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## Vanuatu catches up on WOG

With the aim to give technical assistance and support to the National Audit Office of Vanuatu, the Pacific Association of Supreme Audit Institutions (PASAI) provided the services of a technical advisor to assist the SAI in terms of quality control in the Whole of Government (WOG) audit.

From April 10-14, 2017, Mr. Henry McGregor, a consultant from South Africa, provided support and assistance through the review of the working papers, on-the-job support, and provision of suggestions on how the current audit processes and team mate usage could be improved. The engagement is ongoing and a final review of audit work

will be conducted at the end of June 2017.

Among the suggestions, the SAI will work on improving and standardizing the audit processes and review technical components on the WOG audit in order to comply with the ISSAI's, with the view of catching up on the backlog of audits currently outstanding.

The SAI is grateful for the support provided by PASAI and Mr. McGregor. We are looking forward to the ongoing engagement with the goal that this will strengthen the SAI in promoting good governance through auditing.



Photo above: Mr Henry McGregor with some of the staff of the National Audit Office of Vanuatu Office in Port Vila.

## Tonga Office of the Auditor-General (TOAG) - TeamMate Efficiency Review

The Tonga Office of the Auditor-General (TOAG) introduced TeamMate in July 2015. Since the initial TeamMate implementation, the office has been transitioning its financial statements, performance and compliance audit processes to TeamMate. Recently with the support of PASAI, a three-day TeamMate champion refresher training course was organised and a high-level TeamMate Efficiency Review was conducted.

The TeamMate Efficiency Review focused on ensuring that TeamMate is configured to meet the requirements and needs of TOAG. In particular, TeamMate as a tool adds value to efficiency and effectiveness of planning, execution and reporting of each audit. It is natural for an audit function's practice and needs to evolve over time. This is often due to changes that can be driven by strategic initiatives, governmental and regulatory conditions. Similarly, it is quite common for an organization's configuration and use of TeamMate to lose alignment with changes in their current practices, as well as alignment of organisation capabilities with that of TeamMate. This review looked at this aspect as well.

The outcome of the three-day TeamMate champion training sessions is that champions have gained a greater understanding of the TeamMate suite capability and options, to integrate into daily auditing practices.

TOAG acknowledges the generous support of the development partners, especially the Australian Department of Foreign Affairs and Trade (DFAT) through their close partnership with PASAI and the availability of the TeamMate expert, Mr Vance Hetariki, making it possible for TOAG to have this opportunity to improve the knowledge base and skill of its senior operational staff. The participants have benefitted from this efficiency review with improved knowledge and skills on TeamMate, thus they are in a better position to improve delivery of more efficient and effective outputs, in promoting transparency, accountability and integrity in the public sector and ultimately yield benefits for the people of Tonga.



Mr Vance Hetariki (TeamMate Expert – sitting in front) with the TeamMate Champions and participants of the TeamMate Efficiency Review, Tonga Office of the Auditor-General



## Twinning is winning for our PASAI Members

Twinning Arrangements between ACAG and PASAI Members have been a successful way to help SAI members meet their mandates of completing Whole of Government account audits. The sharing of knowledge, best practice and lessons learnt between the two SAIs has been invaluable in supporting, strengthening and improving audit functions within each SAI.

Below is a snapshot of our current twinning arrangements for 2017.

ACAG Members	PASAI Members
Australian National Audit Office (ANAO)	Papua New Guinea Auditor's General Office (PNAGO)
Australian Capital Territory (ACT) Audit Office	Kiribati National Audit Office (KNAO)
The Audit Office of New South Wales	Solomon Islands Office of the Auditor-General
New Zealand Office of Controller and Auditor-General	Samoa Audit Office, Cook Islands Audit Office
Queensland Audit Office (QAO)	Vanuatu Office of the Auditor-General
South Australian Auditor-General's Department	Tonga Office of the Auditor-General
Tasmanian Audit Office	Fiji Office of the Auditor-General
Victoria Auditor General's Office (VAGO)	Nauru Department of Audit, Tuvalu Office of the Auditor-General

## PASAI Secretary-General visits the Secretariat

PASAI Secretary-General, Mr Martin Matthews, held a meeting with the Secretariat staff on 12 April, 2017 in his first visit to the PASAI Secretariat office in Auckland since taking up the Secretary-General role in February 2017.

Mr. Matthews shared some great insights on leadership with valuable encouragement for the Secretariat staff on their work for the region. In turn, staff briefed the Secretary-General on PASAI programmes under each respective strategic priority. The meeting was concluded with a lunch hosted by the Secretariat.



Photo left:  
Mr Matthews  
(second from  
left) with the  
Secretariat staff

## SAI Vanuatu currently undertaking ICDL online course

The Vanuatu National Audit Office staff started the International Computer Driving Licence (ICDL) online course in February 2017. The staff feel fortunate and so excited to be part of this.



ICDL Courseware is comprised of the Courseware Base, Advance Courseware and Courseware Intermediate of Microsoft Office. This online course has been a great opportunity and a good learning experience for the auditors to familiarise themselves with the Microsoft Office features, and the skills learned will be utilised to improve the audit work.

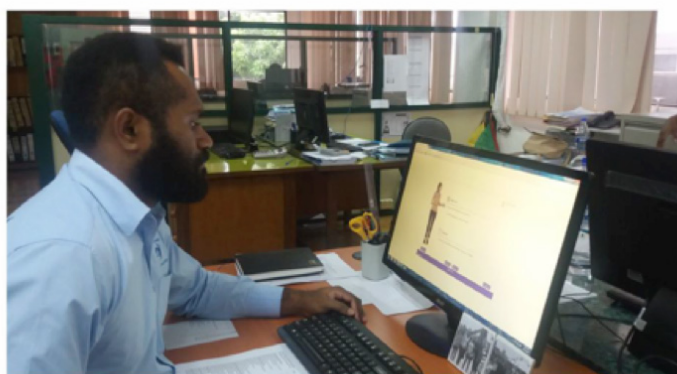
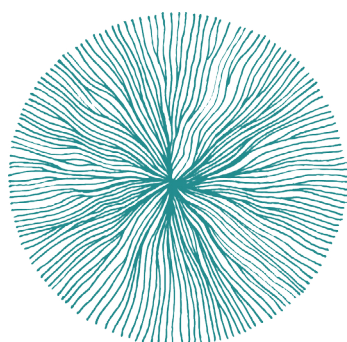
Some of the staff commented,

*"I definitely enjoy the ICDL online course. The instructions are very clear and each section is short and not time consuming hence very convenient. I especially love the fact that the modules are presented using the same MS Office that my current computer uses, making it easier for the lessons learnt to be put into practice. I have also equipped myself with new found skills in MS Word and Excel that I was not aware of before I started this course."*

*"I started the ICDL course with the Advance Spreadsheet exercises and I must say that before the course I had no idea what most of the symbols on the menu bar of an excel spreadsheet was meant for. By undertaking this ICDL course it has helped me in discovering new convenient ways of using the Microsoft Office features for day-to-day tasks. The hands-on practical exercises were very good and the knowledge that I gain from this course will help me in the work that I do as an auditor."*

*"Each module is very well delivered and the presenter has a good speaking and teaching style. The slides are well formulated and easy to understand. The Presenter has a firm grip on the content of each module which we considered as an advantage in continuing with this course. Overall the course content is precise and it is well presented in an intelligent and interesting manner."*

However, a challenge the auditors are currently facing is time constraint when the work load is at high peak. Due to limited staff, the time allocated to do this online course has to be forgone for another audit task. But this did not stop the auditors from doing the online course and keeping up with the training schedule during their free time.





# CPA Australia – Launch of Oceania Regional Scheme

CPA Australia has formally launched the Oceania Regional Scheme to assist nationals from select countries to access a subsidised pathway to become a CPA. With a view to positively contribute to the continual development of the accountancy profession in the broader South Pacific region, CPA Australia encourages those within the Accountancy and Finance fields to take advantage of this offer.

CPA Australia is committed to supporting the development of the accounting and finance profession across the Broader South Pacific region. They are invested in providing opportunities for all prospective candidates to access both the CPA Programme and appropriate professional development – to this end they are encouraged by the prospect of working closer with organisations such as PASAI.

For further details including a list of the countries eligible and the Expression of Interest form, please visit: <https://www.cpaaustralia.com.au/cpa-program/cpa-program-candidates/oceania-regional-scheme>

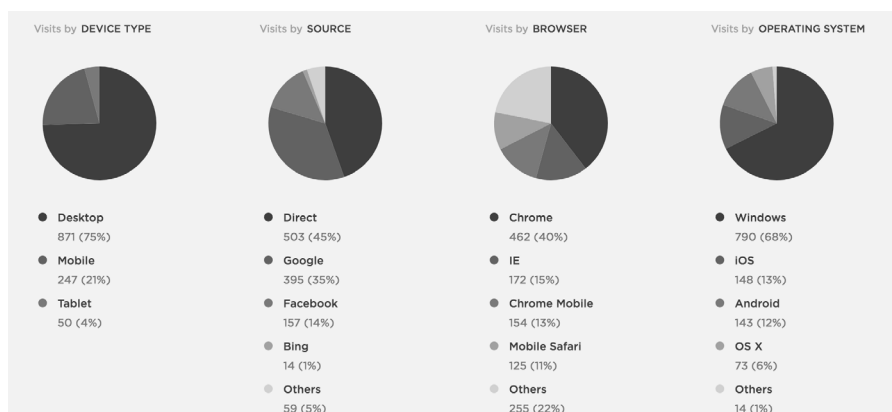
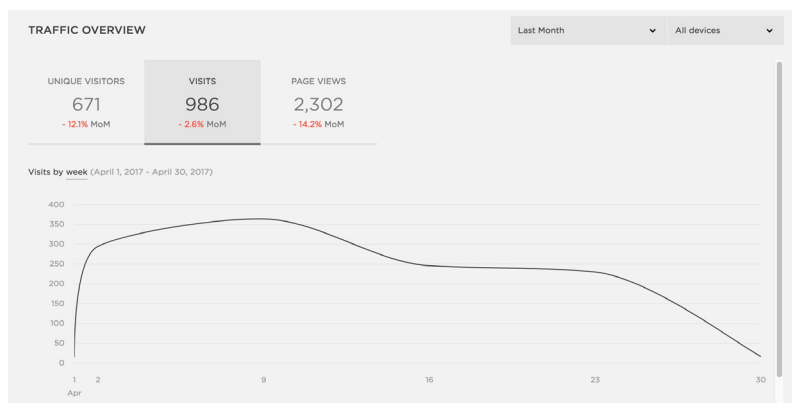
## PASAI Website Statistics and Traffic

Here is a screen shot of our current website analytics overview:

### THE DATA BREAKDOWN for April 2017

as seen in this image - is as follows:

- **UNIQUE VISITORS:** (the number of individuals that used the website over the month) = 671
- **VISITS** (the number of times the website was visited) = 986
- **PAGE VIEWS** (the number of pages that were viewed by unique users) = 2,302



### Other interesting things to note for April were:

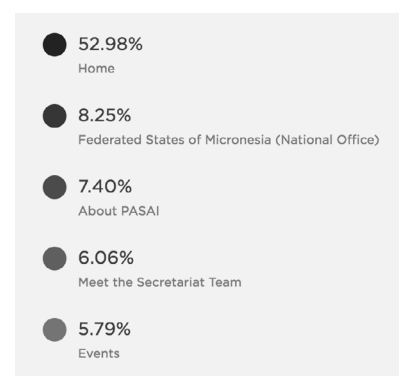
40% of viewers were using the Google Chrome Browser  
15% of viewers were using the Internet Explorer  
13% of viewers were using Chrome Mobile

68% of viewers were using the Windows Operating System  
13% of viewers were using OSX  
14% of viewers were using Android

75% of people visited the PASAI site on their desktop  
21% of people visited the PASAI site on their mobile phone

### POPULAR CONTENT:

It seems the most popular content on the site for April, after the home page is the FSM page followed by the ABOUT PASAI page.





# TECHNICAL SUPPORT UPDATE #04/2017

This is a *new section* which commenced in January 2017 and alerts our members to (i) changes in International Standards of Supreme Audit Institutions (ISSAIs) due to updates or amendments to International Standards of Auditing (ISAs) or changes in professional standards which will affect the Generally Accepted Auditing Standards (GAGAS) and (ii) any other relevant issues or matters of interest that may impact on SAI member's ability to fulfill their audit mandates.

This update is not meant to be exhaustive and reading this update is not a substitute for reading and fully understanding the requirements of ISSAIs or GAGAS. This update also does not address the responsibilities of the auditor that may exist in law, regulation or national standards, which may contain requirements in addition to those established by these standards.

## IAASB: A Framework for Audit Quality – Key Elements that Create an Environment for Audit Quality

### Major changes to the Yellow Book is occurring in 2017

The U.S. Government Accountability Office (GAO) invites comments on the proposed changes to *Government Auditing Standards*, commonly known as the Yellow Book. GAO first issued the standards in 1972. The 2017 exposure draft is a modernized version of *Government Auditing Standards* that takes into account developments in the auditing, accountability and financial management professions. Some of the major proposed changes from the 2011 revision include the following:

1. Chapters are presented in a revised format; chapters are reorganized and realigned; and supplemental guidance from the 2011 appendix is removed or incorporated.
2. The independence requirements of the auditor when the engaging party differs from the responsible party are further explained, and examples of when this could occur are provided. Also, guidance related to professional services in government is further explained, and examples are provided.
3. Standard is expanded to state that any services performed by auditors related to preparing accounting records and financial statements, other than those defined as impairments to independence, create significant threats to auditors' independence and that auditors should document the threats and safeguards applied to eliminate and reduce the threats to an acceptable level or decline to perform the services.
4. The requirements for continuing professional education (CPE) are revised to promote greater proficiency in generally accepted government auditing standards (GAGAS). This includes (a) introducing a new 4-hour CPE requirement in GAGAS topics, required each time a new version of GAGAS is issued; (b) providing application guidance about the CPE topics required under the 80-hour GAGAS CPE requirements; and (c) detailing exemptions that may be granted to auditors in certain circumstances.
5. The standards for peer review are expanded and include new requirements and guidance on various areas, such as directing audit organizations to comply with the requirements of certain recognized peer review organizations for audit organizations affiliated with such peer review organizations.

*“Financial information should be relevant, timely and reliable to meet the needs of users. National laws and regulations, as well as an entity’s stakeholders, often require an external audit of some elements of the financial information to give users confidence that the information can be trusted. For an external audit to fulfill its objective the users of audited financial statements must have confidence that the auditor has worked to a suitable standard and that “a quality audit” has been performed” –*



# TECHNICAL SUPPORT UPDATE #04/2017

6. Standard is expanded to define waste and add requirements for reporting or communicating waste that auditors become aware of during audits.
7. Statement on Standards for Attestation Engagements No. 18, *Attestation Standards: Clarification and Recodification*, and Statement on Standards for Accounting and Review Services No. 21, section 90 (*Review of Financial Statements*), are incorporated into GAGAS for auditors conducting attestation engagements and reviews of financial statements, respectively.
8. Internal control requirements and guidance are updated to align with the revised *Standards for Internal Control in the Federal Government and Internal Control – Integrated Framework*.

GAO is requesting comments on this draft from federal, state, and local government officials; managers and auditors at all levels of government; the public accounting profession; academia; professional organizations; public interest groups; and other interested parties. To assist in developing comments, specific questions are presented in enclosure II of the 2017 exposure draft. Please associate comments with specific references to question numbers in the enclosure, paragraph numbers in the proposed standards, or both and provide your rationale for any suggested changes, along with suggested revised language. All comments received from the public will be considered a matter of public record and will ultimately be posted on the GAO website.

Please send your comment letters to GAO's Yellow Book Comments inbox [YellowBookComments@gao.gov](mailto:YellowBookComments@gao.gov) **no later than July 6, 2017**. For more information, contact James R. Dalkin at (202) 512-9535 [YellowBookComments@gao.gov](mailto:YellowBookComments@gao.gov).

## IAASB: A Framework for Audit Quality – Key Elements that Create an Environment for Audit Quality

The term 'audit quality' is a complex subject and is frequently used in debates among stakeholders, standard setters, audit firms, SAIs and others in research and policy setting. The IAASB has developed a framework that describes the input, process and output factors that contributes to audit quality for financial statement audits at the engagement, audit firm, and national levels.

This Framework document can be found on the IFAC website [www.ifac.org](http://www.ifac.org) or you can contact PASAI Secretariat for a copy.

This Framework is in the public interest as it will help auditors to fully understand the fundamentals of the profession you are working in and encourages SAIs to reflect on how to improve audit quality and better communication information about audit quality.

Always remember to refer to the ISSAIs or ISA's or GAGAS that refers to Audit Quality throughout the conduct of an audit.

### For more Information or should you require any Technical Support:

 Contact PASAI's Director of Technical Support  
**[agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org)**  
 + 64 9 304 1892

Visit AICPA (American Institute of CPAs-Auditing Standards Board)  
Visit GASB (US Governmental Accounting Standards Board)  
Visit GAO (US Government Accountability Office)  
Visit IAASB (International Auditing and Assurance Standards Board)  
Visit IFAC (International Federation of Accountants)  
Visit IPSASB (International Public Sector Accounting Standards)  
Visit ISSAI (International Standards of Supreme Audit Institutions)

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**[www.issai.org](http://www.issai.org)**

# PASAI CALENDAR

## THE NEXT SIX MONTHS

- **15 – 19 May:** SAI PMF Peer Review, Guam and Yap
- **22 – 26 May:** Technical SAI Support (WOG), Nauru
- **29 – 31 May:** Enhancing Effective Communications for Head of SAs – a regional leadership programme, Nadi, Fiji
- **29 May – 9 June (2 weeks):** Technical SAI Support (Performance Audit), Kiribati
- **5 – 9 June:** Communications Training, Solomon Islands
- **16 June:** Regional IPSAS e-course ends, Online
- **19 – 23 June:** Technical Support (WOG), Vanuatu
- **26 – 30 June:** Communications Training, Tuvalu
- **19 - 23 June:** 6th CPA SDG Preparedness Design Meeting, Auckland NZ  
PASAI project review team and IDI
- **24 July – 28 July:** SAI PMF Peer Review, FSM National
- **7 August:** 17th Governing Board Meeting, Funafuti, Tuvalu
- **8 – 11 August:** 20th PASAI Congress, Funafuti, Tuvalu.
- **21 – 25 August:** APIPA Congress, Majuro, Marshall Islands
- **28 August – 1 September:** SDGs Preparedness Information Session – Joint Regional Workshop, Majuro, Marshall Islands
- **18 – 22 September:** Co-ordinated Financial Audit Workshop (PAIP), Suva, Fiji
- **21 – 24 September:** Capacity Building Committee meeting and Donor Co-operation Steering Committee meeting, Washington DC, USA.
- **2 – 6 October:** SAI PMF Phase II Performance Analysis meeting, Majuro, Marshall Islands
- **9 – 13 October:** SAI Fighting Corruption and Fraud Awareness regional workshop, Koror, Palau.
- **16 – 20 October:** Regional Programme – Achieving effective quality assurance in SAs, Port Vila, Vanuatu

**For further information, contact the PASAI Secretariat: Email: [secretariat@pasai.org](mailto:secretariat@pasai.org)  
Telephone: +64 9 304 1275 Fax: +64 9 307 9324**

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