

IDI-ASEANSAI ISSAI BASED COOPERATIVE FINANCIAL AUDIT



BACKGROUND

The IDI supports SAIs in conducting ISSAI based cooperative audits as a part of the ISSAI Implementation Initiative (3i programme). ASEANSAI Supports its member SAIs in implementing ISSAIs. With a shared purpose of supporting ISSAI implementation, IDI and ASEANSAI have decided to partner to support member SAIs in ASEANSAI in conducting a cooperative financial audit based on ISSAIs.

OBJECTIVE



SAIs in ASEANSAI conduct ISSAI compliant financial audits.

PARTICIPATING SAIs

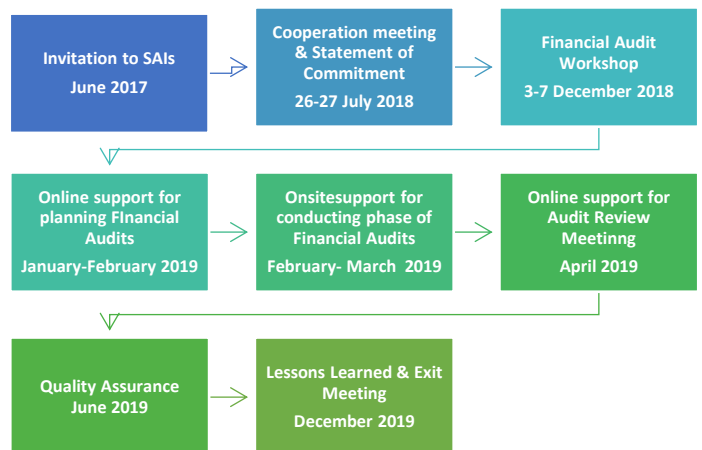
Member SAIs of ASEANSAI who have indicated interest in being supported in ISSAI implementation will be invited to participate in the cooperative audit.



Each participating SAI will require to fulfil the SAI readiness criteria and demonstrate willingness to fulfil programme commitments agreed to.

Cooperative Audit Calendar

The following set of activities are planned to support participating SAIs in conducting an ISSAI based financial audit.





Invitation to SAIs

June 2018

The IDI and ASEANSAI will invite eligible SAIs to participate in the cooperative audit. SAIs will be accepted into the programme based on their readiness (*criteria listed at Annexe1*) and willingness to fulfil commitments.



Cooperation Meeting of SAI Leaders with IDI and ASEANSAI

26-27 July 2018

IDI-ASEANSAI will invite SAI leaders from participating SAIs along with the SAI management team member to discuss ISSAI implementation on financial audit, the support activities planned in the cooperative audit and to agree on a statement of commitments for the cooperative audit. The meeting will be hosted by SAI Malaysia in Malacca, Malaysia.



Financial Audit Workshop

3-7 December 2018

A team of resource persons from ASEANSAI and IDI will facilitate a week-long workshop for audit teams from participating SAIs on conducting financial audits based on ISSAIs. The SAI audit teams will be trained on ISSAI based financial audit methodology at the workshop.



Online support to SAI teams in planning financial audits

January - Feb 2019

Based on a week-long training, the SAI teams will prepare the audit plan. The audits identified must be from the annual audit plan/schedule of the SAIs. A team of resource persons from ASEANSAI and IDI will provide an online support to SAI teams in planning the audit. The online support will be provided on 3i

Community of Practice, where participants will upload their audit plan. The IDI will ensure the security and confidentiality of information and other material uploaded by participants on the platform.



Onsite support to SAI teams in conducting financial audits

February – March 2019

The SAI teams will conduct financial audits. The resource persons from the ASEANSAI will provide onsite support towards the end of the conducting phase of the audit by visiting respective SAIs.



Online support for review of audit reports

April - 2019

The SAI audit teams who finalise their draft audit reports will be provided an online support, where they will receive feedback from peers and resource team. SAI teams are expected to finalise their audits based on the feedback and SAIs are expected to issue their audit reports as per their legal requirements in a timely manner.



Quality Assurance of financial audits

2019

IDI- ASEANSAI will arrange for an independent quality assurance review of the financial audits conducted as a part of this cooperative audit. The purpose of the review would be to ascertain the extent of ISSAI compliance.



Lessons learned and exit meeting

2019

SAI Leaders and audit team members will be invited to discuss lessons learned with the purpose of further facilitating implementation of financial audit ISSAIs in members of ASEANSAI.

Annexe 1: SAI Readiness and SAI Commitment

Each participating SAI will be required to fulfil the following criteria and to commit with the following requirements.

SAI Readiness Criteria	
1.	SAI has the mandate to conduct financial audit.
2.	SAI uses/intends to use ISSAIs or national standards aligned to ISSAIs in conducting financial audit.
3.	SAI has an audit staff with at least three years of experience in conducting financial audit.
4.	SAI has practice of obtaining draft financial statements from the entities for planning the audit, and entities have an obligation to submit such statements on time to SAI.

SAI Commitments	
1.	SAI will identify entity for audit from its annual audit plan.
2.	SAI will nominate an audit team as per prescribed criteria.
3.	SAI agrees to use the audit approach and methodology defined for this cooperative audit.
4.	SAI will provide time and resources for the team to participate actively in planning and performing the audit as per the programme timeline.
6.	SAI will assign a middle level manager to supervise the audit team. This manager will be responsible to supervise the audit throughout the audit process and will ensure that the team meets the agreed timelines.
7.	SAI will not change the audit team members, leader and supervisor during the course of the audit (this excludes factors that are not within the control of the SAI).
8.	SAI will issue the audit report as per legal provisions.
9.	SAI will identify and implement measures to sustain lessons learned from this audit to build an ISSAI compliant financial audit practice.
10.	SAI will set up a monitoring and reporting mechanism to track progress during and after the cooperative audit.

REQUIREMENTS FOR SAI TEAM

Each SAI is required to nominate an audit team consisting of 2 to 3 persons. This would include team leader and team members. Each participating SAI must also identify the middle level manager who will supervise the audit. The team must meet the following criteria.

Nomination Criteria	Requirements
Competent Team	The audit team must have knowledge and experience of conducting financial audits in the public-sector environment, and has good understanding of applicable financial reporting framework used for preparing the financial statements, including interpretation of requirements of such framework.
Experience	<ul style="list-style-type: none"> • Minimum of 3 years' experience in SAI in financial auditing. • Knowledge on Financial Audit ISSAIs. • Knowledge and application of principles of Accounting (double entry book keeping), and interpreting the requirements of financial reporting framework.
Language skills	All team members must be able to communicate effectively in English (written and verbal).
Stakeholder engagement	The team should have demonstrated ability to engage effectively with SAI management and other key stakeholders.
Ability to operate in a web based environment	The auditors must be able to operate in a web-based environment.
Personal attributes	SAI team members are expected to be very good team players, responsible, accountable, keen to learn new methodology, able to deliver results with quality and on time and to behave ethically at all times.
Gender	The SAI team should be gender balanced and has to include at least one female member in the team.
Ability to travel	The team must be able and willing to travel for face-to-face meetings related to the programme.

IDI Commitments

1. The IDI will manage the design, development, delivery, monitoring, evaluation and reporting of the programme together with the ASEANSAI.
2. The IDI will put together a team of regional and international resource persons for supporting SAIs participating in the programme.
3. The IDI will support direct costs of economy travel, accommodation and meeting package for face-to-face events for SAIs eligible for development support as per OECD DAC list.

ASEANSAI Commitment

The ASEANSAI will provide the following support:

1. Administrative support for face-to-face intervention support in the programme.
2. Monitoring and following up with the participating SAIs on the agreed outputs.
3. Will work together with IDI in identifying suitable mentors for the programme.
4. Appoint a technical liaison for the programme.