</sup> ASOSAI Symposium.
- ❖ ASOSAI website would be further improved with additional features and all member SAIs were requested for their views and contributions in that endeavour.
- ❖ Draft report of the 8<sup>th</sup> ASOSAI Research project on “Guidance on conducting Environmental Audit” was expected to be sent to members for suggestions by March 2009 and a report would be presented to the ASOSAI Secretariat by May 2009. The final draft will be placed before the 11<sup>th</sup> ASOSAI Assembly.
- ❖ ASOSAI Secretariat will initiate action for selection of topic for the next ASOSAI research project by circulation of a survey questionnaire among the members of ASOSAI.
- ❖ The work for updating the ASOSAI Strategic Plan would be taken up by a Committee consisting of the outgoing secretariat, incoming secretariat and the training administrator.
- ❖ It was unanimously decided that SAI-China would host the XXI INCOSAI in 2013.

- ❖ It was agreed that the decision as to the next host of the ASOSAI Assembly 2012 would be taken in the 40th Governing Board meeting in Islamabad.
- ❖ It was agreed that the current Secretary General would continue until 2009, and thereafter with the ratification of the General Assembly, SAI Korea would take over as Secretary General of ASOSAI.
- ❖ The application of SAI-Singapore for the membership of ASOSAI was accepted by the Board.
- ❖ *\*The dates of the XI ASOSAI Assembly and the Governing Board meetings were later revised as: 40th Meeting of the Governing Board of ASOSAI on 11 October 2009, General Assembly from 12-14 October 2009 (1st Plenary on 12th Oct, Excursion tour on 13 October, 4th ASOSAI Symposium 14 October and 2nd Plenary on 15 October 2009 (forenoon). 41st Meeting of the Governing Board of ASOSA on 15 October 2009(afternoon).*

### **ASOSAI-IDI Quality Assurance Program**

The ASOSAI-IDI Quality Assurance Program was designed jointly by the Asian Organization of Supreme Audit Institutions (ASOSAI) and the INTOSAI Development Initiative (IDI). The program started with a strategic planning meeting in December 2007 followed by an Instructors' Design Meeting which was held from March 2 to 18, 2008. The team developed a draft Quality Assurance Handbook and course materials based on the draft handbook.

A Workshop on Quality Assurance in Financial Audit was held in Ulaanbaatar, Mongolia from August 4 to 15, 2008, towards the end of the workshop, the QA teams presented their action plans for conducting pilot quality assurance reviews (QARs) upon return to their SAIs.

Upon return to their SAIs from the above workshop, each QA team conducted pilot quality assurance reviews (QARs) on at least three financial audits in their respective SAIs. The teams also prepared Utility reports on the usefulness of the draft ASOSAI-IDI QA Handbook used by them as guidance during the QARs. The primary objective of the pilot QARs was to provide hands-on experience in applying what was learned during the above-mentioned QA workshop.

During November 2008, each participating QA team peer reviewed the pilot QAR reports and Utility report on the draft QA Handbook. The primary objective of this peer review was to provide peer feedback on the extent of application of QA methods and techniques learned during the QA workshop in Mongolia and explained in the draft QA Handbook.

A Review Meeting was held in Jakarta, Indonesia from November 25 to December 3, 2008, The teams reviewed and further revised the ASOSAI-IDI QA Handbook.

### **4<sup>th</sup> meeting of the 8<sup>th</sup> ASOSAI Research Project**

The 4<sup>th</sup> meeting of the ASOSAI Research Project on “Guidance on conducting Environmental Audit” was hosted by SAI-Pakistan from 22<sup>nd</sup> to 24<sup>th</sup> December 2008 at Lahore, Pakistan

The processes for environmental audit relating to the planning stage, conduct of field audit stage, post audit stage, and the follow up review stage have been frozen during the course of this meeting. The task of framing detailed checklists and collection of data base was reviewed in detail and the work of the Research Project is in progress.

### **Report on 39<sup>th</sup> Governing Board Meeting of ASOSAI**

1. The 39<sup>th</sup> Governing Board Meeting of ASOSAI was held in Lahore Pakistan from 18-20 November 2008. Heads and senior officials of SAIs China, India, Turkey, Kuwait, Malaysia, Korea, Saudi Arabia, Japan, Pakistan, Mongolia and Jordan and representatives of IDI-INTOSAI attended the event.

2. The Governing Board Meeting was preceded by the Training Committee Meeting attended by the ASOSAI Training Administrator, Training Committee member SAIs and the IDI. The members reviewed the progress on the ASOSAI Training Plan for the previous year, deliberated over new areas of public audit which are required to be supported through capacity building activities and made recommendations on the training activities for 2009.

3. Mr. Tanvir Ali Agha, Auditor General of Pakistan inaugurated the Governing Board Meeting by welcoming the delegates. Mr. Agha highlighted the successful role the ASOSAI has

played in fostering cooperation and strengthening the SAIs across Asia. His address underlined the fact that with increased emphasis on government regulations, the SAI as public oversight institutions, across the world were required to define and re-define their roles and adjust their focus to meet challenges of the time.

4. The inaugural session observed one minute's silence to express deep felt sorrow on the sad demise of Mr. Barrak Khaled Al Marzouq, the President of the State Audit Bureau Kuwait.

5. On the first day of the meeting, the Governing Board deliberated on Reports of the Chairman and Secretary General on the Governing Board and Secretarial activities since the previous meeting. The Governing Board also reviewed the Report of the Secretary General on the ASOSAI Financial Statement for the financial year 2007.

6. On the second day of the meeting, the delegates visited various historic places in the city of Lahore, which has a history spanning over 4000 years. The places which the delegates visited included the Royal Mosque built in 1673, the Lahore Fort, built in 1025 and the Lahore museum, established in 1894. The same evening the delegates witnessed the flag lowering ceremony at the Wagha Border.

7. On the third day of the meeting, the ASOSAI Training Administrator, SAI-Japan, presented its report, which covered review of ASOSAI sponsored training activities in 2008. The Board approved the proposals to organise the 18th ASOSAI sponsored training course on "Audit of Privatisation including the element of public private partnership" in Pakistan, an Instructional Techniques Workshop in China, and a JICA sponsored seminar in Japan. The Board also decided that IDI, in consultation with ASOSAI, will conduct a survey to identify different approaches and area of capacity building.

8. In its other session the Governing Board deliberated the reports on the INTOSAI Professional Standards Committee, INTOSAI Finance and Administration Committee, the working Group on Environmental Audit and reviewed progress on the 8th ASOSAI Research Project.

9. The Board approved the application of SAI-Singapore for admission as the 45th member of SAI.

The Governing Board decided to hold its 40th meeting on October 10, 2009, the XI ASOSAI Assembly meeting from 13 to 15 October 2009, and the 41st meeting on October 17, 2009 a day after the XI ASOSAI Assembly. The 4th ASOSAI Symposium is scheduled in between the plenary sessions of the XI ASOSAI Assembly and is proposed to be held on October 15, 2008.

10. The Governing Board unanimously agreed that the current Secretary General would continue until 2009 and thereafter, with the ratification of the General Assembly, SAI Korea would take over as the Secretary General of ASOSAI.

11. The Board decided that the Secretary General would inform all members of ASOSAI that any member country, which wishes to host the next ASOSAI Assembly, may communicate their interest officially to Secretariat three month prior to the next Governing meeting. It was agreed that the decision as to the next host of the ASOSAI assembly 2012 would be taken in the 40<sup>th</sup> Governing Board Meeting in Islamabad, Pakistan.



**Mr. Masaki Nishimura**  
**Japan**

Mr. Masaki Nishimura assumed office as President of the Board of Audit of Japan on April 6, 2009, succeeding Mr. Kazuhiko Fushiya who had retired on January 25, 2009.

Before assuming his former post as Commissioner of the Board in February 2004, Mr. Nishimura was the Vice-Minister of Ministry of Internal Affairs and Communications after he had held prominent positions there including the Vice-Minister for Policy Coordination. After joining the Board of Audit, Mr. Nishimura participated in the 19th INCOSAI in 2007.

Mr. Hiroyuki Shigematsu was appointed as one of the Commissioners of the Board on April 2, 2009. Mr. Shigematsu was the Secretary General of the Board of Audit of Japan from December 2004 to April 2009 before his appointment.

## **State Audit Bureau of Kuwait**

Mr. Abdulaziz Yousef Abdulwahab Al-Adsani, born in 1931 was appointed as President of State Audit Bureau of Kuwait on 24<sup>th</sup> February 2009.

He has wide professional experience and has held many prestigious assignments such as:

- ❖ A/President , Municipal Council , 1972-1974,
- ❖ President Municipality and Municipal Council, 1974-1984
- ❖ Member, Planning Council, 1976-1981,
  
- ❖ Member National Assembly Parliamentary Sessions, 1992-1996 (Kaifan),
- ❖ Member, the Supreme Council for Planning and Development, October 15<sup>th</sup>, 2008, till now.
- ❖ State Audit Bureau President based on Ameri Decree no. (37) of the year 2009 issued on February 24<sup>th</sup>, 2009. (State Audit Bureau 7<sup>th</sup> President)
- ❖ General Secretary, Arab Towns Organization (An Arab regional organization and currently located in Kuwait State).
- ❖ A/President, Arab Regional Affairs, The International Union Of Local Authorities (IULA), Netherlands, 1995 till now.
- ❖ Member, Executive Board, International Council for Local Environmental Initiatives (ICLEI), Canada, 1995 till now.
- ❖ Founding member, Chief Executives Board, World Council of Coordination Organizations and Local Authorities, Switzerland, 1996 till now.
- ❖ Observer member, European Council, France, 1997 till now. First degree observer member, Economic and Social Council of the United Nations, New York, 1997 till now.

During his distinguished carrier he received various awards such as:

- ❖ Royal medal of Commander Rank from the Royal Kingdom of Morocco in 1990.
- ❖ Awarded the excellence medal from the President of the Republic of Germany in 1993.
- ❖ Awarded the honorary membership of the New Accounting Thought Association Fellowship in 2006.

Before assuming his former post as an economic and social policy advisor to the Speaker of Parliament of Mongolia in 2008, Mr. Radnaa Choijamts was a Member of Parliament from 2000 to 2008. From 1979 to 2000, he also worked in Bulgan province and there he held prominent positions including the Governor of Bulgan province. From 1974 to 1979, he worked as an engineer in State central institute for national construction cartography and Bureau of Construction cartography and budget in Dundgovi province.



**Mr. Radnaa Choijamts**  
**Mongolia**

Mr. Radnaa Choijamts has been appointed as the Auditor General of Mongolia on January 19, 2009, succeeding Mr. Javzmaa Lkhamsuren, who resigned on completion of his tenure. Mr. Radnaa Choijamts was born on 7th November 1951 in Bulgan province, Mongolia.

Mr. Radnaa Choijamts graduated from Mongolian National University with a bachelor's degree in engineering and he has a master's degree in government administration.

Before assuming his former post as an economic and social policy advisor to the Speaker of Parliament of Mongolia in 2008, Mr. Radnaa Choijamts was a Member of Parliament from 2000 to 2008. From 1979 to 2000, he also worked in Bulgan province and there he held



prominent positions including the Governor of Bulgan province. From 1974 to 1979, he worked as an engineer in State central institute for national construction cartography and Bureau of Construction cartography and budget in Dundgovi province.

## **International Training Programmes conducted by iCISA in 2008-09**

SAI India has been conducting training programmes since 1979. The International Centre for Information Systems & Audit (iCISA) was set up in Delhi in 2002 and since then all the International Training Programmes (ITPs) are conducted by iCISA. Till date 89 ITPs have been conducted in which 2,583 officials of 117 countries across the world have been trained.

The programmes aim to enhance the skills of serving professionals and:

- ❖ Promote bilateral cooperation between Government of India (which funds the training programmes) and governments of other countries.
- ❖ Provide a platform for exchange and sharing of ideas with a cross cultural mix of participants drawn from the developing and developed world.
- ❖ Create opportunities for SAIs to strengthen exposure to contemporary best practices in audit while focusing on emerging audit concerns.

In 2008-09, iCISA conducted 7 ITPs. Of these 2 special ITPs were for Afghanistan, Africa and Indian Ocean Countries – Association Regional Cooperative (IOC-ARC). A total of 241 participants from 66 countries attended these 7 programmes. The subject matter of the ITPs was IT Audit, Performance Audit, Financial & Certification Audit, Environment Audit and Audit of Social Sector Programmes. The two special ITPs were on IT Audit.

The 84<sup>th</sup> ITP, the first one for the fiscal year 2008-09 on Auditing in IT Environment from 19<sup>th</sup> August to 17<sup>th</sup> September, 2008 had 40 participants from 29 countries. The course covered contemporary auditing principles of IT Projects and e-governance. It covered step by step approach to audit of IT Projects, ERP systems, web based applications, etc. ASOSAI guidelines on IT Audit were extensively used in the design and delivery of the programme. Interactive Data Extraction & Analyses (IDEA), MS Access and Computer Aided Audit Techniques (CAATs) were also explained with hands on exercises. A field trip to Bangalore & Mysore, IT hubs of India was organized to facilitate firsthand experience of some IT Projects and their achievement & failures.

The 85<sup>th</sup> ITP on Performance Audit from 25<sup>th</sup> September to 24<sup>th</sup> October, 2008 had 38 participants from 34 countries. The course covered Performance Auditing Guidelines of SAI India & ASOSAI along with new techniques of sampling. IT based methodologies such as IDEA & Teammate were also introduced. Practical exercises related to Performance Audit were carried out. A field trip to Mumbai, the commercial capital of India was organized, where exposure to Auditing Mumbai Port Trust and PSUs were explained in detail.

The 86<sup>th</sup> ITP on Financial & Certification Audit conducted from 11<sup>th</sup> November to 10<sup>th</sup> December, 2008 had 34 participants from 25 countries. The course covered various concepts related to Financial & Certification Audit of Government Departments, PSUs and Autonomous Bodies. The course was based on a risk based approach to Financial Audit. There were hands on exercises on IDEA & MS Access. The participants were taken to Chandigarh and Shimla, on the foot hills of Himalayas where Certification audit of PSUs and state Govt. Accounts were discussed.

The 87<sup>th</sup> ITP was on Environmental Audit from 6<sup>th</sup> January to 4<sup>th</sup> February, 2009 had 44 participants from 33 countries. The course was designed to improve the domain knowledge of environment, environmental accounting practices as well as auditing for environment in different contexts. The guidelines from the INTOSAI working group on Environmental Audit were extensively used in the design & delivery of the programme. The knowledge of the participants at entry and exit was tested which revealed very high value addition. Small field trips like visit to NTPC (where ash mount is converted to green belt), Yamuna Action Plan (river prevention programme) and Centre for Science & Environment (a well known NGO) were also organized to give participants the feel of various environment issues. A field visit to Goa, a popular tourist resort on the west coast was organized, where the Institute of Oceanography gave them theoretical and practical insight into various environmental issues and concerns.

The 88<sup>th</sup> ITP on Audit of Social Sector Programmes conducted from 17<sup>th</sup> February to 18<sup>th</sup> March, 2009 had 37 participants from 29 countries. The course covered Performance Audit, outcome budgeting, use of ICT & RTI in social sector, and audit against Fraud. Four sectors viz, Education, Health, Food and Employment were covered in detail. Case studies exercise on important social sectors was also given to participants, a group exercise for practical experience. Auditing in e-Governance and use of IDEA was also briefly covered. The participants were taken to Rajasthan; state is the pioneer in the field of social sector projects &

social audit. In Rajasthan, they were able to witness accountability at the grass roots. They were also able to meet and interact with leading social activists Ms. Aruna Roy & Mr. Nikhil Dey of Mazdoor Kisan Shakthi Sangathan (MKSS).

The two special ITP courses 86A & 89 on Auditing in IT Environment were for 25 days each. The 86A ITP started from 10th November to 5th December had 22 participants from 7 countries, while the 89 ITP started from 23rd March to 17th April, 2009 had 26 participants from 6 countries. These courses were pitched at more basic level than the normal courses and covered hands on training on various IT Environments like Access, Excel, and IDEA. The IT Audit Guidelines and Cobit framework along with e-Governance audit were emphasized. ASOSAI guidelines on IT Audit were extensively used in the design and delivery of these programmes.

iCISA's curriculum and training methodology aims to encapsulate a wealth of information, knowledge and skill development with experiential learning and field visits. Participants are encouraged to avail of varied learning opportunities available within the institute. Classroom delivery comprises of lectures, panel and group discussions, hands-on practical sessions and interactive lectures. Emphasis is on Indian case studies in the field of audit and presentations are made by those who have conducted audits. Animated discussions and question-answer sessions often spill over beyond classrooms, into informal 'hanging out zones' of the institute.

Country Papers are a useful tool that allows participants to learn about the audit practices of different countries. Presentations on country papers are handled exclusively by participants and questions are encouraged from a peer point of view. Apart from several books on the subject, participants are given a CD of all presentations, lectures, country papers and relevant material for their future reference.

Field visits are an integral part of the training imparted at iCISA. The place of visit depends on the specific training and usually takes place outside Delhi. Field visits are a part of the programme and offer an excellent opportunity to understand ground level activities, ask incisive questions, seek clarifications and observe the socio-cultural context in which these are placed.

At iCISA, we also give the participants the exposure to India's cultural heritage by organizing Agra visit, Delhi visit & Jaipur visit. We also organize cultural events and regular market visit.





## Vietnam Signing the Cooperation Agreement between SAI-Vietnam and ACCA

On January 13, 2009 in Hanoi, Vietnam, Mr Le Minh Khai, Deputy Auditor General of the State Audit Office of Vietnam (SAV) and Ms Helen Brand, Chief Executive of the Association of Chartered Certified Accountants of the United Kingdom (ACCA) signed the Agreement on Expertise Exchange & Cooperation. The Agreement was made in English and Vietnamese and will be effective for the period of five years.



This is the first cooperation agreement SAV signed with a foreign professional organisation in audit field. Accordingly, SAV and ACCA have agreed that ACCA will support SAV in sharing working experience with the National Audit Office of the United Kingdom as well as other professional bodies, exchanging professional expertise with each other and for marketing purposes. ACCA will also help SAV plan, organise and introduce specialists for SAV's training courses and workshops; continue sponsoring a special column in SAV's

Auditing Review; provide ACCA's publications to being translated and introduced to SAV staff, etc.

Both sides affirm the significance of the deal and commit to well-implement the agreed items, as well as remain regular coordination between their subordinate units.

### **Kingdom of Saudi Arabia International /Regional Meetings**

1. H.E.Mr. Osama Jafar Faqeeh, President of the General Audit Bureau, headed the GAB delegation to the 7th meeting of the GCC heads of SAIs, held in Doha, Qatar in October 2008. Following are a few agenda items:

- ❖ Establishing a GCC organisation of SAIs
- ❖ Amending the rules of the GCC audit research competition.
- ❖ Revising and updating the auditing procedures within SAIs
- ❖ Representation of SAIs in the GCC accounting and auditing organisation

2. H.E. Mr. Faqeeh presided over INTOSAI's Finance and Administration Committee meeting held in London, on October 17, 2008. The meeting discussed cooperation between INTOSAI and the donor community.

### **Committee/Working Group Meetings**

Delegates for the GAB participated in the following meetings:

1. 7th meeting of the GCC deputy heads of SAIs held in Doha, Qatar, in October 2008.
2. Extraordinary meeting of ARABOSAI's training and Scientific Research Committee, held in Cairo, Egypt, in June 2008.
3. 38th meeting of the ARABOSAI Training and Scientific Research Committee, held in Jordan in December 2008.
4. Meeting of the ARABOSAI Strategic Planner, held in Jordan in December 2008.

5. 17th meeting of the committee on staff training and improvement in GCC SAIs, held in Muscat, Oman on February 17-18, 2009.

### **GAB Training Seminar for ARABOSAI Staff**

On behalf of the GAB President, Assistant Vice -President for Performance Audit Mr. Ibrahim al-Baghdadi inaugurated the training seminar “Evaluation of performance in higher education sector” organised by the GAB for some ARABOSAI staff in October 2008 in Riyadh.

### **9th Annual meeting of GAB Senior Staff**

H. E. Mr. Osama Jafar Faqeeh, President of the General Auditing Bureau, presided over the 9th annual meeting of GAB Senior staff, which was held at GAB Headquarters in Riyadh on January 14, 2009. The meeting addressed various topics of audit concern and made a number of resolutions and recommendations to improve GAB performance.

### **Cooperation between the GAB and SAI of India**

As part of the ongoing cooperation between the GAB and the office of the Comptroller and Auditor General of India, four training courses are being organised in the fields of performance auditing, IT auditing audit quality management system, and risk assessment in audit planning, over the period from January 24, 2009 to April 22, 2009.

### **Planned Project**

The General Auditing Bureau (GAB) plans to computerize its auditing activities as a step towards the implementation of the e-Government program in Saudi Arabia. As part of this program, the GAB will be electronically connected with all audited entities.



Therefore, to implement the project the GAB is currently preparing proposal documents (terms and conditions, specifications, etc.) to hire a consultancy to conduct a study on the current situation of GAB's working environment and identify all requirements for switching to e-Government.

The GAB has already been using a number of systems and software (e.g. Team-mate, IDEA, etc.) that need to be taken into account in the process of transformation to electronic transactions.

The conditions of this contract include submitting a study on five experiences in e-audit and transformation to e-transactions in countries with similar backgrounds as Saudi Arabia. The GAB will select the appropriate one.

The duration of this contact is 6 months, in which the consultant should finalised and submit the study. Then, the implementation process can start.

## Understanding issues relating to Climate Change

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### A: Introduction

Earth's environment is finite and fragile. Earth's eco-system is under severe stress due to pollution of air and the looming threats of global warming, ozone depletion, trans-boundary air pollution, acid rain, de-forestation etc.

Developmental activities have brought-in a host of environmental problems. Degradation/denudation of forests for economic development through mega projects, mining forest encroachments and forest fires have reduced are natural carbon sink. The atmosphere in all the Metropolitan cities is heavily polluted due to vehicular emissions resulting in a number of health hazards to the human population.

Problems are also arising out of lack of development, deforestation due to fuel wood extraction, and the fossil burning of fuel for cooking, resulting in emitting Green House Gases (GHGs).

The goals of pollution control are to protect human health and to stop any further degradation of the environment. For a holistic management of the environment, a clearly drawn policy with adequate infrastructure of regulatory agencies, thorough scientific understanding and monitoring skills are of paramount importance.

In India, the legislative enactment of Air (Prevention and Control of Pollution) Act, 1981 has the objective of preventing and controlling pollution as the top priority by means of command and control method. Air pollution prevention is achieved through statutory control and administrative regulation such as approved fuel, imposed appliances, emission standards, prior consents to guard against future pollution etc. Tax incentives and rebates are also given to encourage industries enhancing energy efficiency and tapping renewable sources of energy.

The prime sources which emit air pollutants can be classified as:

### **1) Transportation**

Road Vehicles, Railways, Aircrafts, Ships and Other combustion engines

Air pollutants emitted from the engines are CO<sub>2</sub>, CO, un-burnt hydrocarbons, oxides of hydrogen, oxides of sulphur and inorganic lead and particulate matter.

### **2) Industrial & Commercial processes**

Industrial units and power generating stations use combustion of coal, coke, and petroleum for generation of heat and power.

For CO<sub>2</sub>, CFCs atmospheric life is of the order of 50-400 years. Even if we stop burning fossil fuels and producing CFCs, the green house gases already in the atmosphere will affect the earth's temperature for at least one or two centuries.

### **Environmental Risks**

The Intergovernmental Panel on Climate Change (IPCC) projects that the global mean temperature will increase considerably by the year 2100. This unprecedented increase is expected to have a severe impact on the global hydrological systems, ecosystems, sea level, crop production etc. The impact would be particularly severe in tropics, which mainly consist of developing countries. Signs of global warming can be seen in the melting of glaciers such as the Gangotri Glacier in India. Scientists studying this glacier have found it retreating at a rate of 20 metres a year as compared to about 16 metres per year in the past. If the present trend continues, then over the next 25 years, the Ganges can initially swell in volume because of increased melting but then dry out as the water supply in the mountains runs low. This will endanger the lives of about 400 million people who live in the river's plains and whose very lives depend on this river.

### **Impact on Forest Ecosystems & Biodiversity**

Climate is the most important determinant of vegetation patterns and has significant influence on forest distribution, species dominance, plant productivity and in general the ecology of forests. Biodiversity in India is under threat and is projected to decline in future due to multiple pressures such as increased land-use intensity, forest land conversion, non-sustainable extraction of biomass, overgrazing and forest fires (removal of carbon sinks). Any impact on forest vegetation and biodiversity will have adverse implications for the livelihoods of forest-dependent communities.

### **Impact on Agriculture**

In the tropics and sub-tropics with prevailing high temperatures, crops are already growing at a particular threshold where dry land, non-irrigated agriculture dominates. Therefore, even with slight changes in temperature, yields are likely to decrease noticeably.

Agricultural productivity is sensitive to two broad classes of climate induced effects: direct effects from changes in temperature, precipitation, radiation, or CO<sub>2</sub> concentrations and indirect effects through changes in soils. The third assessment report of IPCC indicates India's rice and wheat production will drop significantly.

### **Impact on Coastal Environment**

IPCC (2007) predicted that the coastal belts are more prone to the devastating impacts of global warming. Assessments show that one metre sea level rise can lead to welfare loss of \$1259 million in India. India's coastal line is about 7500 km long and is also densely populated as well as low lying. There is a concern that global warming may affect tropical cyclone characteristics because sea surface temperature plays an important role in determining both weather and tropical disturbances. Most of coastal regions are fertile and under paddy cultivation which is sensitive to inundation and salinisation. Coastal infrastructure and onshore oil exploration are also at risk

### **B: International Environmental Legislation**

IPCC was established in 1988 with an objective of evaluating the scientific evidence on global warming, assessing the environmental and agricultural impacts of climate change and

formulating responses. In 1992, the first United Nations Conference on Environment and Development (UNCED) was held at Rio de Janeiro, Brazil popularly known as the Earth Summit resulted in Treaties on Biodiversity and Climate Change. The assembled countries at this summit adopted 'Agenda 21' to promote sustainable development.

The UNFCCC was adopted in 1992, which came into force in 1994 with the ultimate objective of stabilizing greenhouse gas concentrations in the atmosphere. This Convention also led to establishment of a Conference of Parties (COP), the supreme implementing body of the Convention. In 1997, the third COP session held in Kyoto, Japan resulted in adoption of Kyoto Protocol to the UNFCCC. The Kyoto protocol came into force in February 2005. The Protocol calls for legally binding commitments to reduce greenhouse gas emissions by 5.2% below 1990 levels by the period 2008-2012.

#### **The UNFCCC objectives were**

to stabilize greenhouse gas concentration in the atmosphere at a level that would prevent dangerous anthropogenic interference with climate system, within a timeframe sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

#### **Definitions**

**Climate change** means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

**Climate system** means the totality of atmosphere, hydrosphere, biosphere and geosphere and their interactions

**Reservoir** means a component(s) of the climate system where a greenhouse gas is stored.

**Sink** means any process, activity or mechanism, which removes a greenhouse gas, an aerosol or a precursor of a greenhouse gas from atmosphere.

**Source** means any process or activity, which releases a greenhouse gas, an aerosol or a precursor of a greenhouse gas into the atmosphere.

**Greenhouse gases** means those gaseous constituents of the atmosphere both natural and anthropogenic that absorb and re-emit infrared radiation

The Parties should protect the climate system for benefit of present and future generations of mankind, on the basis of equity and in accordance with their **common but differentiated responsibilities** and respective capabilities. Protocol places heavier burden on developed countries recognizing that developed countries are principally responsible for the current high GHG emissions in the atmosphere as result of 150 years of industrial activity. In 2001, the detailed rules for the implementation of the Protocol were adopted at COP 7 in Marrakesh called “Marrakesh Accords”. Under the Treaty, countries must meet their targets primarily through national measures. The Protocol offers an additional means of meeting their targets by way of three market based mechanisms.

The Kyoto targets cover emissions of six direct greenhouse gases (GHG):

Carbon dioxide (CO<sub>2</sub>)

Methane (CH<sub>4</sub>)

Nitrous oxide (N<sub>2</sub>O)

Hydrofluorocarbons (HFCs)

Perfluorocarbons (PFCs) and

Sulphur hexafluoride (SF<sub>6</sub>)

The other indirect GHGs are SO<sub>2</sub>, NO<sub>x</sub>, CO, NMVOC

**The Kyoto mechanisms** are

Emission Trading (ET) known as carbon market

The Clean Development Mechanism (CDM)

Joint implementation (JI)

Parties with commitments under the Protocol (committed party) have accepted targets for limiting or reducing emissions. The targets are expressed as levels of allowed emissions of assigned amounts over 2008-2012 divided into assigned amount units (AAUs)

The Clean Development Mechanism (CDM) defined in Protocol allows a committed party to implement an emission reduction project in developing countries. Such projects can earn saleable Certified Emission Reduction (CER) credits, each equivalent to one tonne of CO<sub>2</sub> which

can be counted towards meeting targets. The mechanism stimulates sustainable development and emission reductions. CDM Executive Board oversees the mechanism.

The Joint Implementation (JI) defined in the Protocol allows a committed party to earn Emission Reduction Unit (ERU) from an emission reduction in sources or emission removal by sinks projects in another Party, each equivalent to one tonne of CO<sub>2</sub>, which can be counted towards meeting its targets. The host Party benefits from foreign investment and technology transfer.

The other units which may be transferred are

One tonne of CO<sub>2</sub> in the form of Removal Unit (RMU) on the basis of land use, land use change and forestry (LULUCF) activities such as reforestation.

An ERU generated by joint implementation on project.

A certified emission reduction (CER) generated from clean development mechanism project activity.

#### **Commitments of All Parties to the Protocol**

Develop, periodically update, publish make available to the COP, national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases using comparable methodologies agreed upon by the COP.

Formulate, implement, publish and regularly update national and where appropriate regional programmes containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all GHG and measures to facilitate adequate adaptation to climate change.

Promote and cooperate in the development, application and diffusion including transfer of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of GHG in all sectors including energy, transport, industry, agriculture, forestry and waste management sectors.

Promote sustainable management, promote and cooperate in the conservation and enhancement of sinks and reservoirs of GHG including biomass, forests and oceans as well as terrestrial, coastal and marine ecosystems.

Cooperate in preparing for adaptation to climate change

Develop and elaborate appropriate and integrated plans for coastal zone management, water resources and agriculture

Take climate change considerations into account in their social, economical and environmental policies and actions such as impact assessments to minimize adverse effects on economy public health and the environment

Promote scientific research, education, training, public awareness related to climate change, causes, effects, magnitude and timing and the economic and social consequences of various response strategies.

Communicate to the COP information related to implementation.

**C: SAIs Role in Auditing Environmental Accords**

The mere existence of environmental Accords does not guarantee a higher degree of environmental protection. Despite their importance very little is known about national implementation and compliance with Accords. SAIs could play an important role concerning national implementation, compliance and effectiveness of Accords. Has the country adopted a national policy to mitigate climate change through limiting anthropogenic (human induced) greenhouse gases?

**Line of Reasoning**

Available Information on an Accord Signs of Non-compliance with an accord.

Environmental risks underlying an Accord.

Obligation to comply with an Accord

Strictness of an Accord Period of implementation of an Accord Important coming events.

**References:**

Text of UNFCCC

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## Budgetary System

SAI - Kazakhstan

For the period 2008 in budgetary system of the Republic of Kazakhstan there were significant changes. The new Budgetary code is accepted, changes and additions to corresponding acts concerning perfection of system of the state financial control are made.

According to the new Budgetary code new functions concerning realization of an estimation of execution of the republican budget and realization of strategic plans of the central state bodies are assigned to the Accounts Committee.

Among them;

1. An estimation of execution of the republican budget, as well as according to principles of budgetary system of the Republic of Kazakhstan;
2. The control over reliability and correctness of conducting by objects of the control of the account and the accounting;
3. An estimation of realization of central state bodies strategic plans, the state and budgetary programs;
4. The control over completeness and timeliness of receipts to the republican budget, and also return of the sums of receipts from the republican budget, efficiency of tax and customs administration;
5. The control over compliance of the use of assets of National Bank of the Republic of Kazakhstan to the legislation of the Republic of Kazakhstan only with the consent of or on behalf of the President of the Republic of Kazakhstan.
6. Carrying out of the analysis and researches, a methodological guideline in sphere of the state financial control, realization of training programs in the field of state financial control;
7. Monitoring, and also the control over execution of recommendations and the assignments directed to the Government of the Republic of Kazakhstan, to the state bodies and objects of the control;

8. Realization of the methodical assistance to revision committees of maslikhats (the state bodies which are carrying out the external state financial control at a local level accountable to local representative bodies), including on development of typical regulations about revision committees of maslikhats and typical qualifying requirements for workers of revision committees of maslikhats, the organisation of preparation and improvement of professional skills workers of the state financial control.
9. The control of use by subjects of quasi-public sectors of funds of the republican budget allocated by it for the purposes, provided by budgetary programs.

According to the new Budgetary Code standards of the state financial control, the rule of carrying out the external control and typical regulations about revision committees and qualifying requirements are developed for workers of revision committees of maslikhats.

Strategic plan of the Accounts Committee for 2009-2011 is developed and approved.

It contains two strategic directions.

The first one is an increase of financial discipline level in public sector of economy.

The second is perfection of system of the state financial control.

Overall objectives of strategic directions are increase of financial discipline level in public sector of economy by means of recommendations development on perfection of normative legal acts, an effective utilization of budgetary funds and state assets, and also increase of realization level of the Accounts Committee recommendations.

With a view of strengthening of normative legal base of the Accounts committee the bill about the Accounts Committee provided by the plan for working out the bills of the Republic of Kazakhstan for 2009 now is developed.

Acceptance of the law in our country will allow to realise provisions of INTOSAI Lima Declaration more completely.

Within the limits of the further effective development of the state financial control system and carrying out of measures on minimising financial infringements by the governmental order of the Republic of Kazakhstan from October, 1st, 2007 the republican state enterprise the center on research of financial infringements is created.

The purpose of the Center is:

- ~ Research and making offers concerning the prevention of the conditions generating financial and corruption offences.
- ~ Research of actual problems of state financial control;
- ~ Development and introduction of new methods and technologies of control and expert and analytical work.

Now the staff of the Center which includes highly skilled scientific employees and experts with practical experience is generated.

Besides in current year regular number of the Accounts Committee staff is expanded on 40 new qualified experts.

In the field of development of international cooperation Accounts Committee plans to participate at 11<sup>th</sup> session of INTOSAI working group on key national indicators which will be held in the city of Beijing (China) in April, 2008.

Within the limits of INTOSAI working group on key national indicators in May this year it is planned to host in the city of Astana II session of Expert group of Board of heads of the Supreme Audit Institutions of the states participants of CIS countries on key control indicators.

At the second session of expert group on ordering, generalisation and the comparative analysis of foreign experience of the organisation and carrying out of audit of efficiency and use of key national indicators will be continued. Within the limits of session carrying out of a seminar on a theme opportunities, risks and challenges of use of KNI in activity of the states participants CIS SAIs is supposed.

In this connection, with a view of development of offers on formation of system KNI in Kazakhstan the working group on research of methodical approaches and development of

recommendations on use of key national indicators is created at carrying out of performance audit. The structure of working group includes experts of the Accounts Committee, the Ministry of Economics and Budgetary Planning, National Bank, the Ministry of Finance, Agency for Statistics of the Republic of Kazakhstan.

With a view of coverage of the important issues of the state financial control in the country from the end of 2008 magazine State Audit is issued by Accounts Committee. Besides on a quarterly basis bulletin of the Accounts Committee where current issued of SAIs activity are included is issued.

## Learning Achievements from Public Sector Leadership Course

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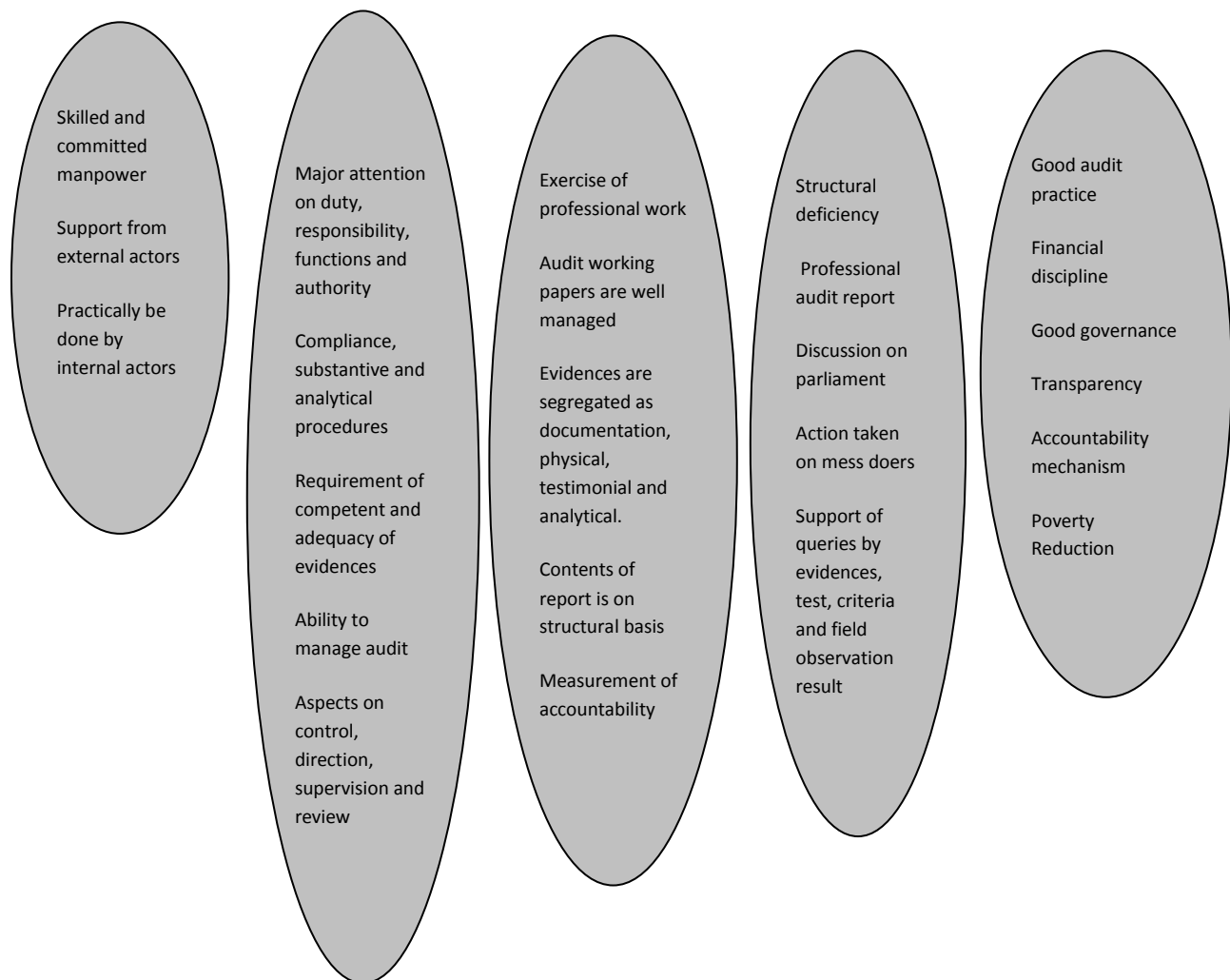
1. **Background** - The Office of the Auditor General of Nepal is my office where I am used to discharging my responsibilities as a government auditor and performing job descriptions of auditing. In order to make our work complete, we have to express opinion with a focus on major attention to the financial statements of the government fund already mobilized in serving the public interest. In connection with this, I was one of the participants of Danish Development Association, Danida Fellowship Centre for the Public Sector Leadership Course, 2007 (PSL,2007) held from September 2007 to December 2007 in Denmark. The objectives concerning to learning, behavior and wider development are carried through the topics like cooperation trends, public finance, teamwork, cultural aspects of Denmark, anti-corruption activities, communication, public sector reform, accountability, governance, decentralization and leadership for change on which we learnt as much as our understanding ability. We learnt those topics with our course directors, experts, professors and consultants through the extensive use of lectures, group work, case studies, discussions, project work, independent studies, field work, and excursions. Therefore, all the reading materials delivered to the course would provide a more knowledge and skill in the contexts of principles, techniques, examples, explanation, and diagrams in the subjects like development trend, public reform, finance, management of public sector. Each of us has also prepared an individual implementation assignments (IIA) coping with our job descriptions of the audit domain. This course comprises four main models each divided into a number of subjects with supporting details. The lessons are directly related to auditing, governance, cooperation principle, finance, accounting and capacity building in this article.

2. **IIA preparation**- It is a project idea that is relevant to our home organization for our functional performance. Danida has expected to support the participant's individual implementation assignment (IIA). During the period of training, the preparation of an individual implementation assignment is a must. In my IIA, the topic is 'Procedural reform in

Auditing and Structural presentation in Reporting'. The course directors have also requested through a letter to our chief that they would feel grateful, if our organization supports the participant to carry out the complete and realistic action plan on the capacity assessment. Particularly, in my concern, IIA is very much related to course contents and job descriptions of auditing because of linking learning achievements to better performance on the job. By and large, knowledge should be used for the fact finding activity in auditing verifying with functions, duties, authorities, accountability mechanism and their structural relations of incumbents in various capacity with the financial transactions. For the preparation of IIA, various types of charts are applied like ROACH approach, six-box model, environmental scan, force field, communication plan, institutiogram, flowchart, matrix form and organizational features.

**3. ROACH Approach** - Historically, capacity development up to 1980 was considered only for individual regarding the output only. Then from 1990, it covered the whole organizational products and services and eventually from 2000 onwards, capacity for net work should be considering outputs. Subsequently, capacity changes and a new modus operandi in the field of fiscal management in any organization may also reflect the result of corruption, fraud, mismanagement and incompetence. Danida has adopted Result Oriented Approach to Capacity Change (ROACH) on the basis of defining the nature, goals, mandate, and changes in output through capacity development. According to Danida , capacity is not only a matter of staff numbers and skills. It also depends on the quality of management at organizational level within the public sector relating with the rest of the society i.e. citizens, civil society group and private sectors also. Furthermore, resources should match with the needs, functions, tasks, constraints, drivers for changes and catalytic role of donors. Additionally, capacity development should be in line of professional development, personal knowledge and practical application to mitigate the problems and challenges that may arise during the course of job performance. Therefore, ROACH approach focuses results considering issues, recognize organizations, identify contextual factors, factors of appreciation and influence for capacity building of personnel. This whole leadership course deals with capacity building of various incumbents with substantial attention; however, capacity is not only a matter of staff numbers and skill development.

I have used the ROACH approach in my IIA considering the five-step like input, capacity, outputs, outcomes and impacts of the activities respectively and the same is in sequence flowing from input to impacts step by step. ROACH approach can be concisely presented right as given below:-



**4. PEFA-** Public Expenditure and Financial Accountability (PEFA), located within the World Bank, has also one of the topic and high level performance indicators (HIPC) in audit aspects grading into A,B,C,D. As a result, accounting, recording, reporting and financial statements are used to verifying with benchmarks and complex rating scales. Each activity has its own verifiable indicators with simplification of process, time to update accounts and responses against audit differences. The PEFA action should be in priority area, set the work in sequential order and seeks support from development partners. Office of the Auditor General of Nepal has

in this spirit made PEFA action plan in implementation in the days to come. It has also focused government grants regarding mechanism, budgeting, releasing, recording, reporting and guidelines. For comparing, there is a conversion table for scoring method for each indicator. In a wider sense, PEFA program has increased its significance also in grading of auditing recently with the following coverage:-

- a. Legislative scrutiny of external audit report
- b. Effectiveness of internal audit
- c. Timeliness of audit reports to legislature within a reasonable period
- d. External audit reports made to the public in time as transparency
- e. Follow up on audit recommendations.

**5. Paris declaration on aid effectiveness** - Primarily, donors and government are changing from project focused development assistance to program approach like sector wide approach (SWAp) and budgetary support from 2000 onwards. Now education sector in Nepal, pooling donors have kept their in an accounts as pool financing according to proportionate sharing ratio for the school sector program from 2009 on wards. Regarding the development trends, the auditors, who are involved in the donor support program, should know the Paris Declaration on Aid Effectiveness, 2005. Furthermore, development cooperation is presently focusing on the achievement of the Millennium Development goals going to be achieved in 2015 based on Paris Declaration. If auditors work under the Danida funded project, they should keep in mind the Danida Development Principles, 2006 also.

Moreover, The Paris Declaration contains the elements like national ownership, alignment, harmonization, manage the results and mutual accountability. Apart from this, Danida includes principles of partnership and complementary in addition to such declaration. Those elements are very much useful in auditing to verify with agreement, fiscal provisions, project accounts, reporting procedures and project accounts checking. It was held a seminar on Paris Declaration as a review to evaluate and modify the principles and indicators in Ghana in September 2008. In this apex conference Accra Agenda for Action, 2008, has decided that the donors will coordinate each other and developing countries has committed to control and mobilize the resources properly.

**6. Agenda for SWAp** - Sector wide approaches (SWAp) is a new concept spurred from 2000 that development partners collaborate to support sectoral programs with pool funding



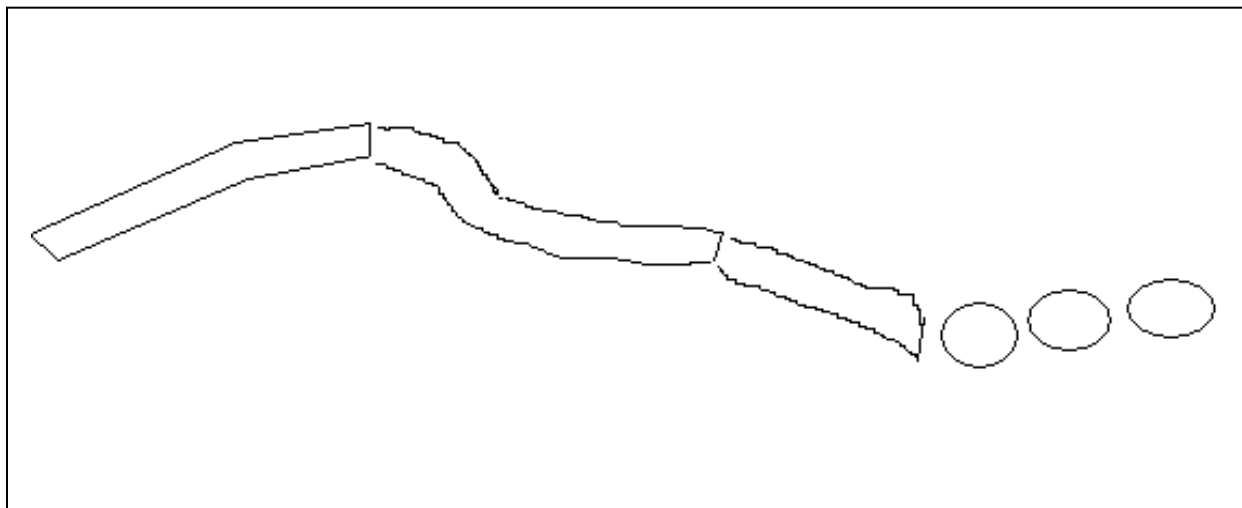
components which are based on a country's long-term vision. SWAp approach ensures that a sector will always have projects ready for implementation considering its development priorities in favor of the expansion. Initially the preparation and finalization of strategy, then after in a phase wise, it moves ahead to human resource development, pilot testing, budgetary support and eventually with a destination of sector wide approach through integration process. At present, in education sector in Nepal school sector reform (SSR) has been in implementation as a pilot study in three districts for the fiscal year 2008-09. In a sectoral context, one thing is to do that organization can be understood as open systems since they are interrelated and influenced each other. It forces managers, agents, directors and apex authorities to look both inside and outside organizational boundaries, Ministry of Education and Sports has prepared certain agenda on SWAp for its successful implementation as stated below:–

1. Mobilizing and expanding external resources like bi-lateral and multi-lateral cooperation.
2. Adherence of coordination to follow the Paris Declaration on Aid Effectiveness, 2005.
3. Share process on progress review like monthly, trimester, annual and midterm report
4. Common goals and strategies for all donor contributions.
5. Develop common instruments for planning, implementation and monitoring of financial records.
6. Financing, as pooled partners' contribution, changes with new proportionate sharing ratio.
7. **Governance** - Lack of transparency limits the availability of information regarding the performance of the government in maintaining financial discipline. Likewise, inadequate audit means that accounting and use of funds are not subject to detailed review and verification. Currently governance, accountability, rule of law and transparency are the means through the government can reach the prime destination going by various procedures, principles, process and techniques. Public sector reform without political support happens to be only a technical exercise. Hence, greater the transparency in all areas of government practice is probably the more effective as the single instrument against corruption. In support of this, Denmark has followed the notion of 'zero tolerance' principle in case of corruption. Good administrative practices like, planning, budgeting, implementation, monitoring, reporting, accounting and auditing are crucial for transparency, accountability and effective use of national fund for services delivery to the stakeholders. In sum up, a few sometimes used to say that greater the

distance between the donors and fund users, the lesser will be the service providers be accountable to the stakeholders or the lesser sensitive to the stakeholders' preferences and needs. In compliance, the auditor should pay normal attention that need verifying to have assurance on legal provisions and internal control system for assuring fiscal accountability, transparency, regulatory work, rule of law, and control on fraud and corruption.

**8. Transformation~** During the PSL Course, a book named 'Leadership in Public Organization' written by M. E. Sharpe was delivered to all of us. 'Assessment by Leaders' is one of the topics comprises an example of the US ex-Auditor General Elmer Staats change management was introduced. According to the writer, Government Accounting Office (GAO), as watchdog apart from financial audit and policy compliance, promotion of effectiveness and program evaluation i.e. shifted from voucher audit and compliance function towards program evaluation. At the same time, Mr Elmer did it through organizational analysis, realignment of the role as a public finance leader, responsibilities and systematic setting up the reprioritization of agency goals. This is an example of transformation stage of organizational development since the features of this stage were surrounding with the circumstances of growth, chaos, transformation and reemergence. Management towards new state of getting known during the process can diagrammatically be presented as below:-

#### **Transformation stage of development**



**9. Audit-** Effective audit could be able to find out the leakages, unnecessary expenditures, corrupt procurement practices, use of resources in an unintended purpose and siphoned off funds. However, adequate information, accounting records, best evidences and well documentation must be available during the process of audit to verify with the transactions. Availability of evidences is required for effective audit to find out leakages, corrupt practices, misappropriate of resources and fraudulent activities, if any. In addition, inadequate audit means the accounting and use of funds is not subject to detail review and verification. In this regard, auditors should pay substantial attention in governance and accountability aspects of legal basis, structural cum functional roles, accounting standards and audit guidance. Efficiency, economy and effectiveness are the terms of performance audit lying in the three Es that we are using such audit terms regarding the situation of programs or issues. Additionally, there is also a subtle difference between them treated in management as efficiency means doing things in the right way i.e. with skillfulness and effectiveness is doing the right things properly i.e. with innovative and creativity. In a book Public Management Reform, there is a description about types of audit. Accordingly, if performance audit function has not been separated from traditional compliance audit, then the general outputs of audit become very much legalistic only. In addition to, performance audit, value for money audit and procurement audit find systematic verification with the transactions.

**10. Conclusion-** After all, as a government auditor, I have to carefully examine with a functional leadership approach and conceptual knowledge to make audit a real and pragmatic one. This opportunity as a participant of the PSL course would be an advantage in auditing and anti-corruption since being my profession in the days ahead also. In sum, capacity to prevent corruption needs enhancing through strengthening general audit institutions in partner countries as they are in upholding accountability and integrity in the public sector. In this connection, Danida will continue its support in this field including general audit institutions. Conversely, limited scrutiny may reduce the extent to which it is held accountable for efficient and rule based management of resources. I would also like to disseminate professional learning achievements from this course in a coming issue of this journal if my article gets a room to remain there. Eventually, it is an opportunity to learn some relevant managerial techniques, reform procedures, verification sources and instances in professional development.

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Australia	<a href="mailto:ian.mcphee@anao.gov.au">ian.mcphee@anao.gov.au</a> , <a href="mailto:ag1@anao.gov.au">ag1@anao.gov.au</a>	<a href="http://www.anao.gov.au">http://www.anao.gov.au</a>
Armenia	<a href="mailto:vpal@parliament.am">vpal@parliament.am</a>	<a href="http://www.coc.am">http://www.coc.am</a>
Azerbaijan	<a href="mailto:office@ach.gov.az">office@ach.gov.az</a> , <a href="mailto:f.ibrahimov@ach.gov.az">f.ibrahimov@ach.gov.az</a> , <a href="mailto:chairman@ach.gov.az">chairman@ach.gov.az</a>	<a href="http://www.ach.gov.az">http://www.ach.gov.az</a>
Bangladesh	<a href="mailto:international@cagbd.org">international@cagbd.org</a>	<a href="http://www.cagbd.org">http://www.cagbd.org</a>
Bhutan	<a href="mailto:auditorgeneral@bhutanaudit.gov.bt">auditorgeneral@bhutanaudit.gov.bt</a>	<a href="http://www.bhutanaudit.gov.bt">http://www.bhutanaudit.gov.bt</a>
Bahrain	<a href="mailto:info@nac.gov.bh">info@nac.gov.bh</a>	<a href="http://www.nac.gov.bh">www.nac.gov.bh</a>
Brunei Darussalam	<a href="mailto:jabaudbd@brunet.bn">jabaudbd@brunet.bn</a>	<a href="http://www.audit.gov.bn">http://www.audit.gov.bn</a>
Cambodia	<a href="mailto:uthchhorn@naa.gov.kh">uthchhorn@naa.gov.kh</a>	
China	<a href="mailto:cnao@audit.gov.cn">cnao@audit.gov.cn</a>	<a href="http://www.audit.gov.cn">www.audit.gov.cn</a>
Cyprus	<a href="mailto:cao@cytanet.com.cy">cao@cytanet.com.cy</a>	<a href="http://www.audit.gov.cy">http://www.audit.gov.cy</a>
Georgia	<a href="mailto:chamber@gol.ge">chamber@gol.ge</a> , <a href="mailto:chamber@geomail.ge">chamber@geomail.ge</a>	<a href="http://www.control.ge">http://www.control.ge</a>
India	<a href="mailto:cag@cag.gov.in">cag@cag.gov.in</a> , <a href="mailto:pdir@cag.gov.in">pdir@cag.gov.in</a>	<a href="http://www.cag.gov.in">http://www.cag.gov.in</a> , <a href="http://www.asosai.org">http://www.asosai.org</a>
Indonesia	<a href="mailto:asosai@bpk.go.id">asosai@bpk.go.id</a>	<a href="http://www.bpk.go.id">http://www.bpk.go.id</a>
Israel	<a href="mailto:sco@mevaker.gov.il">sco@mevaker.gov.il</a>	<a href="http://www.mevaker.gov.il">http://www.mevaker.gov.il</a>
Iran	<a href="mailto:pria@dmk.ir">pria@dmk.ir</a> , <a href="mailto:irisac@majlis.ir">irisac@majlis.ir</a>	<a href="http://www.dmk.ir">http://www.dmk.ir</a>
Iraq		
Japan	<a href="mailto:liaison@jbaudit.go.jp">liaison@jbaudit.go.jp</a>	<a href="http://www.jbaudit.go.jp/engl/">http://www.jbaudit.go.jp/engl/</a>
Jordan	<a href="mailto:info@ab.gov.jo">info@ab.gov.jo</a>	<a href="http://www.audit-bureau.gov.jo">http://www.audit-bureau.gov.jo</a>
Korea	<a href="mailto:koreasai@koreasai.go.kr">koreasai@koreasai.go.kr</a> , <a href="mailto:bai_kor@hotmail.com">bai_kor@hotmail.com</a>	<a href="http://www.bai.go.kr">http://www.bai.go.kr</a> , <a href="http://english.bai.go.kr">http://english.bai.go.kr</a>
Kuwait	<a href="mailto:undersecretary@sabq8.org">undersecretary@sabq8.org</a> , <a href="mailto:training@sabq8.org">training@sabq8.org</a>	<a href="http://www.sabq8.org">http://www.sabq8.org</a>
Kazakhstan	<a href="mailto:esep_k@kazai.kz">esep_k@kazai.kz</a> , <a href="mailto:mukhamediyeva@kazai.kz">mukhamediyeva@kazai.kz</a>	<a href="http://www.esep.kz">http://www.esep.kz</a>
Kyrgyzstan	<a href="mailto:esep_k@kazmail.asdc.kz">esep_k@kazmail.asdc.kz</a>	
LAO-PDR	<a href="mailto:sao@etlao.com">sao@etlao.com</a>	--
Malaysia	<a href="mailto:jbaudit@audit.gov.my">jbaudit@audit.gov.my</a> , <a href="mailto:ag@audit.gov.my">ag@audit.gov.my</a>	<a href="http://www.audit.gov.my">http://www.audit.gov.my</a>
Mauritius	<a href="mailto:auditdep@intnet.mu">auditdep@intnet.mu</a>	<a href="http://ncb.intnet.mu/audit/index.htm">http://ncb.intnet.mu/audit/index.htm</a>
Maldives	<a href="mailto:info@audit.gov.mv">info@audit.gov.mv</a> , <a href="mailto:maldago@dhivehinet.net.mv">maldago@dhivehinet.net.mv</a>	

Mongolia	<a href="mailto:mnao@mnao.pmis.gov.mn">mnao@mnao.pmis.gov.mn</a> , <a href="mailto:mnaoadmin@magicnet.mn">mnaoadmin@magicnet.mn</a>	<a href="http://www.mnao.pmis.gov.mn/welcome">http://www.mnao.pmis.gov.mn/welcome</a>
Myanmar	<a href="mailto:AUDITORGENERAL@mptmail.net.mm">AUDITORGENERAL@mptmail.net.mm</a>	
Nepal	<a href="mailto:oagnep@ntc.net.np">oagnep@ntc.net.np</a> , <a href="mailto:infoag@most.gov.np">infoag@most.gov.np</a>	<a href="http://www.oagnepal.com">http://www.oagnepal.com</a>
New Zealand	<a href="mailto:oag@oag.govt.nz">oag@oag.govt.nz</a> ; <a href="mailto:information@oag.govt.nz">information@oag.govt.nz</a>	<a href="http://www.oag.govt.nz">http://www.oag.govt.nz</a>
Oman	<a href="mailto:irdep@sai.gov.om">irdep@sai.gov.om</a>	<a href="http://www.sgsa.com">www.sgsa.com</a>
Pakistan	<a href="mailto:saipak@isb.comsats.net.pk">saipak@isb.comsats.net.pk</a>	<a href="http://www.agp.gov.pk">www.agp.gov.pk</a>
Papua New Guinea	<a href="mailto:gsullimann@ago.gov.pg">gsullimann@ago.gov.pg</a> , <a href="mailto:jhawley@online.net.pg">jhawley@online.net.pg</a> , <a href="mailto:agopng@ago.gov.pg">agopng@ago.gov.pg</a> , <a href="mailto:ago_eloket@ago.gov.pg">ago_eloket@ago.gov.pg</a>	
Philippines	<a href="mailto:gemcarague@coa.gov.ph">gemcarague@coa.gov.ph</a> , <a href="mailto:lbdimapilis@coa.gov.ph">lbdimapilis@coa.gov.ph</a>	<a href="http://www.coa.gov.ph">http://www.coa.gov.ph</a>
Qatar	<a href="mailto:mail@sab.gov.qa">mail@sab.gov.qa</a>	<a href="http://www.sab.gov.qa">http://www.sab.gov.qa</a>
Russia	<a href="mailto:inorg@ach.gov.ru">inorg@ach.gov.ru</a> , <a href="mailto:intrel@ach.gov.ru">intrel@ach.gov.ru</a>	<a href="http://www.ach.gov.ru">http://www.ach.gov.ru</a>
Saudi Arabia	<a href="mailto:gab@gab.gov.sa">gab@gab.gov.sa</a>	<a href="http://www.gab.gov.sa">http://www.gab.gov.sa</a>
Singapore	<a href="mailto:ago_email@ago.gov.sg">ago_email@ago.gov.sg</a>	<a href="http://www.ago.gov.sg">http://www.ago.gov.sg</a>
Sri Lanka	<a href="mailto:chulantha@auditorgeneral.lk">chulantha@auditorgeneral.lk</a> , <a href="mailto:oaggov@slt.net.lk">oaggov@slt.net.lk</a>	<a href="http://www.auditorgeneral.lk">http://www.auditorgeneral.lk</a>
Thailand	<a href="mailto:jaruvan@oag.go.th">jaruvan@oag.go.th</a> , <a href="mailto:int_rela@oag.go.th">int_rela@oag.go.th</a>	<a href="http://www.oag.go.th">http://www.oag.go.th</a>
Turkey	<a href="mailto:int.relations@sayistay.gov.tr">int.relations@sayistay.gov.tr</a> , <a href="mailto:sayistay@sayistay.gov.tr">sayistay@sayistay.gov.tr</a>	<a href="http://www.sayistay.gov.tr">http://www.sayistay.gov.tr</a>
U.A.E.	<a href="mailto:president@saiuae.gov.ae">president@saiuae.gov.ae</a>	<a href="http://www.saiuae.gov.ae">http://www.saiuae.gov.ae</a>
Vietnam	<a href="mailto:vietnamsai@hn.vnn.vn">vietnamsai@hn.vnn.vn</a>	<a href="http://www.kiemtoannn.gov.vn">http://www.kiemtoannn.gov.vn</a>
Yemen	<a href="mailto:coca@y.net.ye">coca@y.net.ye</a> ; <a href="mailto:gtz@y.net.ye">gtz@y.net.ye</a>	

*Electronic communication between Supreme Audit Institutions is increasing rapidly. In view of this, a list of e-mail and World Web Site Address of ASOSAI members (as available with us) have been compiled and shown in the above table . It is requested that addresses of those SAIs that do not in appear in the table may please be intimate to the Editor for incorporating in the future issues of the Journal. Please also let us know in case there are any medications to the addresses listed above.*

## INTERNET / E-mail Addresses of ASOSAI

Country	E-mail address	Web Page
INTOSAI	<a href="mailto:intosai@rechnungshof.gv.at">intosai@rechnungshof.gv.at</a>	<a href="http://www.intosai.org">http://www.intosai.org</a>
ASOSAI	<a href="mailto:ir@cag.gov.in">ir@cag.gov.in</a>	<a href="http://www.asosai.org">http://www.asosai.org</a>
EUROSAI	<a href="mailto:eurosai@tcu.es">eurosai@tcu.es</a>	<a href="http://www.eurosai.org">http://www.eurosai.org</a>
OLACEFS	<a href="mailto:omral@contraloria.gob.pa">omral@contraloria.gob.pa</a>	<a href="http://www.olacefs.org">http://www.olacefs.org</a>
SPASAI	<a href="mailto:enquiry@oag.govt.nz">enquiry@oag.govt.nz</a>	<a href="http://www.spasai.org">http://www.spasai.org</a>
INTOSAI Development Initiative (IDI)	<a href="mailto:id@idi.no">id@idi.no</a>	<a href="http://www.idi.no">http://www.idi.no</a>
INTOSAI Working Group on IT Audit (WGITA)	<a href="mailto:ir@cag.gov.in">ir@cag.gov.in</a>	<a href="http://www.intosaiitaudit.org">http://www.intosaiitaudit.org</a>
Working Group on Environmental Auditing	<a href="mailto:info@weqa.org">info@weqa.org</a>	<a href="http://www.environmental-auditing.org">http://www.environmental-auditing.org</a>
Working Group on Privatisation, Economic Regulation and Public Private Partnerships (PPP)	<a href="mailto:Tim.Burr@nao.gsi.gov.uk">Tim.Burr@nao.gsi.gov.uk</a>	<a href="http://www.nao.gov.uk/intosai/wgap/home.htm">http://www.nao.gov.uk/intosai/wgap/home.htm</a>
International Journal of Government Auditing	<a href="mailto:intosaijournal@gao.gov">intosaijournal@gao.gov</a>	<a href="http://www.intosai.org">http://www.intosai.org</a>

## ASOSAI Calendar for the year 2010

Month	Dates	Venue	Engagement
May			
June			
July			
August			
September			
October	11	Islamabad	40 <sup>th</sup> Meeting of the GB of ASOSAI
	12-15	Islamabad	XI ASOSAI Assembly
	15	Islamabad	41 <sup>st</sup> Meeting of the GB of ASOSAI
November	9-20	New Delhi, India	ASOSAI Sponsored workshop
December			