

# PASAI BULLETIN

*Pacific Auditors working together*

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## Solomon Islands Office of Auditor-General partners with New South Wales Audit Office of Australia

The Solomon Islands Office of the Auditor-General welcomed officials from the Audit Office of New South Wales, Australia to Solomon Islands. This visit was intended to help identify the areas in which these two institutions could share best practices and lessons, and pave the way for a longer-term partnership through a twinning arrangement. The scoping team comprised of Mr. Scott Stanton, Assistant Auditor-General and Ms. Susanti Tedja, Audit Leader. The visit took place from 20 - 24 February 2017.

Speaking during the briefing at the start of the consultation, the Solomon Islands Auditor-General, Mr Peter Lokay, highlighted the significance of such assistance from the New South Wales Audit Office. He stated "this support is timely and will assist to further strengthen and improve audit functions here in Solomon Islands". He also thanked the Australian Government for facilitating this partnership and for its ongoing support to his office.

During the visit, staff from the Solomon Islands Office of the Auditor-General discussed various issues with their counterparts from the New South Wales Audit Office and provided insights into some of the challenges they face in their work. Some of the areas where the two offices have agreed to co-operate on will be finalised after the report on the scoping mission is completed.



Photo above: Solomon Islands Auditor-General Mr Peter Lokay and his Audit Office staff with the NSW Audit Office representatives Mr Scott Stanton Assistant Auditor-General and Ms Susanti Tedja Audit Leader, Financial Audit Services (sitting to the right and left of the Auditor-General respectively).

PASAI is liaising closely with the Solomon Islands Office to provide technical support in relation to their backlog in the audit of whole of government accounts, and this includes also working with the NSW Audit Office and the Australia Department of Foreign Affairs and Trade (DFAT) to synergize our efforts in the approach to provide technical assistance to the Solomon Islands SAI.

# Supporting Performance Measurement of Public Auditors in the Pacific

The Pacific Association of Supreme Audit Institutions (PASAI) and INTOSAI Development Initiative (IDI) continued with phase II of the SAI Performance Measurement Framework (SAI PMF) project for supreme audit institutions (SAIs) in the North Pacific by facilitating a week long workshop in Guam on 30 January to 3 February 2017. Twenty-one staff from nine SAIs including a representative from the United States Department of the Interior Office of Inspector General (US DOIOIG) attended the workshop.

The Speaker of the 34th Guam Legislature, the Honourable Mr Benjamin J.F.Cruz officially opened the workshop. In his opening remarks, he acknowledged that the work of SAIs is vital and necessary in keeping all government officials including politicians, in line with utilizing public funds and public resources.

SAIs from Guam, Marshall Islands, Federated States of Micronesia (FSM) Office of the National Public Auditor, FSM States of Pohnpei, Kosrae and Yap will conduct peer reviews of each other using the SAI PMF framework. Staff from SAIs Cook Islands, Samoa and Tonga who took part in Phase I of this project participated as resource persons to assist with the peer review of the six SAIs in the North Pacific.

The main objectives of the workshop were:

- To train staff of SAIs who will participate in conducting a SAI PMF assessment;
- To develop the terms of reference (TORs) for the SAI PMF assessments; and
- To assess the SAI's institutional capacity by measuring its independence and legal framework.

The planned activities for Phase II, which will be executed in the next few months, are peer reviews of the six SAIs and a final workshop to discuss and analyse the results of the assessments. The intended output of this phase is completed SAI Performance reports for all six SAIs participating in the programme.

Camilla Fredriksen, SAI PMF advisor from IDI, hopes that the implementation of Phase II will strengthen the knowledge on SAI Performance in the Pacific and that the results will enable regional

bodies and SAIs to identify good practices as well as opportunities for capacity development throughout the region. She added that rolling out the Phase II provides an opportunity for applying the lessons learnt from Phase I, and to strengthen the regional expertise of SAI PMF assessors.

The assessment results will assist the SAIs in taking appropriate measures to ensure they have the capabilities and resources to carry out its responsibilities effectively with professionalism. The results will also assist the SAIs to know if they have the ability to respond to stakeholders' expectations as well as emerging issues that impact the lives of citizens at large.

This programme is aligned with one of PASAI's strategic goals requiring SAIs to develop performance measurement framework to assist with improving the delivery of SAI's audit responsibilities.

The workshop was facilitated by a team of facilitators consisting of Ms Camilla Fredriksen, SAI PMF Advisor from IDI, Mr Robert Buchanan, PASAI Consultant, Mrs Sinaroseta Palamo-Iosefo, PASAI Director of Practice Development, Mr Allen Parker and Mr Desmond Wildin of Cook Islands, Mr Marshall Maua of Samoa and Mr Kelepi Makakaufaki from Tonga.

This project is supported by Australian Department of Foreign Affairs, INTOSAI Development Initiatives (IDI) and New Zealand Ministry of Foreign Affairs and Trade.



Photo: SAI PMF workshop participants and co-ordinators at the Guam workshop.



# PASAI is preparing for its 6th Regional Co-operative Performance Audit on Preparedness of Sustainable Development Goals (SDGs)

In August/September 2016 PASAI sent out a Global Survey to Heads of SAs, key stakeholders, multilateral donor organisations and development partners to reflect on the previous five performance audits and attain input on our upcoming audit on SDGs.

PASAI created a review team that consisted of sub-regional representatives from the three distinct sub-regions (Melanesia, Micronesia and Polynesia) together with PASAI's Director of Technical Support and PASAI's Co-operative Performance Advisor, to gather information from our region about the strength of performance auditing. From the review, together with the results of the Global Survey, a report was produced.

This *"Report of the Review of High Quality Performance Auditing in the Pacific"* was presented to the PASAI Governing Board in February 2017 and it is available on PASAI's website under Publications.

Furthermore the Board has approved PASAI's programme to co-ordinate and deliver the **6th Co-operative Performance Audit on SDGs Preparedness**. PASAI is currently discussing with IDI to see how their Global SDG programme will fit into PASAI's regional activity. PASAI is currently discussing and collaborating with IDI on how we can incorporate their e-course and work together on this 6th CPA programme.

A letter of invitation and a programme announcement will be issued in April 2017 and this programme is expected to commence around June 2017, which will span a period of two years. If your SA is interested in being a part of this programme, please keep an eye out for the invitation and registration instructions.

If your organisation is interested in possibly working collaboratively with PASAI on this programme, please contact Chief Executive Mr Tiofilusi Tiueti (tiofilusi.tiueti@pasai.org) or our Director of Technical Support, Ms A'eau Agnes Aruwafu (agnes.aruwafu@pasai.org).

We greatly appreciate your ongoing support towards PASAI's programmes. We look forward to hearing from you and possibly working collaboratively with you in the future to support our Pacific SAs.

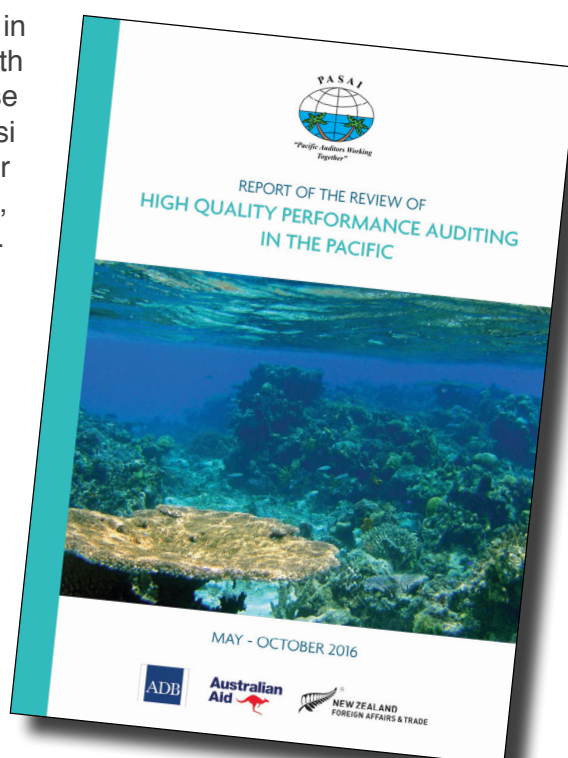






Photo left: Participants of the PAC workshop in Tuvalu.

## Samoa and Tuvalu hold Public Accounts Committee Workshops

In January and March 2017, PASAI in partnership with the Audit Offices of Samoa and Tuvalu, held workshops for the Public Accounts Committees (PAC) of those two nations. The aims of these workshops were, (i) to help them better understand their role in providing financial oversight of public expenditure; (ii) better understand the specific role of legislative committees with the processes of Parliament; (iii) strengthen the financial oversight and external scrutiny roles of the PAC; (iv) to understand the role of all other stakeholders in upholding public accountability and transparency.

The workshops were well supported by the governments of Samoa and Tuvalu, with the Honourable Speaker of Parliaments and Members of Parliament attending in both countries. The Honourable Prime Minister of Tuvalu also attended the workshop in Tuvalu.

The workshop in Samoa was hosted by the Controller and Auditor-General of Samoa, Fuimaono Papalii C.G. Afele and supported by the Honourable Speaker of Parliament, Hon Leaupepe Taimaiono Toleafoa Faafisi and his staff. The Auditor-General of Tuvalu, Mr Eli Lopati hosted

the Tuvalu workshop and co-presented at the workshop with Tuvalu Director of Planning, Budget and Aid Co-ordination, Mr Niuatui Niuatui. The PASAI Advocacy team of Mr Eroni Vatuloka, PASAI Advocate and Ms Aolele Su'a Aloese, PASAI Director of Advocacy, Engagement and Financing supported both workshops by co-presenting.

The outcomes of the Samoa workshops include proposals for: (i) enhancing the efficiency and effectiveness of the parliamentary committees; (ii) increasing efforts in the evaluation of performance of government entities; (iii) strengthening the Office of the Controller and Auditor-General; and (iv) engaging PASAI to assist in capacity building of the parliamentarians.

This programme comes under Strategic Priority 2 - Advocacy for governance, accountability and transparency of PASAI's long-term strategic plan. PASAI appreciates the assistance provided by the Auditor-Generals, the Honorable Speakers of Parliament, and also acknowledges the valued support from the Australian Department of Foreign Affairs and Trade and the NZ Ministry of Foreign Affairs and Trade.



Photo above: Workshop Participants from Parliamentary Committee members of Samoa, the Controller and Auditor-General of Samoa and the PASAI Advocacy team.



PASAI Advocate, Mr Eroni Vatuloka (left) handing a copy of the regional report to the PASAI Chairperson, Mr Iso Ihlen Joseph at the official launch.

*“With a worldwide focus on the UN Sustainable Development Goals (SDGs) there is an ever-increasing quantity of aid flowing into developing countries relating to SDGs. This requires governments to be even more responsible for the transparent and accountable use of funds provided by foreign aid, whether it is for SDG implementation or government projects.”*

*Mr Ihlen Joseph*

## Practical Advice for Auditors of Foreign Aid Projects in the Pacific

PASAI completed its first pilot of conducting a co-operative financial audit for the region and selected the topic of foreign aid projects. Six SAIs from Cook Islands, Fiji, Kiribati, Tonga, Tuvalu and Samoa participated with the support of INTOSAI Development Initiative (IDI). This pilot programme resulted in multiple observations and lessons learned which formed the basis of this regional report. The report also includes practical advice to assist SAIs in the conduct of financial audits of foreign aid projects in the future. It is expected that both SAIs and development partners in the Pacific region may learn valuable lessons from individual SAI reports as well as from this regional report to improve and enhance the quality of the audits of funds provided by foreign aid.

The current PASAI Chairperson, Public Auditor of the Federated States of Micronesia (FSM) State of Pohnpei office Mr. Iso Ihlen Joseph summed up the importance of this topic in his foreword to this report, *“With a worldwide focus on the UN Sustainable Development Goals (SDGs) there is an ever-increasing quantity of aid flowing into developing countries relating to SDGs. This requires governments to be even more responsible for the transparent and accountable use of funds provided by foreign aid, whether it is for SDG implementation or government projects. In the Pacific this can be even more challenging and highlights the need for a strong country financial system to manage these aid funds honestly and fairly, to ensure they are meeting the needs of the targeted government projects.”*

The official launch of this regional report was held in Auckland, New Zealand at the Grand Millennium Hotel on 23 February, 2017 during PASAI’s 16th Governing Board meeting which was attended by the Governing board members, PASAI’s INTOSAI representative and development partners from Australia Department of Foreign Affairs and Trade (DFAT), New Zealand Ministry of Foreign Affairs and Trade (MFAT), the World Bank and Pacific Islands Forum Secretariat. All delegates were presented with a copy of this report and it is published under the Co-Operative Financial Audits on PASAI’s website ([www.pasai.org](http://www.pasai.org)).

PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific. It contributes to helping its member SAIs improve the quality of public sector auditing in the Pacific to uniformly high standards and assists governments to develop effective, accountable and transparent institutions at all levels which aligns with Goal 16 of the Sustainable Development Goals (SDGs).

PASAI acknowledges 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.



## PASAI Members ICDL Participation

Two new PASAI member countries have commenced using the ICDL programme since the last report in August 2016. The Vanuatu and Tonga Offices of the Auditor-General, have both taken steps to utilizing ICDL for staff capacity building of core ICT skills.

They join the YAP State Office of the Public Auditor, GUAM Office of Public Accountability, and the Tuvalu Audit Office.

### New updates:

**VANUATU – 13 Staff:** The Vanuatu Office of the Auditor-General has enrolled staff in 11 ICDL modules, including Word Processing, Spreadsheets, Presentations, Databases, Web Editing, Image Editing, Project Planning, and the 4 Advanced modules (Word, Excel, PowerPoint and Access).

### VANUATU Training and Results

Starting in January 2017, the Vanuatu office staff received approval for funding and enrolled all staff in ICDL modules. Vanuatu is utilizing the ICDL online e-courseware for training and 12 staff members have already logged into the ICDL system, and have commenced training in advanced excel. These staff have also started testing their skills through the ICDL Diagnostic assessment tool, however they have not yet completed these assessments.

Vanuatu will likely plan to conduct certification assessments in February and March 2017.

**TONGA – One Staff:** A single member of the Tonga Office of the Auditor-General enrolled in ICDL to trial the programme for the office. This staff member will commence with the Computer Essentials module.

### TONGA Training and Results

The single candidate trialing the ICDL programme from the Tonga Office of the Auditor-General has received their ICDL login, however has not yet commenced ICDL training.

Of note: recently an officer from the Tonga Ministry of ICT contacted PASAI and ICDL after hearing about the programme from the Audit office member. This is an unintended but positive example of the potential impact PASAI's ICDL membership may have spreading the use of this world leading certification through the region.

**TUVALU – Seven Staff:** The Tuvalu Audit Office undertook the ICDL programme through the Tuvalu Treasury Accredited Testing Centre, and were the first PASAI member to utilize ICDL to develop staff capacity in general computer usage.

The Tuvalu Audit office advisor has recently contacted PASAI/ICDL to reestablish their ICDL activity. However this has not yet actively commenced.

**YAP – Seven staff:** Yap State Office of the Public Audit Office enrolled in the ICDL program and primarily undertook the ICDL Databases (Access) and ICDL Presentation (PowerPoint) modules.

### YAP Training and Results

The YAP office staff commenced ICDL training in the first quarter of 2016, with the majority of training being conducted using ICDL's online e-courseware through March and April 2016.

## PASAI Members ICDL Participation (cont.)

Three Staff undertook the Database module, and four staff the Presentation Module.

There has been no recent ICDL activity by the YAP audit office since the last update / report in August 2016.

**GUAM – 13 Staff:** The Guam Office of Public Accountability staff enrolled in the ICDL program, and are undertaking a range of modules including Databases, IT Security, Advanced Spreadsheets, Advanced Databases and others.

### GUAM Training & results

There has been minimal testing activity undertaken by the GUAM Office of Public Accountability. They will be followed up by the PASAI/ICDL support arrangements to offer assistance.

The GUAM office commenced ICDL training in June 2016 but generally have not yet begun the certification assessment process.

Some staff have commenced and completed the courseware, and the diagnostic assessment process, but this has not converted to certifications.

GUAM has two ICDL Accredited Testers and they had expected to commence certification assessment of their staff during August and September 2016, however this did not occur.



Photo: FSM State of Yap Public Auditor and his staff wearing ICDL promotional shirts



## Fiji Appointed Host for 24th Commonwealth Auditors-General Conference to be held in 2020



Group Photograph of Delegates attending the 23rd Commonwealth Auditors-General Conference, Delhi, India from 21-23 March 2017

Ajay Nand, Auditor-General of Fiji attended the 23rd Commonwealth Auditors-General Conference, which was held in New Delhi, India from 21-23 March 2017. The Conference's main theme was "Fostering Partnerships for Capacity Development in Public Audit." A total of 74 delegates from 36 countries attended the Conference, which included Auditors-General and staff from PASAI member countries of Australia, Fiji, Papua New Guinea, Samoa, Solomon Islands and Tonga.

The conference which is held every three years, was well attended with representation by INTOSAI Chair and three British Overseas Territories. SAI India was an excellent host and took the standard of the conference to new heights. The welfare of all delegates attending the conference was taken care of by personal Liaison Officers from the Office of the Controller and Auditor-General of India.

The Conference Results Document stated that the advancement of technology presented several challenges for auditors. This in turn presented opportunity for the Commonwealth Supreme Audit Institutions to share experiences to benefit from emerging knowledge and expertise in all aspects of auditing technology in general and in the application of data analytics in performance and attest audits. There is scope for pooling of learning and developing group solutions for issues which cut across SAIs.

The Conference also agreed that with the adoption of the Sustainable Development Goals by United Nations, environmental concerns now sit embedded in all development activity which requires mainstreaming of environmental issues in all types of audits. It was noted that there was appetite within the Commonwealth SAI for co-operative audits, especially between SAIs of contiguous countries, in areas which are of high concern for that region.

Amongst other issues on future directions for the Commonwealth Auditors-General Group, it was agreed that it would be beneficial to continue working with the Commonwealth Secretariat to foster co-operation with key Commonwealth organizations including engagement with parliamentary groups.

The conference committee unanimously agreed that the next conference be held in the Republic of Fiji in 2020. Ajay, while thanking the committee for appointing the Republic of Fiji as host of the next conference, expressed appreciation to other delegates and friends of PASAI for their support and confidence in SAI Fiji.



## PASAI Governing Board Meets in Auckland, NZ

The PASAI Governing Board held their 16th meeting in Auckland, NZ from 23 – 24 February, 2017 as part of their commitment to providing strategic direction, governance and leadership to the work of PASAI in the Pacific Region. Among the main issues that they deliberated on during the meeting were PASAI's Operational Plan 2017/18 – 2012/22 and related budget, and PASAI's funding strategy. Important discussions were held with PASAI's two main donors the Australian Department of Foreign Affairs and Trade (DFAT) and New Zealand Ministry of Foreign Affairs and Trade (MFAT) on continuous support for PASAI. The Board also commended the work undertaken in implementing PASAI's strategic plan in response to SAI members needs. There were also valuable contributions to the meeting from PASAI's developing partners, DFAT, MFAT, World Bank and the Pacific Islands Forum Secretariat (PIFS).

“The Board Meeting was a success with some fruitful contributions by members in ensuring that proposed programmes are in line with the objectives of PASAI, affordable, clear expected outcomes and with realistic targets,” said Mr Ihlen Joseph, Chairman of the Board and Public Auditor of Pohnpei State, Federated States of Micronesia.

Details of PASAI Board members and past Board Meetings are found on the PASAI website ([www.pasai.org](http://www.pasai.org))

The incoming Congress Chairperson, Auditor-General of Tuvalu, Mr Eli Lopati also advised the Governing Board of the theme for this year's PASAI Congress being “Promoting Value and Benefits of SAIs through Effective Communication.” He assured the Governing Board that his office is ready to welcome everyone to his island for the 20th PASAI Congress in August 2017.

PASAI would like to acknowledge DFAT and MFAT, World Bank, the Asian Development Bank (ADB), INTOSAI Development Initiative (IDI) and PIFS for their continued support of PASAI and its work in the region.



## Fiji Institute of Accountants (FIA) appoints a new President

The Council of the Fiji Institute of Accountants (FIA) in its meeting on 21st April 2017 appointed Director of Audit for the Fiji Office of the Auditor-General, Ms Finau Nagera, as the new President of the FIA, succeeding the role from Mr. Jerome Kado, a Partner with PricewaterhouseCoopers (PwC).



The Auditor-General of Fiji Mr Ajay Nand congratulated Ms Nagera and remarked that her appointment is an historic occasion for the Office and the civil service as being the first civil servant appointed to that leadership role with the Fiji Institute of Accountants since its establishment in 1972.

The Office of the Auditor-General fully supports Ms. Nagera in her new role and recognizes that she will also add the public sector dimension to the Institute.

## SAI Heads Information

Two of PASAI's members appointed new Auditor-Generals in the first quarter of 2017.

On 1 February 2017, Martin Matthews began his seven-year term as New Zealand's Controller and Auditor-General. Martin has worked in the public service for more than 36 years. He joined the (then) Audit Office in 1979 and spent the first 18 years of his career in the office. He was an Assistant Auditor-General from 1990 to 1998, holding various portfolios during this period.

Martin also takes on the role of PASAI Secretary-General taking over from Lyn Provost.



Fiji has appointed Ajay Nand as the new Auditor-General and he commenced work on 16 January 2017. The new Auditor-General was appointed by the President of the Republic of Fiji in accordance with section 151(2) of the Constitution of the Republic of Fiji, and on the advice of the Constitutional Office Commission.

Ajay previously worked as Manager of Internal Audit at the Fiji National Provident Fund since October 2007. Prior to that he worked for 20 years and occupied various roles at the Office of the Auditor-General, Fiji. He was appointed as an Assistant Examiner in 1987 and moved up the ranks to Director of Audit in 2004, a position which he held prior to his resignation in 2007.

PASAI welcomes both Martin Matthews and Ajay Nand to the family and we look forward to their valuable contribution.

Photo far left: Martin Matthews, NZ Auditor-General and PASAI Secretary-General.

Photo left: Ajay Nand, Fiji Auditor-General.



# PASAI CALENDAR

## THE NEXT 6 MONTHS

- **1 May:** Regional IPSAS e-course starts, Online
- **1 – 5 May:** SAI PMF Peer Review, Kosrae, FSM and Marshall Islands
- **8 – 9 May:** Advocacy and Awareness workshop, Kiribati
- **8 – 12 May 2017:** Design Meeting PASAI QA Regional Workshop Design Meeting - Auckland NZ
- **15 – 19 May:** SAI PMF Peer Review, Guam and Yap
- **22 – 26 May:** Technical SAI Support (WOG), Nauru
- **29 May – 9 June 2017 (2 weeks):** Technical SAI Support (Performance Audit), Kiribati
- **29 – 31 May:** Enhancing Effective Communications for Head of SAls – a regional leadership programme, Nadi Fiji
- **5 - 9 June:** SAI PMF Peer Review, FSM National
- **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

For further information, contact the PASAI Secretariat: Email: [secretariat@pasai.org](mailto:secretariat@pasai.org)  
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