



PASAI BULLETIN

Pacific Auditors working together

Inside this issue:

Lyn and a Knight of the Realm; some thoughts from Bruce Robertson; training, training and more training; the 18th PASAI Congress, the new Governance Working Group sees PASAI in esteemed company; the Yap Office is driving away; the New Zealand Office of the Auditor-General gets social and much more.

Lyn Provost recognised for outstanding contribution and exceptional leadership

by Emily McKewen, Office of the Auditor-General, New Zealand

New Zealand Controller and Auditor-General, Lyn Provost, has been awarded a Lifetime Achievement Award for her outstanding contribution to and exceptional leadership in the New Zealand public sector by the Chartered Accountants Australia and New Zealand (CA ANZ).

The award was presented to Mrs Provost in November by Sir Bob Geldof in Canberra, Australia.

CA ANZ's Leadership in Government Awards have been recognising outstanding achievements by Australian public service leaders since 2009. This is the inaugural award for New Zealand, and the Office is very proud that Lyn has been recognised for her lifetime of exceptional public sector leadership.

CA ANZ said when announcing the award that "Mrs Provost has demonstrated outstanding leadership and has made a major contribution to accountability in the public sector through her advocacy and leadership. She was the first woman non-sworn Deputy Commissioner of New Zealand Police and has shown integrity and commitment to diversity and ethical behaviours in the work place throughout her career. Her advocacy for better financial reporting, work place and ethical behaviour, and strategic thinking and management has contributed towards a prosperous nation.



Lyn with Sir Bob Geldof! (Ed's note: I thought this deserved an exclamation mark.)



Securing independence of SAIs to improve the effectiveness of audit findings

*18th PASAI Congress hosted by the Vanuatu Office of the Auditor General in Port Vila, Vanuatu
13–16 October 2015*

Independence is the raison d'être of SAIs

About 50 people, representing 26 countries and several organizations, gathered in Vanuatu in October to discuss how SAIs throughout the Pacific region can ensure and secure the independence of audit institutions across the Pacific. Independence for audit institutions is important to provide information to allow parliaments to do their job of scrutinizing public accounts, help improve public expenditure, allow citizens to have confidence in how public funds are being spent and be able to show the importance and value of the work of audit offices.

Mr John Path, Auditor General of Vanuatu, welcomed the delegates to the 18th Congress of the Pacific Association of the Supreme Audit Institutions (PASAI), 25 years after the Congress was last in Vanuatu in 1998. In his opening address, Mr Path stated, "Independence is the raison d'être of SAIs", emphasising the theme of the Congress of securing independence of SAIs to improve the effectiveness of audit findings. Mr Path also assumed the Chairmanship of the PASAI Governing Board, taking over the position from Fuimaono Camillo Afele, Controller and Auditor General of Samoa.

Mr Path then introduced the Prime Minister, the Honourable Meltek Sato Kilman Livtunvanu to open the Congress. Mr Livtunvanu said that national audit offices are one of the key pillars of a

healthy democracy. "It is imperative that the Audit Office is free to carry out its work in total independence and unencumbered by outside influence."

PASAI's Secretary General, Ms Lyn Provost, supported the Prime Minister's statements by stating, "A zero tolerance approach to fraud and corruption is of interest and concern to both developed and developing nations and, as an organisation, PASAI takes a united stand against it".

Independent, together

Donors and development partners noted that PASAI is a good example of what regionalism can achieve. PASAI's cooperative audits are world-renowned and PASAI's flagship Accountability and Transparency (A&T) project will reinforce that SAIs can promote accountability and transparency in the use of public funds in the Pacific, by leading by example; but they cannot do it alone. The main messages of the A&T report will be that SAIs must work with legislatures to improve accountability and transparency and that SAIs must work in collaboration with other key organizations to be effective. In addition, to effect in-country and legislative change, preparation needs to meet opportunity. Until opportunity presents itself, it is important to maintain the things that are within the SAIs control: leading by example and remaining relevant to citizens.





18th PASAI Congress (cont)

Robert Cohen Acting Auditor General of the Solomon Islands stated that it is important to be mindful of the things that are within the SAIs control, “We will continue to lead by example because we can control that; we will continue to remain relevant to citizens because we can control that”.

SAI member presentations have always been an important part of the Congress and members shared their individual successes, as well as the challenges, facing them in their quest for independence, accountability and transparency as they relate to the eight principles of the 2007 Mexico Declaration on the Independence of Supreme Audit Institutions and the recent United Nations declarations supporting independence.

All the country papers indicated that regional collaboration is vital. An allied front is necessary to show legislatures across the Pacific the importance of what SAIs do. Independence is not only of concern to developing countries. Dr Marco Bini, Executive Director, Governance, Legal and Strategy, Victoria Auditor-General’s Office presented a paper titled, “Applying INTOSAI Independence Principles: An Australian experience”. PASAI’s more developed members noted that their legislation and positions of independence are, “strong, but imperfect” as highlighted by Ian Goodwin, Group Executive Director of the Australian National Audit Office.

But more can be done

A key issue emerging from the country presentations was a lack of financial and human resource independence. Many SAIs in the Pacific region were originally established as government agencies to audit and report on government accounts. Their budgets were set as part of the executive government, and their staff were

members of the civil service and subject to civil service controls and terms of employment. Public sector auditing in the modern era bears little resemblance to that approach. SAIs now follow a professional, risk-based approach to their audits, using international standards. At the same time, citizens and their elected representatives increasingly demand that their SAI goes beyond judgments of compliance and reasonableness of public resources, to also evaluate government performance and the value for money obtained through government transactions. The mechanisms for the funding and staffing of SAIs are now out of step with these requirements.

There is a need to change the approaches used for the funding and staff arrangements of Pacific SAIs, both developed and developing, to bring them more into line with the international standards and, in particular, to reduce the element of executive control over, and the ability to direct, the SAIs access to reasonable and necessary resources to perform their role.

Independent leadership

It was also clear that Auditor Generals are more than just reporters of financial management practices; they are also advocates for SAIs as institutions and advocates for good financial management. Behavior demonstrates independence — not just a reliance on legislation. However, there is a need for SAI bodies and development partners to reaffirm the need to comply with international auditing standards through advocacy, including advocacy for the need for real independence by way of resourcing and protection of the Auditor General and staff from political interference. PASAI’s advocacy program, headed by the PASAI Advocate, Mr Eroni Vatuloka, will be a key program to help strengthen the position of SAIs within the Pacific.



18th PASAI Congress (cont)

particularly the success of the cooperative audits and IDI's relationship with PASAI will continue to grow through the IDI's new portfolio of capacity building that will be implemented from 2015–2018 creating more global and regional synergies.

The Asian Development Bank (ADB) stated that the work of PASAI is one of the few successful regional initiatives that showcases to donors how much their investment has achieved. The ADB said that these accomplishments must be sustained and that the ADB is willing to enhance its partnership and continue to find ways of working with PASAI and its members to that end.

Concluding remarks

PASAI members finished the Congress with a workshop on the UN's Sustainable Development Goals as they relate to auditing institutions, in particular the importance of public auditing as a part of Sustainable Development Goal 16 — peace, justice and strong institutions.

The Congress also welcomed the Micronesian State of Chuuk and the Australian Capital Territory as new members of PASAI.

The Congress thanked their development partners for their support, including the Australian Department of Foreign Affairs and Trade, the New Zealand Ministry of Foreign Affairs and Trade, IDI and the ADB under the Japan Fund for Poverty Reduction-supported technical assistance.

Finally, PASAI members extend our enormous gratitude to John Path and all the staff of the Vanuatu Audit Office. The Congress was originally planned for August. However, the devastation wrought by Cyclone Pam delayed the Congress as the staff of the office dealt with the aftermath of the cyclone for themselves, their families and friends. We thank you for your generosity of spirit and hospitality in hosting a memorable Congress. Thank you.

The Samoa SAI demonstrates the kind of progress SAIs in the Pacific are pursuing. The Audit Act of 2013 establishes the independence of the SAI. Samoa's legislative reform has removed its staff from the control of the Public Service Commission and made the appointment and termination of the Controller and Auditor General subject to the input of Parliament. This is also the situation in Tonga and the New Zealand SAI's independence is respected globally.

PASAI's development partners acknowledged the significant achievements towards independence that have been achieved to date. The representatives of the Australian Department of Foreign Affairs and Trade welcomed the progress that has been made in implementing PASAI's Long-Term Strategic Plan, and the significant increase in the numbers and quality of independent audits now being undertaken.

Insights of others

The Congress also had a number of presentations from countries that are not officially members of PASAI, but with whom PASAI has vital links.

Mr Bao Shuowang, Director General of the National Audit Office of the People's Republic of China (CNAO) presented on behalf of the Chairman of INTOSAI. Mr Shuowang said that CNAO is keen to strengthen its ties with PASAI and will continue to deliver training to help build capacity of member SAIs. Mr Shuowang also stressed that it is important for CNAO and PASAI to work together in their approaches to INTOSAI to strengthen the regional and global influence of Pacific nations on the international stage.

Ms Archana Shirsat, Deputy Director General & Head of Capacity Development, IDI noted how valuable IDI's partnership with PASAI has been,

REFLECTIONS OF THE...

By Bruce Robertson

I was going to conclude the title with “Deputy Secretary–General”. But check your PASAI charter and you won’t find the role. It’s one I adopted out of necessity. My “in the deep end” introduction to PASAI (the 2009 PASAI Congress in Palau) put me in a central role in an organisation which, to that point, I only really knew of through one of my team members, Hayden Everett.

And why the “deep end”?

Because I came to the Palau Congress under the direct instruction of Kevin Brady, “Get to Palau, get the resolutions to create PASAI passed, appoint Eroni as Executive Director of the nascent (Kevin wouldn’t have used that word) secretariat, and get going”.

Well, a bit of status helps to get things passed, even if it is invented, and so the birth of the role of Deputy Secretary–General. And now it is institutionalised with Sarah Lineham who has well-earned picking up the role from me. The sign on her office door? A map of the Pacific from Kevin to me and now passed onto Sarah.

While PASAI generously farewelled me in its Vanuatu Congress, it is great to have the opportunity to reflect on my time with PASAI — away from the fire dancers.

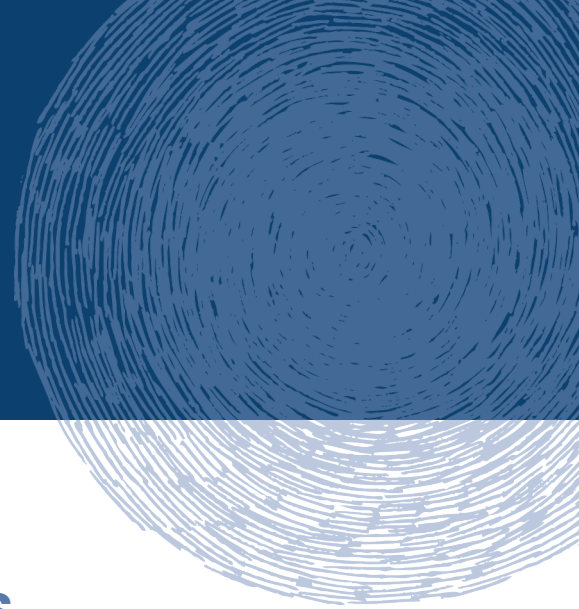
Some of the words that come to mind about PASAI are:

- Growth: in 2009 all of us were still, in many ways, unaware of what we were creating. And yet it has survived and ultimately prospered, showing greater maturity each year.
- Change: change was needed to create it, it went through somewhat tumultuous change again this year with the restructure of the Secretariat this year. And yet we have achieved much according to our long-time sponsor, ADB, and our friend, Anders Hjertstrand. And yet there was, and is, more to do.
- Great sponsors: we are indebted to a “family” of sponsors as supporters, including the original sponsors of ADB, DFAT, IDI and MFAT, as well as the World Bank (and I risk missing others).

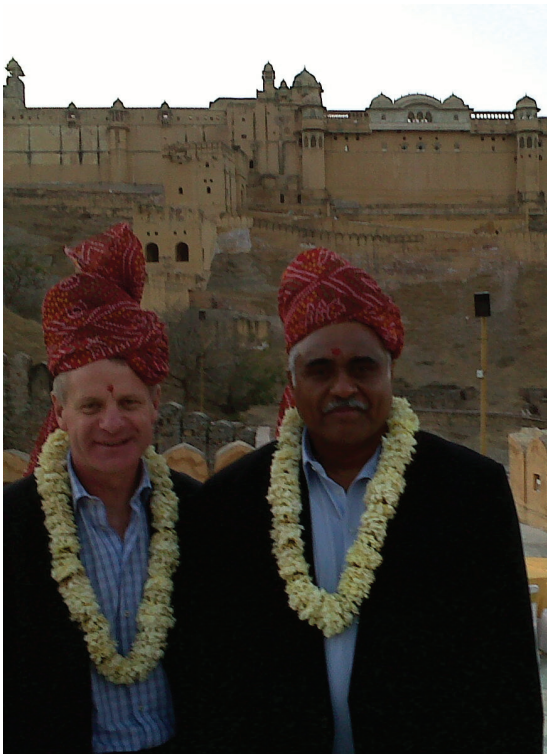
“... it is great to have the opportunity to reflect on my time with PASAI.”



"... Auditing is one of the pillars of civil society and yet it is not well understood "



REFLECTIONS CONT.



- Experimentation and innovation: we have had the opportunity to try new audits and new ways of working. Of note are the cooperative environmental audits and more recent financial audits.
- Development: specifically, a crop of new generation of auditors who, in using new skills and techniques, are our future.
- And possibly most important throughout its development has been the individual commitment of Auditors-General to the PASAI cause.

Auditing is one of the pillars of civil society and yet it is not well understood — compounded if our audits are late or we have trouble explaining their value.

Timely audits remain a challenge and, on a personal level, one I would like to see PASAI focus on. The results of our audit work, of our accountability and transparency work, and of our

constitutional observations need to be heard. Timely reporting helps so much in this work.

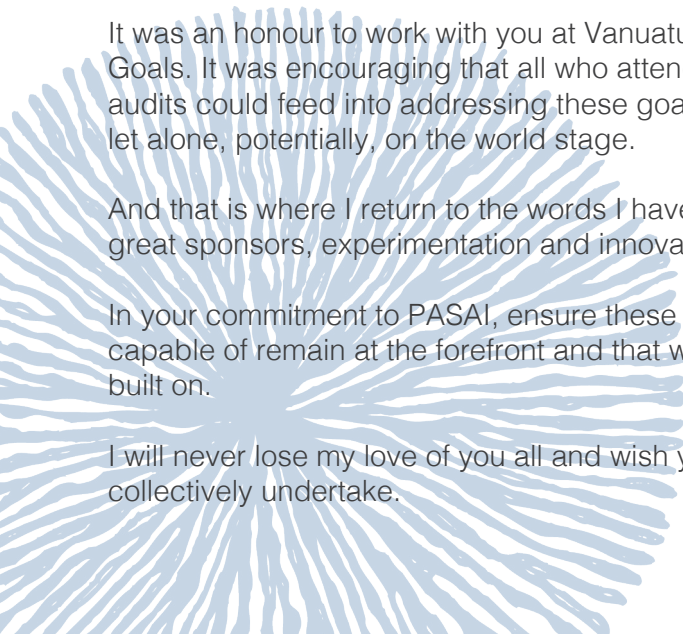
I have no doubt that we want to pick up the pace of audit completion.

It was an honour to work with you at Vanuatu on understanding the Sustainable Development Goals. It was encouraging that all who attended were engaged and could see how a drive on audits could feed into addressing these goals and the impact they could have within the islands, let alone, potentially, on the world stage.

And that is where I return to the words I have already used to describe PASAI — growth, change, great sponsors, experimentation and innovation, development, and commitment.

In your commitment to PASAI, ensure these characteristics you have already shown yourself capable of remain at the forefront and that work we inherited in 2009 at Palau will not be lost, but built on.

I will never lose my love of you all and wish you best in the important role you individually and collectively undertake.



The IT Crowd

from the Office of the National Public Auditor, FSM

For the first time, two staff from the Office of the National Public Auditor, Federated States of Micronesia, participated in the 126th International Training Program on Auditing in IT Environment. Rosadelima Alfons and Vanessa Tareg attended the training in Noida, India under the Indian Technical and Economic Cooperation Program (ITEC) funded by the Government of India. Forty-two participants from 35 countries attended the course to learn and share their information on auditing in IT Environment, based on their countries' experiences.

This training was a comprehensive four-week program from 28 September to 23 October 2015. The training program was structured for the participants to better understand auditing in an IT environment, from learning IT audit controls and planning, understanding audit analytical and assessment tools and learning about India's information systems and the Indian Government's move to provide digital services for its citizens.

Participants attended both classroom-style lectures and study tours with auditors and IT experts. The study methods used were varied, including hands-on training on computer-assisted auditing techniques, data extraction and analysis, structured query language, using data processing software, and presentations on IT audit case studies.

"I learned two important terms: general controls and application controls," said Rosadelima Alfons. "The general controls include IT governance and management controls; segregation of duties and operational controls; environmental controls; change controls; and access controls. The application controls are controls designed to cover the processing of data in the application software."

The controls should ensure completeness, accuracy, authorization and validity of all transactions during application processing."

Vanessa Tareg also commented that, "Like auditing manual processes, auditing in an IT environment requires understanding. Most importantly, to understand the controls in place that prevent fraud, misuse and abuse. In understanding the information system processes and the control activities, designing the audit procedures become clear and easy to perform."

"The Government of the Federated States of Micronesia is becoming dependent on information technology systems; therefore, the knowledge gained in this training will definitely benefit the Office of the National Public Auditor in performing this type of audit and the Government in operating and managing effective and efficient information system."

PERFORMANCE AUDITING

by Sita Leota, Samoa Audit Office

Performance auditing was a fairly new concept for most of the SAIs who attended a 4-week course in India between 2–27 November. This was the 127th International Training Program under the Indian Technical and Economic Cooperation Program (ITEC) funded by the Government of India. We had our first experience of a social audit when we visited Udaipur. Social audits start with a public hearing where people come with their complaints about government systems, processes & records. The aim of social audits is to reduce corruption by being an avenue for people (particularly the poorest of the poor) to publicly air their complaints in the presence of government officials. It is where people can ask about updates of their pensions or scholarship entitlements for their children. Instead of auditors auditing government, it is the ordinary people who do the auditing.

We visited headquarters of Mazdoor Kisan Shakti Sangathan (MKSS), which is responsible for the Right to Information Law. Forty-nine people have been killed in attempting to access information. MKSS also helped create the Employment Guarantee Act, which guarantees 100 days of employment to rural families. Eight million people have used the RTI Law to date.

A lot of the MKSS work correlates with audit work, and it shows that terms we often hear like 'accountability' and 'transparency' often feel like rhetoric, until they are put into action. The lesson, of course, is that when you have a cause that resonates with people, you can find a way to make it work.

Inaugural meeting of the Pacific Islands Forum Governance Working Group

by Eroni Vatuloka, PASAI Advocate

In June 2015, the Pacific Islands Forum Regional Security Committee agreed to establish a Governance Working Group. PASAI was invited to join the group because we play a major role in promoting good governance, transparency and accountability in the Pacific region. The Governance Working Group will provide a platform for members, partners and stakeholders to better collaborate their initiatives and activities.

The group will also be responsible for identifying good governance issues that needed to be brought to the attention of the Pacific Island Forum officials.

The PASAI Advocate, Mr Eroni Vatuloka, attended the first meeting of the Governance Working Group, which was held at the Pacific Islands Forum Secretariat Headquarters in Suva, Fiji on 16–17 November 2015. The outcome of the discussions of this first meeting will be circulated to the Pacific Islands Forum Regional Security Committee for comment in February/March 2016. Topics discussed included: rule of law, access to justice, and human rights; anti-corruption and the oversight and integrity of institutions; and the public service, decentralisation and local government. Participants were encouraged to circulate their annual programs to the group to help facilitate collaboration and ensure activities are not duplicated and to identify synergies in implementation.

The Governance Working Group agreed to meet formally on an annual basis, but the agencies based in Fiji (with teleconferencing facilities for interested parties abroad) may meet more frequently.



The inaugural meeting of the Governance Working Group.
Image source: Pacific Island Forum Secretariat

Members

- Commonwealth Local Government Forum Pacific
- Deakin University
- Devpacif/Lowry Institute for International Policy
- Global Organisation of Parliamentarians against Corruption
- IDEA
- OXFAM Fiji
- Pacific Association of Supreme Audit Institutions
- Pacific Commissioners of Public Service
- Pacific Institute for Public Policy
- Pacific Islands, Australia and NZ Electoral Administrators
- Pacific Islands Forum Secretariat
- Pacific Islands Law Officers Network
- Pacific Judicial Development Programme
- Pacific Leadership Program
- Pacific Ombudsmen Alliance (and the Non-Ombudsman SIS Working Group)
- Pacific Regional Branch of the International Council on Archives
- Secretariat of the Pacific Community
- United Nations Development Programme
- United Nations Office on Drugs and Crime.

Terms of reference

The Terms of Reference for the Governance Working Group are :

1. Ensuring the strategic coordination of regional governance programmes and activities by implementing agencies in Forum Member countries
2. Establishing a regional governance framework to guide the good governance development agenda
3. Referring regional governance priorities and projects for consideration of the Forum Regional Security Committee;
4. Considering and addressing regional governance issues as may be referred to it by the Forum Regional Security Committee, or as appropriate, the Specialised Sub-Committee on Pacific Regionalism under the Framework for Pacific Regionalism; and
5. Providing regular update of governance programmes and activities to the Forum Regional Security Committee and other relevant Ministerial meetings and Committees.

When we engage directly with the public, we show our ongoing relevance as an Office and “walk the talk” when it comes to our strategic goal of citizen focus.

Staff as Ambassadors

by Emily McKewen, Office of the Auditor-General, New Zealand

In June this year, the New Zealand Auditor-General published her report Reflections from our audits: Service delivery. The report was our second “overview” report — drawing together all of our audits under our work program theme for 2014/15.

The first theme, in 2013/14, was: Our future needs: is the public sector ready?

Our first report helped to raise awareness about the scope and scale of the Office’s role and work, and the public sector’s performance and role in the New Zealand system of government. It gave us opportunities to raise the profile of the Auditor-General and her staff, and to directly engage with our stakeholders.

During 2015, we have been turning our minds to how we can better engage with citizens and other stakeholders, including “equipping all staff as ambassadors”.

The Office has ongoing and direct engagement with Parliament and public entities, and we wanted to increase and create a dialogue with the public. When we engage directly with the public, we show our ongoing relevance as an Office and “walk the talk” when it comes to our strategic goal of citizen focus.

Our work to improve the public sector is done for the benefit of all New Zealanders. By talking to citizens about our work, we can help to manage expectations, demonstrate value, get views and perspectives that we might not otherwise hear, and further our vision to improve the performance of, and the public’s trust in, the public sector.

We began a pilot project for doing this based around our Service Delivery reflections report. The project focuses on sharing with the public what we learned from our work program theme: Service delivery. As well as generating interest and debate about New Zealand’s service delivery needs and expectations, we can also stimulate interest in our future work program themes.

All staff have been encouraged to be ambassadors for the Office. We have held sessions brainstorming ways we can discuss the report, and our work, with stakeholders. We have also created a series of videos of staff talking about their work. We want all of our staff to feel confident talking about the work of the Office with others. Staff have begun organising their own presentations with groups within their community and their area of expertise – to discuss the work of the Office in the context of the Service delivery theme.

So far, we have had a lot of success in having our staff reach out to the public and have a two-way conversation about our work and the public sector.

TEAMMATE UNIVERSITY AND FORUM

By Vanuatu Office of the Auditor-General

The TeamMate University was a course offered to TeamMate Users on 2–6 November 2015. Melissa Ewing (Wolter Kluwer) from the US was the facilitator for the week. The knowledge she has of the TeamMate software is fantastic, coupled with a background in internal audit. Four staff from the Vanuatu Office of the Auditor-General attended the course to share the TeamMate Champion duties due to staff turnover. When we arrived we found that the University was filled with our colleagues from other audit offices from the Melanesian group (Fiji, Solomon Islands and Papua New Guinea).

The University covered the main modules of the TeamMate suite in depth: electronic work papers (EWP), Team Central, Team Risk, Team Scheduler and Time and Expense Capture (TEC). We also had sessions on how to be more efficient in maintaining TeamMate in Team Admin and Team Stores and worked on our Global Organisational Hierarchy. The course was also an opportunity to gauge what other SAIs were doing with the suite and if there were any areas we could replicate.

Now, with information overload, we are all going back to implement changes in our own environments. In Vanuatu, we are keen to upgrade to the version 11.1 to take advantage of the new features to streamline our audit process further, as well as to be able to use the data analytics tools to identify key risk areas for our audits. PNG, Fiji and Solomon Islands are all at varying stages of implementation and took away a plan of attack for the coming months.

A TeamMate Forum followed the next week where we were joined by other TeamMate users from Australia, New Zealand and the Pacific. Other PASAI member SAIs present were Cook Islands, New Zealand, ANAO and the NSW Audit Office. The Forum is a great way for users to come together and share best practice with others, as well as have first-hand discussions with the developers on how TeamMate could be improved to meet our needs. This year, there were more representatives from 'external auditors' than 'internal auditors' and so our group discussions were rich. We also learnt about what the new version of TeamMate looks like and about hosting TeamMate data in the 'cloud'.

TeamMate usage looks to be growing in the Pacific. All TeamMate users are encouraged to join TM Connect on www.teammateconnect.com and there is a special group set up for the PASAI Virtual Teammate Group. TM Connect is an online community of TeamMate Users, developers and employees who share ideas and documentation on how TeamMate can work better for everyone.

Happy auditing from the Vanuatu Office of the Auditor-General

A MEMBER OF THE PASAI VIRTUAL TEAMMATE GROUP



Public auditors from PASAI Pacific SAIs — Vanuatu, Solomon Islands, Fiji & PNG

Global Leadership Symposium — a SAI Young Leader experience

by Grace Mulitalo, Samoa Audit Office

I was very fortunate to be part of the Global Leadership Symposium as a representative of young potential leaders representing SAI Samoa. The symposium was held in Shimla, India, from the 17–19 November 2015. The Symposium was an initiative by the IDI for a leadership program to build, develop and unlock talents of young leaders for the future of SAIs. Topics discussed included self-reflection and sharing of experiences, qualities and competencies of a leader, challenges and breaking glass ceiling barriers, and leadership programs for SAIs.

Among many valuable lessons, I learnt that to lead effectively a leader should understand the strengths and weaknesses of their team. A leader should have both soft and hard skills to continuously motivate and break the barriers and challenges faced by staff and, at the same time, achieve

the SAI's objectives.

The Symposium was also a reminder for me of the value our audit work has for our government and our responsibility to the public. One of the challenges that young auditors face in our SAI is the lack of confidence to voice their opinions with senior officials. The Symposium taught me that our voice, as young staff, is important and should be heard. This practice is what I hope to encourage in our SAI.

The Symposium has broadened my perspective on ways to develop myself professionally and to also assist developing young staff for the benefit and sustainability of our SAI. As a way forward for SAI Samoa, the Controller and Auditor General among other development plans will revive the Junior Staff Forum, induction programs for new recruits and individual professional plans for young staff.

IDI/PASAI COOPERATIVE AUDIT PROGRAM

by Violet Roebeck-Fasavalu, Morina Faasisila, Paula Tumua, and Indoria Vaa

The IDI/PASAI Cooperative Audit Program on Procurement was held in Auckland on 9–20 November. Participants shared information about the importance of procurement. Topics discussed included procurement principles, methodology and risks and the main concepts of compliance audits were also discussed. Learning how different SAIs handle their procurement policies, guidelines and channels of procurement was also interesting.

Some of the lessons learnt included public sector procurement audits go a long way towards strengthening procurement practices and contributing to improvements in the overall public finance management

systems in government. It was also important to understand the various stages of a procurement life cycle.

Other interesting lessons from the workshop were comments on how most procurement cycles stop when contracts have been awarded and how little emphasis is given to contract management and/or what happens after a contract has been awarded. It was interesting to learn how auditors can contribute to the procurement cycle so as to strengthen PFM systems in government.



PFSM Yap State Office of Public Auditor staff including Public Auditor Mr Achilles Defngin (back row standing 3rd from left)

International Computer Driving Licence

Our first enrolments — FSM State of Yap, Office of Public Auditor

On 19 November 2015, the FSM Yap Office of Public Auditor became the first PASAI member to join the International Computer Driving Licence (ICDL) program through PASAI's role to facilitate ICDL certification for our members. Mr Achilles Defngin, Public Auditor, currently has seven of his staff trialling two online training programs — Using Databases and PowerPoint presentations.

The ICDL is an online program for developing computer literacy. Benefits for SAIs and their staff include:

- increased overall efficiency and productivity
- saved time and money
- increased employee confidence and job satisfaction.

A highly computer-literate workforce within SAIs will also contribute to meeting one of PASAI's key strategic priorities to complete high-quality audits in a timely way.

For more information about how to enrol your staff, contact Agnes Aruwafu, Director Technical Support at: agnes.aruwafu@pasai.org.



Australian Public Sector Anti-corruption Conference

by Norris Mitchell

The Australian Public Sector Anti-corruption Conference was held in Brisbane, Australia on 17–19 November. The conference has been developed to enhance knowledge and understanding of emerging corruption trends, the latest anti-corruption strategies and corruption investigation techniques.

The Pacific islands governments have already made initiatives to fight corruption and fraud in the Pacific. One of the supporting factors is the approval of new legislation and regulations that directly relates to corruption and fraud. However, new laws and regulations relating to fighting corruption and fraud can only work if the government and its organisations emphasise and implement these laws.

For an organisation to be successful and free from corruption, everything starts from the top. Management should set the tone for how things should be done in an organisation. This will build a culture of transparency and fairness. The employees will be able to learn and follow guidelines that will make an organisation free from corruption and minimise the risk of fraud.

Learning to audit the environment

by Claire Kelly, PASAI's Cooperative Audit Adviser

The 3rd International Training Program “Introduction to Environmental Auditing” was held from 16–30 November 2015 at the Centre for Environmental Auditing and Sustainable Development (iCED) in Jaipur, India.

Twenty-two auditors from SAI's around the globe participated, including five auditors from the Pacific Audit Offices of Chuuk, Pohnpei, Kosrae and Nauru. The New Zealand Ministry of Foreign Affairs and Trade funded the participation of the Pacific auditors. iCED also sponsored accommodation and meals for all participants, including trainers.

Claire Kelly, PASAI's Cooperative Audit Adviser and Elina Paul from the Federated States of Micronesia's (FSM) Office of the National Public Auditor (ONPA) were invited to train participants on auditing climate change impacts.

Environmental audit topics covered over the two-week course included:

- Introduction to environmental auditing
- Auditing water
- Auditing biodiversity
- Auditing waste
- Auditing climate change.

Ms. Gillian Itsimaera from SAI Nauru commented that the most important learning for her from the program was that she clarified, “that Nauru can conduct environmental audits within its existing mandate”.

Gillian observed that the Nauru SAI would be keen to build on what she has learned during the training by conducting environmental audits tailored to Nauru.

The course participants visited the non-government organisation Tarun Bharat Sangh where the focus is on

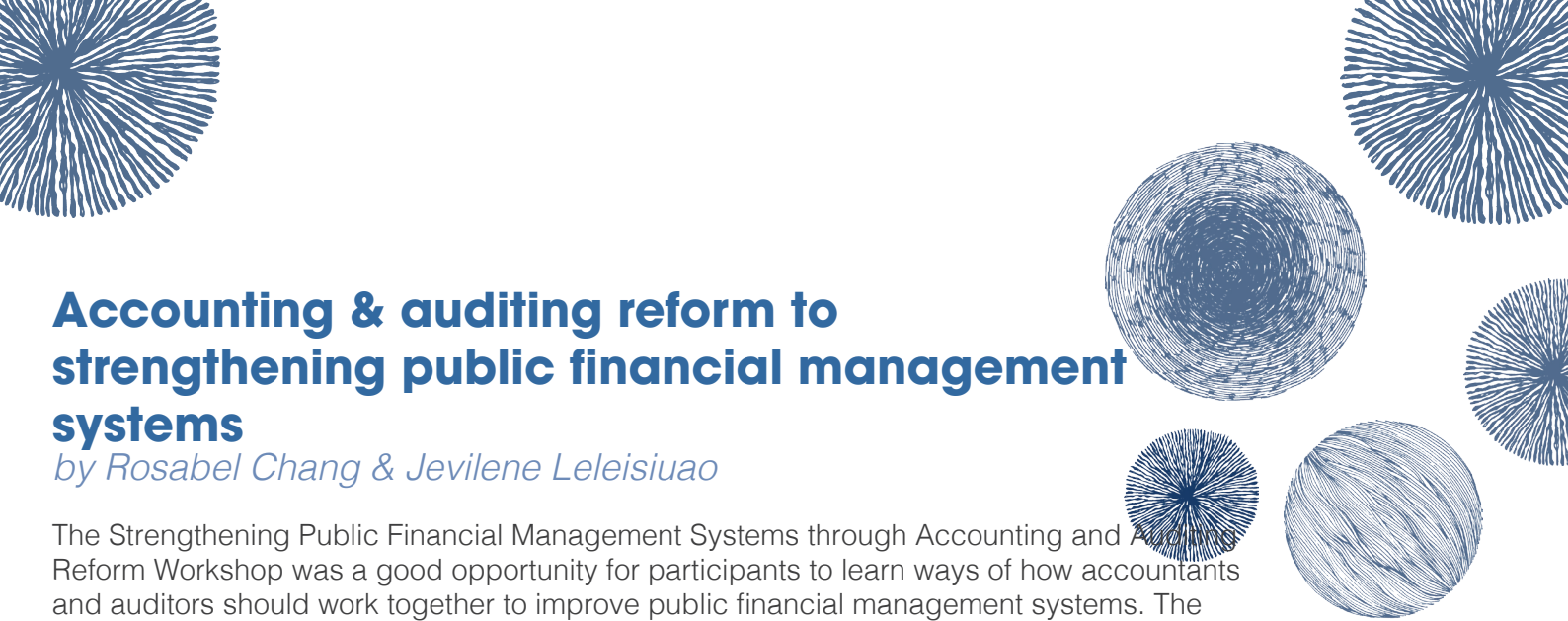


Participants from the Pacific

working with rural communities to harvest and conserve scarce water resources. The water conservation project has adopted traditional water management methods to support the sustainable development of local communities.

Ms. Alice Etse from the Office of the Public Auditor Pohnpei State — FSM said that while she found the two-week course very valuable, and that she would use the knowledge and skills she gained to help the Pohnpei Audit Office plan future environmental audits and to participate in the joint cooperative audit sponsored by the ONPA.

Ms Elina Paul commented that her participation as a trainer was beneficial and also supported the FSM ONPA's Strategic Development Plan, which includes conducting a joint cooperative audit on climate change for each of the four FSM states, initiated by the ONPA.



Accounting & auditing reform to strengthening public financial management systems

by Rosabel Chang & Jevilene Leleisiuao

The Strengthening Public Financial Management Systems through Accounting and Auditing Reform Workshop was a good opportunity for participants to learn ways of how accountants and auditors should work together to improve public financial management systems. The workshop was held 23–27 November in Nadi, Fiji and it was stress that it is imperative for auditors to know how financial reports are compiled in order to undertake a risk analysis to base an audit on. Accounting and auditing reforms are a part of the broader PFM reform that involves various stakeholders, which have to be clear objectives, plans and political ownership.

External auditors (SAIs) contribute to the strengthening of public financial management systems through reforms such applying auditing standards (ISSAIs and ISAs). IPSAS Accrual Reporting Framework is the ultimate framework that needs to be adopted by Pacific Islands to improve accuracy, relevance, transparency, timeliness and accessibility of financial information.

PASAI CALENDAR

24 December 2015 – 5 January 2016:
PASAI Secretariat closed for Christmas and New Year

19–21 January 2016:
Public Accounts Committee Workshop — Tonga.

25–29 January 2016:
Pilot assessment SAI PMF Lite — Cook Islands

2–5 February 2016:
Regional workshop on SAI PMF Lite, Auckland, NZ

9–10 February 2016:
SAS Committee — Final Meeting, Auckland, NZ

11–12 February 2016:
14th Governing Board meeting, Auckland, NZ.

24–26 February 2016:
Communication effectively, Tonga

11–22 April 2016:
Regional IT Audit Training, Auckland, NZ

1–5 August 2016:
19th PASAI Congress, Pohnpei, Federated States of Micronesia

Annual Fraud Awareness Briefing in Yap

by Achilles Defngin, Public Auditor, Yap

This year marks the third year the Compliance Investigation Division of the Office of the Yap State Public Auditor has conducted its annual Fraud Awareness Briefings (FAB) since its establishment in March 2012. The third FAB session was recently conducted on 15 December 2015. The FAB sessions have been welcomed by the Yap State Government with an increasing number of participants each year, as different and more involved activities are incorporated into the sessions.

The Compliance Investigation Division also created and disseminated flyers, pamphlets, and other written documents, as well as utilizing the office's Facebook page and website to promote fraud awareness. Available methods of reporting unethical or fraudulent activities to the Compliance Investigation Division include a 24/7 telephone hotline, office telephone, fax, mail, and website, email, and walk-ins and outside meetings.

Equipped with a Memorandum of Understanding with the Yap State Attorney General, the Compliance Investigation Division refers its cases to the Attorney General for determination of legal, administrative, or other relevant processes. To date, the Compliance Investigation Division has investigated 31 fraudulent offenses, 28 of which are closed and three are currently active. Seven of the 28 cases were referred to the Attorney General for further action.

The Compliance Investigation Division also works closely with the State Department of Public Safety (DPS) and the Office of the National Public Auditor (FSM ONPA), and other national, state, and local law enforcement agencies in the fight against fraud, waste, and abuse.

In general, the FAB sessions are still developing with new ideas incorporated each year. Gaining acceptance within the State Government, the FAB sessions are making solid progresses in awareness and educating the public on how to detect, enforce, and prevent fraud, waste, and abuse.

INCOSAI XXII update

by Mike Heine, Office of the Auditor-General, New Zealand

Preparations for New Zealand's chairing of one of the INCOSAI XXII themes are well underway.

PASAI Secretary-General and New Zealand Auditor-General, Lyn Provost, is chairing theme two — "Professionalisation" — at the next INCOSAI meeting, to be held in the United Arab Emirates in December 2016.

New Zealand's preliminary theme paper has been finalised and translated into the five INTOSAI languages. In answering the question "what can promote INTOSAI's credibility to become a more prominent international organisation?" the paper examines how contributions to increasing INTOSAI's professionalism can be made at the global, regional, and individual SAI levels.

Theme one at INCOSAI XXII, to be chaired by Saudi Arabia, focusses on how INTOSAI can contribute toward achieving the United Nations' Sustainable Development Goals (SDGs), particularly those regarding good governance as a means of fighting corruption.

Key messages for both themes were discussed at the PASAI Congress in October 2015. Topics canvassed included identifying the most important SDGs for developing and developed SAIs, and the types of audit work that could contribute to fulfilling these SDGs. Attendees also evaluated PASAI against the draft framework for regional professionalism.

These discussions, alongside the two preliminary theme papers and guideline paper, will assist the development of PASAI's regional theme papers over the next few months.

“... Auditing is one of the pillars of civil society and yet it is not well understood ”

Auditors leading by example

In the Pacific, the issue of corruption and unethical behaviour around the expenditure of public funds has forced an increased focus on good governance and leadership. Supreme Audit Institutions (SAIs) are now playing a significant role in promoting ethical governance and behaviour. Today, the Pacific Association of Supreme Audit Institutions (PASAI) released its [2015 Accountability and Transparency Report](#), which examines how SAIs in the Pacific are promoting ethical behaviour and good governance practices in the public service environment.

“The report has shown that the state of ethical behaviour in Pacific Island countries remains variable, including in respect of the use of public resources. SAIs can influence ethical behaviour through leading by example and having a broader role in the promotion of ethical conduct by public officials and office holders,” said PASAI Chief Executive Tiofilusi Tiueti.

The 2015 Accountability and Transparency Report focused on three key themes:

- financial independence and operational autonomy of SAIs
- SAIs’ involvement in setting national budgets
- promoting ethical governance in the public sector

This is the third report in PASAI’s Accountability and Transparency series. The previous report undertaken in 2011 stated that the picture of accountability and transparency was mixed across the region. The 2015 report suggests that not a lot has changed in the intervening four years. “PASAI’s members include the some of the smallest and most remote nations on earth. Within this environment, it is vital that public officials and office holders adhere to the highest standards of integrity, transparency, and accountability,” said Mr Tiueti.

While the report examines accountability and transparency across all PASAI members, six countries were part of in-depth studies: Cook Islands, Fiji, Tuvalu, Marshall Islands, Kiribati, New Caledonia and Vanuatu.

The key message to come from this report, and subsequently chosen as the title of this report, is that the primary way for SAIs to have an impact on transparency and accountability in the Pacific—to make a shift, to make a change—is that SAIs must lead by example. But the Pacific region’s SAIs are at different stages of development. So, the extent of how much SAIs can do depends on the availability of time, money, and qualified human resources. Most of the region’s SAIs are struggling to manage with what they have, and a lack of financial independence can make it harder to justify doing more.

PASAI’s members will use the 2015 Accountability and Transparency Report to:

- start a conversation with their governments and legislatures about their own status and independence, especially their independence in relation to their budgets and operations
- as a marketing tool to promote the role of SAIs as leaders in the accountable and transparent use of public resources.



The New Zealand Auditor-General gets social

by Emily McKewen



New Zealand Auditor-General, Lyn Provost, recently began sharing the work of her Office on Instagram and publishing companion videos to her audit reports on Youtube. The New Zealand Office of the Auditor-General has been an early adopter of social media, opening a Facebook account and Twitter account in 2011. The Communications team at the Office also runs an account for recruiting auditors to the business arm of the Office – Audit New Zealand. Across all of our social media platforms, we have more than 2400 followers.

- Auditor-General on Instagram <https://www.instagram.com/auditorgeneralnz/>
- Auditor-General on Youtube <https://www.youtube.com/channel/UCBPqBDAJaErXGbE04hloD3Q>
- Auditor-General on Twitter https://twitter.com/auditor_general
- Auditor-General on Facebook <https://www.facebook.com/AuditorGeneralNZ/>
- Audit New Zealand on Facebook <https://www.facebook.com/auditnz/>.

We also have a blog — [auditblog](#). Our first blog post was published in February 2013. We continue to publish blogs as companion pieces to our reports. We are also using blogs as a way for our staff to discuss interesting, perplexing, and pleasing aspects of our work, with the aim of enriching the value of that work and engaging meaningfully with our audiences. We have an internal blog as well as our external blog. We run “learn to blog” and “writing for web” sessions for our staff in the hope that we will eventually make blogging and digital content business as usual for our organisation.

During several projects in 2014 and 2015, we published our findings online to get our results out as soon as possible and to increase the transparency of our work. We updated them if and when we got new information.

In the words of the Auditor-General, Lyn Provost, “I can see tremendous potential to connect the Auditor-General’s work to the citizens of our country. My Office is increasingly publishing its findings online and in new electronic formats to make the results available faster and to increase the transparency of our work.”



SAI Performance Management Framework & the development of SAI PMF Lite

By Sinaroseta Palamo-Iosefo, PASAI Director
Practice Development

Background

Measuring SAI performance is one of PASAI's strategic goals that will assist in providing information on SAI's development needs and will serve as a basis for setting and monitoring SAI's strategic plans. The PASAI Governing Board adopted the INTOSAI SAI PMF as its preferred method of measuring SAI performance and obtaining the relevant information for Monitoring, Evaluation and Reporting (MER) of the PASAI Strategic Plan 2014–2024.

The INTOSAI Development Initiative (IDI) and the Department of Foreign Affairs and Trade (DFAT), Australia, signed an agreement on 3 June 2015 to support SAI Performance Measurement in the Pacific region. This agreement was based on a concept note prepared by IDI and PASAI. The project will be implemented by the INTOSAI-Donor Secretariat (IDS) in IDI, in partnership with PASAI. The PASAI Secretariat will facilitate the involvement of SAI's within PASAI, as necessary, and ensure appropriate engagement with the PASAI Governing Board.

Rationale for SAI PMF Lite for PASAI

SAI PMF has been developed as a comprehensive assessment tool, using more than 500 criteria to assess seven domains that will allow a holistic assessment of the SAI. As a result, its application requires a significant allocation of workforce over a period of time (3 to 6 months). Because SAI's in the Pacific region are small due to the size of the countries, the SAI PMF Lite concept was developed to provide an easier approach for SAI's in PASAI to implement the INTOSAI SAI PMF tool.

Project design

SAI PMF Lite assessments will be implemented using a coordinated regional approach where the domains and the narrative report on the assessment are developed through a series of sequenced modules, with the support from the PASAI Secretariat and IDS. The aim is for

participating SAI's to complete the assessment of all six domains within one year. PASAI member SAI's that have confirmed their interest in participating in the first round of SAI PMF Lite have been grouped into two sub-regions:

- North Pacific: Guam, Federated States of Micronesia (FSM) National, Kosrae, Pohnpei and Marshall Islands
- South Pacific: Cook Islands, Samoa, Solomon Islands, Tonga and Tuvalu.

The assessments will be completed through a combination of self-assessment (for the non-audit domains) and peer review (for the audit domains) using synergies with existing peer review processes, such as the peer review process facilitated by the Association of Pacific Islands Public Auditors (APIPA) every 2–3 years, which the SAI's in the North Pacific use. The next review is planned for 2017.

Project implementation

The SAI PMF assessments will start with the South Pacific sub-group in 2016 and the North Pacific sub-group will start in 2017. A sub-regional workshop will be held at the beginning of each “clustered” assessment to provide guidance and training for staff of participating SAI's as well as those who will be involved in providing support and peer review. Participating SAI's have been asked to nominate two staff who will be fully committed to the project throughout the designated period.

The project team sees the benefit in applying SAI PMF Lite as a pilot in one of the participating SAI's first to check that SAI PMF Lite does not exclude parts of SAI PMF that are important for SAI's in the Pacific. This pilot will be carried out for the SAI Cook Islands, which already has experience with the original version of SAI PMF. The regional workshop for the South SAI's will be on 1–5 February 2016 in Auckland, New Zealand.

Inaugural performance auditing conference



The Queensland Audit Office is proud to announce the program for Australia's first, dedicated Australian performance audit conference "IMPACT" on 15–16 March 2016 in Brisbane, Queensland.

IMPACT will bring together Auditors-General, leaders, practitioners, industry experts and academics from across the globe to discuss the future of public sector performance auditing.

The event will be held at the Stamford Plaza in Brisbane's CBD. Registrations are open now and close 1 February 2016. To register visit: <https://impact16.eventbrite.com.au>.

The program

IMPACT offers delegates a program based on new ideas. On Day One speakers will provide insights into the external factors that affect performance auditing, explore opportunities for improvement or change, and hear the views of some of our key stakeholders. Day Two is collaborative and provides concurrent sessions for delegates to choose from.

More info

IMPACT will provide delegates with access to a performance audit network for long-term professional exchange.

We are also pleased to invite delegates to a formal dinner at the Stamford Plaza's River Room on the evening of Tuesday 15 March 2016. Tickets are included in the registration cost and invitations will be sent to registered delegates in early 2016.

A link to book discounted accommodation at the Stamford Plaza is provided on registration.

For more information and to register now visit: <https://impact16.eventbrite.com.au>.

Topics

- What does the future hold? Global issues and trends.
- Developments in the shape and size of the public sector.
- The emergence of integrated reporting.
- A reflection of how far performance auditing has come from its roots in the 1970s to where we are today and where we are heading.
- The role of the Auditor-General as part of the integrity system.
- Client perspectives.
- The progress of the review of the performance auditing assurance standard ASAE 3500.
- The 'follow the dollar' mandate.
- Strategic audit planning, methodologies, tools and emerging themes.
- Leveraging Australian Bureau of Statistics data and services.
- Data analysis in evidence gathering and 'dashboard' analysis methodologies.
- Results of the Queensland University of Technology's Future of Performance Auditing research project.

Our speakers so far

- Dr Keith Suter, economic and social commentator.
- Professor Gary Banks, Chief Executive and Dean ANZSOG.
- Dr Patricia Strong, Lecturer and Researcher University of New South Wales.
- Grant Hehir, Auditor-General for Australia
- Professor A.J. Brown, Professor of Public Policy and Law Griffith University.
- Penny Armytage, National Sector Leader Justice and Security KPMG Australia.
- Colin Murphy, Auditor-General for Western Australia.
- Dr Len Gainsford, Professional Fellow Swinburne University.
- Daniele Bird, Anthony Close and Charles Strickland, Queensland Audit Office.
- Mike Scott, Assistant Auditor-General, Office of the Auditor-General New Zealand.
- Australian Bureau of Statistics, Statistics Transformation Division.
- Richard Sergeant, Queensland University of Technology.

Short cuts

PASAI's Annual Report 2014/15

Our Annual Report 2014/15 is now available on our website. Highlights of the year include the appointment of our new Chief Executive, Tiofilusi Tiueti, and the restructuring of the Secretariat with a new and permanent team. It was also the first year of the implementation of our Strategic Plan 2014–2024.



Don't forget to 'like' us



Don't forget our Facebook page [here](#).

We have moved and are taking a break!

The Secretariat commenced operating from its new office location on Monday 14 December, 2015. The Chief Executive welcomed the Secretary-General, Ms Lyn Provost, and Deputy Secretary-General, Ms Sarah Lineham, to the new office on 15 December for a brief meeting. It was fitting that they were our first official visitors to the new office.

Our new address is:
Suite 7, Level 2, Heards Building
168 Parnell Road
Parnell
Auckland 1052
New Zealand



Also note that the Secretariat's office will be closed from 24 December and will re-open on 5 January 2016.

Ed's note

I hope you have enjoyed our bumper holiday edition! I put the call out for articles and you certainly responded. Thank you. It is really important that the communication components of the Secretariat are reflective of our members. This is your Bulletin. We publish the Bulletin quarterly, so make sure you 'keep 'em coming'. The Secretariat would also like to take this time to wish you all a safe and happy Christmas and we look forward to working with you in 2016.