



# 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 American Samoa Government's Territorial Audit Office

The Territorial Audit Office (TAO) conducted a performance audit of American Samoa Government's Department of Treasury, Customs Inspection Division, Excise Tax, which was released May 2011. Excise taxes are responsible for approximately half of the local revenue generated by the American Samoa Government every Fiscal Year.

TAO's audit objectives included: (a) to determine if American Samoa Government (ASG) Customs Inspections is effective at collecting the fullest extent of Excise Taxes based on approved rates; (b) to determine if Excise Tax Revenues are accurately recorded in ASG's Financial System (IFAS) and if they agree with total cash receipts transmitted to Treasury Revenue and deposited into ASG's bank account; and, (c) to determine if the Customs Division manages its resources economically, effectively and efficiently in its inspection activities.

TAO reported 16 audit findings and recommendations to improve the efficiency and effectiveness of the collection of excise taxes in American Samoa.

In addition, TAO has issued two reports over cash collections of various ASG departments.

- Department of Port Administration, Issued April 2011
- Department of Port Administration, Airport Management Division, Issued April 2011

These audits determined whether the departments: (a) complied with policies and procedures on cash collections; (b) cash receipts and petty cash transactions were complete, accurate, adequately documented, recorded, and deposited timely and intact; and (c) maintain physical safeguard of cash and cash receipts.

These audits reported that cash was complete, accurate, recorded and deposited timely and intact.

*If you would like further information please contact: Bonnie Nims (bnims.tao@gmail.com) by email.*

## 2.0 Australian National Audit Office

### Papua New Guinea – Australian Audit Office Twinning Scheme

The Papua New Guinea – Australian Audit Office Twinning Scheme (PAAOTS) is an initiative of the Australian Government's overseas aid development program (AusAID) that aims to build and maintain formal institutional links between Australian agencies and their counterpart agencies in Papua New Guinea (PNG). The Australian National Audit Office (ANAO) has participated in the initiative since 2004 and a Record of Understanding exists between the ANAO and AusAID to detail an activity schedule for each year of the program.

A key goal of PAAOTS is to improve governance in PNG by strengthening and supporting the performance of the Papua New Guinea Auditor General's Office (PNG AGO). To date, the activities as part of the ANAO contribution have included:

- Deployment of PNG AGO officials to participate in the ANAO and other State Audit Office audit graduate and management training programs;
- The short-term deployment of ANAO officials to the PNG AGO for specific organisational, administrative and human resource capacity and capability building initiatives;
- The provision of mentoring, support, supervision and in-house training in PNG and Australia; and
- Ongoing institutional support through information and knowledge sharing.

Under this AusAID-funded scheme, two staff of the PNG AGO, Mr Mesuke Warigi and Ellina Iamu have been seconded to the ANAO to develop their skills in financial auditing. The New South Wales Audit Office also contributed to the program by accepting two secondees, Mr Benly Micah and Lucas Poiya, funded by the PNG Audit Office.

During 2010–11, PNG Audit Office Director of Audit, Michael Wek, spent one month finalising his four month development program at the Queensland Audit Office (QAO) and one audit manager spent four months working and learning with audit teams in and the QAO in Brisbane.

In May 2011, two experienced and professionally qualified officers, Paul Howe and Ray Thy from the ANAO's Assurance Audit Services Group were seconded to the PNG AGO to assist with the financial audit work program. Paul and Ray are piloting a broadened role of the current audit related deployment activities, which has previously focused on PNG AGO audit staff travelling to Australia for extended periods. This pilot places ANAO staff in PNG to help reinforce the learning gained in Australia. The deployments have been designed to provide extra resources to the AGO during their high workload in the May and June period. In addition, an understanding of the business cycle and operating environment of the AGO will be gained and used to plan better assistance to PNG secondees to Australia. Paul is working with the National Government Audit Branch to assist with the audit of the 2010 PNG Public Accounts and Ray is assisting the Statutory Bodies Audit Branch in the compilation of financial statements for a variety of agencies. They are working with Wayne Jones, who was appointed from the ANAO in January 2011 as an Advisor to the Auditor-General under the Strongim Gavman Program.



From left to right: Paul Howe and Ray Thy

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## 3.0 Cook Islands Audit Office

### 3.1 Financial Audits

During the period 1 January to 30 June 2011, a total of 10 financial audit reports have been completed to be tabled in Parliament.

### 3.2 Special Reviews & Investigations

During the period 1 January to 30 June 2011, a total of 9 special reviews and investigations have been completed to be tabled in Parliament. These were as a result of the identification of a high-risk or genuine and valid complaint from a member of the public, or initiated by the Director of Audit.

### 3.3 Crown Audit

The Cook Islands Government Consolidated Financial Statements for the year ended 30 June 2008 were signed by the Acting Financial Secretary, Priscilla Maruariki and Finance Minister, Hon. Mark Brown on 15 March 2011. The Director of Audit tabled the qualified audit report to Parliament on 15 April 2011.

The Crown Financial Statements represent the consolidated financial results for the Government of the Cook Islands and combine the annual statutory accounts of Ministries (24), Island Administrations (10), Offices of Parliament (2), Corporations, Public Authorities and Companies (15) and Other Entities (8).

This milestone is a significant step in the combined efforts of the Audit Office and Ministry of Finance. This major achievement was the culmination of several months' hard work by the crown accounts audit team. The Director of Audit commends all staff involved for their hard work and dedication in ensuring the achievement of this significant landmark.

### 3.4 Staff Training and Development

#### 3.4.1 Regional

##### ***PASAI (Pacific Association of Supreme Audit Institutions), Tier 2 Pilot Training, Intermediate Government Auditing 14 -25 February 2011, Auckland, New Zealand***

One of the Auditors, Reureu Harmon, attended a training workshop on Intermediate Government Auditing. The training sessions were arranged in order of the phases of a financial statement audit; the phases of a performance audit; and other auditing techniques common to both financial and performance auditors. The aim of the training was to enable intermediate government auditing staff to carry out their duties efficiently and effectively.

##### ***Samoa National Audit Office Visit - 28 March to 1 April 2011***

The Samoa Audit Office sees the Cook Islands Audit Office as a model on which to base its operations. Three representatives of the Samoa Audit Office came to the Cook Islands Audit Office to observe and learn from the Audit Director and his staff as part of an Institutional Strengthening Project their office is undertaking. This comprised of Assistant Controller and Chief Auditor, David Pereira, Principal Information Technology Officer, Mark Bartley, and Principal Administration and Human Resource Officer, Karamelli Tuala.

Cook Islands are the first Pacific Island nation to host a delegation of officers. The Samoan delegation spent the week reviewing Audit's Financial files and Special Review Audits, poring over Cook Islands legislation, learning how to use TeamMate, and visiting Ministry of Finance and Public Service Commission. The Samoa Audit Office records information manually but is considering

***Pacific Association Of Supreme Audit Institutions (PASAI) - Tier 3 – Supervisory Auditing Skills Pilot Training Workshop, Nadi, Fiji – 14 -25 March 2010***

Financial Audit Manager, Margret Numanga of the Cook Islands Audit Office, was nominated to attend the Tier 3 Supervisory Auditing Skills Pilot Training workshop held in Nadi, Fiji. The Tier 3 – Supervisory roles in Government Auditing training program was the first to be piloted as a result of the Pacific Association of Supreme Audit Institutions (PASAI) Capacity Building Conference held in June 2010, and was targeted for audit staff in the Supreme Audit Institutes (SAI) at Senior Auditor/Audit Supervisor/Audit Manager level. The workshop was an opportunity for participants to share, compare and exchange work experiences, techniques and systems that are conducted within their various SAI's.

***Fiji Independent Commission Against Corruption (FICAC) & The Cooperative Performance Audit Review (CPA - PASAI) - 5 – 9 April 2011 – Fiji***

FICAC: The Fiji Independent Commission Against Corruption was set up in 2007 through its charter from the FICAC Promulgation No.11. FICAC is independent in that its investigations are not subject to the direction of any political party or Government of the day. This independence is essential for the public to have confidence in FICAC's ability to deal with, investigate and prosecute matters pertaining to corruption and bribery.

Education and Awareness – education is a key part, strategy of FICAC in the fight against corruption. Over the past year, the community and Education department have conducted an aggressive awareness campaign in the public sector as well as the community level.

Conclusion - the FICAC review and model used by Fiji was found to be extremely beneficial in terms of maximizing and dedicating a 'one- stop shop' type of agency such as FICAC to combat corruption in Fiji. Notwithstanding the separation of powers and functions from Police and the Public Prosecutor's Office (Crown Law), the FICAC model works efficiently and effectively solely for the purpose of eradicating corruption in both the public and private sectors of Fiji.

***Cooperative Performance Audit on the Access to Safe Drinking Water in the Pacific, Nadi, Fiji - April 2011***

Hoana Matapo and Maria Teaurima of the Cook Islands Audit Office attended the follow up meeting for the Cooperative Performance Audit on "Access to Safe Drinking Water in the Pacific," in Nadi, Fiji. The purpose of the meeting was to bring together the participating nations involved in the initial planning meeting, which took place in October 2009, to finalise their reports and submit to their Auditor General's for internal sign-off and for issue under their respective legislative requirements.

***CIAO visit to Consulate offices in Auckland and Wellington, NZ - May 2011***

The senior audit manager visited the Consulate offices of the Ministry of Foreign Affairs and Immigration in Auckland and Wellington in May 2011. Tests of controls, which were operational as at May 2011, were performed over areas such as operating expenditure and bank reconciliations. The results of our testing and related recommendations will be reported to the Ministry of Foreign Affairs and Immigration in a separate report.

### 3.4.1 International

#### ***Better Governance – Issues And Challenges In Corruption Control For Senior Policy Makers, Singapore, 14–25 February 2011***

**Objective:** The aim of the Country Paper is to help participants prepare and develop an Action Plan for implementation when they return to their home countries after the Programme. The Director of Audit attended this meeting, funded by the Commonwealth Secretariat.

**Public Service System:** The Cook Islands Government embarked on an Economic Reform Program in 1996/97 as a result of a near economic collapse. Bringing the country back from the brink of bankruptcy resulted in virtually no cash in the bank, enormous domestic and external debt and a bloated public service, systemic from years of political and economic mismanagement. The introduction of three key reform legislative changes, the Public Service Act, Ministry of Finance and Economic Management Act and the Public Expenditure Review Committee and Audit Act, enabled rapid transformational progress to be made in terms of improving the efficiency and effectiveness of public administration.

**Anti Corruption Framework:** The key institutions that have enabling statutory legislative to enhance good governance and accountability contribute to public scrutiny and oversight is represented through the Anti – Corruption Committee (ACC). The core functions and responsibilities of the ACC are the regulatory ‘watch dogs’ that deters corruption activities and promotes accountability and transparency.

*If you would like further information please contact: Donna Engu (donna.engu@auditoffice.gov.ck) by email.*

## 4.0 Office of the Federated States of Micronesia National Public Auditor

The Office of the National Public Auditor (ONPA) announces the release of Audit Report No. 2011-02, Audit of the Chuuk State Off-Island Medical Referral Program for Non-Insured Patients. A copy of the report is available for public review online at [www.fsmopa.fm](http://www.fsmopa.fm) and printed copies are available at the ONPA’s offices in Palikir, Pohnpei and Weno, Chuuk. The audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

The State of Chuuk has approximately 53,595 people of which approximately 39,000 do not have medical insurance. The Off-Island Medical Referral Program for Non-Insured Patients (NIP Program), funded by a US Compact Sector Grant, was established by the Chuuk State Department of Health Services (DHS) in fiscal year 2007.

DHS entered into an agreement with a third party administrator (TPA) to facilitate and manage medical services in the Philippine Islands (PI) to the patients referred for treatment to the PI. A formal agreement between the TPA and Chuuk State Hospital was signed in March 2007 by the Chuuk State Governor, DHS Director, Director of Dept. of Administrative Services (DAS), and Attorney General; the US Compact Funds Control Commission (CFCC) on behalf of the funding source; and the TPA Contracting Officer on behalf of the TPA.

The Program funding began with an annual budget of US\$200,000 in fiscal year 2007, increased to US\$300,000 in fiscal years 2008 and 2009, and in fiscal year 2010 increased to US\$400,000 for a cumulative sum of \$1.2 million at September 30, 2010. Part of the funding, specifically US\$250,000, was advanced to the TPA to draw from when reimbursements of medical cost were slow.

Names of patients who are potential beneficiaries of the Program are submitted to DHS by local physicians. The cases requested are reviewed by the NIP Program medical referral committee (Committee) and if approved, are accepted into the Program to receive medical benefits in the PI and travel benefits to/from plus a stipend, for the patient plus an accompanying escort who is usually a family member. The Committee is comprised of 3 physicians plus the DHS Director and Assistant Director.

The objective of the audit was to determine whether the Chuuk State DHS expended the funds in accordance with the Program requirements and the TPA Agreement.

The audit found that the Program requirements and the TPA Agreement were not followed by Chuuk DHS. In the short period of its existence (e.g. since 2007), the Program administration was deeply plagued with numerous control and compliance deficiencies involving approximately \$415,578 or approximately 35% of the total program funds of \$1.2 million through September 30, 2010.

Of the 48 patients funded from the Program:

- a. \$262,589 was expended on just 7 patients, of which \$122,589 exceeded the per patient program limit. Furthermore, \$174,000 of the total \$262,589 was expended for just 5 (of the 7) patients who were treated for conditions specifically excluded by the Program; 3 of the 5 patients treated for excluded conditions died shortly after their return to Chuuk.
- b. \$68,168 was expended on 4 patients with medical insurance and were therefore not eligible.
- c. \$26,153 was expended for travel to Hawaii in violation of the Sector Grant.
- d. \$58,668 was expended in overcharges and unsupported charges. These include physician fees not supported by receipts, payment of service fees to the TPA beyond the maximum allowed, overpaid stipends to patients, and payment of irregular fees (refundable room deposits).
- e. The \$250,000 advanced to the TPA is largely at risk of loss since DHS did not retain control of the account and significant amounts of claims are now disputed between the TPA and DHS.

The Program requires patient beneficiaries to share in the cost if financially able; however, DHS did not implement this requirement.

DHS failed to monitor and did not approve treatment for problems diagnosed while patients were at the off-island hospitals and this resulted in significant charges for medical treatments that were entirely different from the condition approved by DHS. The audit recognizes the limited local capability in Chuuk to properly diagnose patient medical problems but also reported that DHS did not have a procedure to review and approve or not approve for problems diagnosed at off-island hospitals.

The authorities designed the NIP Program with the spirit and intent of serving the low-income, financially disabled individuals without insurance in need of medical services not available locally. Instead, the Program benefited only a few people and became plagued with numerous control and compliance deficiencies. Other finding details are included in the audit report, which also included numerous recommendations to address those findings.

*If you would like further information please contact: The Office of the National Public Auditor by TEL.691-320-2862/2863 FAX/691-320-5482*

## 5.0 Office Of The Auditor-General New Zealand

### 5.1 Performance Audits

The Public Audit Act 2001 gives the Auditor-General discretion to carry out performance audits examining:



- the extent to which public entities carry out activities effectively and efficiently;
- public entities' compliance with statutory obligations;
- whether waste has resulted or may result from any acts or omissions by public entities; and/or
- any act or omission showing or appearing to show a lack of probity or financial prudence by a public entity or its members, office holders, or employees.

The Office Of The Auditor-General New Zealand (OAG)'s performance audits benefit the audited entities and the wider public sector. For example, our work can help to:

- encourage beneficial changes and best practice in public entities' performance;
- provide parliamentary and public accountability;
- increase understanding of an audited entity, the wider environment in which public entities operate, and/or of public sector management; and
- develop methods to evaluate aspects of public sector management.

During the next few months, OAG will publish several performance audits reports on a range of topical issues. All of these will be available on our website when they are published ([www.oag.govt.nz](http://www.oag.govt.nz)).

## 5.2 Reports to be published in June 2011

OAG are presenting two performance audit reports to Parliament in June:

- *Inland Revenue Department: Making it easy to comply:* Inland Revenue uses a compliance model for the tax system. It aims to help taxpayers comply with their obligations of their own accord and will take action to encourage non-complying taxpayers. This report examines how effectively and efficiently Inland Revenue is carrying out its voluntary compliance strategy. This audit included some testing of how easily taxpayers could use Inland Revenue's information to comply with their tax obligations.
- *Progress in delivering publicly funded scheduled services to patients:* In 2000, the then Government released a strategy to reduce waiting times for public hospital elective services (non-urgent medical and surgical services). Internationally, long waiting lists for hospital services are considered a sign that a health system is performing poorly. We estimated that about \$1.23 billion was spent on publicly funded elective services in 2009/10. For these reasons (among others), OAG decided to broadly assess progress in achieving the strategy's objectives.

## 5.3 Reports to be published in early 2011/12

OAG will present several performance audit reports between July and September 2011, including:

*Home-based support services for older people (working title):* This is the second report we have done on health services for older people. OAG published our first report in December 2009 on Effectiveness of arrangements to check the standard of services provided by rest homes, and it is available on our website. This second report examines how effectively relevant agencies ensure that older people get the support they need to remain living independently at home for as long as possible. The full report will be available on our website in mid-July.

*The effectiveness of government planning and support for housing on Māori land (working title):* This report examines whether government agencies are effective in supporting the development of affordable housing on Māori land. Support for Māori housing is a complex issue involving multiple agencies working together. There has been a long history of government assistance for building on Māori land with mixed success. This audit involved extensive interviews with Māori organisations and individuals. It used financial modelling to examine the efficiency and effectiveness of government support. The full report will be available on our website in August.

*Freshwater quality in New Zealand: Effectiveness of management responses (working title):* This is a substantial piece of work examining the effectiveness of management responses designed to maintain or enhance water quality. Deteriorating fresh water quality has been widely identified as one of the most critical environmental issues for New Zealand and creates economic, social, cultural and environmental risks. The report will be published and available on our website in September.

*If you would like further information please contact: Lynda Banks (Lynda.Banks@oag.govt.nz) by email.*

## 6.0 Papua New Guinea Auditor-General's Office

### 6.1 Performance Auditing

The Papua New Guinea Auditor-General's Office is in the final stages of the second regional cooperative performance audit on Access to Safe Drinking Water - Management Letters are now with agencies for comment. The Office has confirmed its intention to participate in the third cooperative audit on Fisheries Management.

With its commitment to strengthen its Performance Audit area, the Performance Audit Division has recently seen an increase in its numbers by two more officers recently transferred to that area, bringing the total number of staff to five.

### 6.2 John Hawley

John Hawley has returned to Australia after more than three years with the PNG Auditor-General's Office. John has been replaced by Wayne Jones from the ANAO. We wish him well on his return to ANAO and thank him for his valuable contributions

### 6.3 PRAI Capacity Building

PNG AGO will be sending two officers to take part in the Tier 1 Pilot Training - Fundamentals on Government Auditing - in July in Fiji.

## 7.0 Queensland Audit Office

### 7.1 Key Developments

#### 7.1.1 Auditor-General's Mandate

- Amendments to the Auditor General Act 2009 currently being progressed will:
  - allow the conduct of performance audits of government agencies, excluding government owned corporations
  - provide for the audit of government financial transactions with third parties via a 'follow the dollar' approach
  - allow the easier sharing of audit results with other audit offices when undertaking collaborative audits, and
- provide for the Auditor-General to approve that certain small/low audit risk entities be able to appoint their own auditor.
- These changes are expected to be passed in Parliament in the second half of 2011.

#### 7.1.2 Parliament of Queensland (Reform and Modernisation) Amendment Act 2011

The Parliament of Queensland (Reform and Modernisation) Amendment Act 2011 was assented on 19 May 2011. The



Act provides for a restructure of the parliamentary committee system which will replace a number of the existing statutory committees with a Committee of the Legislative Assembly, portfolio committees and an Ethics Committee. The existing Parliamentary Crime and Misconduct Committee is to be retained.

Under the Act, the Public Accounts and Public Works Committee (PAPWC) is abolished and their powers and responsibilities are vested with portfolio committees. The portfolio committees may consider matters within their portfolio areas including public accounts and public works. The Auditor-General may now be required to report to the numerous portfolio committees instead of directly to the PAPWC. Standing orders outlining responsibilities of the new committees are still to be developed.

### **7.1.3 Visit from Fiji Ministry of Finance**

On 25 May 2011, QAO hosted a delegation of auditors from the Fiji Ministry of Finance. The visit was arranged by the Queensland University of Technology and provided the delegates with an insight into risk management, the relationship between internal audit and external audit, public sector accountability and risk management from a PMS audit perspective.

### **7.1.4 Professional Auditor Skills Scheme (PASS)**

Over the last 18 months work has been steadily progressing on the PASS project to move audit staff from the Administration Officer (AO) salary stream to the Professional Officer (PO) salary stream. This project is now at implementation stage. A major advantage for QAO from the use of the PO salary scale is the capacity to mandate the achievement of professional qualifications (CPA/FCA/NAIA) for staff applying for positions above the entry level.

### **7.1.5 INFORM Journal**

The April 2011 edition of INFORM Journal features more articles on Queensland's natural disasters including accounting for assets during the recovery and QAO staff involved in the recovery. This issue also includes an update on the recent contract auditors workshop and client information session, both held in March 2011, an overview of new Standards, interpretations and exposure drafts and an update on QAO's strategic review. It is available on QAO's website – [http://www.qao.qld.gov.au/pages/publications/pub\\_inform.html](http://www.qao.qld.gov.au/pages/publications/pub_inform.html).

## **7.2 Auditor-General Reports to Parliament**

The following reports were tabled or are proposed to be tabled during the first half of 2011:

Report No. 1 for 2011 - Managing offenders subject to supervision in the community.

Tabled on 25 February 2011.

Report No. 2 for 2011 - Results of local government audits.

Tabled on 22 March 2011.

Report No. 3 for 2011 - Follow-up Administration of Grants & Funding to Community Organisations by Local Governments in Queensland.

To be tabled in June 2011.

Report No. 4 for 2011 - Information systems governance and control.

To be tabled in June 2011.

Report No. 5 for 2011 - Results of audits at 31 May 2011.

To be tabled in June 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](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](mailto:enquiries@qao.qld.gov.au) or phone +617 3149-6011; or fax +617 3149-6000.*

## 8.0 Solomon Islands Office of Auditor General

### 8.1 Office New Location

As of 28 April, 2011 OAG has been relocated to the Hyundai Mall, a newly constructed building on Mendana Ave, Honiara. OAG occupies suite 223 on the second floor, 305 and 308 on the top floor. Towards the end 2012 OAG will move to the former Development Bank of Solomon Islands (DBSI) building on Mud Alley Street after the ANZ Bank's tenancy agreement with the Solomon Islands Government (SIG) for the rental of the building expires in September 2012.

### 8.2 Corporate Plan

OAG previous 5 year Corporate Plan had ended in 2011. OAG launched its new five-year Corporate Plan for 2011 to 2015 in March this year. The corporate plan provides context for the officers of the OAG and a focus for their work. It gives broad objectives that OAG will strive to achieve over the next five years and sets down the behaviors that are expected of OAG staff to exhibit while doing this.

### 8.3 Recent and upcoming international secondments, delegations and presentations

In March 2011 OAG published its 2010 Annual Report. Since 2009 SIG has been submitting its financial statement for audit within the legal time frame.

There is strong emphasis that by 2012 the Solomon Islands Government financial statements will be presented in compliance with International Public Sector Accounting Standard (IPSAS) – Cash Basis.

All nine provinces have had their transactions audited to 30 September 2010. The Ministry of Provincial Government has adopted a policy that by 31 March 2011 financial statements will be presented in compliance with IPSAS-Cash.

### 8.4 Public Accounts and Estimates Committee (PAEC) report on the *Audit Act 1994*

NPF and CBSI accounts are presented on International Financial Reporting Standards. Both National Provident Fund and Central Bank of Solomon Islands financial statements for 2010 have received unqualified opinions. Their audits are outsourced to Deloitte PNG.

In 2010, KPMG Fiji entered into an auditing service agreement with OAG for the audit of Solomon Islands Electricity Authority and Solomon Islands Water Authority accounts for the period from 2008 to 2012. The audits of 2008 and 2009 are nearing completion; the 2010 audit will be starting in June 2011.

### 8.5 New Graduate Scheme

Early July 2011 OAG will be recruiting 8 new graduates under the New Graduate Scheme funded by AusAID. The new graduate scheme may run for one or two years after which the staff employed would be assumed into the public service system as permanent employees of the government.

Talk is in progress with AusAID for funding of part-time students final semester studies to be undertaken on campus. This scheme will accelerate the completion of part-time study programs enhancing the qualification of the audit office.

## 8.6 Performance auditing

In 2010 OAG introduced the Performance Audit unit headed by a very experienced technical advisor, Mr. Peter Robinson.

The first performance audited conducted by the unit was on Management of the Government Motor Vehicle Fleet. The report was tabled at the last sitting of Parliament in March 2011.

The performance audit team is currently touring Honiara and Provincial Centre's schools undertaking another performance audit on Teachers Absenteeism in Schools.

## 8.7 Website Development

OAG's new website has been developed, thanks for the assistance of Mrs. Ann Robinson, one of the OAG T/A's wife. Its website address is [www.oag.gov.sb](http://www.oag.gov.sb). The information content of the site is still under construction and development.

*If you would like further information please contact: Solomon Island Office of Auditor General Telephone: + (677) 28695 or Facsimile: + (677) 22006*

## 9.0 PASAI Subregional Audit Support (SAS) Program

The Subregional Audit Support program is now into its second phase, and a new team are travelling across the Pacific working with Auditor Generals and Audit Departments.

The team comprises Mase Tumua from the Tuvalu Audit Office, Gillian Itsimaera from the Nauru Department of Audits, together with Teaaau Rereniti and Tematang Raimon from the Kiribati National Audit Office. Assisting them are Matt Major, who is the Audit Expert and was formerly with Audit New Zealand, and Ross Hilton who is the Program Coordinator and was formerly with the Australian Army Financial Services.

The aims of the program are to develop, Improve and share auditing skills using a common methodology, process and format, and to provide advice, guidance and assistance in the conduct of key audits.



This is being achieved through a balanced program of training workshops and though practical audit experience, working with the national audit teams in each country. This year the training includes new areas like Audit Supervision, File Review and Report Writing skills.

The first stop is Kiribati, where the team are currently established and are auditing the Kiribati Public Utilities Board and the Kiribati Provident Fund. The team worked exclusively on the Utilities Board 2009 accounts for the first three weeks, before starting on the Provident Fund 2007 accounts, and are now running concurrent audits.

The week the SAS team arrived they teamed up with the Kiribati National Audit Office staff, held meetings with the clients, and ran a one-day workshop. The second week in Kiribati the team started working at the Utilities Board offices in Betio, from where the islands power, water and sanitation are provided and managed.

The SAS team will move to Nauru in September, and will arrive in Tuvalu early in 2012. The program provides a unique opportunity for the regions audit staff to work along side each other and share ideas and experiences in auditing work.

Both Matt and Ross have been very impressed with the level of skills found in both the SAS team members and in the National Audit Office staff. They are proving not only to be very competent as auditors, but also keen to extend their knowledge and skills into other areas.

Its not all work though. The team were lucky enough to be in Kiribati for the national Independence celebrations, and were invited to the opening ceremony and to a State Banquet, where they were introduced to the President by the Auditor General of Kiribati, Raimon Taake. Raimon also very kindly took the SAS team out to a welcome dinner when they first arrived in Kiribati.

For Matt and Ross the SAS program provides a unique opportunity to work in exotic locations, with a dedicated team who work hard and are doing a great job. For the other team members the SAS program provides an opportunity to become involved in an excellent and worthwhile program, the rewards of which will be evident for many years.

*If you would like further information please contact, by email: Ross Hilton, [ross.hilton@me.com](mailto:ross.hilton@me.com)*

## 10.0 Summary of the INTOSAI PSC Steering Committee Meeting

The PSC Steering Committee held its eighth meeting in Wellington between 22 – 24 June 2011. The key areas covered in the meeting were:

### **ISSAI Awareness Raising**

It was noted that following the INCOSAI in 2010, the ISSAI framework now represents a solid platform to launch increased awareness raising activities. The PSC Steering Committee agreed that awareness raising needs to cover all levels of the ISSAI framework, not just level 4. The importance of regional awareness raising activities was also noted.

### **ISSAI Harmonisation Project**

It was noted that some good progress has been made in this project. The objective of the project is to replace existing material at level 3 of the ISSAI framework with principles based guidance which is consistent with the remainder of the ISSAI framework. This is seen as a very important project by the PSC Steering Committee.

The Committee also agreed to develop an introductory (or preface) document to sit alongside the ISSAI framework which sets out, at a high level, what the ISSAI framework is, what its scope and application is, along with its authority.

### Reports from Subcommittees and Project Groups

The PSC Steering Committee received reports from its various subcommittees and project groups and approved the various workplans for 2011 – 2013:

- transparency and accountability;
- quality control;
- financial audit;
- performance audit;
- compliance audit;
- internal control;
- accounting and reporting.

The workplans of the various subcommittees and project groups represent a continuing focus on developing relevant guidance for SAIs, and facilitating information sharing between SAIs.

### Next meeting

The next meeting of the PSC Steering Committee is in South Africa between 29 May – 1 June 2012



*If you would like further information please contact Greg Schollum by email ([greg.schollum@oag.govt.nz](mailto:greg.schollum@oag.govt.nz)) or phone (64 (4) 917 1603).*

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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