



PASAI BULLETIN

Pacific Auditors working together

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Tuvalu's new Audit Act leads the way in strengthening SAI independence

The Journey

PASAI encourages and supports its members to become independent and sustainable institutions that make a difference to the quality of public sector governance and service delivery for the benefit of their people. The SAI of Tuvalu has significantly increased its statutory

independence with the recent passing of its new Audit Act 2016. The new Act meets many of the principles of SAI independence under the Mexico Declaration on SAI Independence (ISSAI 10). In particular, it provides financial independence for the Tuvalu Office of the Auditor-General (TOAG) through a mechanism that places the funding of the SAI under the control of the Parliament – a significant achievement for both Tuvalu and the Pacific SAI community. Additionally to further ensure the independence of the TOAG, there is a requirement that a minimum of 0.7% of the total annual appropriation (Parliament approved expenditure for the year) is to be provided to the TOAG.

The Government of Tuvalu and its Parliament are to be congratulated for recognizing the need for this reform, and for acting to update the legislation in the manner encouraged by the resolutions of the United Nations General Assembly in 2011 and 2014. The resolutions stressed the importance of a strong, properly resourced, and independent SAI in improving transparency, accountability and value for money to ensure that public funds are appropriately spent.

TOAG began its journey towards independence through discussions with other SAls during PASAI Congresses. "The Office learnt during the implementation of its old Audit Act that it was out of date and lacked appropriate independence mechanisms for the SAI. PASAI's 2015 Accountability and Transparency study included Tuvalu in the in-depth research, and identified the need for the SAI to update its Audit Act" stated Mr Eli Lopati, Auditor-General of Tuvalu.

PASAI's Legal Consultant, Mr Robert Buchanan, was instrumental in helping the TOAG to review the existing Audit Act and propose drafting of the new legislation, with the TOAG also receiving support and assistance from its twinning arrangements with the Victorian Auditor-General's Office (VAGO). The review of the existing Act was undertaken against the Mexico Declaration and best practice clauses from other legislation around the Pacific region. It also used the results of a self- assessment of the SAI's independence under the SAI PMF performance management system¹. The drafting also drew on the legislation of Western Australia, which was assessed as having the best "follow the money" clause from the Survey on Australian Auditors-General².

The revised draft Audit Bill was then prepared based on the recommendations from the review, and was discussed with and reviewed by the Attorney-General on a line by line basis. The Prime Minister was consulted extensively as the sponsor for the Bill, who supported the reasons for the reform (including the benefits of bringing Tuvalu's legislation into line with international good practices). Cabinet approval was then sought for the Bill to be introduced in Parliament.

The Bill went through the normal legislative process. Following the first reading, it was presented for the second reading. The Prime Minister presented some amendments in the "Parliament-in-Committee" stage, and these were adopted. The Bill was then given its third reading and was passed. At the time of writing, it is waiting on Royal Assent from the Governor-General.



Photo above left - Tuvalu Government Building | Photo above right - L to R: Mr Eli Lopati, Auditor-General of Tuvalu, Mr Tony Prcevic, Technical Advisor.

The Challenges

The journey for TOAG in achieving this legislative reform was not straightforward. There were many challenges along the way, which included:

- Limited understanding within the Tuvaluan Government of the role and importance of an independent SAI in the public financial management system, including the significance of the international principles on SAI independence which were influencing the TOAG in its reform proposals.
- Applying the international principles, and precedents from other jurisdictions, in a manner consistent with Tuvalu's national institutional structures and circumstances (including its small size).
- How to increase the independence of TOAG from the executive government (for example in terms of procurement and management of staff) in a manner that did not conflict with other legislation applying to government agencies. This was overcome by establishing the TOAG as a statutory body separate from the Government of Tuvalu, thus providing a basis to be exempted from the Government's procurement and recruitment requirements.

¹ PASAI and the INTOSAI Development Initiative (IDI) are currently piloting a reduced version of the SAI PMF tool (to be known as the SAI PMF Lite) with a number of Pacific SAIs, including that of Tuvalu.

² See Independence of Auditors General –Survey of Australian and New Zealand audit legislation <http://www.acag.org.au/Independence-of-Auditors-General-in-ANZ-2013.pdf>.



“The time required to perform the legislative change process should not be under-estimated. The review and consultations take up a large amount of time, sometimes with the feeling that you are not getting anywhere,” said Mr Tony Prceovich, Technical Advisor, TOAG.

The best approach to getting legislative support and buy in to strengthening SAI independence

The Tuvalu experience highlights some key lessons for obtaining legislative support and buy in for strengthening SAI independence. A key objective is to ensure that the review of the Act is part of the strategic plans of both the SAI and the Government, and therefore aligned with Government priorities. In Tuvalu, this made it easier to convince stakeholders that a change was required. As a result, the Government had an interest in ensuring that the review was completed in order to demonstrate progress against its strategic plan.

Secondly, without the support of the Attorney-General, it was unlikely the revised legislation would be supported. The Attorney-General in Tuvalu has oversight of the process of drafting government legislation. TOAG spent extensive time with the Attorney-General discussing the draft provisions sentence by sentence in order to gain her support. The meetings commenced with the TOAG saying “we want your support. If there is any reason why the Government will not support this reform, let us know the reason and we will negotiate”, says Mr Prceovich.

Thirdly, working collaboratively is the best approach as it means working as one team rather than against each other. This included having representatives of the Attorney-General meet alongside the TOAG with the Prime Minister (the sponsor of the Bill) to ensure that the Prime Minister could feel comfortable that the Attorney-General had reviewed and endorsed the Bill.

The benefits for the TOAG

The new Audit Act will benefit the TOAG including:

1. being able to independently manage staff including hire, dismissal, rates of pay and staff structure, without influence by the Government;
2. having an independent budget, with the Public Accounts Committee (a parliamentary Standing Committee) reviewing and approving the budget of the TOAG, rather than the Government;
3. having a minimum budget for the TOAG of 0.7% of total Appropriation (Parliament authorised expenditure of the Government) for the year;
4. having enhanced accountability of the performance of the TOAG to Parliament (including reporting annually on the TOAG's performance);
5. having follow the money powers, allowing the TOAG in relation to an audit or inquiry to have full and free access to information, public money and public assets which are in the control of any person, even if they are not a public sector entity;
6. having the power to report to anyone, increasing our ability to effect change;
7. being able to perform inquiries into any matter concerning the Tuvalu Government or a public sector entity's use of its resources; and
8. being able to perform procurement activities for the TOAG in an accountable manner independent of Government influence.

Lessons learnt and shared

Key lessons learnt for sharing with our PASAI members and INTOSAI Community by Mr Eli Lopati, Auditor-General of Tuvalu, and Mr Tony Prcevich, Technical Advisor:

1. Know what you want and what is likely to be accepted in your country.
2. Use PASAI and their experience as early as possible in the process.
3. Take best parts of other countries' legislation and use where applicable. *The Independence of Auditors General –Survey of Australian and New Zealand audit legislation* was very useful in highlighting best practice in our region.
4. Be prepared for countless revisions. Make sure that you use version control.
5. Ask reviewers to make suggestions in track changes rather than making comments. This makes it easier to follow.
6. Use the compare function in Word to merge changes people have made into the one document.
7. Understand why someone is objecting to the Bill and ask them what you can do to obtain their support. Don't fight them, work with them.
8. Ensure that the recommendations for changes are appropriate to your country. What may work in a big country may not be appropriate for a small country like Tuvalu.
9. Think of alternative ways to achieve the same outcome. There may be an easier way. This was the case with ensuring our independence from government procurement rules and gaining autonomy in the management of staff. Instead of proposing amending other legislation, which would have not have been agreed to because other ministries would have to agree, we convinced the Government to establish the Office as a separate statutory entity. Having a separate institutional form also makes it considerably easier to align with the Mexico Declaration principles.
10. Understand the Parliamentary process and the way legislation is developed and enacted in your country.
11. It will take longer than you think, so keep on plugging away as it is all worth it.

Principle 2 of the Mexico Declaration was not able to be fully achieved in Tuvalu, as the Constitution of Tuvalu does not define a fixed term for the Auditor-General. The TOAG was unable to suggest legislating a fixed term for the Auditor-General in the revised Audit Bill, as the change would be contrary to the Constitution of Tuvalu. This will potentially be overcome in the next two years as Tuvalu has commenced a Constitutional review and the TOAG will make a submission recommending this change.

If you have any questions or want guidance, please contact us at the PASAI Office, you can also find useful guidance on the PASAI independence resource kit on www.pasai.org



Demonstrating Ongoing Relevance is Key to SAI Sustainability

Contributed by: Geraldine Demapan Tenorio, Audit Supervisor

Having a strong legal framework in place allows our SAI to fulfill our mandates and report how well government is spending taxpayer dollars. The Office of the Public Auditor of the Commonwealth of the Northern Mariana Islands (CNMI) recently adopted its own procurement regulations providing SAI CNMI a step closer to gaining greater independence. This will provide us more autonomy from the central government in carrying out our own procurement of goods and services. We are one of a few SAIs that have guaranteed funding through our Constitution and our enabling legislation. However, this can change at any time if the public feels we are no longer fulfilling that role.

Our office is made up of 12 staff members of which five perform audits and four perform investigations. In our best year, we had a total of 33 employees. Attracting and retaining staff has been one of our biggest challenges and this is also true for other SAIs. We may not always be able to attract and retain staff with higher compensation, but we may be able to demonstrate the significance of the work we do in hopes that they continue work for our SAI.

For this reason, I want to refer to ISSAI 12 and how it emphasizes the important role that SAIs play in making a difference in the lives of citizens. This recognition is becoming more widespread and evident in the changes undertaken by each SAI in the last decade. As we are looked upon to carry out a wider range of responsibilities, we must continuously prioritize current and future engagements and seek other funding sources, because additional resources are never a guarantee from our local governments.



Photo - OPA Audit Team.

Therefore, training opportunities, such as those offered by PASAI through its funding partners make a big difference in our SAIs.

Just two months ago, our SAI was represented at the PASAI Communication Workshop, held in Vanuatu, which greatly provided our office with the knowledge to develop a tool to effectively communicate our work with our stakeholders and at the same time demonstrate ongoing relevance to citizens, legislators and other stakeholders. The development of a Communication Strategy for SAI CNMI was well received by our Head of SAI and staff and we look forward to implementing our strategy in the coming year.

CNMI SAI could not thank PASAI enough for the continual support in building capacity in the Pacific region. We would also like to acknowledge our other partners from the U.S. Department of Interior Inspector General's Office, the Association of Pacific Island Public Auditors and the Graduate School USA.

Building capacity of auditors on Public Procurement

The Controller and Auditor-General of Samoa Mr Fuimaono Camillo Afele hosted the Pacific regional programme on public procurement, which is part of an international capacity building programme developed and delivered jointly by the International Organisation of Supreme Audit Institutions Development Initiative (IDI) and the Pacific Association of Supreme Audit Institutions (PASAI).

Twenty-two auditors from Cook Islands, Fiji, Federated States of Micronesia, State of Pohnpei FSM, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga and Tuvalu participated in this week-long review meeting, which commenced Thursday 15 December and ended on Tuesday 20th December 2016.

The keynote speaker Honorable Salā Fata Pinati (Minister for Audit Office) formally opened this regional meeting by highlighting the important role that Supreme Audit Institutions (SAIs) play in ensuring accountable and transparent government procurement practices. The Controller and Auditor-General of Samoa also commented that *“This regional program is the first being delivered in the global INTOSAI region and I am pleased to host it, because the subject matter of public procurement is a significant*

Photo below: Participants of the Pacific regional program on public procurement in Apia, Samoa.



matter which affects all areas of public service delivery which my office is mandated to do.”

The programme aims to use the co-operative audit guidance developed by the International Organisation of Supreme Audit Institution's (INTOSAI's) Capacity Building Committee with the main objective to support SAIs in moving towards International Standards of Supreme Audit Institutions (ISSAIs) in the conduct of compliance audits. The programme, which is part of the global ISSAI implementation initiative or 3i programme, spans a period of two years and provides blended support solutions by supporting participants in sustainably enhancing their professional and organisational capacity.



Photo left: Participants of the Pacific regional programme on public procurement in Apia, Samoa.

PASAI is the overarching regional working group of Supreme Audit Institutions in the Pacific region. We have 28 members that we work with to promote transparent and efficient use of public sector resources with the aim to make a difference to the lives of our citizens. PASAI is a regional organisation of INTOSAI, which operates as an umbrella organisation

for the external government audit community and has a worldwide global affiliation with SAIs around the world. PASAI acknowledged the financial support of the Australian Government Department of Foreign Affairs and Trade (DFAT) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and the collaborative ongoing joint regional partnership with IDI.

SAIs catch up on reports to Parliament – clearing audit back logs

The Solomon Islands Auditor-General, Peter Lokay, has publicly released the Office of Auditor-General Report covering audits performed during 2014, 2015 and 2016 financial years and on its operations for those years. The report was presented to the Speaker of the 10th Parliament on 8 December 2014 for distribution to Members. Mr Lokay said that the report summarizes the results of over 160 audits across all sectors and levels of government within Solomon Islands.

In order to promote an increase in transparency, the Auditor-General of Solomon Islands said that his 2016 summative report provides the major findings on the results of financial statement audits conducted on the accounts of the national government, provincial governments, state owned enterprises and statutory authorities while protecting any commercially sensitive information in the process.

“Good quality and timely financial reporting, underpinned by strong internal controls, serves as a solid foundation for encouraging high quality service delivery to the public and it is hoped that greater public scrutiny of the management issues affecting the efficiency and effectiveness of these organisations will encourage them to accelerate their adoption of recommendations made by this Office,” the Auditor-General said.

The report also summarises the results of eight special audits done on the operations of the Solomon Islands High Commission to Papua New Guinea, Solomon Islands High Commission to Fiji, Solomon Islands Games, Mekem Strong Fisheries Project, Malaita Chazon Development Authority, Revenue Collection at the National Judiciary, Honiara City Council and Mining Sector Technical Assistance Project Phase 1. The Auditor-General said that some of these reports were done in 2011 but were never reported on to Parliament.

The Auditor-General said that a lot of improvements had been noticed during the reporting period for many of the ministries, some of the provincial governments and some of the agencies that had not performed as well as noted in prior reports. Future reports will be issued in the following categories: Solomon Islands Government audits, Provincial Government audits, State Owned Enterprises and Statutory Authorities audits, Performance and Special Audits and Annual Report of OAG.

Similarly, the Samoa Audit Office also submitted to the Speaker in December 2016 seven reports to Parliament. The Office has been working on compiling its operations reports to Parliament for 2013, 2014, 2015 and 2016 in the past months. The Officers of Parliament Committee (OPC) report on irregularities to Parliament for 2010 and 2011 came out in 2014.

The Samoa Observer commented, “in an interview back in August 2016, the Auditor-General of Samoa, Fuimaono Papalii C.G. Afele said government’s response to the OPC included corrective, remedial actions and explanations about some of the issues questioned. The response came out in 2014”.

The efforts by the Office to clear audit back logs has meant reports to Parliament are only now a year behind, with the aim to have these outstanding reports submitted to Parliament this year. SAIs around the Pacific have been working extensively with PASAI to clear audit back logs. Timely submission of audit reports helps hold custodians accountable for the way public funds have been spent and used. It also helps address areas of weaknesses highlighted in the audit reports that require immediate action.

PASAI congratulates the Samoa and Solomon Islands SAIs for this excellent achievement.

PASAI Members Join the Global Fight against Corruption on International Anti-Corruption Day, 9 December 2016



Photos above left, right and bottom left: Solomon Islands Audit Office in the "Walk against Corruption"

Photo above: Auditor-General of Solomon Islands leading the way for OAG and PASAI/PFTAC participants

During the PASAI 19th Congress in August 2016 in Pohnpei, Federated State of Micronesia, Pacific Auditors-General and Public Auditors as Heads of Supreme Audit Institutions (SAIs) unanimously agreed for SAIs to participate in celebrating the "International Anti-Corruption Day", 9th December 2016, as part of the global fight against corruption. This was in line with the PASAI Congress Theme, "Fishing Together for a Pacific Free of Corruption and Poverty".

On the 9th December 2016, all around the Pacific, PASAI members took part to show their support and commitment to this important day, contributing towards achieving SDG 16 of the 2030 Agenda. Activities that SAIs organised included school essay writing competitions, float competitions, market days, press conferences, media releases, publication of audit reports and many more as SAIs joined many other organisations around the Pacific on International Anti-Corruption Day.

The United Nations stated, "Every year \$1 trillion is paid in bribes while an estimated \$2.6 trillion are stolen annually through corruption – a sum equivalent to more than 5 percent of the global GDP. In developing countries, according to the United Nations Development Programme, funds lost to corruption are estimated at 10 times the amount of the official development assistance".

Supreme Audit Institutions (SAIs) play an important role in the fight against corruption not only in the Pacific but globally as watchdogs of the public purse. Pacific SAIs can contribute by advocating for legislative changes to strengthen national systems and institutions to fight corruption, working more closely with other government agencies, increasing public awareness of the issues through its audit reports and engaging with stakeholders in the fight against corruption and poverty.

PASAI Chairman and Public Auditor of Pohnpei State, Federated States of Micronesia, Mr Ihlen Joseph, commented that “the fight against corruption starts with our youth, if we can educate them early, they can contribute to building a culture and a society free of corruption and poverty”. Mr Joseph led the way in this initiative with the Pohnpei State Office of the Public Auditor (OPA) holding an essay contest for high schools, and a float/parade contest for youth groups on the 9th December 2016. Pohnpei OPA received financial assistance from the United Nations Development Programme Funding specifically for “International Anti-Corruption Day”.

PASAI Secretary-General, and Controller and Auditor-General of New Zealand, Ms Lyn Provost emphasised that, “the fight against corruption requires collaboration and co-operation between SAIs, national institutions, anti-corruption agencies, civil societies, media organisations and the public at large. Corruption is a serious crime that can undermine social and economic development in all societies. No country, region or community is immune. We therefore have to be vigilant and to work together as a region and as organisations to do our part to address this epidemic that stifles economic development, prosperity and democracy”.



Photos right:
International Anti-Corruption Day
Taken at Pohnpei
Parade/Float for the Youth
#UnitedAgainstCorruption

Supporting Performance Measurement of Public Auditors in the Pacific

The Pacific Association of Supreme Audit Institutions (PASAI) and INTOSAI Development Initiative (IDI) facilitated a regional workshop on implementing SAI Performance Measurement Framework (SAI PMF) in the Pacific SAIs, which commenced since February 2016.



The workshop completes the first phase of this regional initiative. Thirteen auditors including three heads of SAIs, from seven SAIs namely Cook Islands, New Zealand, Papua New Guinea (PNG), Samoa, Solomon Islands, Tonga and Tuvalu participated in this one week workshop that was held from 7 –11 November, 2016 at the Tanoa International Dateline Hotel, Nuku'alofa, Tonga.

Since February 2016, these SAIs were engaged in assessing their performance using the SAI PMF, a global framework that enables SAIs to assess their performance against International Standards of Supreme Audit Institutions (ISSAIs) and other established international good practices for external public auditing. While New Zealand and PNG conducted self-assessments, the other five SAIs were reviewed by their peers. The workshop focused on analysing the results of these assessments with specific guidance on compiling the SAI performance report. The assessment results have identified areas where the SAIs require further improvements, such as the resources that would be needed to conduct audits effectively to fulfil their mandated responsibilities. The results also highlighted the enabling factors and constraints for effective performance. These results should assist auditors in maintaining a high standard of audit deliverables and the SAIs as being credible institutions that government and the public can rely on for independent assurance and advice on the effective utilisation of public resources.



Photo - The workshop facilitators, advisors and participants.

Measuring performance is crucial to ensuring that an organisation such as the Supreme Audit Institution, who plays a vital role in strengthening good governance and accountability in the public sector, is carrying out its responsibilities effectively with professionalism and has the ability to respond to stakeholders' expectations as well as emerging issues that impact the lives of citizens at large. In delivering his keynote address, His Excellency Mr Andrew Ford, Australian High Commissioner to Tonga, expressed his hope for the workshop participants that "...you are motivated to tackle any challenges identified and continue to innovate ways to ensure you remain relevant to the ever changing expectations of your stakeholders but also keep up with the rapid changes in technology which can impact the way you conduct audits".

Camilla Fredriksen from the IDI confirms that the experiences from this first programme will be key input into further implementation of support to the use of SAI PMF and the results from SAI PMF assessments. The SAI PMF framework offers a holistic approach to measuring SAI Performance.



To ensure the relevance of the tool, it was important to gain experience on its applicability across regions.

The implementation of the PASAI programme shows that a regional co-ordinated approach to SAI PMF has helped create a network of assessors that can support each other through the implementation. This has allowed for a deeper understanding of one's own and others operation

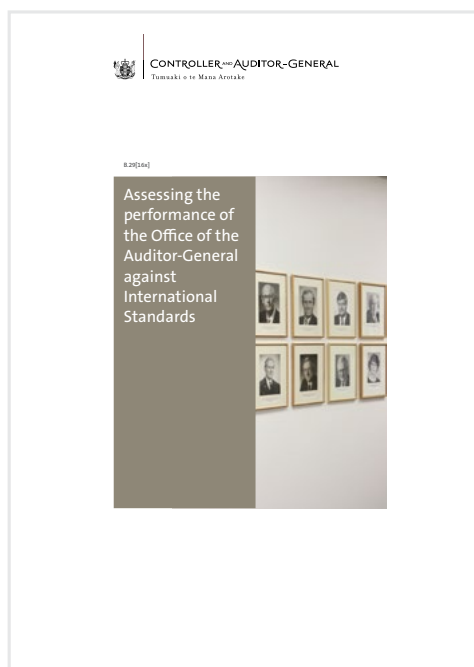
for the participants, and in turn this has led to identification of strengths and challenges across the SAIs in the region. SAI PMF is aligned with one of PASAI's strategic goals, to develop SAI's performance measurement framework to assist with improving the delivery of SAI's audit responsibilities. The second phase of this project will commence in January 2017 with performance assessment of five more SAIs in the northern Pacific.

The workshop was facilitated by Mr Horacio Vieira, SAI PMF Advisor, Ms Camilla Fredriksen, Advisor from IDI, Ms Claire Kelly, PASAI Consultant, Mrs Sinaroseta Palamo-Iosefo, PASAI Director of Practice Development and supported by Ms Chrissie Murray from Audit NZ.

This project is supported by the Australian Department of Foreign Affairs, INTOSAI Donor Secretariat (IDS) in IDI and the New Zealand Ministry of Foreign Affairs and Trade.



NZ SAI completes SAI PMF



At the beginning of December 2016, New Zealand's Office of the Auditor-General completed a comprehensive self-assessment under the SAI Performance Measurement Framework (PMF).

The Office's goals in carrying this out was to participate alongside fellow SAIs in the South Pacific, who were taking part in a SAI PMF 'Lite' project, and provide a comprehensive overview of the strengths and weaknesses of the Office for the incoming Auditor-General. The results of the assessment will form the basis for consideration of areas of focus as the leadership team prepares for the arrival of the new Auditor-General in February 2017.

The Auditor-General of New Zealand, Lyn Provost, said, "I am proud of the results of this assessment. They suggest that my Office is serving the citizens of New Zealand well. I hope that, by making this report publicly available, it will be a valuable resource to my SAI colleagues around the world. I am confident that my Office can address the areas we have identified for improvement, and I commend them as focus areas for my successor."


The product of this assessment was a report, [Assessing the performance of the Office of the Auditor-General against International Standards](#), which was tabled in Parliament. This report was short but provided the integrated findings from the assessment. Along with this report was a longer report providing all of the detailed findings against each criteria of the framework.

This self-examination showed that the Office is largely in good shape. The Public Audit Act 2001 provides solid independence for the Auditor-General and a comprehensive mandate. The Office's audit work is particularly strong, and policies and processes are in place to effectively manage risks to quality. The quality assurance processes managing audit allocation to Audit New Zealand and private audit service provided are robust and effective. The Office's leadership structure clearly defines leadership roles and responsibilities.

Some areas for improvement were identified, including the need to maintain the quality of smaller audits; improve the training of non-audit staff; provide more clarity to how strategic plan goals link into corporate planning; and further develop some internal processes, including the independence of management and oversight of internal audit work and risk assessment.

The Office worked closely with the INTOSAI Development Initiative (IDI) on the assessment. One of the assessment team's project leaders is a certified PMF assessor and trainer who attended a training programme run by the IDI in April 2014. The team also consulted with an IDI advisor on how to interpret the methodology and criteria in a New Zealand context. In addition, the INTOSAI- Donor Secretariat carried out a Quality Assurance Review and raised no significant matters.

The Office is the first in the world to table its PMF findings in Parliament. This was done to be a model for others, and demonstrate that the Office is prepared to practice the transparency and accountability it expects of the New Zealand public sector.



Pacific Constitutions Multi-Disciplinary Research Network (PCMDRN) recognises the importance of Parliaments and Supreme Audit Institutions in the Pacific

PASAI and the World Bank have collaborated on a paper examining the role of SAIs and Public Accounts Committees in strengthening financial oversight and accountability in Pacific countries, with specific reference to the Sustainable Development Goals.

The paper entitled “The Constitutional importance of Parliaments and Supreme Audit Institutions in achieving good governance outcomes for Pacific Island countries” was presented at the inaugural conference of the newly established Pacific Constitutions Multi-Disciplinary Research Network, held in Port Vila, Vanuatu on 23-25 November 2016. The authors of the paper were Robert Buchanan (PASAI’s Legal Consultant), Mitch O’Brien and Ermal Vila of the World Bank, who have been involved in the recent establishment of the Pacific Network of Public Accounts Committees (known as PanPAC).

PASAI and the World Bank have previously shared resources, research and technical expertise on various projects, including a shared interest and commitment to strengthening the oversight and scrutiny role of Public Accounts Committees and SAIs. The Vanuatu Conference was an excellent opportunity for PASAI and the Bank to share information about the constitutional roles of SAIs and PACs in country accountability systems, and the need for these institutions to be considered when discussing reform of Pacific country Constitutions.

From PASAI’s perspective, the paper provided a good opportunity to share with a wider audience the growing body of international materials on SAI independence from the Lima Declaration in 1977 through to the Mexico Declaration and the recent UN General Assembly resolutions on the importance of strong, independent supreme audit institutions. From the Bank’s perspective, it was an opportunity to explain the functions of PACs and share the results of a recent workshop in the Solomon Islands which included a self-assessment of practices relevant to PACs – including their function, membership and leadership roles.

The paper also described the inter-dependent relationships between SAIs and PACs, and explored ways they can work together to enhance sustainable development outcomes through strengthened financial oversight and scrutiny.

The paper is available on the PASAI website: <http://www.pasai.org/sai-independence/>. The full proceedings of the Conference are available at <http://www.paclii.org/pcn/publications2.html>

Celebrating PASAI Achievements – Talk at ADB Manila

The Chief Executive Officer of the Pacific Association of Supreme Audit Institutions (PASAI) Mr Tiofilusi Tiueti and the PASAI Advocate Mr Eroni Vatuloka presented on PASAI's achievements at the ADB Headquarters in Manila Philippines on 26 and 27 October 2016. ADB celebrates 50 years of operations in the Asia and Pacific region and the presentation highlighted ADB's partnership with PASAI in their quest for improved governance, transparency and accountability in fighting fraud and corruption in the region.

The PASAI team presented at the Pacific Talk for staff of the Pacific Department and at the Insight Thursday, to the wider ADB audience. Both presentations were well attended. The Team was asked about the challenges on getting quality accounts audited on time especially project audits and how PASAI was addressing those problems; the relationship with the private sector auditors apart from outsourcing; the involvement of other international and regional bodies and the use of international best practices and standards; and the independence of the audit institutions.

The Team also met with relevant offices of the Bank and with Executive Directors who expressed interest and appreciation of the collective work of PASAI and its members. Mr James Lynch, the Deputy Director-General of the Pacific Department remarked, "the regional initiative through PASAI is one of the few technical assistance that shows commendable results and I believe that the visit by PASAI has been very productive."

PASAI acknowledges the valued support by the ADB Pacific Department for the successful visit.

"the regional initiative through PASAI is one of the few technical assistance that shows commendable results and I believe that the visit by PASAI has been very productive."~ Mr James Lynch, ADB



Photo L-R: Mr James Lynch (Deputy Director-General, ADB Pacific Department), Mr Eroni Vatuloka (PASAI Advocate), ED Bhimantara Widayajala (Executive Director covering Cook Islands, Fiji, New Zealand, Samoa and Tonga), Mr Tiofilusi Tiueti (Chief Executive, PASAI), Mr Ben Graham (Senior Evaluation Specialist Independent Evaluation Department), Ms Flordeliza dR. Asistin (Senior Operations and Institutional Coordination Officer, ADB Pacific Department).

Lyn Provost wins the NZ Westpac Global category, Women of Influence Award 2016

In its fourth year, the Westpac Women of Influence Programme is designed to identify, recognise and celebrate the 100 most influential women shaping New Zealand across 10 categories: Arts and Culture, Board and Management, Business Enterprise, Community and Not for Profit, Diversity, Global, Science and Innovation, Public Policy and Rural.

With a record number of nominees this year, the panel of experienced judges said selecting the winners and overall winner was a challenging task.

Lyn's contribution to New Zealand as Auditor-General and Former Deputy Commissioner of the New Zealand Police is only part of her story.

Lyn has been hugely driven by a desire to support accountability and transparency around the world. Our accounting and auditing reputation is so strong, because Lyn has gone above and beyond to ensure New Zealand shares our skills and experiences so others can learn from us.

New Zealand is a world leader in the practice of accounting and audit because of her trailblazing attitude and outstanding achievements.

[courtesy of <https://www.westpac.co.nz/rednews/women/congratulations-to-our-2016-women-of-influence-award-winners/>]



Photo above: Lyn Provost receiving her award for the Global category of the Women of Influence Awards 2016.

Lyn has been hugely driven by a desire to support accountability and transparency around the world.



Photo above: PASAI representatives at XXII-INCOSAI 2016 Congress.

There are so many relevant matters that were raised in those discussions that affect our PASAI members. For example, the growth and support of our public auditors, the implementation of ISSAIs, the use of information technology and data in SAIs, and other important matters.” ~ Ms Lyn Provost

XXII-INCOSAI 2016 – ABU DHABI, UNITED ARAB EMIRATES

The XXII-INCOSAI 2016 Congress was hosted by the Supreme Audit Institution (SAI) of the United Arab Emirates in Abu Dhabi, from 5 – 11 December 2016. The Congress is the supreme organ of the International Organisation of Supreme Audit Institutions (INTOSAI) and meets every three years. INCOSAI was attended by more than 600 delegates from all over the world representing the 194 country members of INTOSAI and their stakeholders. Seven heads of SAIs from the Pacific representing Fiji, Cook Islands, Samoa, Kiribati, Tonga, New Zealand and Australia National Audit Office attended the meeting, four of them for the first time.

During the 68th INCOSAI Governing Board Meeting, the Board and Congress endorsed the official appointment of the Controller and Auditor-General of the Supreme Audit Institution of Samoa to be the representative of all Pacific Supreme Audit Institutions (PASAI) to the INTOSAI Governing Board. The Samoa Controller and Auditor-General, Mr Fuimaono Camillo Afele succeeds the Controller and Auditor-General of the Supreme Audit Institution of New Zealand, Ms Lyn Provost who held the position for the last seven years. Mr Fuimaono Camillo Afele attended his first INTOSAI Governing Board meeting during INCOSAI.

Mrs Lyn Provost, Controller and Auditor-General of New Zealand and Secretary-General of PASAI in her final remarks commented, “I am particularly pleased that the PASAI region has been given the privilege of chairing the Professionalization theme”. Theme II of INCOSAI was on Professionalization and the related session was chaired by New Zealand. In her reflection on the congress, Mrs Provost stated, “There are so many relevant matters that were raised in those discussions that affect our PASAI members. For example, the growth and support of



our public auditors, the implementation of ISSAIs, the use of information technology and data in SAIs, and other important matters.”

Fuimaono Camillo Afele commented, “The impact of the work of INTOSAI and INCOSAI on good and ethical governance and accountability as well as in improving the lives of citizens of the world is immense. Yet INCOSAI’s success is mainly built on the goodwill and in-kind contributions of its members especially the Developed SAIs like the United Arab Emirates, Republic of China, India, United States, Australia and New Zealand helping out the Developing Supreme Audit Institutions such as Samoa, Tonga, Cook Islands, Fiji and so forth”.

In taking on the new role as the representative of PASAI on the INTOSAI Governing Board, Mr Fuimaono Camillo Afele commended Mrs Provost who has been an excellent ambassador and representative of PASAI to the global arena commanding much respect from her peers in both the developed and developing SAIs. He stated, “It will be a difficult task to fill her shoes and emulate exactly what Lyn did for INTOSAI and PASAI.” However, the Controller and Auditor-General of the Supreme Audit Institution of Samoa is ready to move onto the next level in PASAI’s regional and global duty of improving the lives of the citizens of the region and the world. SAI Samoa should be able to do this with the support of Ms Lyn Provost and her successor in the Office of Controller and Auditor-General of New Zealand, as well as other fellow PASAI Members.

Ms Provost who has been a strong leader and advocate for PASAI and INTOSAI will complete her term of office in January 2017. Her great contribution to the INTOSAI community and its development, and to the PASAI region was duly recognised and deservedly so at INCOSAI. “This will be my last international event so I really appreciate the support that the PASAI community have provided me,” says Lyn.

PASAI formally farewelled Mrs Provost during its 19th Congress in Pohnpei earlier this year with a heartfelt video of her journey and a traditional gift prepared by the host, Chairman of PASAI, Mr Ihlen Joseph. However, we would like to acknowledge once again her esteemed leadership and professional guidance provided to the SAIs of the region during international and regional forums.

Mrs Provost will surely be missed but she can look back with pride on how much PASAI has achieved under her guidance and leadership. We wish you a happy retirement Lyn, and all the best to you, Paul and family in your future endeavours.



Photo above: Ms Lyn Provost presenting at the XXII-INCOSAI 2016 Congress.



Photo top right: PASAI booth at the XXII-INCOSAI 2016 Congress.



Photo bottom right: Fuimaono Camillo Afele, Samoa Controller and Auditor-General of the Samoa SAI, and newly appointed PASAI representative to INCOSAI Governing Board.

SAI Heads information

Reappointments

Doris Flores Brooks, Public Auditor of Guam



The Inaugural Ceremony of the Honorable Doris Flores Brooks for her fifth term as Public Auditor of Guam was held on January 2, 2017 in the Justice Monessa G. Lujan Appellate Courtroom of the Guam Judicial Center. Doris won by a significant margin – taking 61% of the votes. During her Inaugural Remarks, Doris commented, “When I took office in January 2011, I never imagined that I would do so four more times. After 16 years in this job, you might think I’d tire of it.

But I haven’t because I believe that OPA is helping GovGuam improve in accountability and transparency. I remain enthusiastic about my work and much of my enthusiasm is driven by the great staff that I have in OPA. Every captain must have a crew and I am fortunate to have a fantastic crew”.



Haser Hainrick, Public Auditor of FSM National Office



Haser H. Hainrick, was sworn into office as the Public Auditor for the National Government of the Federated States of Micronesia on December 19, 2016. Mr. Hainrick has held the Public Auditor’s post since 2002, was reappointed in 2011, and

continued to serve until President Christian nominated him on December 15, 2016 with the consent of the FSM Congress on December 16, 2016.

The Public Auditor is the authority in charge of the Office of the National Public Auditor. The term of office is for four years and to continue to serve until a successor has been confirmed. By law, the Public Auditor is appointed by the President with the advice and consent of the FSM Congress and is eligible for reappointment through the same process.



SAI Heads information (cont.)

Completion of term of office



Mr John Path, Former Auditor-General of Vanuatu

On the 17th of October 2016, the Vanuatu Office of the Auditor-General (Vanuatu OAG) farewelled the then Auditor-General, Mr John Path. He had served as Auditor-General for seven years and during his tenure John made significant contributions which greatly improved the office in fulfilling its mission: "To promote good governance, enhance transparency and accountability in the public sector".

Some of the key developments in the OAG have been:

- Advocating for the increased awareness of the role of Auditor-General in the Public sector with the ever revolving change in government
- Securing technical support for the office to develop the strategic and operational needs of the office
- Establishing the private/public partnership between the OAG and Chartered Accounting firms to provide high quality audit services
- Advocating for increased independence of the OAG through the draft Bill's (National Audit Office Bill and the Public Accounts Committee bill), now approved by the Council of Ministers' for adoption in Parliament
- Increasing the level of competency of audit staff by attracting accounting graduates from 17% (2009:1 out of 6 staff) to 91% (2016: 9 out of 10 staff) holding a relevant accounting degree
- Developing the auditing software TeamMate for full use at the OAG by 2014 as it had been sitting dormant in the office since 2007
- And most importantly increasing the number of audit opinions by 100%

John Path's contribution has been a significant stepping-stone to the development of the auditing function for the Republic of Vanuatu. Some challenges that have plagued the Office since the beginning of his tenure continue to be a challenge. In particular, the annual appropriation for the Office has remained the same at VT31M which presents issues in attracting and retaining staff. Stability in staff numbers is absolutely key in ensuring the long term sustainability in the technical training of audit staff.

We congratulate Mr John Path on his significant achievements for the Vanuatu Office of the Auditor-General and we wish him the very best in his future endeavours.

The Public Service Commission has appointed Elsie Willy as Acting Auditor-General while we await the appointment of the new Auditor-General.



Mr David Hausman, Former Public Auditor of Chuuk

Mr David Hausman completed his term as Public Auditor of Chuuk in December 2016. David was Chuuk State's first Public Auditor. He has helped with the establishment of the Chuuk Public Auditor's Office. David was also instrumental in Chuuk joining the PASAI family as a member and has actively contributed and participated in APIPA and PASAI Congresses, training and workshops during his two year term. During his term, David has been able to assist the staff with the completion of three audits despite limited staffing and resourcing. We wish David all the very best and safe travels while he sails around the world in his next adventure.



PASAI CALENDAR

2017

- **19 – 20 January** : PAC Workshop & Awareness program, Apia, Samoa
- **23 – 27 January** : SAI PMF Lite Planning Meeting (North SAIs), Guam.
- **23 – 24 February** : 16th Governing Board Meeting, Auckland, New Zealand
- **2 – 6 March**: SAI Young Leaders Symposium, Auckland, New Zealand

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