



PASAI

MAY 2017 UPDATE

Pacific Auditors working together

SAI Communicates, Citizens Assured

Auditor-Generals and Public Auditors (Heads of Supreme Audit Institutions (SAI)) from around the Pacific attended the 'Enhancing Effective Communication with Stakeholders' in Nadi at the end of May.

The three day workshop held from 29 – 31 May, provided the Heads of SAI the opportunity to develop strategies to achieve greater audit impact through effective and efficient communication with public and private stakeholders, and within Pacific SAIs. Sessions on media, social media and public speaking provided valuable insights and ideas on communicating audit work and results through broader platforms.

Ihlen Joseph, the Public Auditor for Pohnpei State in the Federated States of Micronesia and PASAI Chairperson said, "This workshop has given us much to think about and implement in our SAIs to improve communicating our work."

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The Australian High Commission (Fiji) Pacific Regional Counsellor, Matthew Lapworth, in his opening address said, "Australia is pleased to support this workshop as good effective communication is crucial for SAIs in promoting good governance, accountability and transparency in the region."



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Aid Programme

PASAI
Pacific Association of
Supreme Audit Institutions

Australian
Aid

"SAI communicates, citizens assured"
A regional leadership program for Head of Supreme Audit Institutions (SAIs)
29 – 31 May 2017
Tanoa International Hotel, Nadi, Fiji

Hon. Dr. 'Aisake Valu Eke, Member of Parliament for Tonga, and a key speaker at the workshop shared his reflection from the workshop stating, "I feel that this workshop was about changing from being a SAI of the past and becoming a SAI that is relevant for now and in the future. I am looking forward to the transition that will take place in our Pacific SAIs as a result of this workshop." According to Tuvalu Auditor-General, Eli Lopati, "We have been encouraged, challenged and equipped to be better communicators as Heads of SAI."

The insights gained from this workshop have prompted SAIs to commit to reviewing their communication policies in key areas. The actions on these commitments will be considered at the 20th PASAI Congress to be held in Funafuti, Tuvalu from 8 – 11 August 2017 with the theme "Promoting Values and Benefits of SAIs through Effective Communication".

Forty-seven participants and key speakers from twenty PASAI member countries, states, parliaments, regional and other organisations attended the workshop. Key speakers included Members of Parliament from Fiji and Tonga, the Permanent Secretary for Fiji Ministry of Public Enterprises, the Australian Commonwealth Ombudsman, Pacific Islands Private Sector Organisation (PIPSO), Pacific Islands Association of Non-Government Organisations (PIANGO), and development partners. Also present was the CEO for Taimi Media Network and representatives from Capital Toastmasters Suva and Interactionz.

The workshop was hosted and facilitated by the PASAI Secretariat team, staff from the Australian National Audit Office (ANAO) and Audit New Zealand.

PASAI acknowledges the support of the Australian Government and the New Zealand Ministry of Foreign Affairs and Trade for making this workshop possible for all their member SAIs.

Nauru Department of Audit closes a 15 year audit gap

The Government of Nauru, especially the Nauru Department of Audit has reached a historical milestone because the Government of Nauru's Public Accounts for 2013/2014 has been tabled during a Parliamentary session held on 30 May 2017. This is the first time after a 15 year backlog. The Ministry of Finance has not been able to produce any public accounts or financial statements since 1998, therefore a huge part of the functions of the Nauru SAI could also not be carried out. The completion of this audit displays the professional and collaborative working relationship between the Ministry of Finance and Department of Audit, and proves that working together is all part of enhancing accountability and transparency and strengthening public financial management.

Auditor-General of Nauru, Mr Manoharan is very appreciative to PASAI for the support provided to his office through the PASAI sub-regional audit support program and many other capacity building workshops that his staff have attended, including technical support from PASAI consultants. This support has helped build the capacity of his staff and enabled his office to complete the first audit of 2013/2014 Governance on Nauru (GON) Public Accounts, particularly given that this is one of the smallest audit offices in the Pacific.

However currently his staff numbers have been reduced to three audit staff consisting of two audit local staff and one GON contracted employee. They are currently auditing the 2014/2015 GON public accounts and soon the Ministry of Finance will issue the 2015/2016 GON public accounts. Once again the Nauru SAI will face the challenges of the lack of experienced and qualified staff. The lack of experienced and qualified staff has been the key challenge faced by the Auditor-General over the years. However, despite these challenges his office has managed to complete a number of compliance audits and issue reports to these ministries and an annual report to the Minister of Public Service, as per the Audit Act, and that is what he is also very proud of.

PASAI has been monitoring and assessing closely these issues and challenges of Nauru SAI and have designed a regional programme, approved by the PASAI governing board, to be implemented in 2017 to not only achieve sustainability but ensure the Auditor-General is supported throughout the year in completing the audit of GON Public Accounts and other audits as per its mandate.

During the week of 22 May 2017, the PASAI Director of Technical Support visited Nauru to discuss this proposed regional programme and it was received positively by Mr Manoharan and his office. This regional programme involves providing Pacific auditors from PASAI Pacific SAIs as attachments for up to four months of the audit year, to assist in conducting audits, in particular 2014/2015 and 2015/2016 public accounts, in-house training and on the job mentoring and training. This approach will not only benefit and provide a workable solution for the Nauru SAI in terms of human resources, but it satisfies PASAI's motto of "Pacific Auditors Working Together". An expression of interest for these attachments will be advertised in June 2017 so that Pacific auditors can provide this support as early as September 2017 for the next three years.

PASAI congratulates the Auditor-General and his staff of the Nauru Department of Audit on achieving a huge milestone in the audit of the 2013/2014 Public Accounts thus closing a gap of a 15 year backlog and enhancing accountability and transparency in the use of public funds and resources by the government to benefit the lives of the people of Nauru.

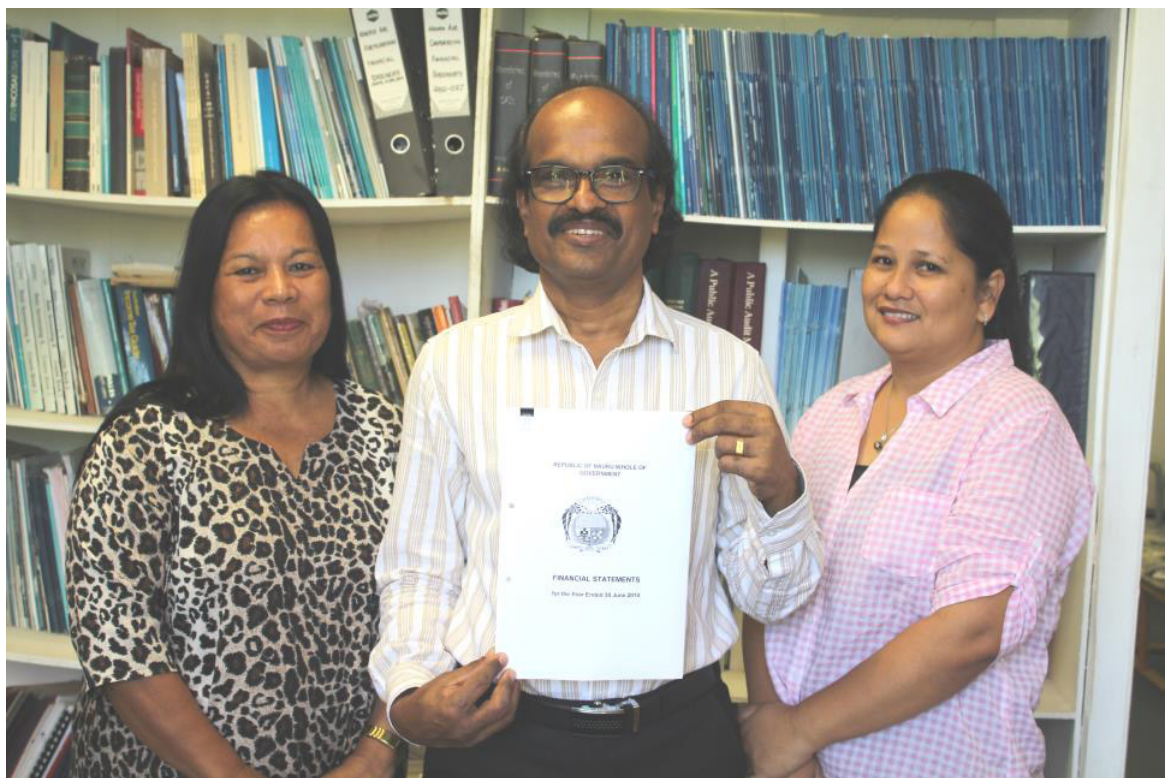


Photo above: Auditor-General of Department of Audit Nauru Mr Manoharan Nair holding the 2013/2014 Financial statements which includes his independent audit report, with his two audit staff Ms Gillian Itsimaera (left) and Ms Valeni Natano (right).



Photo above: Mr. Gordon Kega (Deputy Auditor-General), presents Ms Jennifer Carter (AGO Advisor) with a thank you gift following a week of Teammate training for the Provincial and Local Level Government Audit Division in March 2017. To Jennifer's right are Ms Shireesti Chand and Ms Linda Gorrell from the ANAO who assisted with the training.

PNG Auditor-General Office trains in TeamMate

The PNG Auditor-General Office (AGO) TeamMate Project Team conducted three training sessions on TeamMate EWP (refresher) and Audit Planning Methodology, which is in compliance with the ISSAIs. The trainings were conducted over a period from 6 March - 6 May 2017.

The TeamMate Project Team conducted two sessions, the first and the final ones. Two staff from Australia National Audit Office (ANAO) facilitated the second session as an independent party. The ANAO facilitators gave positive feedback on the Audit Planning Methodology.

The Audit Planning Methodology was done by the AGO TeamMate Project Team and reviewed by ANAO Advisor. The methodology is being used in TeamMate after the trainings.

ANAO, as part of the ANAO and AGO twinning arrangements, is providing technical support to the AGO TeamMate Project Team.



Kiribati conducts Accountability workshops

This month, two alternate workshops took place in Kiribati on 'Effective Accountability through the strengthened Kiribati Audit Bill 2017 for audit entities'. The workshops were jointly conducted by the Kiribati National Audit Office (KNAO) and the Pacific Association of Supreme Audit Associations (PASAI). Nineteen staff from seven government ministries and 24 officials from various state-owned enterprises (SOEs) attended the two workshops over the two days.

The core content of the workshops was on the Kiribati Audit Bill where the Auditor-General and her staff presented and explained the main parts of the bill, which will be enforced once it is passed by Parliament in their next sitting. Participants engaged in discussions in seeking clarity on particular aspects of the bill. The KNAO provided practical illustrations on how those sections would apply for their respective type of entities.

The workshops were funded by the Government of Kiribati through KNAO, the Australia Department of Foreign Affairs and Trade and the New Zealand Ministry of Foreign Affairs and Trade through PASAI.

Samoa Audit Office Twinning Programme

Senior members of the Office of the Auditor-General of New Zealand, Jonathan Keate and Henry Broughton, were in Samoa for a week in the last week of May on a

brief twinning programme with the Samoa Audit Office (SAO). It was their second time working as a pair in Samoa, and they were keen to follow up on their visit in April 2016 to build on the groundwork from then and to expand on their proposed revisions to audit manuals, financial independence and the SAO strategy.

This has been an ongoing relationship between the Samoa Audit Office and the Office of the Auditor-General/Audit NZ in the exchange of information, knowledge and ideas, which has also included members of the Samoa Audit Office in one-month secondments to Wellington.

In their one week, they were able to have discussions with the Controller and Auditor-General, Fuimaono Camillo Afele, Deputy Controller and Auditor-General, Violet Roebeck-Fasavalu, Audit Directors and various members of the management team.

Their proposed programme, given the brief time, initially focused on TeamMate implementation, financial independence of SAO and providing assistance with audit processes and manuals.

However, with further internal meetings, they were able to extend on their initial programme shedding light on the importance of the Samoa Audit Office strategy especially with the backlog of Parliamentary reports now cleared.

At the end of their visit, they were able to highlight some of the issues that needed resources and focus on in order to achieve strategies laid out for the next few years:

- Implementing the use of TeamMate across SAO with a phased approach will also include further training with an IT Audit expert from Audit New Zealand in mid-June;
- Strengthening reporting of work results to Parliament and citizens through thematic reporting, more effective communication with stakeholders and use of social media;
- SAO preparation for financial independence and its implications should start with a solid Action Plan;
- Co-ordinate work programme planning that can be used as a platform for consultation and engagement with stakeholders, and part of its transition to financial independence;
- Strengthening the Special Audit by looking for opportunities to work with other organisations on education about fraud.

Keate and Broughton were farewelled with a dinner at the Office on their last day and expressed their gratitude and appreciation to the Controller and Auditor-General and his staff. SAO also thanked them for all the materials and advice during their time in Apia.



Photo above: Jonathan Keate from the NZ Office of the Auditor-General



Photo above: Henry Broughton from the NZ Office of the Auditor-General.

SAI Solomon Islands Twinning with NSW

As part of the ongoing twinning arrangement with the Audit Office NSW (AO NSW), the SAI Solomon Islands was privileged to host two professional team members, Roopal Rachna and Sanjay Ram of the AO NSW. Both are Audit Leaders at AO NSW and their coming to SAI Solomon Islands from 1-12 May 2017 marked their stage 2 visit to the Solomon Islands.

The wealth of expertise, experience and skills brought in by Roopal and Sanjay were very beneficial, which was evident right from the first day of training. The enthusiasm and energy of the SAI Solomon Islands Government Financial Audit Branch (GFAB) Team was demonstrated in their eagerness to learn as much as possible.

The main objectives of the stage 2 visit were:

- Completing the planning stage of the Solomon Islands Government (SIG) National Accounts for financial years ending 31/12/2015 and 31/12/2016; and
- Coaching and mentoring auditors by setting the basis of the audit approach, audit methodology, audit strategy, working smarter techniques with greater milestone achievements and fraud identification.

The training covered important topics such as TeamMate Index set up; Managing audit; Identifying risks and how to assess and respond to risks; fraud detection, methodology and the engagement letter.

On the second to last day of training, Auditor-General, Mr. Peter Lokay organised a network evening to say thank you to Sanjay and Roopal for the great work they did for the Audit Team and SAI Solomon Islands overall. Responding, Roopal and Sanjay spoke highly of the staff who attended the training and commended the learning and sharing of the two weeks training, commenting that it was enjoyable and productive.

Mr. Sanjay Ram encouraged the office by saying, “Empower your staff to do their work, give them autonomy. It is delegation, guiding and coaching that the Audit Managers should focus on. Think and deliver value. Proper planning should pick out risks and addressing those risks is the key objective. Every mind and effort makes a difference and it is now up to you to make a difference for the Solomon Islanders and their Government”.

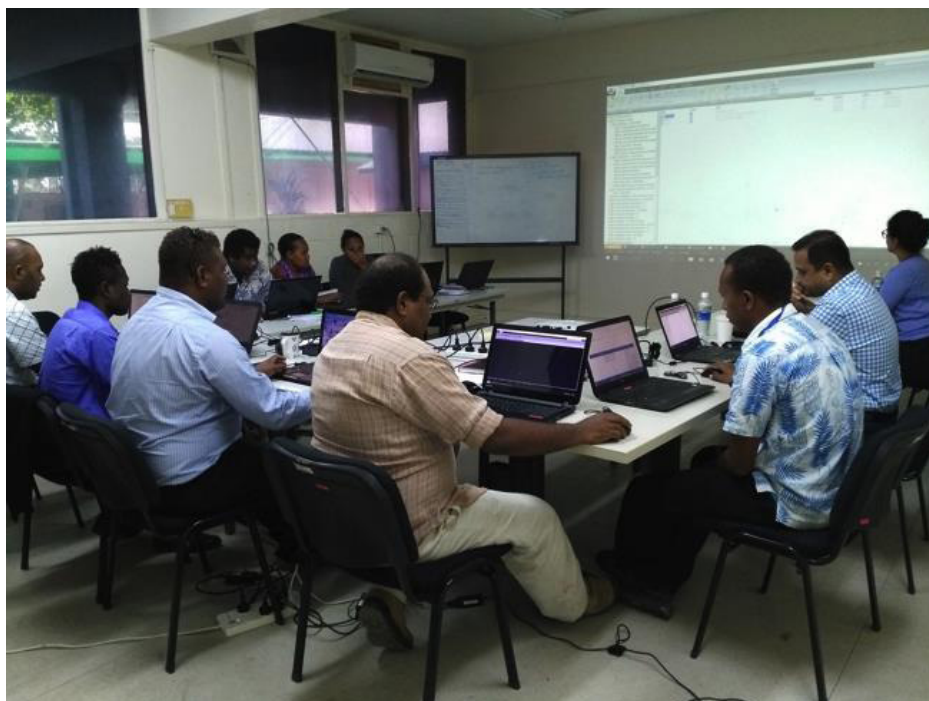


Photo left: Staff of the Solomon Islands SAI at their TeamMate training with Roopal and Sanjay from the Audit Office NSW.

Samoa Audit Office upgrades from manual lever-arch files

The Samoa Audit Office (SAO) has come a long way from manual lever-arch files with green pen scribbling, to the wonder of PCs and laptops that has introduced standardised audit work papers/programmes utilising Microsoft Word and Excel. Now, another milestone has been achieved with the initialization of an electronic work paper audit management system familiar to many SAIs, called TeamMate Audit Management software.

It has been a long outstanding objective for SAO to acquire and implement the TeamMate Audit Management Software. A situational analysis was carried out in SAO's last Institutional Strengthening Project (ISP) in 2012 that outlined some of the disadvantages that our current use of manual audit files pose on our organisation. These were:

- Considerable time and energy spent producing a document, printing it out, indexing, cross referencing and putting into a file;
- The electronic workpapers developed were on individual staff laptops and not necessarily secure or properly backed up;
- Auditors were spending more time documenting than actually testing;
- The quality, nature and style of the workpapers produced, varied depending on individual staff members;
- Lack of standardisation made it difficult and longer for a new staff member to understand the file and continue from previous auditor;
- It was not clear what work had been reviewed;
- Issues and potential weaknesses could be lost in the workpapers;
- There was only one copy of the file available so the file could not be reviewed and used as a reference at the same time;
- Physical storage of a large number of lever arched files and binders; and
- The stationery costs (folders, paper, dividers, archive boxes).

As a result of these issues identified, SAO endeavoured to consider the benefits and potential risks in implementing a proper electronic workpaper system.



The TeamMate PASAI Regional Workshop that was held in Auckland, New Zealand in May 2016 offered the platform needed to start the implementation. The decision to procure TeamMate amongst other suppliers came naturally as 80% of SAIs in the Pacific currently use TeamMate, and this prospect presented opportunities for assistance in the near future.

Photo left: SAO staff training on TeamMate.

The key elements of the implementation included the following:

- Financing TeamMate from SAO's allocated budgeted funds for the financial year 2015/16 (15 licenses);
- Recruitment of an ICT Director to ensure that the current ICT infrastructure is ready for the upgrade to install and implement TeamMate;
- Selection of TeamMate Champions to drive the organisational change process;
- Installation of TeamMate (with a one week visit by TeamMate Consultants in April)
- Financing the extra licenses through savings from allocated budgeted funds for the financial year 2017/18 (another 15 licenses);
- Implementing the Electronic Work Paper (EWP) module, Team Admin, and Team Store modules;
- Selection of two Pilot Audits to gauge the use of the three modules above.

At this stage, SAO is halfway through its pilot audits, and the feedback from auditors taking part (TeamMate champions) has been very positive, especially in the areas of efficiency. The team leaders involved in the pilot audits agree that there is still time to evaluate the standard audit programmes/procedures during the audit process. From the pilot audits also, SAO hopes to know more about the areas that need to be addressed that may hinder the use of the software in the way it does its audits (methodology) manually.

The overall benefit expected from TeamMate is an improvement in the quality, efficiency and timeliness of our audits, which is highlighted in our Strategic Plan 2012-2024.

However, the unique features of this implementation also created challenges in managing the impact that this TeamMate software would have at the organisational, engagement and user level. SAO is planning to go live, immediately after the Pilot Audits on 1 July 2017. As SAO is still only in the implementation phase, managing the risks so that the investment in the software returns the expected benefits is no easy task. Therefore SAO has solicited the assistance from the Office of the Auditor-General of New Zealand through twinning arrangements and the PASAI Regional TeamMate Group.

SAO is expecting Ms. Ann Kilpatrick from Audit New Zealand, Benly Micah from SAI PNG, and Tomasi N. Daunabuna from SAI Fiji in the next couple of weeks to assist with implementation. SAO is indebted to Auditor-Generals of these countries, as well as the PASAI Secretariat for their assistance and contribution by making available their key personnel and resources to assist with its TeamMate implementation.



Going forward, SAO aims to implement other modules such as the Team Schedule, Team Central, Team Tec and Team Risk. SAO looks forward to the positive changes that the use of electronic workpaper files will bring not only to the Office but also, and more importantly, to our stakeholders and meeting mandated obligations to the people of Samoa.

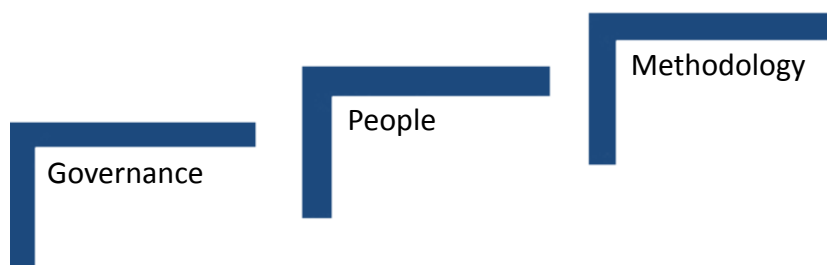
Photo left: SAO staff trialling TeamMate in their office.

Fiji and Tasmania are Twinning

The Fiji Office of the Auditor-General and the Tasmania Audit Office is one of the three active twinning arrangements for PASAI members with the Australasian Council of Auditors General.

The Australian Government funds the Twinning Programme under an agreement with the Tasmanian Audit Office (TAO). The objective is to provide support to the Office of the Auditor-General of the Republic of Fiji (OAG) over a three-year period to ensure both offices have in place sustainable business policies and practices to conduct efficient high-quality financial audits that comply with relevant standards and meet stakeholder requirements.

The focus will be mainly in the areas of governance, people and methodology. These focus areas align closely with Fiji's own key result areas in its 2015-18 strategic plan and will be addressed in a systematic manner. The first step will involve formalising governance processes before embarking on the development and implementation of appropriate policies and procedures in both people and methodology areas.



Support to OAG will be facilitated by the TAO and delivered via direct assistance by TAO staff through short-term staff exchanges between the respective offices. Assistance will also be sourced from other audit offices or supreme audit institutions, the Pacific Association of Supreme Audit Institutions (PASAI) and other audit providers.

Fiji appoints a new Deputy Auditor-General



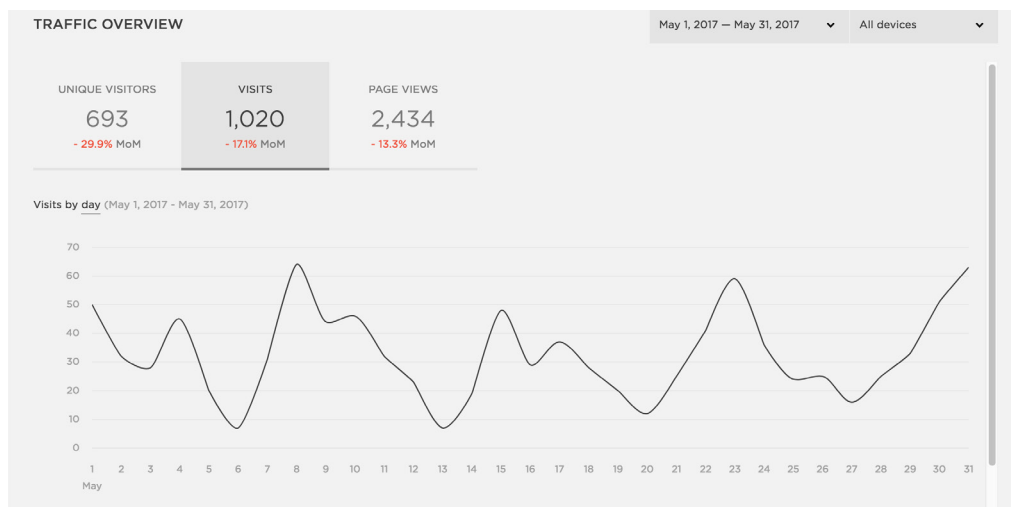
Fiji Office of the Auditor-General appointed Mr. Sairusi Dukuno as the new Deputy Auditor-General with effect from 8 May 2017. The new Deputy Auditor-General was appointed by the Auditor-General of the Republic of Fiji in accordance with section 152(6) and 152(7) of the Constitution of the Republic of Fiji, for a term of three years.

Prior to this position, Mr. Dukuno was the Director of Audit since 2007 and has worked with the Fiji Auditor-General Office for 23 years. He started as a Graduate Trainee and moved up the ranks until he became the Director of Audit.

Mr. Dukuno is a Chartered Accountant with the Fiji Institute of Accountants (FIA) and also served with the surveillance panel with FIA. He was recently appointed as a Board member with the Institute of Internal Audit (Fiji) in March 2017.

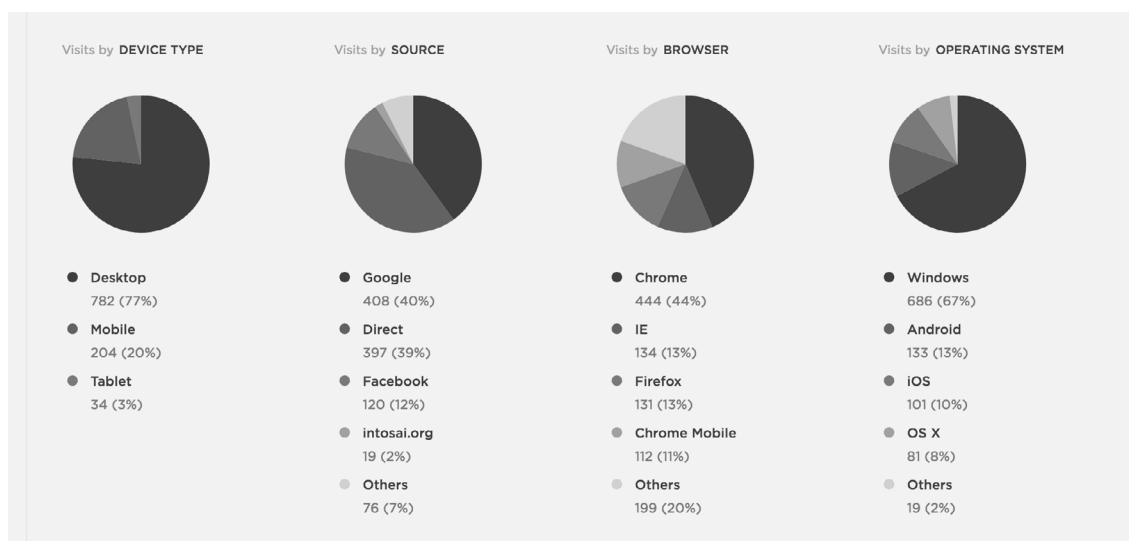
PASAI Website Statistics and Traffic

Here is a screen shot of our MAY 2017 website analytics overview:



THE DATA BREAKDOWN for May 2017 as seen in this image - is as follows:

- **VISITS** (the number of times the website was visited) = **1,020**
- **PAGE VIEWS** (the number of pages that were viewed by unique users) = **2,434**
- **UNIQUE VISITORS** (the number of individuals that used the website over the month) = **693**



Other interesting things to note for May were:

44% of viewers were using the Google Chrome Browser
13% of viewers were using the Internet Explorer
13% of viewers were using Firefox

40% of traffic came through a Google search
39% of traffic came directly to the website
12% of traffic came from a facebook link

77% of people visited the PASAI site on their desktop
20% of people visited the PASAI site on their mobile phone
3% of people visited the PASAI site on their tablet



TECHNICAL SUPPORT UPDATE #05/2017

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.

ISSAI 30 - NEW AND REVISED INTOSAI CODE OF ETHICS

Public assets/resources and their management are critical for the ability PASAI is aware that some of our members do not have a Code of Ethics, or they refer to the Public Service Code of Ethics and some refer to INTOSAI Code of Ethics. Therefore, this article is to shed awareness about the new INTOSAI Code of Ethics, which has been revised since the original code was adopted in 1998.

At the December 2016 XXII INCOSAI in Abu Dhabi (December 2016) a new Code of Ethics was adopted with the main difference to the old code being the inclusion of the SAI perspective (as an organisation) alongside the perspectives of individual staff members, auditors and non-auditors alike. This inclusion was aimed at emphasizing SAI responsibilities with regard to ethics, since individual ethical behaviour depends not only on the individual, but also the environment within which they work.

“SAIs are held to high expectations and must earn the trust of stakeholders... Therefore, they need to act as model organisations and inspire confidence and credibility...”
ISSAI 40 Preamble (1)

In the revised INTOSAI Code of Ethics, ethical values are the key concepts of what is important, what should drive decisions for the organisation and staff. There are five defined values for SAIs:

1. Integrity

To act honestly, reliably, in good faith and in the public interest.

2. Independence and Objectivity

To be free from circumstances or influences that compromise (or may be seen as compromising) professional judgment to act in an impartial and unbiased manner

3. Competence

To acquire and maintain knowledge and skills appropriate for the role, and to act in accordance with applicable standards with due care

4. Professional behaviour

To comply with applicable laws, regulations and conventions and to avoid any conduct that may discredit the SAI

5. Confidentiality and Transparency

To appropriately protect information, balancing this with the need for transparency and accountability that may discredit the SAI



TECHNICAL SUPPORT UPDATE #05/2017

PASAI members are encouraged to develop or adopt a code of ethics and an appropriate control system to implement it. It is understood that a code can never address all ethical circumstances that will arise in practice, however every SAI should ensure staff are reminded of these codes which will contribute to the long standing good reputation of the SAI to lead by example for the rest of the public service.

For more Information or should you require any Technical Support:

Contact PASAI's Director of Technical Support

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☎ **+ 64 9 304 1892**

Visit AICPA (American Institute of CPAs-Auditing Standards Board)

www.aicpa.org

Visit GASB (US Governmental Accounting Standards Board)

www.gasb.org

Visit GAO (US Government Accountability Office)

www.gao.gov

Visit IAASB (International Auditing and Assurance Standards Board)

www.iaasb.org

Visit IFAC (International Federation of Accountants)

www.ifac.org

Visit IPSASB (International Public Sector Accounting Standards)

www.ipsasb.org

Visit ISSAI (International Standards of Supreme Audit Institutions)

www.issai.org

PASAI CALENDAR

THE NEXT SIX MONTHS

- **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 SAIs, Port Vila, Vanuatu

For further information, contact the PASAI Secretariat: Email: secretariat@pasai.org

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