



Issue number 20
December 2011

PASAI Bulletin

Inside this issue

Office of Auditor-General New Zealand	1
Queensland Audit Office	3
Victorian Audit-Generals' Office ..	4
PASAI Secretariat	5

This Bulletin provides Audit Offices in the PASAI region with:

- * updates on issues of interest
- * recent developments affecting SAIs
- * emerging matters
- * general "newsworthy" items.

SAIs and development partners are encouraged to contribute to this publication as it will be beneficial to all as a forum for information exchange and provide an understanding of the issues faced by SAIs in the region. Auditors-General who are members of the INTOSAI committees and working groups should also use this Bulletin to highlight the progress of the work that they are involved in.

1.0 Office of the Auditor-General New Zealand

INTOSAI Working Group on Environmental Auditing: November meeting in Argentina

The Working Group on Environmental Auditing (WGEA) held its 14th meeting in Buenos Aires, Argentina on 7-11 November 2011. The host, the SAI of Argentina, organised and ran the meeting and related events superbly, with expert help from the Estonian secretariat.

There was a good turnout, with 140 participants from 55 countries, as well as representatives from international organisations such as the INTOSAI Development Initiative (IDI), the United Nations Environment Programme, Transparency International, and the World Bank. The day before the WGEA meeting, 60 people from 29 SAIs took part in a training day on environmental auditing for beginners, run by the SAIs of Estonia, Finland, and the United States.

Regional representation

Four ACAG/PASAI region representatives attended – from the SAIs of New Zealand, Australia, and Fiji.

The main purpose of the WGEA meeting

The meeting was an opportunity for the wider WGEA membership to contribute to the guidance products that the steering committee is preparing. Parallel sessions focused on the eight projects that the steering committee is working on, namely:

- auditing water issues – updating the 2004 guidance (lead United States);
- environment and sustainability reporting – a research paper to establish the state of play of reporting in this area and the role of SAIs (lead Finland);
- fraud and corruption in environmental auditing – developing guidance for SAIs on fraud and corruption in managing natural resources and environmental matters (lead Norway);

- land use and land use management – a research paper on the environmental issues involved in land use (lead Morocco);
- environmental data – a research paper on the importance and use of data in environmental audits – (leads United States and Canada);
- wildlife conservation and tourism – a research paper on managing the effects of tourism on wildlife (lead Lesotho);
- environmental issues associated with infrastructure – a research paper on environment and sustainability issues associated with large infrastructure projects (lead UK); and
- Rio+20 compendium – preparing a contribution from the WGEA for the Rio+20 conference in 2012 (leads Canada and Brazil).

The parallel sessions each involved an update from the project leader, presentations from SAIs that had carried out relevant audit work, and discussion. The sessions helped to confirm the projects' directions.

As a case study, the fraud and corruption session looked at a 2003 audit by the SAI of the Solomon Islands on managing revenue from tuna fishing licenses, which raised significant questions about the management regime at that time. The Solomon Islands is taking part in the current PASAI cooperative audit on sustainable fisheries (focusing on tuna). We hope the story will be better in 2012 than in 2003.

The meeting included presentations from SAIs and international organisations on matters such as international climate change funding, sustainability reporting, fraud and corruption in environmental and natural resource management, and cooperative audits. As always, it is interesting to hear presentations from international experts and SAIs about lessons learned from their audits and innovative approaches.

Regional updates

Regional coordinators from six INTOSAI regions updated the meeting. Jonathan Keate, of the SAI of New Zealand, told the WGEA about activities in the ACAG/PASAI region, focusing on the co-operative audits on environmental topics being carried out under the Pacific Regional Audit Initiative. The level of activity in the ACAG/PASAI region impressed those present. PASAI is regarded as one of WGEA's success stories, and a great example of the benefits of cooperation between PASAI and support organisations such as the IDI and Asian Development Bank.

Steering committee meeting

The WGEA steering committee met after the WGEA meeting. As well as advancing the research and guidance projects, the steering committee was pleased to endorse the SAI of Indonesia as the next chair of the WGEA (when Estonia's term ends in mid-2013). The SAI of Estonia will nominate the SAI of Indonesia for agreement by the INTOSAI governing body. The SAI of India updated the steering committee about the new global environmental auditing training centre in Jaipur, India. The SAI of India hopes to host the next steering committee meeting at the Jaipur centre in September 2012. This training centre is likely to be of interest to PASAI members.

Survey on environmental audit topics

In December 2011, the RWGEA coordinator surveyed all PASAI auditors-general for ideas for further cooperative audits on environmental topics in the PASAI region. The PASAI governing board will consider the results of the survey at its meeting in February 2012. Proposed topics can then be further discussed at the next RWGEA meeting in Sydney in April 2012, for consideration at the 2012 PASAI congress.

The next RWGEA meeting

The Auditor-General of New South Wales will host the next RWGEA meeting in Sydney on 17-19 April 2012. Invitation letters and information about the proposed programme will be sent out in early 2012.

For further information about the WGEA meeting see the WGEA website (www.environmental-auditing.org). If you want to know more about WGEA activities, the survey or the next RWGEA meeting, please contact Jonathan Keate by email jonathan.keate@oag.govt.nz or phone +64 4 917 1544.

2.0 Queensland Audit Office

2.1 Key Developments

2.1.1 Appointment of 22nd Auditor-General of Queensland

- On 3 November 2011, the Governor in Council approved the appointment of Queensland's next Auditor-General, Mr Andrew Greaves, BEc, CA. Mr Greaves will commence his role on 17 December 2011, following the end of Mr Glenn Poole's tenure on the 16 December 2011.
- In light of the recent amendments to the Auditor-General Act 2009 and the Standing Rules and Orders of the Legislative Assembly (amended 2 August 2011) Schedule 9 – Code of Practice for Assistance to Portfolio Committees by the Auditor-General, four projects are being undertaken within QAO to implement these major reforms:
 - * Implementation of Performance Audit Mandate
 - * Exemption of small and low risk audits
 - * Follow the Dollar Mandate and Collaborative Audit Mandate
 - * Parliamentary Committees
- Updates to Auditor-General of Queensland Auditing Standards were tabled in Parliament on 11 October 2011. Further updates will be required in early 2012 when the processes for exempting small size and low risk audits have been determined.

2.1.2 INFORM Journal

The October 2011 editions of INFORM Journal features articles on developments in Information Communications and Technology (ICT), Reports to Parliament NO. 7,8 and 9, Quality Assurance activities, Climate Change plan and the performance audit client information session. It is available on QAO's website – http://www.qao.qld.gov.au/pages/publications/pub_inform.html.

2.2 Auditor-General reports to parliament

2.2.1 Auditor-General's Mandate

The following reports were tabled during the second half of 2011:

- Report No. 9 for 2011 – Acquisition and public access to the Museum, Library and Art Gallery collections.
* Tabled on 11 October 2011.
- Report No. 10 for 2011 – Regulating Waste: protecting the environment (performance audit)
* Tabled on 9 November 2011.
- Report No. 11 for 2011 - Results of audits at 31 October 2011.
* Tabled on 17 November 2011.

These reports are made available on the QAO website after they have been tabled - http://www.qao.qld.gov.au/pages/publications/pub_ag.html

If you would like further information please contact Queensland Audit Office: by email; enquiries@qao.qld.gov.au or phone +617 3149-6011; or fax +617 3149-6000.

3.0 Victorian Auditor-General's Office

3.1 Review of the Audit Act 1994

Following consultation with Victorian Audit-General's Office (VAGO), the Public Accounts and Estimates Committee conducted an Inquiry into the Audit Act 1994 and tabled its final report in October 2010. VAGO is now in consultation with Government on potential amendments. Reforms under discussion include:

- Extending the audit mandate to the administration of Parliament and courts, all government-controlled companies and overseas entities;
- Introducing new powers to access information held by private sector parties delivering government services ;
- Updating audit powers by introducing the capacity to enable joint investigations with other Parliamentary integrity bodies and Australian Auditors-General;
- Introducing widespread annual assurance audits of performance statements and controls; and
- Discretion on the publication of agency comments in reports to Parliament.

3.2 Parliamentary and community engagement

The Auditor-General has participated in a variety of high level conferences and public events across the past few months, to share lessons from VAGO audits and promote good accountability in the public sector. Key presentations are available at http://www.audit.vic.gov.au/reports__publications/presentations.aspx and include:

- "Corruption, integrity and the role of audit: challenges from outsourcing", Australian Public Sector Anti-Corruption Conference, 15 November 2011;
- Victorian Government Audit Committee Chairs Forum, KPMG , 28 October 2011;
- Trends in public sector audit legislation: from Federation to follow-the-dollar, Australasian Study of Parliament Group National Conference, 7 October 2011; and
- Lessons from audits: Key themes from VAGO's 2010–11 audit program, Chartered Secretaries Australia, 11 August 2011.

The Auditor-General has finished the Regional Client Forum program for the year. Events were recently held in Geelong and Bendigo to provide an opportunity for engagement with the clients in these non-metropolitan areas. These events were both well attended by senior representatives of thier clients.

3.3 E-Learning

Using an outsourced online learning provider (ELMO), VAGO now offers e-learning for selected mandatory whole-office corporate responsibility training. Across July-Dec 2011, staff were offered ELMO modules on Whistleblower legislation, Fraud and Corruption Awareness, Equal Opportunity and Discrimination, OH&S, the Victorian Human Rights Charter and the Public Sector Code of Conduct. ELMO is a cost effective and low impact training solution, as the online modules are hosted on ELMO's server and require no maintenance by VAGO ICT staff. So far, there has been excellent staff participation across the Office.

3.4 Recent reports to Parliament

Fifteen audit reports have been tabled in Parliament since 1 July 2011, including nine performance audit reports, five financial audit reports and a joint project with the Ombudsman Victoria's office. VAGO reports are available at http://www.audit.vic.gov.au/reports_and_publications/reports_by_year.aspx.

3.5 Parliamentary and Client Surveys

VAGO will take a new three year approach to its Parliamentary and Client Surveys, conducted jointly with Australian ACAG members. As results for financial audit client surveys have been relatively stable over the years, VAGO will seek to move to a 2 year frequency in 2012-13. Resources freed up from less frequent routine surveys will be redirected to other projects such as face to face MP interviews, surveys of financial audit reports to Parliament and/or greater involvement of members of audit committees.

To improve transparency, VAGO now communicates stakeholder survey results on our website http://www.audit.vic.gov.au/about_us/assuring_vagos_quality.aspx.

If you would like further information please contact Victorian Auditor-General's Office : phone +613 8601 7000; or fax +613 8601 7010.

4.0 PASAI Secretariat

4.1 Communicating Effectively Workshop Addresses Important Auditor Competency

"Communicating for results" is one of the five major competencies in PASAI's human resource management framework. It is described in terms of presenting information and results using appropriate written and oral media to inform and/or convince others and achieve desired outcomes. A special 8-day workshop, *Communicating Effectively*, was developed to address this competency as part of the Pacific Regional Audit Initiative (PRAI).

The Communicating Effectively pilot was delivered 2-11 November in Nadi, Fiji to 18 participants from 13 SAIs.

The participants were enthusiastically involved throughout the program and gave positive feedback about the course content and presentation. The course was developed and delivered by Allen Parker and Lin Weeks, respectively PASAI's capacity building advisor and capacity building expert. Anna Wills, PASAI's communications advisor, provided additional input and advice. Session topics included:

- thinking about report readers;
- developing the audit message;

- ensuring report readability;
- improving report quality through structured reviews and constructive feedback;
- developing and delivering oral presentations;
- dealing with the media and the public;
- preparing annual reports; and
- preparing other SAI products.

Participants interacted in a wide array of activities throughout the training. Some exercises involved them in writing portions of reports; others had them review report sections. They role played and revised products. Presentations were videotaped and critiqued. Through all of these activities participants commented that they really appreciated the opportunities to share ideas and learn from each other as well as from the instructors' presentations.

"Impact" was a key word during the training. Everyone agreed that having their SAIs' recommendations read, understood and acted upon was a key measure of SAI effectiveness or impact. Furthermore, everyone recognized that having accurate, objective, complete, clear, concise, convincing, and timely reports was critical to achieving impact. By the end of the training there was a consensus that they were now better prepared to develop more readable reports that could lead to greater impact.



Participants of the Communications Effectively pilot, 2-11 November, Nadi, Fiji.

At the conclusion of the course each participant was required to prepare and present an action plan. Their plan had to identify one practice or approach they wanted to bring back to their SAI as a result of this training. (It was expected that they would have several ideas to take back to their SAIs, but they had to present only one to their colleagues and the instructors.) As they presented their ideas, they received suggestions from the class. In some cases they agreed to share materials and samples to assist each other. Now their peers and the instructors will eagerly be awaiting news about their accomplishments.

Colleagues and instructors from the course as well as members of the PASAI community are looking forward to hearing about achievements and accomplishments of the participants in the Communicating Effectively workshop.

4.2 Appointment of new Capacity Building Advisor (CBA).

PASAI has appointed Mrs Sinaroseta Palamo Iosefo (Sina) as its Capacity Building Advisor (CBA). She takes over from Mr Allen Parker who has been appointed Director of Audit of the Cook Islands.

Sina started working as an Audit Examiner at the Samoa Audit Office in August 1994 straight after University. After a year, Sina left the Audit Office and worked for a private accounting firm, Betham & Co. (then known as Coopers & Lybrand). She

worked eleven years at the firm, five of which as an Audit Manager. A year was spent with secondment with Coopers & Lybrand Auckland, New Zealand in 1997.

Sina rejoined to the Samoa Audit Office in June 2006 as an Audit Manager. She is currently serving her second 3-year term as an Audit Manager. She has considerable experience in providing financial audit and accounting services to clients in different industries both in the private and public sectors. Currently, Sina is responsible for drafting the Audit Office's reports to Parliament.

Sina has been involved with a few projects coordinated by PASAI; she is a member of the working group which developed the Human Resources Management manual. She was also involved with two cooperative performance audits— solid waste management and access to safe drinking water audits.

Sina gained a National Certificate in Business Studies from the Auckland Institute of Technology in 1990 and a Bachelor of Management Studies (Accounting major) from the University of Waikato, New Zealand in 1994. She is a member of the Samoa Institute of Accountants .

Sina is married with three children.



For any clarification of any of the items in this Bulletin, please do not hesitate to contact the PASAI Secretariat by

Email: enquiry@pasai.org

Telephone: +64 9 304 1275

Fax: +64 9 307 9324