

# PASAI

## NOVEMBER 2016 UPDATE

*Pacific Auditors working together*

### Inside this update

- Promoting better Governance, Accountability and Transparency in Pohnpei
- Building Capacity to effectively audit the management of Public Assets
- AFROSAI-E Technical Update
- Towards Greater Independence – A Guidance for Supreme Audit Institutions by IDI
- PASAI Secretariat Team Planning
- Plus so much more ...

The Pohnpei State Office of the Public Auditor (OPA) in partnership with the Pacific Association of Supreme Audit Institutions (PASAI) hosted a five day workshop in Pohnpei from 21 – 25 November 2016 for Members of the Legislature, Audit Entities, Public Auditors of Federated State of Micronesia, Chief Executives of Local Government, and other stakeholders including media and civil society organizations, in Pohnpei. The workshop is in line with one of PASAI's strategic priorities, "to advocate on behalf of its members to strengthen governance, transparency and accountability."

Legislative committees play an important role in the scrutiny of audit reports and providing oversight over the use and management of public resources. The workshop was opened by the Vice Speaker of the Pohnpei State, the Honorable Nixom Soram, "who extended a warm welcome to members of the legislature, the Pohnpei State Public Auditor, Iso Ihlen Joseph, his staff, and the PASAI delegation for holding such a valuable workshop for its members". Vice Speaker, Hon Nixom Soram in

### Promoting better governance, accountability and transparency for Pohnpei State



his opening address commented, "as legislators our role is to ensure monies are expended correctly, once they are expended, we must ensure they are accurately accounted for, if not, we turn to the auditors. That is why we need the help of auditors". Members of Legislative Committees who attended the first two days also commented, "the workshop was informative and extremely useful for their roles as oversight committees, and as members of the legislature"

The first two days of the workshop was the programme for members of the Legislature and was attended by 17 members. The topics covered included an overview about the role of PASAI, the status of accountability and transparency in the Pacific, the value and benefits of Supreme Audit Institutions or Offices of Public Auditors, public accountability framework of the Pohnpei State, its budget process, fraud awareness and the audit findings of OPA.



## Promoting better governance, accountability and transparency for Pohnpei State (cont.)

The final three days were for the second group comprising of Cabinet Members, staff of audit entities including finance and administration staff, the Public Auditor of Kosrae State and his staff, which started their session on Wednesday and attended by 27 participants. The Governor of Pohnpei State, the Honorable Marcelo K Peterson, welcomed the second group, and in his opening remarks, extended his gratitude to the Chair of PASAI, also the Public Auditor of Pohnpei, for selecting Pohnpei to host this workshop. He ended his opening remarks with a wise old saying, “in order to establish trust, it is first important that you be trustworthy. This means you should be forthright with all your dealings”.

This workshop is the fourth Public Accounts Committee workshop PASAI has held in the Pacific, and it is the first time it has extended to a five day programme to include audit entities, government officers, local government and other stakeholders.

The workshop was facilitated from PASAI by Mr Eroni Vatuloka, PASAI Advocate, and Ms Aolele Su’a Aloese, Director of Advocacy, Engagement and Financing, and from the Pohnpei Office of the Public Auditor, by Mrs Sophia H Pretrick, Investigative Advisor, Mrs Analin Co Estur, Audit Manager and Ms Christina Elnei, Budget Officer, Pohnpei State Governor’s Office.

PASAI would like to acknowledge the support of the Pohnpei State Office of the Public Auditor, for making this workshop a great success. We would also like to acknowledge 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).



Photo above: Members of the Pohnpei State Legislature with staff of the Pohnpei Office of the Public Auditor and PASAI consultants.

# Building Capacity to Effectively Audit the Management of Public Assets

The Auditor-General's Office of Papua New Guinea (PNG) together with the Pacific Association of Supreme Audit Institutions (PASAI) hosted a workshop in Port Moresby from 21 to 25 November 2016 at the Lamana Hotel. The theme of the workshop, *'Building Capacity to Effectively Audit the Management of Public Assets'*, emphasised that the risks to Pacific Island Countries and Territories governments of poorly managed public assets / resources are significant and material. Supreme Audit Institutions (SAIs) play an important role to improve the management of public assets resources, which is critical for the ability of governments to deliver key services to its citizens. The PNG Auditor-General Mr Philip Nauga commented that *"this workshop is relevant and important for our office because it aligns with the PNG Vision 2050 National Government plan to reduce corruption including the mismanagement and misuse of public assets and resources"*. Such comments echo similar concepts from SAIs in the Pacific region.

The workshop covered a range of technical topics from the asset life cycle, the four main stages of

asset management decisions, determining the feasibility of a performance audit on this topic, to linking audits to SDGs and National Development plans and strategic audit planning of asset management audits.

The knowledge gained by participants from this workshop will help them to plan and carry out an audit on assets management, with value added recommendations to their respective government.

Twenty two representatives from 14 SAIs attended this week-long workshop - American Samoa, Cook Islands, Fiji, the Federated States of Micronesia's States of Chuuk, Pohnpei, Kosrae, and Yap, Kiribati, Marshall Islands, Palau, Samoa, Solomon Islands, Tonga and Tuvalu. For the first time in PASAI programs, a representative from the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) attended and this was possible through PASAI's Memorandum of Understanding with AFROSAI-E to share resources and knowledge.



*"this workshop is relevant and important for our office because it aligns with the PNG Vision 2050 National Government plan to reduce corruption including the mismanagement and misuse of public assets and resources"~ Mr Philip Nauga.*

Photo above: Building Capacity to Effectively Manage Public Assets workshop participants.



# Building Capacity to Effectively Audit the Management of Public Assets (cont.)

The regional workshop was developed and delivered by a team of highly experienced PASAI consultants - Ms Kerry McGovern, Dr Penny Burns and Ms Michelle Maschmedt - all with extensive experience in public sector asset management and working in the Pacific Islands. The workshop was delivered using a blended learning approach which consisted of class room lectures, exercises and two study tours to major infrastructure public assets such as PNG National Airport Corporation and the PNG National Football Stadium. Both these study tours provided a practical implementation of the content taught during each of these days, to enhance their understanding. The feedback from participants was positive and they enjoyed the variety of teaching approaches.

The workshop ended with the presentation of certificates to participants by the PNG Auditor-General together with Mr Dylan Roux, First Secretary, Australian High Commission, Papua New Guinea.

PASAI commended the PNG Office of the Auditor-General for their excellent support and for making this workshop a great success including their world-class hospitality.

PASAI acknowledge 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).

---

## Attendance to AFROSAI-E technical update

PASAI Secretariat and representation from Fiji SAI attended the 11th Technical Update AFROSAI-E in Durban South Africa from 1 - 4 November 2016. The key note speaker Mr Sihiwe Moyo started the update with a motivational and inspiring address challenging auditors to “*not be overwhelmed by challenges but to face it by looking at situations you can change yourself*”. This aligned with AFROSAI-E's Chief Executive Wessel Prestorius opening remarks that this technical update is aimed to energize everyone and analyse the future.

The purpose of this annual event is to update the technical managers of member SAIs on the outcomes of all developments and workshops that took place in 2016 and; to explain technical documents that were produced throughout the year to ensure that they are understood and implemented appropriately in the region. The Technical Update will also afford an opportunity to SAI staff who have been using AFROSAI-E documents, to share their experiences with the materials while delegates will be given an opportunity to discuss it and raise comments.



*PASAI and AFROSAI-E have an existing Memorandum of Understanding since 2014 which encourages more collaborative partnership and sharing of resources and experiences between our two regional organisations.*

## Attendance to AFROSAI-E technical update (cont.)

SAI Fiji have adopted fully the AFROSAI-E regularity audit manual (RAM) which has been adopted by PASAI as its Financial Audit Manual as a resource for all PASAI members. Mr Daikono of SAI Fiji remained in Durban South Africa the following week to participate in the refresher workshop on the RAM and an update on his experience will be in the next PASAI update (November 2016).

PASAI and AFROSAI-E have an existing Memorandum of Understanding since 2014 which encourages more collaborative partnership and sharing of resources and experiences between our two regional organisations.



PASAI Director of Technical Support, Mrs Agnes Aruwafu, will utilise the knowledge obtained from this technical update for PASAI members by updating the PASAI FAM (3rd edition) based on the new update of the RAM to be completed by Congress in August 2017 and providing relevant resources which is requested from various SAIs. One major change to the RAM is that it will be split into separate manuals on Financial audit and Compliance audit.

Should any PASAI members wish to request any resources they see on the AFROSAI-E website <https://afrosai-e.org.za/welcome-afrosai-e> which may be useful for your SAI please contact the PASAI Secretariat.

---

## Towards Greater Independence - A Guidance for Supreme Audit Institutions by IDI

The INTOSAI Development Initiative (IDI) held a meeting on 14-18 November 2016 in Oslo, Norway as part of its SAI Independence Programme, the main objective of which is to support SAIs globally in achieving “greater independence”. As a part of this programme, the IDI plans to build on and bring together the work done by many stakeholders to provide practical guidance on moving towards greater SAI independence, said Mr Celestin Ankamtsene, Manager Capacity Development – CREFIAF INTOSAI. The guidance, currently in draft, is being developed by a global team of resource persons between July 2016 and March 2017, with the aim to have it finished then.

PASAI’s Legal Consultant, Mr Robert Buchanan, who attended the Oslo meeting as the subject-matter expert on the resource team, said that “the calibre of the resource team is extremely impressive, with extensive experience in SAI independence from a global perspective able to bring excellent examples of SAI independence in practical terms”. Mr Buchanan has worked with many Pacific and South-east Asian SAIs in strengthening their independence, including by assisting them to review their legislation against international standards and then identifying gaps and weaknesses where constitutional or legislative strengthening is required.



## Towards Greater Independence – A Guidance for Supreme Audit Institutions by IDI (cont.)

PASAI's Director of Advocacy, Engagement and Reporting, Aolele Su'a Aloese, also contributed to the writing of the chapter of the guide concerning the need for a strategic approach to enhancing SAI independence, drawing on materials in PASAI's recently developed independence resource kit.

The development of the guidance is being done through a series of activities including:

- Online collection of studies/document/papers from INTOSAI regions and other institutions which could be relevant or useful for the development of the guidance;
- Face to face workshops and meetings to agree on the content of the guidance, and allocate responsibilities for the writing of chapters.
- Development and writing of the specific portions of the guidance by each resource team member, and online discussions to refine the content.
- Consolidation and review of the draft guidance.

A draft of the guidance is now being circulated for review by subject matter experts, with the aim to have it available to INTOSAI members early next year, 2017.

---

## PASAI Secretariat Team Planning Meeting

The PASAI Secretariat team held its planning meeting on 30 November 2016 at the PASAI Secretariat office in Parnell, to strategise the way forward for its programmes for the next three years. It was tactical to have the team together in one place to evaluate the progress made so far with the PASAI Strategic plan and to discuss in more detail the priorities for more effectiveness in the region.

The outcomes from this meeting will help to formulate program proposals for PASAI's Operational Plan 2017/18 – 2019/20 and related budget which will be submitted to the upcoming PASAI Governing Board meeting on 23-24 February 2017. The plan will also be a basis for funding discussions with donors.



Photo above: The PASAI Secretariat team at the Secretariat office in Auckland, NZ.

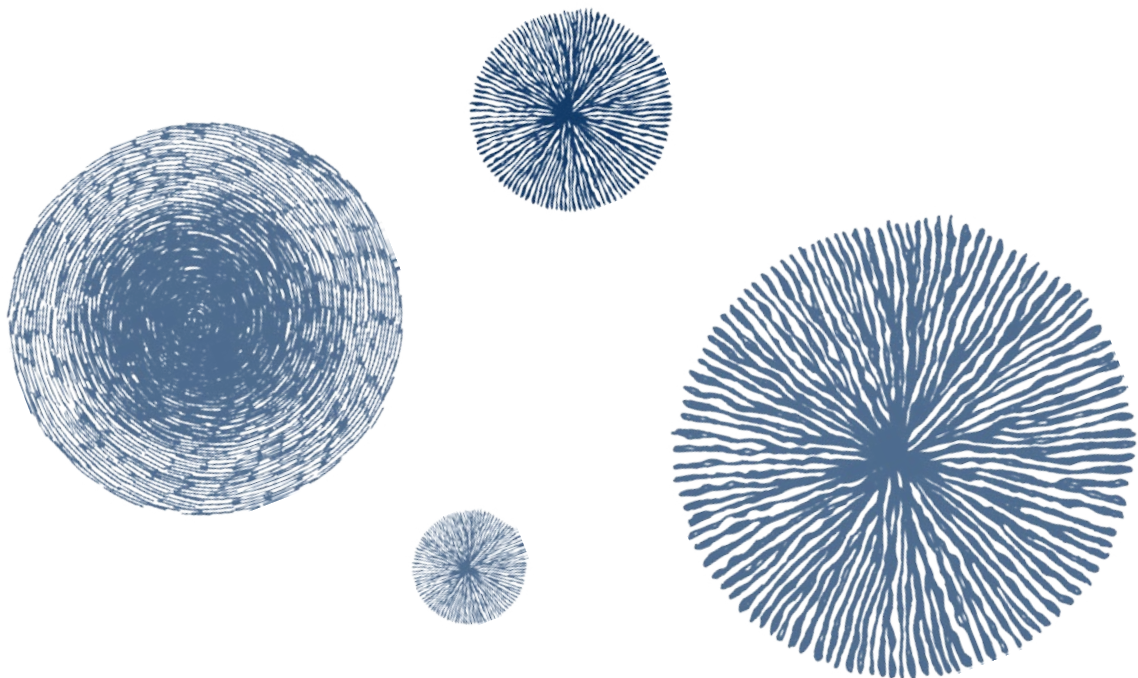
# PASAI CALENDAR

## THE NEXT SIX MONTHS

- **15 – 20 December:** IDI/PASAI Regional Cooperative Compliance Audit of Procurement - Reporting Meeting, Apia SAMOA
- **2 – 6 March:** SAI Young Leaders Symposium, Auckland, New Zealand

### 2017

- **19 – 25 January :** PAC Workshop & Awareness program, Apia, Samoa
- **23 – 27 January :** SAI PMF Lite Planning Meeting (North SAls), Guam.
- **23 – 24 February :** 16th Governing Board Meeting, Auckland, New Zealand



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