



PASAI

APRIL - JUNE 2016 UPDATE

Pacific Auditors working together

Performance Audit Design Planning Meeting

At the 14th PASAI Governing Board meeting held in February 2016, the members approved a project plan which was aimed to enhance the quality of performance audits conducted by Pacific SAIs. It is also to support the region in preparation for a series of planned regional or sub-region co-operative or co-ordinated audits, relating to United Nations Sustainable Development Goals (SDGs).

A project team was formed and a planning design meeting was held in Auckland, NZ at the PASAI Secretariat Office from 29 March - 1 April 2016 to develop a work-plan for project implementation.

The output from this interactive and productive meeting was the Terms of Reference (TORs) for the three sub-region representatives which was emailed to all Heads of SAI for comment by 20 April 2016. This document summarised the outcomes and timelines for this project, and how the work planned will contribute to achieving the overall Strategic Priority 3 of high quality performance audits by our Pacific SAIs.

Project team

This project team is led by PASAI's Director Technical Support, Agnes Tuiai-Aruwafu and supported by PASAI's Performance Advisor Claire Kelly, plus three sub-regional representatives:

- Elina Paul – Micronesian sub-region Representative
- Oceanbaby Penitito – Polynesian sub-region Representative
- Unaisi Namositava – Melanesian sub-region Representative

The sub-regional representatives were selected based on their experience with PASAI co-operative audits in the past, with the approval of their Head of SAI.

PASAI appreciates the support of the Heads of SAIs for allowing their staff to participate in the project team and in planning and designing this crucial programme. Their contribution has been tremendous.

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Photo: Performance Audit Design Project Team

New Auditing Director meets key Contacts in Fiji

The Pacific Association of Supreme Audit Institutions' (PASAI) new Director of Advocacy, Engagement and Financing was in Suva in April to meet with key stakeholders. Ms Aolele Su'a Aloese joined PASAI in March and met with regional development partners to outline PASAI's strategic priorities, planned programs and funding.

Ms Su'a Aloese was hosted in Fiji by PASAI's Advocate Mr Eroni Vatuloka. Mr Vatuloka is based in Fiji and set up meetings with the University of the South Pacific, the UNDP, the Pacific Islands Forum Secretariat, as well as meetings with funding partners such as the Australian Department of Foreign Affairs and Trade, the New Zealand Ministry of Foreign Affairs and Trade, the Asian Development Bank, and the World Bank. Ms Su'a Aloese said, "I am

looking forward to establishing a base to work with development partners to raise awareness of the important role of SAIs and the difference they can make to citizens lives and systems of government". Ms Su'a Aloese's professional interests are in strengthening good governance and financial management practices to promote better accountability and transparency in the Pacific.

PASAI structures its work program around five strategic priorities. Ms Su'a Aloese is responsible for projects that relate to Strategic Priority 1 — strengthening SAI independence and Strategic Priority 2 — advocacy to strengthen governance, transparency and accountability. She used these strategic priorities as the basis of her discussions with regional development partners.



Photo: (left to right) Mr Siosaia Tupou Faletau, World Bank Advisor (based in Fiji), Ms Aolele Su'a Aloese, PASAI Director of Advocacy, Engagement and Financing and Mr Eroni Vatuloka, PASAI Advocate.

“TeamMate® is a tool that will help our Pacific SAIs enhance the quality of their audits ...”

Pacific Auditors Achieving High Quality with ‘TeamMate®,’

The Pacific Association of Supreme Audit Institutions (PASAI) hosted auditors from across the Pacific from 2 - 6 May, 2016 in Auckland to share information about TeamMate®, a new auditing software used by audit offices across the Pacific including the New Zealand Audit Office.

TeamMate® is an online auditing program that allows audit offices to spend less time documenting and reviewing information, giving auditors more time to add value in other ways to their audit services, thus improving their audit quality.

The audit offices using TeamMate® took the opportunity at this workshop to learn from each other and discuss challenges they had faced in using TeamMate. PASAI's Chief Executive, Mr Tiofilusi Tiueti said “Implementing any new system can be difficult; implementing a new system in isolation can be almost impossible. Our job is to make sure that none of our members feel they are alone in implementing this new system. Audit NZ will be on hand to share their knowledge as a



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longstanding user of TeamMate®, and a longstanding member and supporter of PASAI”, he said. “TeamMate® will also be on hand with advice”.

A total of 23 participants (12 female, 11 male) from audit offices in Cook Islands, Fiji, Guam, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu attended, including two Heads of SAIs from Samoa and the Solomon Islands.

PASAI's Director Technical Support, Ms Agnes Tuiai-Aruwafu said, “TeamMate® is a tool that will help our Pacific SAIs enhance the quality of their audits to ensure their mandate is carried out according to International Standards of Supreme Audit Institutions (ISSAIs). There are eight SAIs that have chosen this tool and PASAI is using this opportunity to collaborate, co-ordinate and synergize efforts across the Pacific Region to achieve high quality audits.” The TeamMate® PASAI forum will allow opportunities for peer reviews and other capacity building opportunities between the SAIs that use this same audit tool.

As well as sharing knowledge and ideas, the PASAI TeamMate® Group developed a Terms of Reference for this forum including achieving some key outputs such as developing a good public arrangement of attachments or secondments through peer reviews between these Pacific audit offices.

PASAI Secretariat was able to establish a project team consisting of experts from Audit NZ staff and TeamMate® to deliver this workshop. The workshop was possible through funding from Australia DFAT and New Zealand MFAT.



Photo (L to R): Project team – Agnes Tuiai-Aruwafu PASAI Director Technical Support, Alison McDougall Audit NZ Manager Methodology, Ann Kilpatrick Audit NZ Information Manager, Vance Hetariki TeamMate® Australasia Business Development Manager, Aolele Sua-Aloese PASAI Director Advocacy, Engagement and Financing, Tiofilusi Tiueti PASAI Chief Executive.



Public Auditor, Mr Satrunino Tewid (front centre) and staff with PASAI Director of Practice Development, Ms Sinaroseta Palamo-Iosefo (front right) with staff from the Office of the Public Auditor

Enhancing Capability of Public Auditors through Strategic Planning in Palau

In May 2016 the Pacific Association of Supreme Audit Institutions (PASAI) was in Palau working with the Office of the Public Auditor to develop its strategic plan.

The Public Auditor, Mr Satrunino Tewid, said, “The Office of the Public Auditor is an independent agency of the Republic. We have a mandate to conduct audits of any entity established or funded by the Republic or local government”.

The strategic development of any organisation requires visualising a desired future and creating a plan to make that vision a reality. With six auditors and two support staff, the Office of the Public Auditor has limited capacity and resources. Small supreme audit institutions (SAIs) such as Palau’s Office of the Public Auditor, are challenged to both deliver their mandate and have plans in place to guide the best use of resources for an effective impact.

One of PASAI’s strategic priorities across the

Pacific is to help SAIs develop and implement a realistic strategic plan and publicly report against these strategic plans.

PASAI’s Director of Practice Development, Ms Sinaroseta Palamo-Iosefo, worked with the staff to develop their knowledge and experience in developing the strategic plan.

Ms Palamo-Iosefo said, “During the week we talked about the components of a strategic plan and the necessary phases in developing the plan. The staff was introduced to the SAI Performance Measurement Framework (SAI PMF) as a tool to conduct the office’s needs to inform the strategic planning process.”

Mr Tewid said, “My staff are enthusiastic about articulating our office’s vision, mission and values which will set our auditing direction for the next three years.”

This assignment is supported by the Australia Department of Foreign Affairs and Trade (DFAT) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT).

Public Financial Management (PFM) Symposium on Asset Management

Effective public asset management is pivotal in delivering efficient public services, enhancing good governance, improving standard of living, alleviating poverty and making a difference to the lives of citizens. A group of experts in asset management gathered for a two-day Public Financial Management (PFM) Symposium on Asset Management that was held in Nadi, Fiji from 30 - 31 May, 2016. These experts included practitioners, academics, civil servants, regional organisations and development partners. The symposium was sponsored by the Pacific Island Centre for Public Administrations (PICPA).

The symposium focussed on issues, challenges and opportunities on asset management, especially public assets within the Pacific context. It facilitated:

- discussions by experts and participants from Pacific Island Countries (PICs) on their experiences of asset management reform and development in their countries
- the exchange of views on lessons being learned globally about approaches to asset management reform
- discussions on how these lessons and experiences might be used to shape future approaches to Pacific initiatives

It was emphasised to participants that good asset management involved recognizing fundamentally, that asset management was not only about physical assets, but about providing services to the community and doing so in a way that delivers an appropriate 'level of service' in the long term, in the most cost effective way.

Among the presenters at the symposium were Mr Atunaisa Nadakuitavuki, Deputy Auditor General of Fiji and Mr Peter Lokay, Auditor

General of the Solomon Islands, who shared the challenges faced in Fiji and the Solomon Islands in implementing change in asset management practice. An informative regional overview on Public Sector Asset Management in the Pacific Islands was also provided and followed by a presentation on Public Sector Asset Management of Property, Plant, Equipment Investments. PASAI Chief Executive, Tiofilusi Tiueti facilitated these sessions.

An outcome document was issued after the symposium with outcomes to consider for further follow-up action. In relation to asset management these include:

- capacity development for those involved
- stock take of the extent of current work being undertaken
- offering high-level training opportunities in the subject
- setting up and developing a special interest group

Participants acknowledged the timely arrangements for the PFM Symposium on Asset Management as it is a very critical issue in the Pacific especially in government and the public sector. PASAI is also developing a program on asset management.

Participants were senior officials who are responsible for asset management in ministries of finance of the 14 Pacific Island Countries under the scope of PICPA. PASAI was among the seven regional partner organisations that participated in the symposium and was represented also by the Director Technical Support, Agnes Tui'ai-Aruwafu and Director Practice Development, Sina Palamo-Iosefo.



Understanding the roles of the Auditor General and the Public Accounts Committee

The Vanuatu Office of the Auditor General collaborated with the Pacific Association of Supreme Audit Institution's (PASAI) to present a workshop on raising awareness of the role of the Auditor General and the Public Accounts Committee. The Auditor General, Mr John Path was joined by representatives from PASAI, Mr Eroni Vatuloka (PASAI Advocate) and Ms Aolele Su'a Aloese (Director of Advocacy, Engagement and Financing) who helped to facilitate the three-day workshop aimed at supporting government officials responsible for preparing government accounts and making key financial decisions in the public service.

The PASAI representatives were in Port Vila at the invitation of Mr John Path, Auditor General of Vanuatu. The participants of the three-day workshop were as follows:

- Day 1: Public Service Commission, Teaching Service Commission, Police Service Commission and the Central Tenders Board
- Day 2: Director Generals and Directors of the public service
- Day 3: Municipal and Provincial Councils, Malvatumauri National Council of Chiefs, Cultural Centre, VBTC and educational institutions such as VITE, VIT and the VQA



Key government officials gathered to discuss the roles and relationships of the Auditor General and the Public Accounts Committee, challenges facing the Vanuatu National Audit Office and the findings from the audit of the 2012 Whole of Government consolidated financial statements. Mr Path said, "The audit findings of our audits show significant improvements are required to lift the disclaimer status of the audit opinion. It is important that agencies understand the impact of our findings and the way they can make a positive contribution by implementing our recommendations".

PASAI was able to bring a regional perspective to their workshops, sharing Pacific-wide experiences and circumstances. "This is the fourth workshop that PASAI has

been involved with under our new advocacy program," said Mr Vatuloka. "The intention of the workshops is to build a strong working relationship with the various agencies, councils and ministries," he said.

The workshops were based around presentations and question/answer sessions, including sessions about PASAI's 2015 Accountability and Transparency report, the different models of Public Accounts Committees and audit offices across the Pacific, and how to read the audit opinions.

The three-day workshop was made possible by funding support from the Governance for Growth program from the Australian Government.

Financial Reform for Economic Development (FRED) in Malaysia

The PASAI Secretary General, Lyn Provost and the Director Practice Development, Sina Palamo-Iosefo represented PASAI at the Financial Reform for Economic Development (FRED) in Asia – a Public Sector Forum held in Kuala Lumpur, Malaysia on 17-18 May, 2016. The FRED Forum is a joint initiative of the Confederation of Asian and Pacific Accountants (CAPA) and the World Bank Group. The Forum adopted the theme “Driving Future Outcomes from Past Experience” and explored how improved public financial management contributes to strengthening the public sector, improving government accountability and transparency and thereby supporting poverty reduction and economic growth.

Over 200 experts in accounting and auditing from the public sector and private sector, including 24 representatives from SAIs, attended the Forum and shared their experiences in dealing with challenges as they relate to public financial management. Practical strategies and programs were identified to enhance implementation of effective public sector financial systems across Asia. Among the issues discussed were:

- Improving Public Financial Management – View from the Profession
- Partnering with the Private Sector – Improving Outcomes
- Public Financial Management – Driving Future Outcomes from Past Experiences
- Practical Challenges in implementing International Public Sector Accounting Standards (IPSAS)
- Public Private Partnership in Audit – Win-win Collaborations



Photo above: PASAI Director Practice Development, Sina Palamo-Iosefo (left) and PASAI Secretary General and Auditor General of New Zealand, Lyn Provost (right) at FRED

Financial Reform for Economic Development (FRED) in Malaysia (cont.)

Ms Provost as Auditor General of New Zealand co-ordinated the discussions on Public Private Partnership in Audit. She reported on the New Zealand experience of how her Office engaged the private sector where necessary, to assist her Office in delivering its mandate.

The sharing of ideas and experiences recognized that there are a lot of opportunities for supreme audit institutions (SAIs) to collaborate with the public, in particular utilizing people with various capabilities. For instance engaging citizens as “auditors” by having them take part in the audit process, using private sector financial auditors and interacting with stakeholders such as NGOs and civil society.

The Forum provided a vital opportunity to establish a mutual understanding amongst the various organizations who share the common goals of strengthening public financial management, identifying good practices in public sector accounting and auditing, and exploring how such practices can be mainstreamed across countries for effective resource mobilisation and management. It resonated the fact that whether you are in the private sector, public sector or NGO, we all work for public interest and therefore have a joint responsibility in ensuring sustainable governments by providing relevant financial information to allow for better decision making and to improve transparency and accountability.



Photo above: Pacific Contingent at FRED with PASAI Secretary General (fourth from right)

Enhancing Capability through understanding International Public Sector Accounting Standards

The Pacific Association of Supreme Audit Institution (PASAI) in collaboration with the University of the South Pacific (USP) conducted a workshop in Nadi, Fiji in June, 2016 on International Public Sector Accounting Standards (IPSAS). Twenty-eight auditors from 13 SAs in the Pacific participated in the workshop.

Professional competency is an essential requirement for an auditor. Such competency should be relevant and up to date given any changes in accounting standards adopted by governments as a basis for preparing financial statements. The increasing global trend towards adopting IPSAS as the basis for preparing government financial statements requires auditors to be prepared and conversant with such developments by having the appropriate skills and capability.

One of PASAI's strategic priorities is to enhance the capability of SAs through improving auditors' knowledge and skills on appropriate accounting standards adopted by government entities across the Pacific as the basis for preparing their financial statements.

PASAI's Director of Practice Development, Ms Sinaroseta Palamo-Iosefo, co-ordinated the workshop with Professor Mr Arvind Patel and Dr Mr Nacanieli Rika of the USP instructing on the practical technicalities of IPSAS. The workshop included an overview of the public financial management system, a brief overview of the cash basis IPSAS and discussions of selected IPSAS. Participants engaged in practical exercises and case studies to apply the accounting concepts taught in each IPSAS.

During the opening ceremony, Mr Ihlen Joseph, Public Auditor of the State of Pohnpei of the Federated States of Micronesia emphasised the importance of participants taking advantage of this opportunity to improve their knowledge and skills through understanding IPSAS, so that they can continue to conduct high quality audits and contribute to strengthening the public financial management systems of their countries. The positive feedback from participants has reassured the importance of having an overall understanding and awareness of the financial reporting framework of their countries as it defines the parameters of their audit universe. This workshop was supported by the Australian Department of Foreign Affairs and Trade (DFAT) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT)



Photo above: Bryan Dabugsiy, Audit III of YAP Office of the Public Auditor

My Computer Driving Experience

by Bryan Dabugsiy

Many thanks to PASAI for the opportunity given to the Office of the Public Auditor (OPA) in YAP, FSM and other participating SAs, to take part in the International Computer Driving License (IDCL) certification program. The online course I completed was user-friendly and promoted a hands-on learning advantage for users. The hands-on diagnostics not only helped me with learning the intricacies of the program, but also helped with retaining the information. Given that I have just completed one course among the many ICDL courses available, I haven't had the chance to really apply the skills and knowledge that I have acquired yet. Nonetheless, I am certain that I will produce positive results from what I have learned from this course. I will be utilizing and building upon these skills and knowledge to perform my audits more effectively and efficiently very soon. Yap OPA is looking forward to participating in more learning opportunities of this quality in the near future.

PASAI CALENDAR

THE NEXT SIX MONTHS

- **27 – 29 July:**
Meeting on Guidance development for auditing SDGs programme, New York, USA.
- **1 August 2016:**
15th PASAI Governing Board meeting, Pohnpei, FSM
- **2-5 August 2016:**
19th PASAI Congress, Pohnpei, FSM
- **8-12 August 2016:**
Public Accounts Committee (PAC) Workshop, Pohnpei, FSM.
- **8-12 August 2016:**
Strategic Plan development support, State of Yap, FSM.
- **16- 25 August 2016:**
IDI meeting on Guidance for SAls engaging with stakeholders, Oslo, Norway
- **31 August – 2 September 2016:**
IDI workshop with INTOSAI Regions, Oslo, Norway
- **8-21 September 2016:**
Tuvalu SAI PMF Peer Review, Funafuti, Tuvalu.
- **12-23 September 2016:**
IDI SAI Young Leader Design Meeting, Oslo, Norway
- **3-6 October 2016:**
INTOSAI Capacity Building Committee (CBC) Meeting, Cape Town, South Africa.
- **3-6 October 2016:**
INTOSAI Donor Cooperation Steering Committee Meeting, Cape Town, South Africa
- **3-6 October 2016:**
Samoa SAI PMF Peer Review, Apia, Samoa
- **7-11 November 2016:**
SAI PMF Reporting Workshop, Nuku'alofa, Tonga