



PASAI Bulletin

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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 Federated States of Micronesia National Public Auditor (ONPA)

The Office of the National Public Auditor (ONPA) announces the release of the following audit reports:

- Audit of ADB Loans 2099-FSM (SF) and 2100-FSM Omnibus Infrastructure Development Project for Fiscal Year Ended September 30, 2012;
- Audit of Travel Activities of the FSM National Government;
- Audit on the Managements on the Impacts of Climate Change on Food Security in the FSM; and
- Audit on the Inspection of the Chuuk State Tax and Revenue Section Fiscal Years 2010-2012.

The full reports for the audits are available from the SAI website www.fsmopa.fm.

If you would like further information please contact: sneth@fsmopa.fm

2.0 Office of the Auditor-General Fiji Islands (OAG)

The Office of the Auditor General (OAG) of the Republic of Fiji for the first time was recognized at the Fiji Business Excellence Prize level in the 2013 Fiji Business Excellence Awards (FBEA) held at the Sheraton Hotel on the 9th of November 2013.

The FBEA has four levels of recognition. The Fiji Business Excellence Prize level at which OAG Fiji was recognized in is the second highest level of recognition for the Awards. Recognition at this level indicates that the organisation has good integration of quality management principles and systems into its business operations. Improved performance is



Staff of OAG with the President of Fiji at the 2013 Fiji Business Excellence Awards

- *President's Award (highest)*

At this level of recognition the organisation is demonstrably a world class organisation, a position that has been achieved through the application of quality management principles and practices. Applicants for the PRESIDENT'S AWARD must first have received a FIJI BUSINESS EXCELLENCE PRIZE two years prior to applying at this level.



Auditor-General Mr. Tevita Bolanavanua with staff of OAG Fiji

most important to the organisation. Overall the organisation at this level is demonstrably the 'best in class' in Fiji terms. The three other levels of the FBEA are:

- *Commitment to Business Excellence (lowest)*

At this level of recognition the organisation has committed to a path of continual improvement through the application of quality management practices as exemplified by the FBEA assessment criteria. Planning for improvement is beginning and there is evidence that the commitment is leading to improved performance.

- *Achievement in Business Excellence*

At this level of recognition the organisation has sound approaches in place which is being deployed in most major areas. Integration of quality management practices into business operations is becoming established. Improved performance can be demonstrated across most criteria areas.

OAG Fiji first entered the FBEA in 2007 and was recognized with the Achievement Award. It was also recognized with the Achievement Award in 2008, and Commitment Awards in 2009 and 2011.

The Office of Auditor-General acknowledges the contributions of its staffs, clients and stakeholders in its excellence journey that earned the Office the recognition.

If you would like further information please contact: mwaqanicagica@auditorgeneral.gov.fj

3.0 Chambre Territoriale des Comptes Nouvelle Calédonie (The Territorial Chamber of Accounts of New-Caledonia)

This last trimester was filled with activities.

The French Court of Accounts issued a report at the end of November, on the fiscal autonomy of six French overseas territories (French Polynesia, Saint-Martin, Saint-Barthelemy, Saint-Pierre-and-Miquelon, Wallis & Futuna and New Caledonia), which give them an extraordinary place in the French republic, because of their extended fiscal policy authority. The chamber of accounts of New Caledonia contributed to the report for two territories: New Caledonia and Wallis and Futuna's Islands.

The main message of the report is about the necessity of strengthening the links between fiscal autonomy and financial autonomy, in a general context of financial public crisis. The report is organized in three chapters. The first reported the difficulties of the six territories in shaping their fiscal policy while they are generally confronted to budget tensions. The second chapter analysed the adequacy between the use of fiscal leverage and their needs. Finally, the last chapter explored prospects of accrued fiscal efficiency, in respect to the competences of each territory. The report is also a source of information to help the French state in defining policies towards these territories.

The chamber of accounts also issued three reports dealing with the financial situation and the efficiency of the organization of New Caledonian's cities. According to a law of neutrality during election periods, which are going to be held in March 2014, their public communications are postponed.

On the organizational front, the territorial chamber of accounts of New-Caledonia was relocated to a new site, situated in the ancient house of the general of the army and entirely restored in respect of the French colonial style. This new office was inaugurated by the first president of the French court of accounts, in presence of the French minister of the overseas, the mayor of Nouméa and authorities and institutional representatives of New Caledonia. More than a hundred people attended the inauguration and the public audience of the chamber that followed, which served as an occasion for the regional SAI to communicate on its role in the equilibrium of governance. The event was largely relayed by the media.



From left to right: Mr. Jean LEQUES, Mayor of Noumea, Mr. Victorin Lurel, French Minister of the overseas, Mr. Didier Mligaud, First President of the French court of accounts, Mr. François Monti, President of the Territorial chamber of accounts of New Caledonia.



The new location of the territorial chamber of accounts of New Caledonia .

On the legal side of things, a recent law was passed to give the French territorial chamber of accounts the possibility to participate to inter-jurisdiction commissions, under the supervision of the French court, to organize the instruction and deliberation on common audit theme. This rule was used immediately to deliberate on a common report on “Health in the overseas territories”. More specifically to New Caledonia, this act enlarges the possibility of organic controls to Para-public institutions of the territory and provinces, and allows more contradiction’s opportunities and accrued possibility of defense for auditee’s elected chief representatives.

If you would like further information please contact: CSaj@nc.ccomptes.fr

4.0 Office of the Auditor-General New Zealand (OAG)

8th meeting of the ACAG PASAI Regional Working Group on Environmental Auditing

The dates for the 2014 meeting of the ACAG/PASAI Regional Working Group on Environmental Auditing (RWGEA) meeting have been confirmed. The meeting will be held from 20-22 May 2014 in Canberra, Australia. Mr Ian McPhee, Commonwealth Auditor-General, and Dr Maxine Cooper, Australian Capital Territory (ACT) Auditor-General, are jointly hosting the meeting.

Invitations and requests for contributions will be sent in early 2014. Further information will then be provided as we prepare the program.

Background

The ACAG/PASAI Regional Working Group on Environmental Auditing (RWGEA) is one of six regional working groups of the INTOSAI Working Group on Environmental Auditing (WGEA). New Zealand is the regional coordinator of the RWGEA and is working with the ANAO and ACT offices on arrangements for the meeting.

The RWGEA meetings are open to all ACAG and PASAI members. In line with the aims of the WGEA, the RWGEA seeks to develop the capability of participating offices to conduct audits on environmental topics. Most recently, our focus has been on assisting with capacity building for environmental audits in Pacific Island audit offices by supporting PASAI’s cooperative audit program. Four cooperative audits on environmental topics have been undertaken under that program.

2014 meeting program

The meeting themes will be:

- water management;
- waste management; and
- climate change adaptation.

The meeting themes will enable the RWGEA to evaluate the effectiveness of the PASAI cooperative audit program to date and consider how to further build environmental audit capability in our region.

We will be looking for contributions from individual SAIs in the meeting theme areas, particularly regarding any lessons learned by your SAI in conducting audits on water management, waste management or climate change adaptation programs and how participation in cooperative audits has increased your environmental auditing capability.

We also welcome presentations by SAIs about completed or planned audits in other environmental areas or about how to build capability in environmental auditing.

Costs

As for previous RWGEA meetings, individual Audit Offices will need to meet the travel and accommodation costs of their

representatives and arrange any special requirements, such as visas.

Further information

For further information or with any ideas for the program, please contact the RWGEA coordinator:
jonathan.keate@oag.govt.nz

5.0 Samoa Audit Office

Samoa Person of the Year 2013 Awarded to the Controller and Chief Auditor

The Controller and Chief Auditor of Samoa, Mr Fuimaono Camillo Afele was named Samoa Person of the Year in 2013 by Samoa's most widely-circulated daily newspaper, Samoa Observer. The Report of the Controller and Chief Auditor to the Legislative Assembly for the financial years 2009/10 and 2010/11 were released and debated in Parliament in 2013 with the Officers of Parliaments Parliamentary Committee (OPPC) recently releasing their findings after their investigations.



The Controller and Chief Auditor of Samoa, Mr. Fuimaono Camillo Afele

While this was a great honour for the Controller and Chief Auditor and his office, this recognition also comes with its obligations for the Samoa Audit Office. This opportunity, while providing great visibility for the office and importance for the work of the staff, also means that:

- There will be higher expectations from the public for the Samoa Audit Office in terms of professional behaviour and staff will be expected to lead by example at all times; and
- Performance will need to be elevated in terms of quantity, quality and timeliness, while the executive and team leaders have to ensure that all staff are encouraged and motivated.

The recent constitutional amendment that is pending next Parliamentary sitting will change the tenure of the Controller and Chief Auditor to twelve years and further enforce professionalism, honesty and work ethics for auditors.

In terms of achievements for the office in 2013, many milestones set out in the last Institutional Strengthening Project (ISP) have come to fruition as evident in:

- Senior members of the Audit Office were on monthly attachments with Audit New Zealand/Office of the Auditor General (OAG) in Wellington in the beginning of 2013 as part of a twinning programme with OAG. They were allocated to various divisions of Audit New Zealand and OAG including, but not limited to, the areas of performance audit, financial audits, parliamentary groups, communications and information technology audits;
- The Ministry, Projects and Public Accounts (MPPA) division continues with certifying of all payments through its pre-audit function and the audit of government projects where required by donors. The assistance provided by Technical Assistance (TAs) in applying Risk Assessments for ministry audits was built under the ISP in order to achieve the timely completion of audits. In addition, the move by the Samoa Audit Office to adopt ISSAIs has complemented office work using International Standards of Auditing. The completion of the field work of the audit of the Public Accounts in December 2013 is a first and an achievement by the office and only audit

adjustments and management comments from the Ministry of Finance are pending before finalization;

- **Retain**, which is an electronic time management system, has been used to record time spent on audit jobs and to provide a basis for planning future audit costs, and to assist staff in planning their leave;
- The Information Technology (IT) Audit Unit now fully functional within the office and has the capability of carrying out general control/application reviews for government ministries and public bodies; and the development of various Computer-Assisted Audit Techniques (CAATs) using IDEA (auditing software) to extract, analyse and interrogate larger sets of data.
- In 2013, the Performance Audit Unit, newly set-up in the office, managed to complete three performance audits focusing on School Fees Grant Scheme, Stamp Duty Collection and Climate Change Adaptation and Disaster Risk Reduction Strategies. TAs from OAGNZ was seconded to facilitate with performance audits of the health and agriculture sectors by looking at financial sustainability and service performance. This unit also handles compliance and environmental audits which are performed as, and when, required; and
- The newly-established Communications and Stakeholder Relationships Unit is now fully staffed with a focus on Parliamentary services, report writing, dissemination of information (including website and intranet plans in place) and maintaining good relations with external stakeholders in the hope of maintaining the image and credibility of the Audit Office.

All Audit staff are guided by principles and values of honesty, impartiality, service, respect, transparency, accountability, efficiency and effectiveness in the Public Service Act.

If you would like further information please contact: sita.leota@audit.gov.ws

6.0 Office of the Auditor-General Solomon Islands (OAG)

Mr Edward Ronia retires as Auditor General of Solomon Islands



The Solomon Islands Auditor General, Mr Edward Ronia, was unexpectedly retired by the Government on 18 November 2013, a year earlier than his contracted period.

Mr Ronia has made a tremendous contribution towards the development of his Office since being appointed in May 2009. He has been a vocal champion of anti-corruption and energetically participated in all opportunities for promoting accountability and transparency internationally as well as within all provinces of the country while he was Auditor General.

Mr Ronia was the Melanesian Representative on the Governing Board of PASAI since 2011 and was at the forefront of promoting the acceptance of best international practice within his Office as well as the ministries, authorities and government trading enterprises making up the administration of the Solomon Islands Government.

Mr. Edward Ronia attended the Fiji Institute of Technology (FIT) and Victoria University of Wellington where he obtained his Diploma in Business Accounting and Bachelor of Commerce and Administration degree respectively.

He started as an Auditor (Trainee) with OAG in 1977 and served for 6 years to 1982. From 1983 to 1989 he worked as an accountant in the private sector in the Solomon Islands. From 1989 to 1996 he served the Solomon Islands National Provident Fund as the Assistant General Manager (Finance). In 1998, for one semester, he worked for the College of Higher Education in the School of Finance and Administration, lecturing in Financial Accounting and Cost Accounting.

From October 1998 to 2009 he served the Central Bank of Solomon Islands as the Secretary to the Board and Chief Manager for the Accounting, Finance and Information Technology Department.

Mr Robert Cohen has been appointed Acting Auditor General while recruitment of Mr Ronia's replacement is undertaken. Mr Cohen is funded by the Australian Government under its development assistance arrangements to the Solomon Islands Government.

7.0 Pacific Association of Supreme Audit Institutions (PASAI)

Capacity Building

Communicating Effectively – The third round of the *Communicating Effectively* workshop was held in Honiara, Solomon Islands, on 4-8 November 2013. The workshop was opened by the Auditor General of Solomon Islands, Mr Edward Ronia and closed by Ms Claire Cochrane, Counsellor Governance for the Australian Aid program based in Honiara.

The workshop covered skills in improving the readability of audit reports by focusing on the readers, sentences and paragraph structure, preparing other reports such as annual reports and special investigation as well as considerations when auditors or the SAI deal with the media.

Feedback from the participants recognized the importance of communication for auditors and therefore the continuous demand for the workshop.

Career Path Training – Tier 2: *Intermediate Government Auditing training* was held in Suva, Fiji, on 2-6 December 2013. This is the first training specifically requested by a Supreme Audit Institution (SAI) – the Office of the Auditor General (OAG) of Fiji. As such, most of the participants were from the OAG Fiji. All PASAI member SAIs were invited to send one participant to the training at their own cost. There were 20 participants including one participant each from Tonga and Vanuatu.

The training was opened by the Auditor General of Fiji, Mr Tevita Bolanavanua and closed by Ms Solstice Middleby, Counsellor – Development Cooperation, Australian High Commission in Suva. Feedback from participants through the course evaluation showed that participants found the training very useful and relevant to their line of work. The training covered the audit process and procedures for both financial and performance auditing relevant to auditors who have little public auditing experience.

Training Materials: The training materials for Tier 1,3 and 4 are being finalised. Copies of these materials will be made available on the PASAI website, www.pasai.org and CDs will be distributed to PASAI's members for their in-house training.

ISSAI Implementation Initiative (3i Program) – This global program is administered by the INTOSAI Development Initiative (IDI). Having certified ISSAI facilitators is one of the deliverables for this program. The Certification program has just completed the second e-learning course on iCATs for financial and performance audits. 11 financial auditors and 8 performance auditors from the PASAI region participated in the second e-course. All the 19 auditors have successfully completed this stage. The final stage for the Certification program was the facilitation skills workshop for those who have succeeded the second stage. This was held in Bangkok, Thailand on 30 September to 12 October 2013. The Capacity

Building Advisor attended on behalf of PASAI.

Another deliverable for this program is the completion of iCATs. Currently, the Secretariat has received iCATs from Kiribati, Papua New Guinea, Samoa, Tonga, Tuvalu and Vanuatu. The Secretariat continues to follow up iCATs from the 8 remaining SAs who have signed the Statement of Commitment with IDI and PASAI regarding ISSAI Implementation.

E-course on Risk Based Approach to Financial Auditing – This program is facilitated by the INTOSAI Development Initiative (IDI). The program aims to enhance awareness of financial audit ISSAIs with a particular emphasis on providing training to auditors in to use for adopting a risk-based approach to financial auditing.

The second offering of this course was held from 9 September to 25 October 2013. 15 participants from 5 PASAI member SAs participated in the second offering of this course. IDI will inform the Secretariat and participants on the results of this course when they are available.

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

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