



## MINUTES OF 24<sup>TH</sup> ECOSAI GOVERNING BOARD MEETING (GBM)

21 OCTOBER 2019 | ISTANBUL, TURKEY

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### List of Attached Documents

S. No	Document Title	Annexure Number
1.	List of Participants	I
2.	ECOSAI President Opening Speech	II
3.	Agenda of ECOSAI 24 <sup>TH</sup> Governing Board Meeting	III
4.	Activity report presented by the Secretary-General	IV
5.	19 <sup>th</sup> ECOSAI Training Committee Meeting (TCM) Report	V

The 24<sup>th</sup> GBM was held in Istanbul on 21 October 2019. Five Governing Board (GB) members along with their respective delegations attended the subject meeting. GB members [in attendance of the meeting] were:

Mr Seyit Ahmet Bas, President of the Turkish Court of Accounts & ECOSAI.

Mr Javaid Jehangir, Secretary-General of ECOSAI, Auditor General of Pakistan.

Mr Muhammad Naiem Haqmal, Auditor General of Supreme Audit Office of the Islamic Republic of Afghanistan.

Mr Vugar Gulmammadov, Chairman of Chamber of Accounts of the Republic of Azerbaijan.

Ms Lyailium Kashimova, Head of Department of Methodology and International Cooperation for the Republic of Kazakhstan.



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

### **1. Welcome speech and Opening of the GBM**

Mr Seyit Ahmet Bas, President of the Turkish Court of Accounts and President of ECOSAI welcomed the delegates and thanked them for their participation and making the Governing Board meeting a success. President delivered the opening speech (Annexure-II) and inaugurated the meeting.

### **2. Adoption of GBM Agenda**

The meeting unanimously adopted the proposed agenda of the 24<sup>th</sup> Governing Board Meeting (Annexure-III)

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

- i. Mr Javaid Jehangir, Secretary-General of ECOSAI & Auditor General of Pakistan thanked SAI Turkey for making excellent arrangements for the GBM.
- ii. The Secretary-General highlighted the significant activities of ECOSAI and the Secretariat during 2018-19. He emphasized the importance of capacity building initiatives and the different activities the organization undertook during the year. Mr Javaid Jehangir expressed his concern on the lack of nominations by SAIs for the different ECOSAI training that was announced during the year.
- iii. The activity report of the Secretary-General is placed at Annexure-IV.

### **4. Presentation of the ECOSAI Annual Accounts**

Mr Amad Afzal Mir, Director, SAI Pakistan presented the Annual Accounts for the year ending December 31, 2018. He explained in detail the following:

- a. Annual Accounts & Financial Statements comprising of Balance Sheet
- b. Statement of Income & Expenditure and Cash Flow Statement along with Explanatory Notes for Summary of Annual Contribution
- c. Accumulated Contribution Receipt & Expenditure the reform and IDB Training Grants



**Outcome:** GB unanimously approved the Annual Accounts for the year ending 31 December 2018.

#### **5. Presentation of the 19<sup>th</sup> ECOSAI Training Committee report**

- i. Mr Imran Baqir, Deputy Director, SAI Pakistan presented the report of the 19<sup>th</sup> ECOSAI Training Committee Meeting (TCM) held on 21 October 2019.
- ii. ECOSAI President invited the house for comments and discussions on the recommendations of TCM on the development of a user-friendly website and use of social media for ECOSAI activities and information sharing. He proposed that ECOSAI may set-up a Twitter account for the said purpose.
- iii. Mr Javaid Jehangir, Auditor General of Pakistan and Secretary-General of ECOSAI expressed his concerns over the capacity building of SAIs due to lack of participation of member SAIs in ECOSAI training activities. He further explained that training activities are currently restricted to limited member countries like Turkey, Iran and Pakistan but the actual spirit of the MoUs would be translated into reality only when the activities, plans and visions in these documents are actually implemented.
- iv. He further mentioned that one of the major concerns for lack of participation could be the non-availability of funds for the member countries. He referred to the decisions of the previous GBM wherein it was resolved that ECOSAI Secretariat would bear the travel-cost of least two persons from each SAI in case the SAI was struggling with the availability of funds. The Secretary-General, further shared that in spite of the funding window, SAIs Pakistan, Iran and Kazakhstan had to postpone their training announcements for the member countries. He urged the member states to develop a framework enabling the increase in the participation of respective members in training courses and seminars fostering meaningful capacity building efforts within the member countries.
- v. Mr Javaid Jehangir welcomed the proposal of the setting up the organization's social media account. He, however, cautioned on the vulnerability of online communications in the absence of a viable internet security system.
- vi. ECOSAI President invited SAI Afghanistan's Auditor General Mr Muhammad Naiem Haqmal to share his inputs on ECOSAI's attempt to improve the outreach through the Twitter account. Afghanistan's Auditor General welcomed the idea.





**Outcome:** GB approved the 19<sup>th</sup> ECOSAI TCM Report [ placed at Annexure– V].

#### **6. Report on the publication of the ECOSAI Circular by the SAI Pakistan**

- i. Mr Amad Afzal Mir, Director, SAI Pakistan presented the report on the publication of the ECOSAI Circular. He informed of SAI Turkey's dissemination of ECOSAI Circular (Spring Issue) 2019 amongst the member states. Mr Amad informed the house of contributions of different SAIs. He mentioned Pakistan's contribution: *Creativity and innovation in Performance Auditing, Audit of Public-Private partnerships –Civil works, Case for Citizen Participatory Audit and SAIs important role in fighting corruption.* SAI Turkey contributed articles on *Audit of Public-Private partnerships by TCA in Turkey, Open data and SAIs, Government Procurement legislation and audit practice in Turkey* and a brief review of the book *History of Middle East Accounting.*
- ii. Mr Amad further informed the meeting of the receipt of news from SAIs of Afghanistan, Azerbaijan, Iran, Pakistan, and Turkey. ECOSAI Circular Autumn Issue 2019 is under-process of designing. He requested the member states to contribute for the forthcoming ECOSAI Autumn Circular.
- iii. ECOSAI President apprised that ECOSAI circular can be disseminated through the Twitter Account and also to the INTOSAI fraternity.

**Outcome:** GB approved the report on the publication of the ECOSAI Circular.

#### **7. Report on Representation of ECOSAI as Observer in Asian Organization of Supreme Audit Institutions (ASOSAI)**

- i. Mr Amad Afzal Mir, Director, SAI Pakistan, presented the report on the representation of ECOSAI as "Observer" in ASOSAI. The organization, he mentioned was granted Observer at the 14<sup>th</sup> ASOSAI Assembly. He narrated the efforts and personal initiative of President ECOSAI and Turkish Court of Accounts.
- ii. Mr Amad reiterated of the decision taken in 23<sup>rd</sup> GBM wherein it was resolved that the ECOSAI would be represented in the ASOSAI by one member from ECOSAI Secretariat and one member from Presidency or any other member SAI that the President wishes to nominate.



- iii. ECOSAI Secretariat, to officially incorporate ECOSAI status in ASOSAI, had proposed the introduction of Article 16 in ECOSAI's charter. The new article provides the provision of the organization's inclusion as ASOSAI's observer. Mr Amad mentioned that the duly amended charter will be presented to the Assembly for its ratification from ECOSAI members.

**Outcome:** GB approved the report on the representation of ECOSAI as *Observer* in ASOSAI.

## **8. Report on ECOSAI Trainings held in 2018-2019**

- i. ECOSAI Secretariat presented the report on ECOSAI Trainings held in 2018-2019. Secretariat was informed of the TCA commissioned seminar on *Challenges to public sector auditing routines* held in Istanbul from 3-6 September 2018. The seminar provided a platform for the member SAIs to discuss a fresh perspective, rethink on different lines, and design innovative solutions to the challenges member SAIs are facing related to public sector auditing.
- ii. SAI Turkey hosted ECOSAI Workshop on "Introduction to Ethics Audit" April 15-19, 2019 at Antalya, Turkey. SAI Turkey bore all expenditure including return air tickets, boarding and lodging etc. of courses participants. Examples of good practices were also discussed. The training drew participation from 13 SAIs. Twenty-Eight participants from SAIs of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kuwait, Kyrgyz Republic, Mongolia, Pakistan, Palestine, Qatar, Tajikistan, Turkish Republic of Northern Cyprus and Turkey attended the training. All the expenditure incurred on the boarding/lodging, air travel, transportation and meals were borne by the Turkish Court of Accounts.
- iii. SAI Pakistan announced to host the ECOSAI Workshop on "Audit of Internal Controls" from September 2-6, 2019 at COMSTECH Secretariat, Islamabad. SAI Pakistan planned to provide boarding/lodging, local transportation etc. to the participants. We received nominations only from SAIs of Turkey and Afghanistan. In such a situation it was not feasible for the SAI Pakistan to hold this course, that resulted in the cancellation of the said course.
- iv. SAI Iran, in late July 2019, announced a training course on IT Audit at Zanjan Province from August 31 to September 4, 2019. Unfortunately, again due to



non-receipt of any nomination from the member countries, the said course had to be cancelled.

#### **9. Discussion on the introduction of different SAIs from different geographical regions as *Observers* in ECOSAI**

- i. ECOSAI Secretariat apprised GB members of President ECOSAI and TCA initiative to strengthen professional cooperation beyond the ECOSAI geographical boundaries. The President, the ECOSAI Secretariat nominee informed of the invitation extended to SAIs of Qatar, Kuwait, Mongolia, Palestine and Belarus to join the Organization as *Observers*. The said initiative, ECOSAI Secretariat nominee informed the honorable delegations will enable member countries to learn from cross country experience from diverse geographical regions, different governance frameworks and organizational mandates and somewhat facing similar challenges as are prevalent in the countries in the ECOSAI.
- ii. ECOSAI Secretariat nominee also informed the participants of Secretary-General ECOSAI letter of 10 February 2019 seeking consensus on the inclusion of additional countries as *Observers* in ECOSAI. Following the consent of members, SAIs of Kuwait, Qatar, Mongolia, Palestine and Belarus were invited to attend the 8<sup>th</sup> ECOSAI Assembly.

#### **10. Report on MoUs signed between ECOSAI member SAIs**

- i. Mr Amad Afzal Mir, Director in SAI Pakistan, presented the report on MoU signed between ECOSAI member SAIs. He informed the participant's existence of SAI Pakistan MoUs with SAIs of Iran (2016), Turkey (2016) and Tajikistan (2018). He informed that SAI Iran has similar MoUs with SAIs of Turkey and Tajikistan. Mr Amad further informed that SAI Azerbaijan has an MoU with SAI of Tajikistan. SAI Kazakhstan has recently signed MoU with SAI of Iran on the sidelines of Astana Economic Forum on 17<sup>th</sup> May 2019 in the beautiful city of Nur-Sultan (Kazakhstan).
- ii. Under the MoUs, Mr Amad informed of the several capacity-building activities that member SAIs have undertaken. SAIs of Pakistan and Turkey agreed to conduct





Cooperative Audit of “Mass Transportation Project” in Islamabad, Pakistan. He informed the participants that the audit was planned in two phases: Planning and deskwork phase and Field audit phase in which five-member team from SAI Turkey carried out planning and deskwork from 4-10 March 2018 in Islamabad, Pakistan. He further mentioned, that following this, a three-member team again visited Islamabad from 22-28 April 2018 to conduct fieldwork of the subject audit. The joint report of the audit is in the final stages, Mr Amad informed the participants.

- iii. Mr Amad also mentioned of the SAI Pakistan and SAI Turkey MoU that enabled the two organizations to conduct Peer Review of each other organizations. A three-member team of SAI Pakistan carried out five days orientation and experience sharing a workshop on Peer Review for SAI Turkey at Ankara, from 7 to 11 May 2018. Owing to the success of training, SAI Turkey invited SAI Pakistan to conduct the Peer Review of the Turkish Court of Accounts in the areas of its Independence and Mandate. The two SAIs formalized their understanding of peer review through an agreement signed in Islamabad on 15 August 2018 followed by a planning meeting, and fifteen-day fieldwork for Peer review that commenced last year in December. Mr Amad apprised the participants that after compiling the results of Peer Review the Report was sent to TCA after which the final report was issued to SAI Turkey, after making necessary changes and amendments. Similarly, a three-member team of training experts from SAI Pakistan delivered a three-week training course on Performance Auditing in Ankara, Turkey from 25 June-13 July 2018 for the personnel of TCA. SAI Turkey sponsored and hosted the subject training.
- iv. Mr Amad also informed of SAI Pakistan’s initiative of the provision of its experienced Master Trainer to SAI Iran to impart a five-day course on Performance Auditing from 23 to 28 February 2019. The subject training received an overwhelming response upon which the SAI Iran again requested SAI Pakistan to conduct the course again from 20 to 27 July 2019.
- v. ECOSAI President also highlighted the activities between SAI Turkey and SAI Afghanistan undertaken under the MoUs.
- vi. Mr Muhammad Naiem Haqmal, Auditor General of Supreme Audit Office of the Islamic Republic of Afghanistan proposed the idea for online training because of less cost and less time consuming and may be accessible at any time from any location.



- vii. Secretary-General ECOSAI appreciated the proposal but cautioned of the requirements of robust and efficient logistics arrangements [both at trainer and recipient side]. He committed to the participants to conduct an exercise to look into the viability of the proposal and agreed to share the findings of the exercise with member countries. The Secretary-General expressed his confidence in the upscaling of this proposal in the existing environment of advanced ICT systems.
- viii. ECOSAI President made a suggestion to conduct research on online courses, their proposed structure and the possibility of usage of INTOSAI tools and structures for online courses.
- ix. Secretary-General proposed on the blending of the two models: in-person and online training courses. He mentioned that for the theoretical courses, online learning is a viable option and for practical courses, in-person attendance is to be considered. This, as the Secretary-General opined would put the limited burden for SAIs to send their participants for one or two-day practical training courses.

#### **11. Other matters**

- i. President proposed an amendment in the Charter of ECOSAI for the membership of observer SAIs and to develop mechanism and procedure for the acceptance of new members. He cited examples from INTOSAI and Regional organizations that provide for the procedure for considering of applications [first submitted to the Secretariat] and finally approved/discussed in the Governing Board Meeting and Assembly of respective regional organizations ECOSAI President further added the proposal regarding amendment of Charter for the procedure of membership will be presented before the Assembly.
- ii. Secretary-General supported the proposal for developing a mechanism and procedure for membership of observer SAIs.

#### **12. Closing address by Mr Seyit Ahmet Bas, President of the Turkish Court of Accounts**





In his closing address, Mr Seyit Ahmet Bas, President of the Turkish Court of Accounts and ECOSAI President thanked all the delegates for their active participation and contribution in the 24<sup>th</sup> Governing Board Meeting. He reiterated to continue this interaction and deepen the dialogue to build more open, transparent and effective ECOSAI. The President emphasised the importance of training and capacity building through bilateral and multilateral cooperation. He acknowledged and appreciated the efforts of the all SAIs for their services for ECOSAI and for organization of this event.



**Signed :**



i. **Mr Seyit Ahmet Bas, President of the Turkish Court of Accounts & ECOSAI.**



ii. **Mr Javid Jehangir, Secretary-General of ECOSAI, Auditor General of Pakistan.**



iii. **Mr Muhammad Naiem Haqmal, Auditor General of Supreme Audit Office of the Islamic Republic of Afghanistan.**



iv. **Mr Vugar Gulmammadov, Chairman Chamber of Accounts of the Republic of Azerbaijan.**



v. **Ms Lyailium Kashimova, Head of Department of Methodology and International Cooperation for the Republic of Kazakhstan.**