



OFFICE OF THE AUDITOR-GENERAL  
Te Mana Arotake

## 23<sup>rd</sup> Pacific Association of Supreme Audit Institutions (PASAI) Congress

Virtual from Wellington, New Zealand

22–24 June 2021

### PASAI Communiqué

1. PASAI held its 23<sup>rd</sup> Congress remotely (online) from Wellington, New Zealand from 22 to 24 June 2021. The Congress was hosted by the Office of the Controller and Auditor General of New Zealand. The theme for the Congress was “Impact through leadership”. Representatives of 25 PASAI member country, state or territory auditors attended from the Australian National Audit Office, New South Wales (Australia), Queensland (Australia), Victoria (Australia), the Cook Islands, Federated States of Micronesia (FSM) National, FSM Chuuk, FSM Pohnpei, FSM Yap, Fiji, French Polynesia, Guam, Kiribati, the Marshall Islands, Nauru, New Caledonia, New Zealand, Commonwealth of the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Observer representatives were the Accounts Chamber of the Russian Federation (Chair of INTOSAI), African Association of Supreme Audit Institutions – English Speaking (AFROSAI-E Secretariat), Asian Development Bank (ADB), Audit Office of South Africa (also representing the INTOSAI Capacity Building Committee), Australasian Council of Auditors General Secretariat, Austrian Court of Audit (INTOSAI General Secretariat), Beasley Intercultural, China National Audit Office (Secretary-General of ASOSAI), Confederation of Asian & Pacific Accountants, Pacific Delegation of the European Union, Department of Foreign Affairs and Trade (Australian Aid), ESCAP Sub-regional Office for the Pacific, Government Accountability Office USA, Graduate School USA, International Journal of Government Auditing, INTOSAI Development Initiative (IDI), New Zealand Ministry of Foreign Affairs and Trade (MFAT), New Zealand Office of the Ombudsman, Pacific Financial Technical Assistance Center (PFTAC), Turkish Court of Accounts (on behalf of Chair of EUROSAI), State Audit Office of Vietnam (Chair of ASOSAI), United Nations Development Programme Pacific Office and the World Bank.

PASAI Secretariat staff also attended.

2. SAI Heads **expressed** their deep gratitude to the Auditor-General and staff of SAI New Zealand (The Office of the Controller and Auditor-General) for making such excellent arrangements in hosting the Congress under the difficult circumstances of COVID-19.

### Impact through leadership

3. SAI Heads **concurred** with the Secretary-General’s comments that border restrictions, vaccination rollouts and political tensions continue to complicate and disrupt work in the Pacific.

4. SAI Heads **agreed** with the Secretary-General's sentiment that "Pacific auditors working together" is not just a slogan, it is indicative of the Pacific way. The ongoing support of funders and development partners was noted as critical to PASAI's ongoing success and greatly appreciated by all Congress members.
5. SAI Heads, along with all other Congress participants, **noted** the strength of the Congress agenda and the great honour of having highly esteemed keynote speakers contribute to the "Impact through Leadership" Congress theme. The contributions of the Right Honourable Helen Clark, Mr Ed Olowo-Okere and Dr Siouxsie Wiles were recorded as particularly valuable perspectives from fields relevant to SAIs across the region.
6. SAI Heads were **encouraged** by guest speakers (serving and former distinguished New Zealand parliamentarians) of the importance of their financial and political independence, vital to their important role in providing citizens with assurance on how public funds are spent, building trust and confidence in the public sector.
7. SAI Heads **appreciated** the offer of New Zealand Speaker of the House of Representatives, the Right Honourable Trevor Mallard, to consider New Zealand Parliament as an ally in the pursuit of SAI independence.
8. SAI Heads **agreed** with the sentiments expressed by the New Zealand Minister for Pacific Peoples and Associate Minister for Foreign Affairs, the Honourable Aupito William Sio. The Minister noted that COVID-19 has forced the Pacific to focus on our local region and that as stewards of our time we must leave the world in a better place for future generations by strengthening governance and accountability for public funds in the Pacific region.
9. SAI Heads **heard** leadership insights from the former Prime Minister of New Zealand and former Administrator of the United Nations Development Programme (UNDP), the Right Honourable Helen Clark. The work of a SAI is essential in promoting good governance. As vital integrity building institutions, SAIs need to strengthen their role to demonstrate the value they bring to citizens through improving accountability and transparency in the public financial management system.

#### **Secretariat work over the 2020–21 year**

10. SAI Heads **welcomed** Esther Lameko-Poutoa, as new PASAI Chief Executive, to her first Congress following her start with PASAI in June 2020. SAI Heads joined with the Secretary-General to **acknowledge** the former Chief Executive, Tiofilusi Tiueti for steering PASAI so well during his time in the role. The Secretary-General noted that the Governing Board and Congress members are delighted to retain Tio as Director Technical Support.
11. SAI Heads **noted** that to strengthen SAI independence (Strategic Priority 1) the Secretariat collected, reviewed, and analysed the SAI Performance Measurement Framework (PMF) assessments on independence and are monitoring progress at the SAI level. The Secretariat delivered presentations to SAIs and Public Accounts Committees and published original blog posts advocating for independence. It conducted five popular training workshops to equip SAIs to improve communications with stakeholders including Parliament, the judiciary, the Executive, media, citizens, and civil societies.

12. SAI Heads **noted** that to advocate to strengthen governance, transparency and accountability (Strategic Priority 2) the Secretariat developed and circulated a series of blogs covering the areas of SAI relevance and responsiveness to stakeholder interest as they seek to combat COVID-19, public procurement, cyber security, gender, audit with a gender focus, digital literacy, wellbeing and productivity, environmental audit and improving audit impact with multimedia. PASAI also worked in collaboration with the Pacific Islands Forum Secretariat (PIFS) on the Public Financial Management Governance Project Steering Committee and with PFTAC relative to the Cook Islands Public Expenditure and Financial Accountability (PEFA) assessment.
13. SAI Heads **noted** that to achieve high quality audits on a timely basis (Strategic Priority 3) the Secretariat released manuals and conducted trainings for the main audit streams: performance audit, financial audit, and compliance audit. It provided consultants to update the financial statements of government (FSG) audit backlog for two SAIs, leaving only four with an FSG audit backlog. It delivered training workshops and provided support to SAIs on establishing Quality Control and Quality Assurance Systems and completing Peer Reviews for audit work. These are all tools SAIs can use to ensure audits are done in line with international audit standards and ensuring improved audit quality.
14. SAI Heads **noted** that to enhance SAI capacity and capability (Strategic Priority 4) the Secretariat supported the completion and release of SAI PMF reports for four countries. It provided support for SAIs without strategic plans and delivered the Human Resource Management (HRM) Course, in conjunction with the Swedish National Audit Office, assisting SAIs to develop and implement appropriate HRM strategies to retain and sustain expertise at the SAI.
15. SAI Heads **noted** the Secretariat successfully transitioned to the virtual delivery of its programmes and activities, developing and delivering 12 training workshops since the launch of its Learning Platform in November 2020.
16. SAI Heads **noted** that a total of 529 participants (237 male and 292 female) received training or capability-building support through PASAI for the period 1 July 2020 to June 2021.

#### **Development Partner updates**

17. SAI Heads **acknowledged** PASAI's development partners (the INTOSAI Development Initiative, the New Zealand Ministry of Foreign Affairs and Trade, the Australian Department of Foreign Affairs and Trade, the European Union, the United Nations Development Programme and the World Bank) for both financial and moral support.
18. SAI Heads **welcomed** the appreciation of and affirmation of support for PASAI's work from the development partners.
19. SAI Heads **noted** 12 SAIs in the Pacific have signed up relevant staff to the INTOSAI Development Initiative (IDI) Professional Education for SAI Auditors – Pilot (PESA-P).
20. SAI Heads **acknowledged** the importance of building partnerships and the ability of the Development Partners and other stakeholders to increase attention to issues such as SAI independence and anti-corruption work.

## SAI leadership opportunities and challenges

21. SAI Heads **shared** that among the challenges faced over the last year were financial/funding/budget issues, difficulties in staff retention and general resource (such as IT) issues. SAIs emphasised that opportunities included conducting audits in new and innovative ways and rising to the requirements for increased scrutiny demanded by additional government expenditure on COVID-19.
22. SAI Heads **noted** the following points raised in a panel discussion involving SAI NZ Auditor-General, John Ryan; SAI South Africa Auditor-General, Tsakani Maluleke; former SAI Guam Public Auditor, Doris Flores Brooks; former SAI NZ Auditor-General, Lyn Provost CNZM; Prime Minister of Tonga and former Auditor General Hon Rev Dr Pohiva Tu'i'onetoa; and former SAI NZ Auditor-General, Kevin Brady CNZM:
  - female leaders face unique challenges, but organisations benefit from increasing the proportion of women in senior leadership positions. To do this requires a concerted effort from all SAI leaders.
  - elected SAI Heads face unique challenges in the performance of their duties.
  - paying attention to cyber security will only become more important in future.
  - the importance of quality control systems to achieving audit quality.
  - the International Auditing and Assurance Standards Board (IAASB) recently issued guidance and example on extended external reporting.
  - the value for small, isolated SAIs that is gained through the region working together which has been achieved because of the evolution of PASAI into the organisation it is today.
23. SAI Heads and stakeholders **appreciated** the historical information on the origin of PASAI. Evolving from a Head of Audit Offices conference in 1973 to SPASAI in 1986 then PASAI in 2008. With the establishment of the PASAI Secretariat in Auckland, New Zealand in 2009 PASAI has broadened the learning platform and knowledge sharing space in building capacities and developing capabilities of SAIs.<sup>1</sup>
24. SAI Heads **noted** the importance of working together for the greater good. The ongoing support to address audit-related issues and their impact on Pacific Island nations including a focus on building audit capability of SAI staff was noted as critical.
25. The Congress **noted** the 10<sup>th</sup> anniversary of the establishment of PASAI in its current form and the significant progress that had been made over that period.

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<sup>1</sup> Panel members provided a recap of the historic journey of PASAI. The Secretariat was originally known as the Conference of Head of Audit Offices in the South Pacific with the first conference held in Suva, Fiji in 1973. In the early days, the focus for SAI Heads in the South Pacific was to share their audit experiences and issues to help each other to deliver their audit mandate while finding ways to build staff capability. This was vital given the limited capacity of audit staff and the lack of resources available for SAIs. Tonga hosted the 5th conference in 1985 in which and INTOSAI representative Dr Webber was invited to brief the host and conference attendees on the process required to become a regional working group of INTOSAI. Tonga took up the post of Secretary-General for this purpose. In 1986 at the 12th INCOSAI held in Sydney, Australia, SPASAI was founded as a regional working group of INTOSAI. The first SPASAI Congress was held in 1988 in Port Vila, Vanuatu where the Head of SAI Tonga was appointed as the first Secretary-General of SPASAI, holding this post till 1994 after which the Secretary-General position was held by New Zealand.

## **The role of SAIs in the public financial management system**

26. SAI heads **noted** the important role of SAIs in the public financial management (PFM) system, and the increased importance of timely audits in the face of increased government expenditure in response to COVID-19. SAI Heads **heard** the call from the Global Director, Governance Global Practice, the World Bank Group for SAIs to take up the important deterrent role through support to PFM systems to maintain accountability and transparency and respond to the growing demand for trusted information from legislature and citizens.

## **Communicating complex ideas to the public**

27. SAI Heads **learnt** strategies to enhance the impact of their communications with citizens from Associate Professor at Auckland University and New Zealander of the Year, Dr Siouxsie Wiles. She advised it is best to provide information in short, understandable parts, make it engaging and ideally shareable. She **encouraged** SAI Heads with less experience in external communication to start with smaller events and opportunities in the community and to focus on explaining why the information they have to share is of value for the audience.

## **PASAI general business**

28. SAI Heads **recognised** the recommendations provided to Congress by PASAI's Governing Board that held its 26<sup>th</sup> meeting remotely (online from Auckland, New Zealand) on 11 June 2021.

29. SAI Heads **confirmed** the minutes of previous Congress Business Session (13 and 16 August 2019) and Annual General Meetings (13 August 2019 and 4 September 2020). SAI Heads **noted** the date of the next Annual General Meeting of PASAI Incorporated is Friday 10 September 2021.

30. SAI Heads **noted** the report backs from representatives on regional and international committees and working groups.

31. SAI Heads **appointed** SAI Tonga to represent the Polynesian group on the Governing Board for another year.

32. SAI Heads **appointed** SAI Vanuatu to a three-year term to represent the Melanesian group on the Governing Board, replacing SAI Solomon Islands.

33. SAI Heads **appointed** SAI Kiribati to a three-year term to represent the Micronesian group on the Governing Board, replacing SAI Pohnpei.

34. SAI Heads **appointed** SAI New Caledonia to another three-year term to represent the 'Other' group on the Governing Board.

35. SAI Heads **endorsed** the continuation of Fuimaono Camillo Afele, SAI Samoa, as PASAI Representative on the INTOSAI Governing Board for another three-year term from 2022 to 2025. Congress may consider rotation of the role after 2025.

36. SAI Heads **noted** the Chief Executive's report for the period July 2020 to May 2021.

37. SAI Heads **approved** the PASAI Operational Plan 2021–22 and the Budget Forecast for 2021–22.

38. SAI Heads **agreed** to place on hold the previously agreed increase of PASAI membership fees from \$5,200 to \$8,000 scheduled for 1 July 2023. This is because the budgets of many SAIs have been cut due to COVID-19 with possible enduring financial constraints. SAI Heads **agreed** to reconsider a proposed increase at the next Congress when the economic impacts of COVID-19 are more apparent.
39. SAI Heads **reaffirmed** the PASAI Secretariat office to remain in New Zealand to 2024. SAI Heads **agreed** that if relocation of the PASAI Secretariat is desired by Congress, a three-year period of planning for the transition would be necessary. SAI Heads **agreed** the Secretary-General role is best linked to the country that hosts the Secretariat, although is not a requirement of the Charter. SAI Heads **agreed** to revisit the issue of relocating the Secretariat at the next in-person Congress.
40. SAI Heads **confirmed** the designation of SAI New Zealand as Secretary-General of PASAI until 30 June 2024.
41. SAI Heads **noted** the appointment of Beasley Intercultural to provide a comprehensive, 18-month leadership programme for SAI Heads. The launch of this programme marks a new phase of PASAI's programmes focused specifically on leadership training for SAI Heads. Beasley Intercultural will deliver a multi-phased, leadership programme including monthly group sessions and coaching in smaller cohort-based groupings.

#### **Host of the next PASAI Congress**

42. SAI Heads **confirmed** SAI Palau will host the 24<sup>th</sup> PASAI Congress in 2022, pending the removal of pandemic-related travel restrictions.

Wellington, New Zealand  
1 July 2021