

The Vanuatu National Audit Office Appoints New Auditor-General

On Wednesday 1 November 2017, the Vanuatu National Audit Office (VNAO) team welcomed their newly appointed Auditor-General, Mr Caleb Sandy of the Shefa Province. Mr Sandy was previously Director of the Department of the Government Remuneration Tribunal (GRT). He is a highly experienced accountant, well versed with Government and Financial services operations with an internal audit background. In addition to this, Mr. Sandy also has immense knowledge of remuneration, having specialized expertise in the remuneration of over 6,000 government workers in the past three years. Mr. Sandy also has in depth knowledge and experience in the Financial Services Sector.

His duties as Vanuatu's Auditor-General (AG) will be a switch to the field of external auditing, while it will be an opportunity for the VNAO to acquire first-hand knowledge of Mr. Sandy's financial services and internal auditing expertise.

Mr Sandy's vision is for the audit office is to produce timely audits, quality output and professionalism in the Office's scope of works. He says that one of his aims is to

Inside this bulletin

- The Vanuatu National Audit Office Appoints New Auditor-General
- New Zealand OAG makes twinning visit to Cook Islands Audit Office
- Tasmania Office visits Fiji as part of Twinning Project
- LearnFest 2017
- IDI's Global Quality Assurance Workshop in Tbilisi, Georgia
- IDI's Global SAI Young Leaders Programme
- Quality Assurance Meeting for the IDI-ASOSAI Co-Operative Audit Programme on Audit of Disaster Management
- SAI Fiji represents PASAI in AFROSAI-E Technical Update
- TeamMate Update for PASAI members
- Regional meeting of Pacific SDG Co-ordinators and Agencies
- ADB meets with PASAI to discuss further support for our Pacific SAIs
- 2017 Audit Conference in NZ
- PASAI Website Statistics and Traffic
- TECHNICAL SUPPORT UPDATE #11/2017
- PASAI Calendar

eliminate existing audit arrears so that by the end of year 2019, the office will only be concerned with previous financial year audits of 2018. He also stresses that during his term as AG, he would emphasize on the Government's need for better financial control and reporting so that the Office could issue audit opinions better than the current issuing disclaimers on Vanuatu Whole of Government accounts. Furthermore, the VNAO is currently focused on financial audits alone, while Mr. Sandy's intention is to improve on Performance and Compliance Audits as part of the office's standard regimen.

The VNAO forecasts a bright future working with Mr Sandy during his term in office.



New Zealand OAG makes twinning visit to Cook Islands Audit Office

In early November, Sarah Markley (Deputy Secretary-General of PASAI) and her colleague Hugh Jory (a senior staff member) left the windy New Zealand capital and headed for the sunny Cook Islands. Unfortunately it was a rainy week in Rarotonga and a sunny week in Wellington - but the weather did not affect the warmth of the welcome or success of the visit.

The visit was part of the on-going twinning relationship between New Zealand and the Cook Islands. This work is facilitated by an MOU between New Zealand and MFAT, which supports not only New Zealand's support of the PASAI Secretariat but also New Zealand's twinning support to the Cook Islands and Samoa.

The visit focused on assessing the quality of written materials produced by the CIAO. Sarah and Hugh reviewed a selection of financial, performance and special investigation files. They considered how well audit findings were documented and how effectively and accurately audit findings were flowing into reporting to the audited entity and other consolidated results reporting to Parliament.

Overall the files were of a high standard. The team delivered a half-day refresher training session to the whole CIAO team, providing hints, tips, tricks, and reminders on how to maximise the effectiveness of their writing. Sarah and Hugh used some examples drawn from the files they had reviewed and assisted the CIAO team to refine and enhance their own work. The simple tips and hints were received with enthusiasm and staff reflected the following day on how they were immediately able to apply what they had learnt.

Sarah and Hugh also provided support to Allen Parker, Director of Audit, and his senior managers by reviewing many of the corporate documents of the CIAO, including the Annual Plan 2016/17, draft Business Plan 2017/18, and draft Annual Report 2015/16. The purpose of these reviews was to assist Allen and his team to make these documents more effective by considering whether the reporting was clear, accurate and positioned in an effective and strategic way. Allen commented that there was significant benefit in having two fresh sets of eyes with a mixture of audit experience and knowledge of the challenges facing Pacific auditors.

Sarah and Hugh were both involved in the NZ SAI PMF assessment completed in 2016, so they could draw on this experience to consider the CIAO SAI PMF results. They were able to incorporate in their feedback on corporate documents suggestions of ways to promote the SAI PMF results to others. This will help with attracting support to address weaknesses in the broader public financial management system.



Tasmania Office visits Fiji as part of Twinning Project

The Tasmania Audit Office (TAO) represented by their Deputy Auditor-General Mr Ric De Santi and Manager Corporate Service, Ms. Patty Johnson, visited the Fiji Office of the Auditor-General (FOAG) from 1 – 7 November 2017 with the purpose to reset the twinning programme and review the progress made since its inception in June 2016. FOAG also made history with the visit of TAO Auditor-General Mr Rod Whitehead from the Australasian region to the office.

This visit was part of the twinning programme that ensures both Offices have in place sustainable business policies and practices to conduct efficient high quality financial audits that comply with relevant standards and meet stakeholder requirements.

There were positive remarks made by TAO on FOAG's progress since their last visit in 2016. At the end of this visit, both Offices agreed that they would work towards reviewing the Fiji Audit Act, capacity building for performance audits and quality assurance.



LearnFest 2017

In November the Australian National Audit Office (ANAO) launched LearnFest 2017, an innovative programme and the first of its kind for the Office. The overarching principles of LearnFest were to improve organisational culture, develop staff and leadership capability and drive diversity and wellbeing. The week long LearnFest programme focused on bringing staff together across the whole organisation to discuss and learn more about priority issues in the ANAO Corporate Plan, balanced with meeting a strong staff interest in health and well-being learning opportunities. LearnFest challenged existing practices and looked for new opportunities to support continuous improvement and alignment of the organisational and people priorities.

The LearnFest concept was borrowed from the ANAO UK Audit Office counterparts (thanks for the great idea!) and adapted to suit our Office.

Over the week, staff had the opportunity to attend a range of workshops and activities that were all held onsite at ANAO. We had topics with strong audit and legislation emphasis; sessions with a focus on improving management and leadership skills, as well as managing upwards; building resilience; and workshops that linked directly to personal health and wellbeing. External speakers presented on broad topics like Data61, Cyber Security, Australian Financial Framework and Parliamentary Committees. We also heard from our own staff who were keen to share their knowledge and experience.

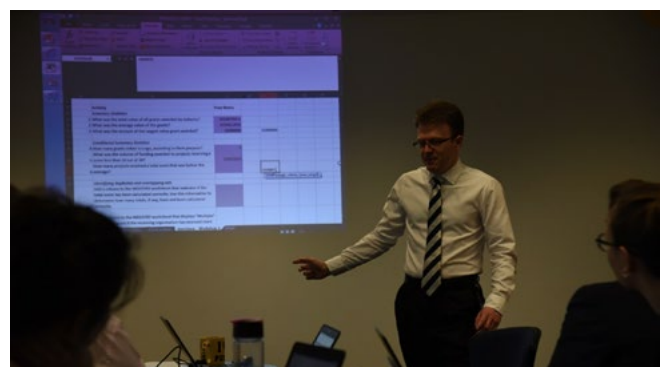
The data shows us that we had 1001 attendances at 37 workshops led by 21 internal presenters and 14 external presenters. 75% of our staff attended a LearnFest workshop with the most popular workshops being Cyber Security, Data 61, Presenting to Parliament and Understanding your superannuation. Feedback from staff included 'great presentation, very relevant to my work' and 'overall programme was very engaging, very worthwhile and should be run again'.

In conjunction with LearnFest, the ANAO Diversity Contact Officer Network hosted a multi-cultural food festival 'FoodFest' and handmade market. This was an excellent opportunity for staff to share their culture and heritage through food and hand crafts. The FoodFest and market was very popular and created a fun vibrant way to recognise the diversity and creativity of our staff.

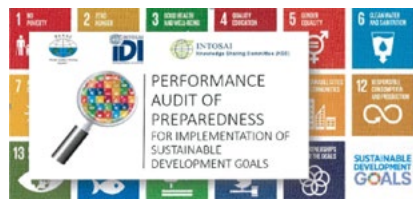
The week was successful because of the strong leadership and management support and the hard work of the team bringing it all together.

More importantly, it was successful because staff embraced something different and actively participated across the week. LearnFest provided an opportunity to build networks across the office and strengthen our workplace culture.

It is rewarding working for an organisation that supports staff capability and development, workplace culture and diversity of thought.



IDI/PASAI 6th Co-operative Performance Audit – Preparedness for Implementation of Sustainable Development Goals



The INTOSAI Development Initiative (IDI) and the Pacific Association of Supreme Audit Institutions (PASAI) conducted an audit planning meeting for the 6th Co-operative Performance Audit (CPA) of Preparedness for Implementation of Sustainable Development Goals (SDGs). Twenty-seven Performance Auditors from 13 Pacific Supreme Audit Institutes (SAIs) attended this meeting from 27 November to 1 December, 2017 in Suva, Fiji.

This is part of a global programme which began in 2016 and will end in 2019. Before audit teams attended this planning meeting they completed an IDI eLearning course on SDGs in August 2017.

The five day meeting provided these auditors with the opportunity to share ideas and experiences, and receive guidance on 'how to' plan for performance audit of preparedness as per International Standards of Supreme Audit Institutions (ISSAIs).

Performance Audit experts and mentors from the IDI, PASAI Secretariat and SAIs of Papua New Guinea and Samoa provided this guidance.

The main objective of this co-operative audit is to support SAIs in conducting ISSAI-based co-operative performance audits of preparedness for implementation of SDGs in their national context. This audit is envisaged as one of the first responses of SAIs in contributing to SDG implementation by providing independent oversight on the government's efforts in implementing SDG programmes and activities. This programme is a collaborative partnership between PASAI and IDI and coincides with the INTOSAI Global Auditing SDGs programme and PASAI's Strategic Priority 3, of supporting SAIs to conduct high quality audits.

The workshop was opened by PASAI's Chief Executive Mr Tiofilusi Tiueti who provided an overview of the relevance the work of SAIs to national and global efforts such as the SDGs, with the aim to make a difference in the lives of citizens. This was followed by an informative presentation by Ms. Portia Dugu, Forum Compact Research Officer, Strategic Partnerships & Co-ordination Programme, Pacific Islands Forum Secretariat (PIFS). The participants were made aware of the work being undertaken by PIFS in the region relating to SDGs which is a good source of information for planning and conducting the audit. On day two, each participating SAI made presentations on their initial draft audit plans with results of the pre-study from their respective countries. During day three, mentors provided feedback to individual SAI teams in sub-groups and a SAI peer-review was done on these draft audit plans. On the last day, SAI teams made brief presentations on their revised draft audit plan. The day concluded with mentors' briefings on performance audit methodology for conducting and reporting the audit, together with lessons learned and the way forward.

The workshop was facilitated by Md. Shofiqul Islam, IDI Manager Capacity Development and Ms. Claire Kelly, PASAI Performance Audit Advisor. It was supported by PASAI sub-regional representatives, Mr. Puva Heako, Director Performance Audit, PNG Auditor-General's Office and Ms. Oceanbaby Penitito, Manager, Performance Audit Division, Samoa Audit Office.

Refer to PASAI's website for the official Media Release about this meeting.



IDI-PASAI 6th Cooperative Performance Audit
"Preparedness for Implementation of SDGs"
Audit Planning Meeting
27 November - 1 December 2017



IDI's Global Quality Assurance Workshop in Tbilisi, Georgia

PASAI delegates with the Auditor-General of SAI Georgia, Mr Irakli Mkvabishvili (front row, second from left)



The INTOSAI Development Initiative (IDI) facilitated a workshop on Quality Assurance as part of the second phase of its global programme on International Standards of Supreme Audit Institutions (ISSAI) implementation. More than

60 auditors from the English speaking regions in the INTOSAI community, including 11 participants from Cook Islands, Fiji, Samoa, Tonga and New Zealand, attended the workshop held in Tbilisi, Georgia on 6-10 November 2017. The PASAI Secretariat was also represented at the workshop by the Director of Practice Development, Mrs Sinaroseta Palamo-Iosefo.

Quality assurance is a critical phase in the implementation of ISSAIs as it confirms that audits are being conducted in accordance with the applicable ISSAIs. As such, the main aim of the workshop was to develop and establish a pool of quality assurance reviewers in compliance, financial and performance auditing. The reviewers can be used by IDI, INTOSAI regional organisations and SAIs to support future initiatives related to quality assurance.

Participants were allocated to the three audit streams where they were introduced to the quality assurance tools, and practiced using them by assessing an audit that their SAIs have conducted. They were also provided with an overview of the quality assurance process, the different models and approaches for quality assurance and how a SAI can establish a quality assurance function, if it has not already had one.

The workshop was extremely useful for PASAI as a region, as most of its member SAIs are finding it challenging to implement ISSAIs as auditing standards to guide their audit practices. In addition, some SAIs do not have a formal quality assurance function due to either the lack of resources, both financial and human, or the lack of capabilities. The learnings from the workshop provided insights on how SAIs can establish a quality function that is suitable to their circumstances. Regardless of size and available resources, it is imperative for SAIs to have some mechanism in place that ensures the quality of audits they perform. This programme aligns with PASAI's key strategic goal of ensuring SAIs perform high quality audits.

PASAI Secretariat acknowledged IDI's continuous support in developing the capabilities of our members through participation in global programmes and workshops such as this one.

IDI's Global SAI Young Leaders Programme

IDI launched its SAI Young Leaders (SYL) programme through a selection process held in Oslo, Norway on 20-24 November 2017, to identify participants for the programme which will commence in March 2018. This programme builds on a change strategy, for both the SAI and the young leader. It recognises that this change is not possible without the support of SAI management, a SAI coach, a young leader with potential and a team that works with the young leader.

In September, nominations were invited from the INTOSAI community where some 70 applications with proposed change strategy were received by IDI. From the 70 applications, 40 applicants including nine from the PASAI region, were invited to Oslo to undergo the second screening process. The second screening will select 25 SAI young leaders who will participate in the programme next year. The programme will cover four broad clusters – Discover Self, Grow People, Discover Universe and Create Value as depicted in Figure A: SYL Programme Clusters.

Figure A: SYL Programme Clusters



All applicants were assessed based on a presentation of their proposed change strategy and an interview to assess their personal qualities and characteristics. The presentation discussed the rationale behind the change strategy, how it is linked to the SAI's strategic goals, the expected outputs, outcomes and performance measures and the implementation

plan. The selection panel consisted of Mr Einar Gorrissen, Director General – IDI, Ms Archana P Shirsat, Deputy Director General, IDI, Ms Caroline Jorgensen, Director International Programmes, Canadian Audit & Accountability Foundation, Ms Darreisha M Bates, Programme Manager for International Auditor Fellowship Programme, U.S. Government Accountability Office (GAO) and Mrs Sinaroseta Palamolofo, Director of Practice Development, PASAI.

IDI's global programme on SAI young leaders recognized the critical role of SAI leadership as the most effective moving force which transforms a Supreme Audit Institution (SAI). The programme aims to connect SAI leadership at different levels with the main focus on developing the SAI young leader, enabling the young leader to implement his/ her proposed change strategy and create value for the SAI and its stakeholders. The programme also envisages creating a global SYL network that interacts, shares and works together. The announcement of the successful young leaders for the programme will be made by 15 December 2017.

The SYL programme aligns with PASAI's strategic priority of enhancing SAI capacity and capabilities in leadership roles.



PASAI delegates with IDI Director-General, Mr Einar Gorrissen (third from left); (Absent: Ms Oceanbaby Penitito, Samoa)

Quality Assurance Meeting for the IDI-ASOSAI Co-Operative Audit Programme on Audit of Disaster Management

Background

A co-operative performance audit of disaster management, based on ISSAI 3000, was conducted by 17 SAIs within the ASOSAI region during 2016-17. Of the 17 SAIs that took part in the audit, 12 had tabled their audit reports and were invited to participate in a performance audit quality assurance workshop in Manila, Philippines from 16 – 22 November 2017. The SAIs included Bhutan, China, India, Indonesia, Laos, Mongolia, Maldives, Nepal, Pakistan, Philippines, Thailand and Ukraine.

A team of three evaluators (with no prior involvement in the audits) – Ms Maria Rodriguez, SAI Belize, Ms Ria Anugriani, SAI Indonesia and Ms Claire Kelly, PASAI Consultant, conducted the assessments over six days and provided IDI with both a completed assessment tool as well as a Quality Assurance (QA) report on each SAI and their specific disaster management audit.

Process

The assessment was conducted using the Performance Audit Quality Assurance Tool developed by IDI. The tool consists of 43 requirements - mainly taken from the ISSAI 3000: Standards for Performance Auditing. ISSAIs 1, 10, 12, 20, 40, 100 and 300 were also used for establishing the requirements. ISSAIs 3100 and 3200 were additionally used as references.

The QA tool was designed to check whether or not the audits were in compliance with ISSAI 3000. The 43 requirements in the QA tool were divided into two parts and nine sections, as set out below:

Part I – General Requirements for Performance Auditing. This part includes requirements at the institutional level to check that the overarching controls are in place to support the performance audit process.

1. Independence and Legal Framework (1)
2. Organization and Management (7)
3. Human Resources (3)
4. Audit Standards and Methodology (2)
5. Communication and Stakeholder Engagement (3)

Part II – Requirements Related to Performance Audit Process

6. Planning Performance Audits (14)
7. Conducting Performance Audits (4)
8. Reporting on Performance Audits (7)
9. Follow-up on Performance Audits (2)

This process enabled the evaluators to assess the status of compliance by the SAIs against the relevant ISSAIs including at the institutional control level as well as the specific audit on Disaster Management.

Overall, it was a very valuable learning experience for both SAI participants and the evaluators and all agreed that the QA tool provides a valid, objective assessment of the performance audit process for this specific audit with application to performance audits in general.

By working with other INTOSAI regions, PASAI is gaining more knowledge and able to share resources which will benefit our PASAI members. This QA tool is to be used for a similar QA review to be conducted for PASAI SAIs in December 2017 (Nadi, Fiji) for the Public Procurement Co-operative Compliance audits.



Photo: QA review team - includes PASAI Ms Claire Kelly (3rd from RHS) and IDI Mr Shofiquil Islam (1st from RHS)

SAI Fiji represents PASAI in AFROSAI-E Technical Update

Fiji Auditor-General, Ajay Nand attended the 2017 Technical Update organized by African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) Secretariat in Pretoria, South Africa from 31 October to 3 November 2017. The theme of the update was “SAIs strengthening the Accountability, Transparency and Integrity of Government and Public Sector Entities”.

The Auditor-General was invited by the PASAI Secretariat to attend the update as SAI Fiji has adopted the AFROSAI-E Financial Audit Manual for its financial audits. PASAI also has a Memorandum of Understanding with AFROSAI-E which allows members of PASAI to access the audit resources of the AFROSAI-E Secretariat. One hundred and seventy delegates from other countries in AFROSAI-E region and Mauritius attended the update.

The Auditor-General also attended a Financial Audit Manual Panel Discussion with two other delegates on 1 November 2017, where challenges and benefits of adopting the manual was discussed. Delegates were interested in the ability of SAI Fiji to use the manual in an automated audit management system such as TeamMate for carrying out audits. Other interesting topics discussed during the update included professionalization, competency framework, organizational culture, quality assurance, IT, performance and compliance audits.

The update was beneficial and PASAI colleagues are encouraged to access and benefit from the wealth of audit resources available with AFROSAI-E.

SAI Fiji extends its appreciation to His Excellency Velelo G. Kwepile, Chargé d’ Affaires of the South African High Commission in Fiji for the assistance provided in facilitating the trip.



Photo: Ajay Nand (far left) on the discussion panel.

TeamMate Update for PASAI members

TeamMate® is an online auditing programme that allows audit offices to spend less time documenting and reviewing information, giving auditors more time to add value in others ways to their audit services, thus improving their audit quality. Since PASAI hosted a regional workshop in May 2016, there have been additional Pacific Island SAIs that have decided to implement TeamMate and PASAI SAIs that use TeamMate are summarised in the table below:

Account Name	Country	Using current License TeamMate	Version - AM	Total # TeamMate AM licenses
Australian National Audit Office	Australia	Over 10 + years	R11.2.2	165
Cook Islands Audit Office	Cook Islands	2006	R10.2.2	10
Office of Auditor-General Fiji	Fiji	2013	R12.0.1	60
Office of Public Accountability Guam	Guam	2015	R12.0.1	20
Audit NZ	New Zealand	1994	R11.2.2	300
Palau Public Auditors Office	Palau	2014	R11.0.2	7
PNG Auditor-General's Office	Papua New Guinea	2014	R11.0.2	100
Samoa Audit office	Samoa	2016	R11.0.2	30
Office of Auditor-General Solomon Islands	Solomon Islands	2014	R12.1.0	30
Tonga Audit Office	Tonga	2015	R12.0.0	50
Office of Auditor-General Vanuatu	Vanuatu	2007	R10.2.3	15



PASAI has established a “PASAI TeamMate Forum” private Facebook (FB) Page where PASAI members can continue to share their knowledge, news about training and other queries that may be answered by other members. The aim for this PASAI forum is to make sure that none of our members feel they are alone in implementing this new system. Audit NZ has been instrumental in providing ongoing support and advice to our members through email and the FB forum. PASAI is very appreciative of their assistance, particularly Ms. Ann Kilpatrick, AuditNZ Information Manager.



Photo [left]:
Some of the
PASAI members
that attended
the TeamMate
User Forum held
in Melbourne,
Australia

Each year, TeamMate hold a global event called the TeamMate User Forum attracting auditors from some of the most innovative audit departments in the world, both large and small, across all industries. The core purpose of the TeamMate User Forum is to connect industry leading audit professionals, users of TeamMate software, and representatives from all departments within Wolters Kluwer. This diverse blend of attendees enables participants to:

- Learn from and share with your peers the best and most advanced audit practices.
- Influence the future of TeamMate by linking up with TeamMate's own developers, technical experts, and business managers.
- Gain a broader understanding of the ever-evolving audit industry from world-leading experts.

This year's User Forum was held in Melbourne from 12-14 November 2017 and was attended by TeamMate champions from the following members of PASAI:

- Office of Auditor-General Solomon Islands
- Office of Auditor-General Vanuatu
- Office of Auditor-General Papua New Guinea
- Audit New Zealand
- Australian National Audit Office (ANAO)
- Audit Office of New South Wales

To meet the needs of our members, PASAI is planning for a second PASAI Regional TeamMate Forum to be held in 2018 that will enhance the content of the first workshop that was held in 2016. Keep an eye on the PASAI website www.pasai.org for announcements of upcoming events. If any of the Australia/NZ members are willing to help contribute to, facilitate or present at this second Regional Forum, please contact the PASAI Secretariat by emailing A'eau Agnes Tuiai-Aruwafu at agnes.aruwafu@pasai.org.

Regional meeting of Pacific SDG Co-ordinators and Agencies

As part of PASAI's 6th Co-operative Performance Audit (CPA) on Preparedness for Implementation of Sustainable Development Goals (SDGs), PASAI Secretariat has been working together with the Pacific Island Forum Secretariat's (PIFS) Sustainable Development Goals (SDGs) Taskforce, namely the PIFS Compact officer Ms. Portia Dugu. Consequently PASAI was invited to the regional meeting of Pacific SDG Co-ordinators and Agencies on Implementation of the Pacific Roadmap for Sustainable Development (PRSD). PASAI Secretariat was not available to attend due to other competing priorities and therefore requested for Samoa Audit office representatives to attend on their behalf. Auditor-Controller and Auditor-General, Faamatuainu Dennis Margraff and Audit Manager Oceanbaby Penitito attended on PASAI's behalf. As participants in PASAI's 6th CPA, they found the workshop aligned perfectly with the work of PASAI and their SAI.

The aims of this two-day regional meeting were to:

1. Review the draft Implementation Strategy for the PRSD in the context of status of SDGs and SAMOA Pathway localisation at country level.
2. Assess potential support needed by countries to meet their commitments under the 2030 Agenda, SAMOA Pathway and other regional and global undertakings.
3. Confirm the indicator framework as a basis for setting baselines/benchmarks to monitor the region's sustainable development performance over the period 2015-2030.
4. Review the Pacific Regional reporting arrangements (as agreed by PIFs Leaders) and links to national voluntary reviews such as the annual Asia Pacific SDGs Reporting and the UN SG's SDGs Reports.
5. Review the approach and focus of the 2018 Pacific Sustainable Development Report.
6. Consider measures to ensure an effective Pacific engagement with the Asia Pacific Forum for Sustainable Development (APFSD) and the UN High Level Political Forum on Sustainable Development (HLPF).
7. Provide Input into regional and global processes on inequality and migration.



PASAI would like to thank Fuimaono Camillo Afele Controller and Auditor-General of Samoa for allowing his senior staff to attend this important meeting on behalf of PASAI Secretariat.

Photo: Samoa SAO officers with Portia Dugu PIFS Forum Compact Research Officer, Strategic Partnerships & Co-ordination Programme (centre)



Photo: PASAI Secretariat with ADB officers

ADB meets with PASAI to discuss further support for our Pacific SAIs

ADB representatives Ms Flordeliza dR. Asistin, Senior Operations and Institutional Co-ordination Officer and Ms Maria Aurora Ludovico, Executive Assistance Office of Director-General Pacific Department, visited PASAI Secretariat Office for three days from 28 November – 30 November 2017 to discuss the modality of technical support for Nauru and PNG SAIs. The support will be delivered in 2018 from January to November and will aim to enhance high quality audits and build sustainable capacity within these SAIs.

ADB has supported PASAI since the inception of the Pacific Regional Audit Initiative (PRAI) and continues to support the implementation of PASAI's 10-year Strategic Plan.

PASAI and its members are appreciative of ADB's ongoing support over the years and look forward to this upcoming phase 2 of the Technical Assistance being provided.

2017 Audit Conference in NZ

PASAI Secretariat attended the 2017 Audit Conference held on 24 November 2017 at SkyCity Auckland NZ. The opening session was a panel discussion about The Future of Auditing and included as one of the panel members,

Mr Robert Buchanan, Chairman of NZAuASB and also PASAI's legal consultant.

Photo (left): Robert Buchanan (left) and PASAI Director Technical Support, A'eau Agnes Tuai-Aruwafu.

There were a total of 11 sessions run throughout the day from "Modifications to qualifications – top tips to get your audit report right" to "How to add value through excel dashboarding".



More information about the conference can be found at the ICAANZ website

<https://www.charteredaccountantsnz.com/learning-and-events/conferences-and-events/conferences>

PASAI Website Analytics for November 2017



Other interesting things to note for November 2017 were:

- 71% of people visited our website from desktops.
- 21% of people visited our website from mobile phones.
- 7% of people visited our website from a tablet.

There has been an increase of mobile users this month (21%) compared with October 2017 website use (14%). But there has been a decrease of desktop users this month (71%) compared with October 2017 website use (77%).

- 41% of traffic came through a Google search
- 35% of traffic came directly to our website



TECHNICAL SUPPORT UPDATE #11 2017

Editor's note: We have two articles this month as part of our Bulletin's Technical Update section, 'Auditing Standards Updates' and 'The Distinctive Roles in Organisational Governance – External and Internal Audit'.

This is a *new section* which commenced in January 2017 and alerts our members to (i) changes in International Standards of Supreme Audit Institutions (ISSAIs) due to updates or amendments to International Standards of Auditing (ISAs) or changes in professional standards which will affect the Generally Accepted Auditing Standards (GAGAS) and (ii) any other relevant issues or matters of interest that may impact on SAI member's ability to fulfill their audit mandates.

This update is not meant to be exhaustive and reading this update is not a substitute for reading and fully understanding the requirements of ISSAIs or GAGAS. This update also does not address the responsibilities of the auditor that may exist in law, regulation or national standards, which may contain requirements in addition to those established by these standards.

Auditing Standards Updates



The International Public Sector Accounting Standards Board® (IPSASB®) has published a revised IPSAS, Financial Reporting under the Cash Basis of Accounting (the Cash Basis IPSAS). The amendments address some of the main barriers to adoption of this standard.

This revised version of the Cash Basis IPSAS implements the proposals made in Exposure Draft 61, Amendments to Financial Reporting under the Cash Basis of Accounting. These amendments recast from mandatory to voluntary:

- Preparation of consolidated financial statements;
- Disclosure of information about external and other assistance; and
- Disclosure of information about payments made by third parties.
- The amendments also ensure that the standard's requirements and encouragements are better aligned with requirements in relevant accrual IPSAS issued since 2008.

The revised version takes effect on January 1, 2019, with earlier adoption encouraged.

Refer to the link below for more information: <https://www.ipsasb.org/>

About the IPSASB

The International Public Sector Accounting Standards Board (IPSASB) works to strengthen public financial management globally through the development of accrual-based International Public Sector Accounting Standards® (IPSAS®) and other guidance for use by governments and other public sector entities. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC).



TECHNICAL SUPPORT UPDATE #11 2017



Professional Standards Update No. 67, January 2017 through June 2017

In order to alert the audit community to changes in professional standards, we issue Professional Standards Updates (PSU). The purpose of these updates is to highlight the issuance and some key points of recent standards.¹ PSUs do not contain a complete summary of the standards. Those affected by a new standard should refer to that standard for details. Refer to the link below.

<https://www.gao.gov/assets/690/686385.pdf>

About GAO

The U.S. Government Accountability Office (GAO) is an independent, nonpartisan agency that works for Congress. Often called the "congressional watchdog," GAO investigates how the US Federal Government spends taxpayer dollars.

The Distinctive Roles in Organisational Governance - External and Internal Audit

In November 2016 PASAI Secretariat held a regional workshop together with Pacific Financial Technical Assistance Centre (PFTAC) named "*Strengthening oversight functions of Public Financial Management through internal and external audits*". The desired outcomes of this joint workshop were:

1. Understanding the role of internal and external audits in their oversight functions of Public Financial Management (PFM)
2. Identify risk areas for each national government PFM framework
3. Strategize audit planning reforms to enhance oversight of key financial performance areas
4. Improve current level of co-operation between internal and external audit and key stakeholders; and
5. Increase awareness and improve current levels of audit software.

PFM is a government-wide system that includes macrofiscal planning and monitoring, budget management, revenue management, debt and aid management, cash management, asset management, accounting and controllership, and auditing. These systems are inter-linked that one cannot perform its function by itself. Like any other system, it has its own frameworks (legal frameworks, policies, and plans). For the whole system to work well, all the components must be co-ordinated, complementary, and managed towards achieving common PFM goals. The institutions such as Ministry of Finance, Government Ministries, Supreme Audit Institutions (External Audit) and Internal Audit etc. working in each of the system components have their roles and responsibilities defined (refer diagram 1).



TECHNICAL SUPPORT UPDATE #11 2017

Of course, for the systems to be maintained, PFM needs resources such as funds, people, technology etc. However in the Pacific resources are constrained and limited. For this reason the PASAI/PFTAC workshop encouraged co-ordination between External and Internal Audit to synergize efforts, which will result in efficient and effective audits being completed. In the Pacific there are only seven countries that have established internal audit units namely, Cook Islands, Tonga, Solomon Islands, PNG, Samoa, Vanuatu and Fiji.

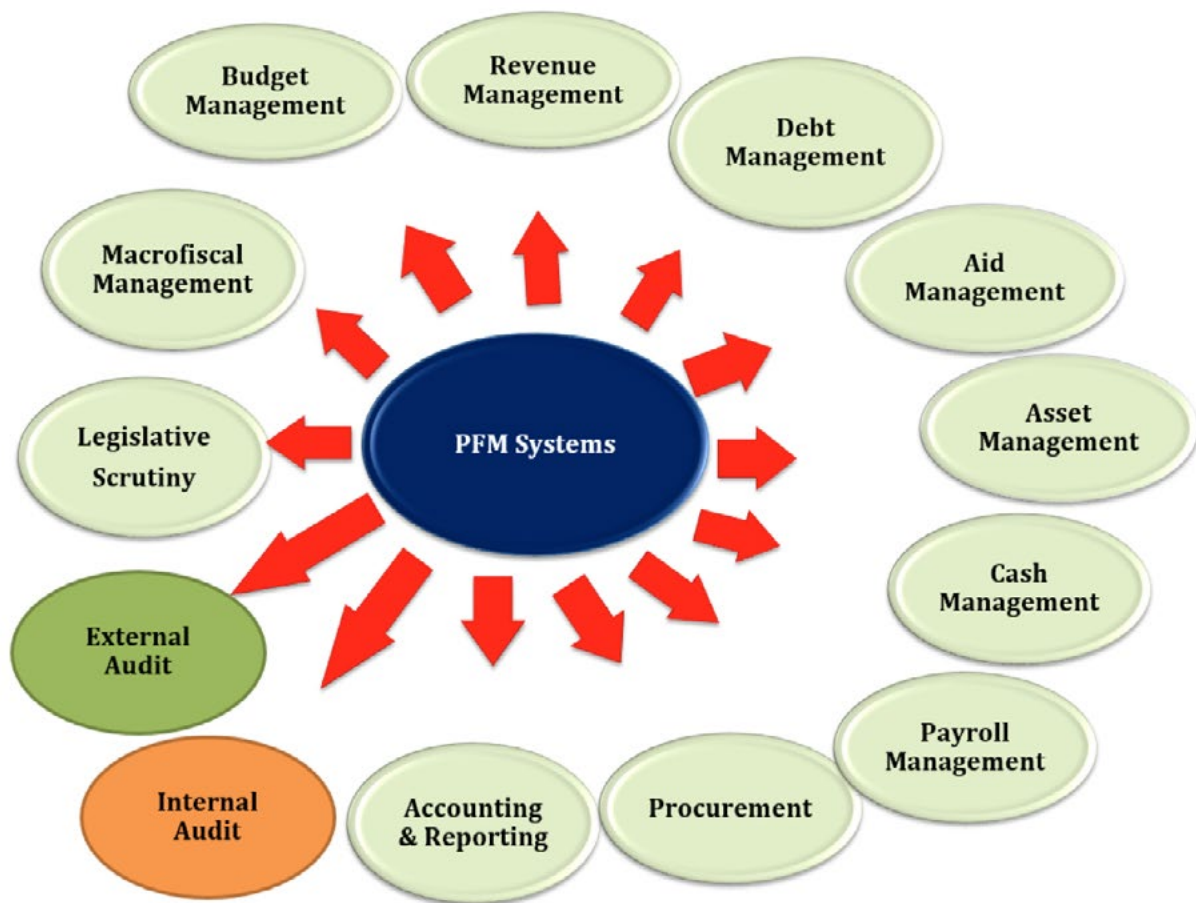


Diagram 1: simplified overview of PFM system (Source: PFTAC presentation November 2016, Honiara Solomon Islands)

There is an international auditing standard **ISSAI/1610** –Using the work of internal auditors that guides External Auditors, which applies only if the entity being audited has an internal audit function. The key requirements are:

1. Determining which areas, and to what extent the work of the Internal audit Function can be used.
2. Using the work of the Internal audit function.
3. Determining in which areas and to what extent Internal Auditors can be used to provide direct assistance.
4. Using Internal Auditors to Provide Direct Assistance.
5. Ensuring adequate audit documentation is kept relating to the evaluation of the use of internal audit work.



TECHNICAL SUPPORT UPDATE #11 2017

The roles, responsibilities and the activities of both internal and external auditors are complementary and sometimes similar and in some cases, overlap one another. For example, both external and internal auditors may include carrying out a walkthrough of the controls of a major accounting cycle to familiarise themselves with the processes, identify key controls and highlight risks. However each role is based on a professional discipline and operates according to professional standards but both are crucial to good governance, and should meet to work together. The following table provides a good summary of the distinct differences in the roles that at times may confuse and are misunderstood by stakeholders.

Key Differences Between Internal and External Audit		
	Internal Audit	External Audit
Purpose	Analyze and improve controls and performance	Express an opinion on the financial condition
Scope	Organizational operations	Fiscal financial records
Skills	Interdisciplinary	Accounting, finance, tax
Timing	Present/future, ongoing	Past, point in time
Primary Audience	Board, executive management	Investors, public interests
Standards	The IIA's <i>International Standards for the Professional Practice of Internal Auditing</i>	Generally Accepted Auditing Principles, Generally Accepted Auditing Standards
Focus	Enhance and protect organizational value	Fair representation of financial statements
Employment Relationship	An organization's employee	A contracted third party

Table 1: Key Differences Between Internal and External Audit

(Source: Institute of Internal Auditors, Inc 2017, Issue 8 "Global Perspectives and Insights Internal Audit and External Audit")

Co-operation, co-ordination and communication are the key skills required by both External and Internal Auditors to improve co-operation between internal and external audits.

Since the regional workshop held in Solomon Islands in November 2016 there has been a formal Memorandum of Understanding signed in Tonga and concerted efforts made to work more collaboratively in Samoa, Fiji and Vanuatu. The other Pacific countries are continually in dialogue and will one day formalise these arrangements and co-operation between external and internal audit functions.

These are great outcomes of the workshop!

References

- PFTAC presentation delivered at the PASAI/PFTAC "Strengthening oversight functions of PFM through internal and external audits" November 2016, Honiara, Solomon Islands.
- Institute of Internal Auditors, Inc 2017, Issue 8 "Global Perspectives and Insights Internal Audit and External Audit" Distinctive Roles in organisational Governance
- INTOSAI GUIDANCE - **ISSAI1610** - *Using the Work of Internal Auditors* <https://static1.squarespace.com/static/57019a6db6aa607cbb909ab2/t/58dd8a6cff7c50aff96f5263/1490913902276/isa-610.pdf>

PASAI CALENDAR

THE NEXT SIX MONTHS

- **4 – 8 December:** IDI/PASAI QA Review meeting Co-operative Compliance Audit – Public Procurement, Nadi, Fiji.
- **18 December – 5 January 2018:** PASAI Secretariat closed for holiday season.
- **29 January, 2018:** Auckland Anniversary Day, Public holiday, Auckland, NZ.
- **6 February, 2018:** Waitangi Day, Public holiday for NZ.
- **22 – 23 February, 2018:** 18th Governing Board meeting, Auckland, NZ.
- **26 February – 2 March, 2018:** Strategic Planning Workshop, Tonga.
- **5 – 9 March, 2018:** FASTS (Round 1) begins, Nauru. Fiji SAI Secondee.
- **19 – 22 March, 2018:** PFM Symposium, Tonga. (TBC)
- **24 – 29 March, 2018:** SDG Programme Support, Auckland, NZ.
- **30 March – 2 April, 2018:** Easter Weekend, Public holiday, Auckland, NZ.
- **16 – 20 April, 2018:** SAIs Fighting Corruption and Fraud Workshop, Palau.
- **25 April, 2018:** ANZAC Day, Public holiday, Auckland, NZ.
- **25 – 29 May, 2018:** SAI PMF, Nauru. (TBC)
- **4 – 30 June 2018:** FASTS Programme (Round 1) begins, Nauru. Tonga SAI Secondee (TBC)

Special note:

PASAI will be closed from 18 December 2017 – 5 January 2018
for the Christmas/New Year season.



WISHING YOU A
Merry Christmas

AND PROSPEROUS 2018.

FROM THE TEAM AT
PASAI



"Pacific Auditors Working Together"

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