



## 1. INTRODUCTION

1.1. ASEANSAI was formed on 16 November 2011 in Bali, Indonesia as a professional organization which is autonomous, independent and non-political. Among its objectives are to build capacity and promote cooperation and understanding in the field of public sector auditing among its members through exchange and sharing of experiences as well as lessons learnt.

1.2. The ASEANSAI Knowledge Sharing Committee (KSC) Work Plan 2016 - 2017 was approved during the 3<sup>rd</sup> ASEANSAI Summit in Cambodia in November 2015. Revenue Audit is one of the projects planned in 2016 and the Project Lead is SAI Malaysia. The selection of the project was based on the needs survey conducted among ASEANSAIs.

1.3. The 1<sup>st</sup> ASEANSAI Focus Group Discussion (FGD) on Revenue Auditing was held from 2 to 4 March 2016 in Don Chan Palace Hotel, Vientiane, Lao PDR. The FGD was facilitated by Mr. Paul Chai Sin Ngee, Deputy Director of Customs Audit Branch, SAI Malaysia as Project Leader. It was attended by 21 participants from Supreme Audit Institution (SAI) of Cambodia, Indonesia, Laos PDR, Malaysia, Philippines, Thailand and Vietnam. However, SAI of Brunei, Myanmar and Singapore were unable to join this Research Project.



1.4. The list of participants/delegates (excluding Project Leader) is as follows:

No.	SAI	Name Of Officer	Position
1.	Cambodia	Mr. Heng Karo	Deputy Director
2.		Mr. Khath Veasna	Chief of Audit Office
3.	Indonesia	Mr. Iman Santoso	Researcher
4.		Mrs. Oktarika Ayoe Sandha	Researcher
5.	Laos PDR	Mr. Touy Phetsanouban	Deputy Director General
6.		Mr. Vannasao Soumpholphakdy	Head of Division
7.		Mr. Heng Khanthavixay	Head of Division
8.		Mr. Viengsavanh Thongsamouth	Head of Division
9.		Mr. Khambay Khamchalath	Deputy Head of Division
10.		Mr. Sompong Intravong	Deputy Head of Division
11.		Mr. Khamhak Sybounmy	Audit Officer
12.		Ms. Chanphayvan Khounsakda	Audit Officer
13.		Mr. Aounheuan Phommaly	Audit Officer
14.		Malaysia	Mr. Saiful Anuar bin Mohd Jaafar
15.	Ms. Johaniffa Jamil		Senior Assistant Director
16.	Philippines	Mrs. Maria Theresa S. Yambao	State Auditor V
17.		Mrs. Angelita C. Lomentigar	State Auditor
18.	Thailand	Ms. Sricha Thongthep	Auditor Professional Level
19.		Ms. Anuchana Palawat	Auditor Professional Level
20.	Vietnam	Ms. Truong Thi Huong Giang	Deputy Head of Division
21.		Ms. Nguyen Thi Hai Yen	Deputy Head of Division



*Participants of the First FGD on Revenue Auditing  
on 2 - 4 March 2016 in Vientiane, Lao PDR*

## **2. OPENING CEREMONY ON 2 MARCH 2016**

2.1. The opening ceremony of the first FGD was officiated by Dr. Padaphet Sayakhot, Vice President, State Audit Organization of Lao PDR. He welcomed all participants to Laos PDR. He hoped that this FGD could be a useful venue for constructive interaction and dialogue that would positively contribute to the vision of ASEANSAs. He also hoped that this first FGD would provide an opportunity to consolidate ideas and perspectives of everybody with a common objective to get a positive outcome. He also wished that all participants enjoy their stay in Laos PDR and take the opportunity to know more about the culture and traditions of the country. The opening ceremony speech is attached as **Annex 1**.

2.2. The opening remark of the Chairman of ASEANSAs KSC (**Annex 2**) was delivered by Mr. Paul Chai Sin Ngee, Deputy Director of National Audit Department of Malaysia. On behalf of the Auditor General of Malaysia, Mr. Paul Chai Sin Ngee thanked SAI Laos PDR for hosting this FGD and all participants for attending this knowledge sharing meeting. He hoped that this meeting would enhance the audit capability of ASEANSAs member countries in auditing revenue by exchanging and sharing of knowledge and current practices.



*Opening Ceremony of the 1<sup>st</sup> FGD on Revenue Audit*

### 3. PRESENTATION OF THE COUNTRY PAPERS

After the opening ceremony and ice breaking programme, participants from seven SAIs presented their respective country papers regarding revenue audit. Due to active discussions and exchange of ideas, the presentation of country papers continues until the second day (3 March 2016). The country papers are as per attached in **Annex 3 - 9**.



*Presentations by Participants*





#### **4. DISCUSSION OF RESEARCH PROJECT FRAMEWORK**

4.1. From the first FGD, all participants agreed that generally, none of their SAIs has a specific guideline on revenue audit. As such, it would be beneficial if this Research Project on Revenue Audit can come up with two handbooks, namely:

- a. The Report of the Research Project on Revenue Audit; and
- b. The ASEANSAI General/Generic Guideline on Revenue Audit.

4.2. It was agreed that the Report of the Research Project on Revenue Audit will be based on the respective country papers and SAI Malaysia is responsible to edit and summarize these country papers.

4.3. The draft of the Research Project report and the ASEANSAI General/Generic Guideline on Revenue Audit will be tabled and discussed during the second FGD in June 2016.

#### **5. CONCLUSION AND CLOSING OF DISCUSSION**

5.1. In conclusion, all the participants agreed that the meeting was a success and every participant has given some insight on revenue auditing. The knowledge and experiences shared during presentations and discussions were useful and had benefited all of them regarding revenue auditing.

5.2. It was agreed that **SAI Malaysia as the Chair of the KSC should publish the Report of the Research Project on Revenue Audit as well as the ASEANSAI General/Generic Guideline on Revenue Audit.**

5.3. After discussion, the contents of the General/Generic Guideline on Revenue Audit and the responsibilities of the respective SAIs in drafting the relevant topics were decided as follows:



No.	Content	SAI
1.	<b>INTRODUCTION</b>	All
	1.1. Types of revenues & percentile of revenue collection for 2013 to 2015.	
	1.2. Revenue Generating Agencies	
2.	<b>REVENUE AUDIT</b>	Philippines/ Thailand
	2.1. Definition	
	2.2. Types of Audit	
	2.3. Scope & Objective of Audit	
3.	2.4. Rules & Regulations	Cambodia/ Laos PDR
	<b>PLANNING</b>	
	3.1. Introduction	
	3.2. Steps for Audit Planning	
	3.3. Understanding the Objectives & Expectation of the Revenue Auditing	
4.	3.4. Risk Identification & Assessment	Vietnam
	3.5. Audit Program	
	<b>IMPLEMENTATION</b>	
	4.1. Entrance Conference	
	4.2. Data Collection & Analysis	
	4.3. Generic/Common Technique of Audit Testing	
	4.4. Appropriateness of Audit Evidence	
	4.5. Sufficiency of Audit Evidence	
	4.6. Other Technique for Collection of Audit Evidence	
	4.7. Developing Audit Findings & Recommendations	
4.8. Exit Conference		
5.	4.9. Documentation & Working Papers	Indonesia
	<b>REPORTING</b>	
	5.1. Audit Report	
	5.2. Reporting Standards	
	5.3. Mandatory Nature	
	5.4. Purpose of Audit report	
6.	5.5. Reporting Process	Malaysia
	5.6. Structure of Report	
7.	<b>FOLLOW UP</b>	All
	6.1. Quality Assurance	
	<b>ISSUES FOR CONSIDERATIONS</b>	
	7.1. Types of Fraud & Corruption Practices in Revenue Collection	
8.	7.2. Warning Signs of Possible Fraud & Corruption in Revenue Collection	All
	7.3. Auditor's Roles & Responsibilities	
	7.4. Communicating About Fraud & Corruption to Concerned Parties	
9.	<b>CASE STUDY</b>	All
10.	<b>GLOSSARY</b>	
11.	<b>REFERENCES</b>	
	<b>APPENDICES</b>	



5.3. The input for the ASEANSAI General Guideline on Revenue Audit from all relevant SAIs **should be forwarded to SAI Malaysia by the end of May 2016** for compilation and to be circulated prior the next FGD.

5.4. As for editing and finalizing the report on this research project by SAI Malaysia, the Project leader (SAI Malaysia) requested that SAI Thailand provide more information on their country paper as some of the issues raised were a bit vague. For that, **the participants from SAI Thailand should resubmit their country paper before the end of April 2016 to SAI Malaysia.**

5.5. All participants agreed that the **second FGD should be held in June 2016** (as stated in the TOR) to further discuss on the Research Project report and the draft of the guideline. For this purpose, delegates from SAI Philippines as well as SAI Cambodia had volunteered to host the next FGD on the condition that their respective Auditor General is agreeable to host. As such, the **Chair of KSC (Auditor General of Malaysia) has to formally request the Chairperson of the Commission on Audit of the Philippines (first option) or the Chairman of the National Audit Authority of the Kingdom of Cambodia (second option) to host the Second FGD.**

5.6. The Project leader (SAI Malaysia) formally informed the participants that SAI Malaysia would host the third FGD on revenue audit in September 2016 to finalise the guideline and Research Project report.

## **6. DINNER HOSTED BY STATE AUDIT ORGANIZATION OF LAO PDR**

The State Audit Organization of Lao PDR hosted the welcoming dinner for all participants on 2 March 2016 at the Dong Chan Palace Hotel, Vientiane, Lao PDR. All participants were entertained with delicious food and drinks.



*Welcoming Dinner by State Audit Organization of Lao PDR*

## **7. SOCIAL PROGRAMME**

SAI Laos PDR organized a one day excursion programmes for all participants on 4 March 2016. The participants were taken to several tourist spots in Vientiane such as Xieng Khuan (Buddha Park), That Luang Stupa, Patuxay and Talat Sao Morning Market. The excursion showcases the rich culture and heritage of the Laos people.



*Xieng Khuan (Buddha Park)*



*That Luang Stupa*