
WORKSHOP ANNOUNCEMENT

The following Workshop is organized by ASOSAI, in collaboration with the Audit Board of the Republic of Indonesia. This Workshop is intended for ASOSAI member SAIs.

TITLE: **Audit of Procurement Process**

LOCATION: Jakarta, Indonesia

DATE: Monday, August 7 – Friday, August 18, 2006 (10 working days)

LANGUAGE OF WORK: English. **It is essential that all participants must be totally fluent in English.**

WORKSHOP GOAL: To upgrade knowledge and skills of audit officials at supervisory levels and enable them to undertake more effective audit of procurement of goods. By the end of the Workshop, the participants will gain a thorough understanding of the process for procuring goods, be able to identify risks and determine appropriate audit checks. They will also be familiarized with potential fraud and corruption practices associated with procurement of goods.

WORKSHOP DESCRIPTION: The workshop will facilitate in-depth analysis of the best practices in procuring of goods and the approaches, issues and checks involved in an effective audit of the procurement process. In addition to disseminating best practice guidance through the course materials on the subject, the workshop will draw upon the experiences of the instructors and the participants through structured discussions, case studies and other training methods.

In order to provide a clear focus within the limited time, this workshop will concentrate on the procurement of goods. Therefore, audit of procurement of services will not be within the scope of this workshop. For similar reasons, audit of e-procurements will not be within the scope of the workshop.

WORKSHOP OUTLINE: Please see the Attachment.

INTENDED PARTICIPANTS: This workshop is intended for SAI auditors who meet the following criteria:

- Committed to completing the assignment explained in the "Pre- and Post- Workshop Commitments and Actions (Annex 2)";
- Only audit officials placed in **middle-level supervisory positions**;
- Having at least 5 years of government auditing experience,

- preferably with some exposure to audit of procurements;
- Having at least 10 year to retire from the SAI;
 - Ability to read, write, and speak in English;
 - Highly motivated and having the ability to inspire others;
 - Having loyalty and commitment to his/her SAI; and
 - Willing to apply and disseminate the competencies gained in the workshop.

Persons meeting the following criteria may **NOT be nominated** for the workshop:

- Senior management representatives; and
- Those already having extensive experience/expertise in audit of procurements.

NOMINATION:

Each member SAI is entitled to nominate **one** participant. **The participants should meet the criteria in the "Pre- and Post-Workshop Commitments and Actions (Annex 2)" as well above in this document.** Please send the attached Nomination Form **by both postal mail and fax to the Board of Audit of Japan (Administrator of ASOSAI Training Program) by June 30, 2006.** The names and details of the SAI-Japan contact person are provided below:

Mr. Nobuo AZUMA
Senior Director, Research and International,
Board of Audit, Japan
Telephone: +81-3-3581-8125
Fax: +81-3-3292-6915
E-mail: liaison@jbaudit.go.jp
Postal Address: 1-105, Kandajinbo-cho, Chiyoda-ku,
Tokyo, 101-8404 JAPAN

**SAI-INDONESIA
CONTACT:**

The name and details of the contact person in SAI-Indonesia are provided below:

Mr. Thomas Ipoeng Andjar Wasita.
Head of Subdivision - Evaluation
Training and Education Center
The Audit Board of the Republic of Indonesia
Telephone: +62-21-5700656(preferable)
+62-21-79190864(ext.111)
+62-81-61942715
Fax: +62-21-5702224(prefereable)
+62-21-79190868
E-mail: asosai_workshop@pkb.bpk.go.id
lo_international@bpk.go.id
Postal Address: PUSDIKLAT PEGAWAI BPK-RI
Jl. Bina Warga II, Kalibata Raya
Jakarta Selatan 12750
Indonesia

VENUE/LODGING: The workshop will take place at the training center of The Audit

Board of the Republic of Indonesia in Jakarta, Indonesia. All participants will stay at rooms in the accommodation building of the training center during the entire period of the workshop.

PUSDIKLAT PEGAWAI BPK-RI

Jl. Bina Warga II, Kalibata Raya

Jakarta Selatan 12750

Indonesia

Telephone: +62-21-79190864

Fax: +62-21-79190868

URL(SAI website): <http://www.bpk.go.id>

TRAVEL

ARRANGEMENT:

Each SAI/participant is requested to arrange **ECONOMY class round-trip air ticket for its participant, using the most direct route to Jakarta.** The airfare will be reimbursed in US dollar cash, **ONLY UPON PRESENTATION OF BOTH OFFICIAL RECEIPT expressed in US dollars AND THE TICKET** during the workshop up to the maximum of US\$1,500.00. The cost of transit or stopover stay en route to/from Jakarta is the responsibility of each SAI, and ASOSAI will not reimburse such cost.

(Note) In the past workshops, unfortunately ASOSAI had participants who failed to present official receipt for reimbursement. Participating SAIs and participants as an auditor of SAI are strongly requested to comply with this requirement. **Please note that ASOSAI at its discretion may not able to reimburse the airfare to those participants who fail to present both official receipt and the ticket during the Workshop, and may inform the incidents to SAIs concerned.**

VISA:

It is the responsibility of each SAI/participant to obtain Indonesian visa well in advance of departure for the Workshop. The **SAI-Indonesia will send a separate official invitation to all invited participants, which may be used for visa application. Payment of visa fees is the responsibility of the participating SAIs/participants.**

**REQUIRED
INSURANCE
COVERAGE:**

Medical expenses, if any, during the workshop will not be paid by ASOSAI. Therefore, it is the responsibility of the participating SAIs/participants to arrange for appropriate insurance cover.

**WHAT ASOSAI
COVERS:**

ASOSAI will cover the following cost:

- 1) Reimbursement of economy class round trip airfare, using the most direct route, up to the maximum of US\$1,500.00;
- 2) Accommodation room from the night of August 6 up to the morning of August 19, 2006;
- 3) Breakfast every day and Lunch on weekdays starting from the breakfast on August 7 till the breakfast on August 19, 2006; and
- 4) A lump sum allowance of US\$330.00 per person, in

combination of US dollar and local currency, to cover the cost of evening meals, airport tax for the Jakarta Airport, and minor incidental expenses during the workshop.

WHAT SAI SHOULD

BEAR:

Each participating SAI should bear the following cost.

- 1) All cost of airfare exceeding US\$1,500
- 2) All cost of domestic travel within the home country;
- 3) All cost of transit stay(s) en route to/from Jakarta, including related airport tax, accommodation cost, etc.
- 4) All cost of accommodation room before the night of August 6 and after the morning of August 19;
- 5) All cost of visa application; and
- 6) Overseas travel insurance for the participant as above.

OTHER

CONDITIONS:

All participants must:

- complete the specified pre-workshop commitments and actions (Annex 2)** in consultation with the appropriate SAI authorities;
- attend the whole workshop from 7 to 18 August 2006, both days inclusive;
- be physically capable of performing their respective duties during the workshop;
- ensure that they are fully briefed concerning health matters and preventive medicine necessary or recommended for the host country or countries of transit; and
- complete the post-workshop commitments and actions (Annex 2)** within the stipulated period after returning to their SAIs.

CLIMATE:

Indonesia has rainy and dry season. In August, it is warm in Jakarta. Day temperature is likely to range between 25 to 31 degrees Celsius. Sunrise and sunset are 5:54am and 5:47pm, respectively. Some social activities may involve walking outdoors and so participants are advised to bring along caps and walking shoes.

ATTIRE:

During workshop sessions, participants are encouraged to attend in smart casuals or national attire. For opening and closing ceremonies and other special events, wearing of national attire is encouraged.

FOR ADDITIONAL INFORMATION, please contact the Board of Audit of Japan, at the contact number/address above.

Tentative Workshop Outline
(7-18 August 2006)

- DAY 1** 0. 1 Ice Breaking
 0. 2 Negotiating the Learning Contract ?
 1. 1 Understanding Procurement Process
- DAY 2** 1. 1 Understanding Procurement Process
 2. 1 Managing Risks in the Procurement Process
 3. 1 Auditing the Procurement Plan
- DAY 3** 3. 1 Auditing the Procurement Plan
 3. 2 Auditing Specifications & Standards
 3. 3 Auditing Procurement Methods
- DAY 4** 3. 3 Auditing Procurement Methods
 3. 4 Auditing Delegations to Procurement Authorities
 3. 5 Auditing Pre-Qualifications
- DAY 5** 3. 6 Auditing the Preparation of Bid Documents
 3. 7 Auditing Management of the Bidding Process
- DAY 6** 3. 8 Auditing Evaluation of the Bid Documents
 3. 9 Auditing Contracts
- DAY 7** 3.10 Auditing the Delivery of Goods and the Payments
 3.11 Auditing Contract Administration
 4. 1 Identifying Potential Fraud & Corrupt Practices
- DAY 8** 4. 1 Identifying Potential Fraud & Corrupt Practices
 5. 1 Action Plan
- DAY 9** 5. 1 Action Plan
- DAY 10** 5. 1 Action Plan
 6. 1 Closure

Pre- and Post- Workshop Commitments and Actions

The participating SAIs and their participants commit to undertake the following actions to reasonably assure transfer of learning and impact on a sustained basis.

Pre-workshop Commitments and Actions

1. Identify one case of procurement of goods¹ to be audited after the ASOSAI workshop. The selection may be limited to one of the following five categories:
 - Procurement of medical stores
 - Procurement of IT equipments and peripherals
 - Procurement of goods in infrastructure sector
 - Procurement of general office stores and equipments
 - Procurement of goods in the education sector
2. The selected case of procurement should preferably be of high value or high volume or significant in some other way.
3. The auditee(s) associated with the selected case of procurement should preferably be among those that have already been approved by the SAI for audit anytime during the period end August 2006 to December 2006 (i.e., within 3-4 months of completion of the workshop in Jakarta due in the first half of August 2006).
4. Identify the auditing official in a supervisory position who will be responsible for conducting the selected procurement audit. While identifying this official, care may be taken that she/he meets the criteria for intended participants stated in the Workshop Announcement.
5. Nominate the supervisory official to attend the ASOSAI workshop.
6. Advise the participant(s) to obtain and study all background information on the proposed audit of procurement, just as they normally would while planning the audit.
7. The participants(s) may be asked to bring along all these information and related documents, as well as any analyses and notes that they might have prepared on the subject, to the workshop.
8. The participant(s) may be informed that the workshop would have hands-on "practicum" session. During these sessions, they would be required to use the knowledge and skills taught during the workshop to develop a detailed audit plan for the above-mentioned proposed audit of procurement. While doing so, they would have the valuable opportunity to discuss ideas and experiences with the participants from the other participating SAIs, the instructors and subject matter expert available at the venue.

¹ The Workshop would be limited to procurement of goods. Procurement of services and e-procurements would be outside its scope.

Actions During the ASOSAI Workshop

9. At the end of the practicum sessions, the participants would be required to present their detailed audit plan to all present, in order to obtain further feedback and then make amendments as necessary. Participants from different SAIs may be grouped together as per categories of procurement to form small teams during the practicum phase of the workshop.

Post-Workshop Commitments and Actions

10. After returning from the workshop, the participants would have to present the above-mentioned detailed audit plan to the appropriate SAI authorities.
11. The SAI may ensure that the participants conduct the audit of procurement process with regard to the pre-selected case of procurement, based on the detailed audit plans prepared by them during the workshop. This audit may be conducted preferably within 3-4 months of completion of the workshop to enable effective transfer of learning.
12. On completion of the audits, the participants should prepare a document on "*lessons learned*", relating to the application in the audit of the knowledge and skills learned during the workshop.
13. After that, the SAI shall send (i) a report on the audit experience and SAI's comments and recommendations, and (ii) the above-mentioned "*lessons learned*" document prepared by the audit team(s). Both the documents shall be sent to the ASOSAI Training Administrator i.e. SAI-Japan (liaison@jbaudit.go.jp) If possible, relevant audit documents and audit reports may be attached to the SAIs' report to ASOSAI.
14. After the audit, the participants may also be encouraged to undertake the following further capacity-building activities:
 - Use the workshop materials and their audit experience to adapt the workshop materials to local needs and train more auditors in the SAI.
 - Develop, or revise, audit manuals and guidelines on the subject, in line with the audit approaches and practices discussed during the workshop and applied subsequently during the audit.
 - Submit articles on the workshop and audit experience to internal and/or external professional journals, including the ASOSAI and INTOSAI journals.
15. As part of the evaluation exercise, ASOSAI may subsequently request information from the participants on the actual extent of implementation of these further capacity-building actions, in order to evaluate impact of this ASOSAI workshop.

(Though this is an ASOSAI workshop, the participants are welcome to share their experiences and opinions on the IDI's electronic bulletin board available at www.idi.no/snitz. That will provide an opportunity to many other SAI staff to gain from their experience. For details on how to access the bulletin board discussion forums, please contact pritom.phookun@idi.no)

**[Please complete and return to the Administrator of ASOSAI
Training Program
before June 30, 2006, by both FAX and POST]**

Address: Board of Audit of Japan, 1-105, Kandajinbo-cho, Chiyoda-ku, Tokyo,
100-8404, Japan
Fax No.: +81-3-3292-6915

NOMINATION FORM

TITLE: Audit of Procurement Process

DATE: 7 to 18 August 2006

LOCATION: Jakarta, Indonesia

NAME OF PARTICIPATING SAI

COUNTRY

ADDRESS OF PARTICIPATING SAI

INTERNATIONAL LIAISON OFFICER OF THE PARTICIPATING SAI

Name of Person

Name of Office

Name of Position

Telephone Number

Fax Number

E-mail Address

SAIs are asked to complete nomination forms for **one** nominee. Please nominate a supervisory official who meets the criteria indicated in both "Workshop Announcement (Annex 1)" and "Pre- and Post- Workshop Commitments and Actions (Annex 2)".

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**PLEASE SEND PROMPTLY TO ADMINISTRATOR OF ASOSAI TRAINING PROGRAM
(FAX NO.: +81-3-32926915)**

1. **Participant Name:**
(Note: Please write the same name as on his/her passport, and underline family name.)

2. **Contact Address**

Name of Office

Address of Office

Telephone Number (Office)
(Home)
(Mobile)

Fax Number

E-mail Address(s)

3. **Current Position in the SAI and Its Brief Description**

4. **Sex and Date of Birth**

[] Male [] Female

Date of Birth (dd/mm/yy): _____

5. **Experience in the SAI**

A. Number of years with your SAI:

B. Previous Positions in the SAI and Brief Description of Responsibilities
(most recent to past)

(1)

(2)

(3)

C. Experience in Audit of Procurement

(1) Has your SAI conducted any audit of procurement?

[] Yes No []

(2) Has the nominee had any experience of auditing of procurement?

[] Yes No []

6. **Educational Background:**

7. **Professional Qualifications:**

8. **Training Courses Taken:**

A. Domestic Courses

B. International Courses

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OTHER CONDITIONS:

All participants must:

- **complete the specified pre-workshop commitments and actions (Annex 2)** in consultation with the appropriate SAI authorities;
- attend the whole workshop from 7 to 18 August 2006, both days inclusive;
- be physically capable of performing their respective duties during the workshop;
- ensure that they are fully briefed concerning health matters and preventive medicine necessary or recommended for the host country or countries of transit; and
- **complete the post-workshop commitments and actions (Annex 2)** within the stipulated period after returning to their SAIs.

AUTHORIZATION OF HEAD OF SAI:

I have read, understood and agreed with the terms and conditions (including requirements for reimbursement of airfare and insurance coverage) of my participant in the above mentioned Workshop, as stipulated above and in the attached documents entitled "Workshop Announcement (Annex 1)" and "Pre- and Post-Workshop Commitments and Actions (Annex 2)".

Signature (Head of SAI)

Date

PLEASE SEND PROMPTLY TO ADMINISTRATOR OF ASOSAI TRAINING PROGRAM
(FAX NO.: +81-3-32926915)