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Photo: (L-R) A'eau Agnes Aruwafu (Director of Technical Support), Ms Rachael Portelli (ACAG Executive Director), Tiofilusi Tiueti (Chief Executive), Sinaroseta Palamo-Iosefo (Director of Practice Development)

## ACAG establishes a Secretariat to service members and align regional efforts with PASAI

The Australasian Council of Auditors-General (ACAG) is an association established by Auditors-General for their mutual support and sharing of information. The website [www.acag.org.au](http://www.acag.org.au) provides information about ACAG, its members and their work.

PASAI members that are also members of ACAG are:

1. Fiji
2. PNG
3. ANAO
4. ACT
5. NSW
6. VAGO

The objectives of ACAG are to provide arrangements for the sharing of information between members; support

the development of effective and efficient auditing methods and practices by members; and represent externally, where appropriate, the collective opinion of the Auditors-General on financial accounting and auditing standards and related issues.

The ACAG Secretariat has been established and is being managed by Ms Rachel Portelli, Executive Director of the Australasian Council of Auditors General (ACAG) Secretariat. Ms Portelli visited the PASAI Secretariat office and also held a meeting with the PASAI Secretariat team on 16 October 2017 to discuss ways we can build a stronger relationship and collaboration to service our mutual PASAI/ACAG members.



Photo above: Performance Measurement Framework Workshop participants and co-ordinators

## Implementing Performance Measurement Framework in the Pacific

The Pacific Association of Supreme Audit Institutions (PASAI) and INTOSAI Development Initiative (IDI) continued with phase II of the SAI Performance Measurement Framework (SAI PMF) project for Supreme Audit Institutions (SAIs) in the North Pacific by facilitating a workshop in Majuro, Marshall Islands from 2 - 6 October 2017. Twenty two staff from nine SAIs attended the workshop.

The Chief Secretary of the Republic of Marshall Islands, Mr Benjamin Graham, officially opened the workshop. In his opening remarks, he acknowledged the importance of SAIs taking stock of where they are and how they can continue to improve. He said, "This process of methodical self-assessment and continual self-improvement is common sense—but sadly not common practice among many organisations. By going through these performance assessments and peer reviews and diagnosing your deficiencies and areas for improvement, you are not only setting the bar high on your own performance, you are also setting an example for other public institutions to follow." These comments echoed the core purpose of the SAI PMF tool and how SAIs can demonstrate the fundamental principle of SAIs leading by example.

SAIs from Guam, Marshall Islands, Federated States of Micronesia (FSM) Office of the National Public Auditor, FSM States of Pohnpei, Kosrae and Yap have been assessed through the peer review approach and the assessment reports are being finalised. The peer review teams were supported by resource persons from the region; they were Ms Claire Kelly, PASAI Performance Audit Consultant, Mr Allen Parker, Director of Audit for Cook Islands Audit Office, Mr Kelepi Makakaufaki, Deputy Auditor-General of Tonga Office of the Auditor-General and Mr Marshall Maua, Director of Strategic, Personnel and Corporate Services of Samoa Audit Office.



## Implementing Performance Measurement Framework in the Pacific (cont.)

The focus of the workshop was learning how to develop the qualitative evaluation, including identification of external and internal root causes of performance. Incorporating these external factors are crucial in explaining the SAI's performance as these can either help or hamper the performance of the SAI. Each peer review team also presented and discussed lessons learned so far in the assessment, and preliminary high-level results of their respective assessments.



Ms. Rodalyn Gerardo of the Guam Office of Public Accountability Deputy Public Auditor stated, "We found the SAI PMF Workshop in Majuro was very informative and provided much guidance on how to conduct a SAI PMF assessment. Specifically, the workshop provided guidance on how our teams are to prepare the draft SAI PMF reports before they are to be submitted to IDI for quality review and feedback. Cecilie and Sina are very good facilitators and instructors. Cecilie helped to give clarity in areas that were confusing for the assessment teams and was able to give the IDI perspective based on her role as the head of the SAI PMF Unit."



The next steps in the programme are for the peer review teams to finalise the full report taking on board the lessons learnt from the workshop on integrated analysis and preparing a report that is evidence-based, balanced and easy to understand.



This programme is aligned with one of PASAI's strategic goals requiring SAIs to develop a performance measurement framework to assist with improving the delivery of SAI's audit responsibilities.

The workshop was facilitated by Ms Cecilie Thue-Hansen, Head of SAI PMF Unit within IDI and Mrs Sinaroseta Palamo-Iosefo, PASAI Director of Practice Development. This project is supported by the Australian Department of Foreign Affairs, INTOSAI Development Initiatives (IDI) and the New Zealand Ministry of Foreign Affairs and Trade.





Photo above: Participants attending the UNDP PRRP Workshop, Tonga.

## Tonga Audit Office attends a UNDP workshop on a Risk Screening Toolkit

The MOFNP in partnership with the UNDP Pacific Risk Resilience Programme (UNDP PRRP) conducted a workshop on a Risk Screening Toolkit (Toolkit) which was held at Tanoa International Hotel in Tonga on 24 October 2017. The toolkit is to complement the current One Process used for Corporate Planning and Budgeting. The purpose is to develop skills for mainstreaming Climate Change, Gender and Social Inclusion as a cross cutting risk to development of Corporate Plan and Budgeting. It aims to prioritise risk of projects or activities and how management formulates risk management measures to address it.

The MOFNP selected four ministries to pilot the application of the toolkit for Budget process for financial year 2018/2019. The Ministries are: Ministry of Energy, Information, Disaster Management, Climate Change and Communications (MEIDECC); the Ministry of Agriculture, Food and Forestry (MAFF); the Ministry of Fisheries (MAF); and the Ministry of Internal Affairs (MIA).

The opening remarks, Mrs. Kilisitina Tuamei'api (Deputy Secretary for Budget Division) highlighted that the toolkit will equip the planner to consider risk rating using Climate Change, Gender and Social Inclusion in the planning process. The final product provides realistic projects or activities that are manageable and are to be included in the corporate plan, annual plan and budget of each Ministries.

Feedback received from this training is that the toolkit is simple and applicable. It allows planners to consider elements surrounding a project.

Other participants were present at the workshop included representatives from the Australian High Commissions aid program, Live and Learn as well as three auditors of the Tonga Office of the Auditor General (TOAG) – Ms Fatafehi Taumoha'apai, Cathy Mafi and Sepiuta Felemi.

In closing, the MOFNP wishes that the pilot Ministries would play a role model example on this new toolkit.

PRRP congratulates and announced that they will continue working with the MOFNP to provide ongoing capacity building support to the selected ministries in the application of the toolkit.

PASAI Secretariat is working with the UNDP PRRP team to utilise this training to also focus on building capacity of auditors of TOAG in relation to performance auditing.



# TECHNICAL SUPPORT UPDATE #10 2017

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.

## PASAI's Independence Resource Kit

Threats to SAI independence can be caused by both external and internal factors and behaviours. Some specific threats to SAI independence include:

- Low funding levels or staffing levels, meaning the SAI can't fulfil its mandate
- Poor quality audits leading to reputational risks for the SAI
- Delaying nomination or appointment of a SAI head (prolonged vacancy)
- SAI accused of "politicising" its work and being biased
- Political interference in the SAI's work
- The Executive or Legislature frequently imposing new tasks on the SAI without allocating additional resources
- External parties trying to influence inappropriately the results of audits
- Politically engaged media attacking the SAI's credibility

If you follow the instructions below to navigate PASAI's website you will find a useful document in the "Independence Resource Kit" which highlights mitigating strategies to these threats:

The screenshot shows the PASAI website homepage. The background is a sunset over a beach with palm trees. The text 'PASAI' is prominently displayed in the center, with 'PACIFIC ASSOCIATION OF SUPREME AUDIT INSTITUTIONS' below it. In the top left corner, there is a circular logo with a globe and palm trees, labeled 'HOME'. The top navigation menu includes: ABOUT, PROGRAMMES, CONGRESS, MEMBERS, PARTNERS, EVENTS, PUBLICATIONS, RESOURCES, and INTOSAI. The 'RESOURCES' menu item is circled in red. A dropdown menu is open under 'RESOURCES', listing: RESOURCES, PASAI MANUALS & GUIDELINES, TECHNICAL SUPPORT RESOURCES PAGE, INDEPENDENCE RESOURCE KIT (circled in red), PASAI POLICIES, PASAI COMMUNICATIONS STRATEGY, ANTI-CORRUPTION WEBSITES, and RELEVANT LINKS. A red arrow points from the 'RESOURCES' menu item to the 'INDEPENDENCE RESOURCE KIT' option.



# TECHNICAL SUPPORT UPDATE #10 2017

## INDEPENDENCE RESOURCE KIT

A strategic priority of PASAI is to strengthen SAI independence.

PASAI has prepared this independence resource kit for the benefit of its members to enable them to:

- Understand the principles underpinning SAI independence
- Have access to resources and information to enhance or preserve their independence

PASAI will update the kit to reflect developments in SAI independence, both in the Pacific and globally. The kit will also encourage Pacific SAIs to share their experiences in relation to independence.

Should you have any questions on the resource kit please contact the PASAI Secretariat.

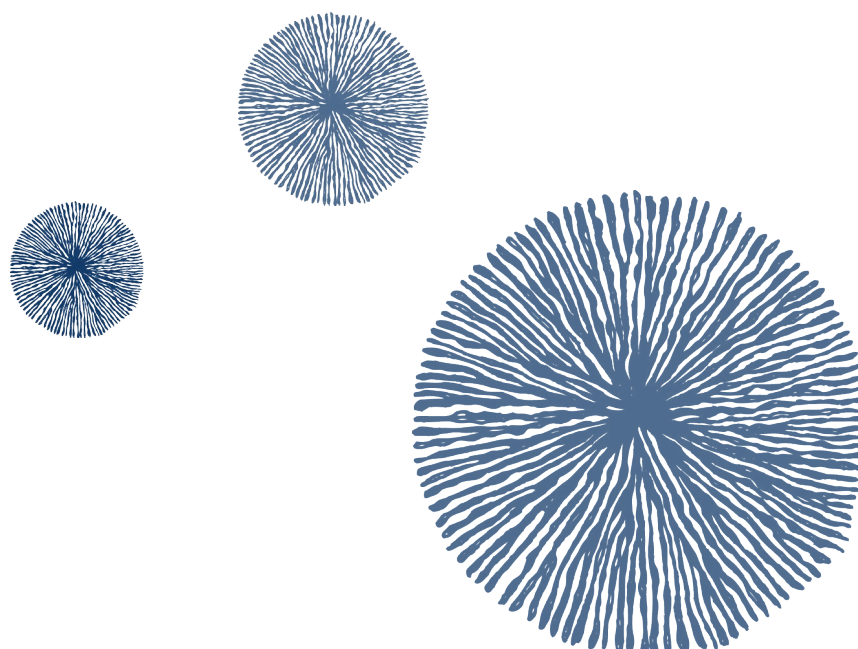
Matters included in the resource kit are:

- United Nations resolutions and CHOGM
- ISSAIs related to independence
- The eight principles of SAI independence (ISSAI 10)
- Being a model organisation through independence
- Planning for independence
- Understanding and responding to threats to independence
- Staff ethics and independence
- Self-assessing independence
- SAI shared experiences
- 18th PASAI Congress – Port Vila, October 2015
- SAI legislation

We have reproduced these important strategies for this month's Technical Update. However, please note that this is not an exhaustive list and not all the mitigation strategies will be available to all SAIs. This summary or guidance provides some strategies which may be helpful for SAIs facing threats to their independence.

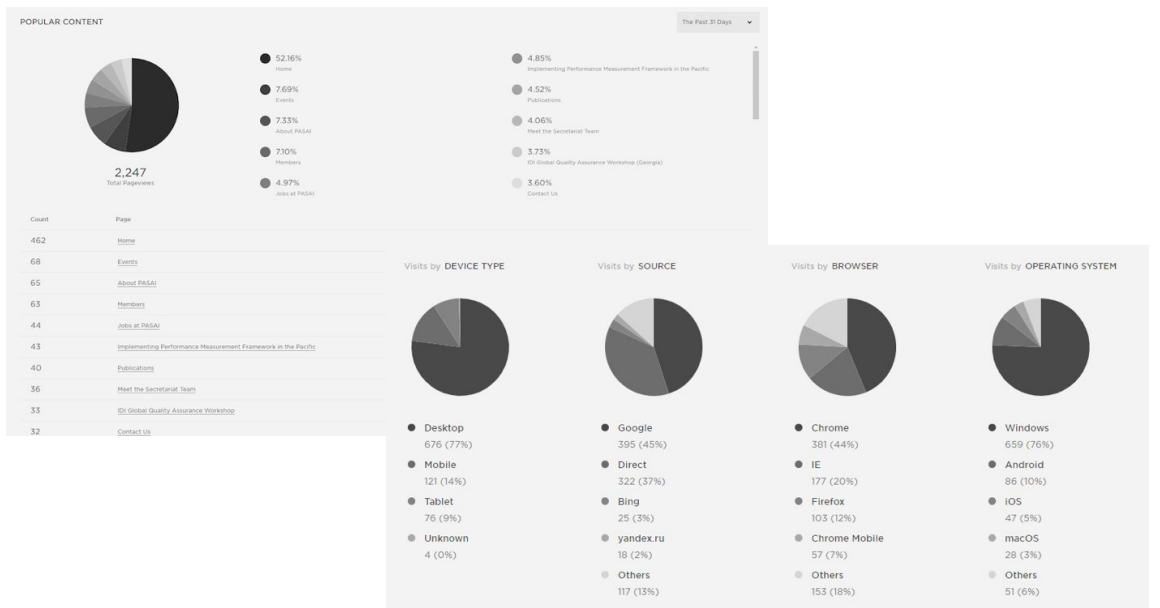
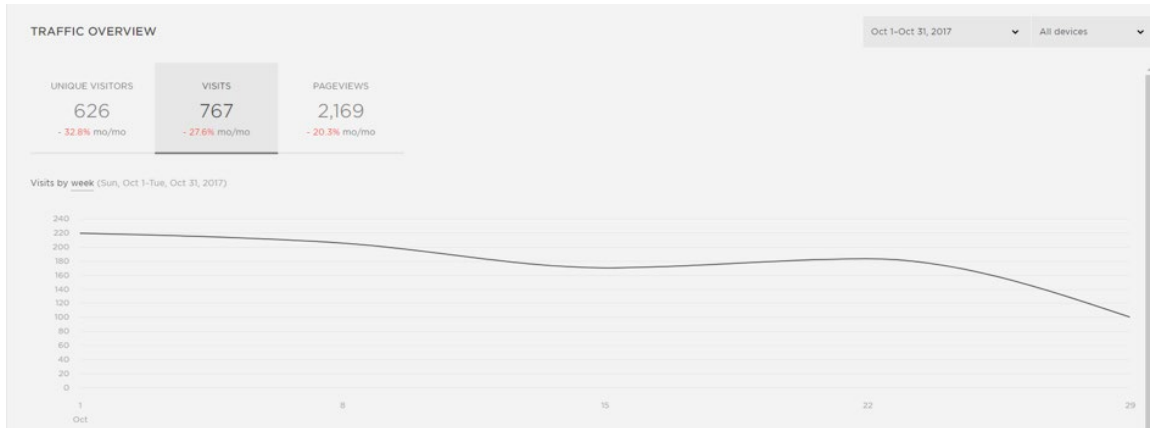
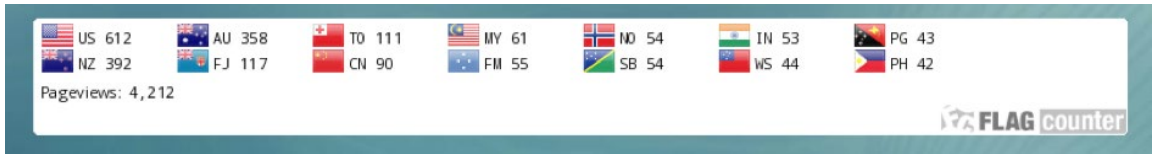
Risk	SAI mitigation strategy
Low funding levels meaning can't fulfil mandate	<ul style="list-style-type: none"> <li>• Discuss low funding levels with the Legislature and Ministry of Finance in the context of the SAI's capacity building programme</li> <li>• Obtain an external opinion on the amount of funding required to fulfil the SAI's mandate</li> <li>• Make best use of current resources by prioritising resources into the most important areas</li> </ul>
Poor quality audits leading to reputational risks	<ul style="list-style-type: none"> <li>• Have in place robust audit methods including audit manuals to provide guidance to audit staff and to promote consistency in audit work</li> <li>• Have in place robust quality control review arrangements</li> <li>• Have in place a staff professional development programme</li> </ul>
Delaying nomination of a SAI head (pro-longed vacancy)	<ul style="list-style-type: none"> <li>• Engaging support of PAC</li> <li>• Engaging support of media and civil society</li> </ul>
Low staffing levels meaning can't fulfil mandate	<ul style="list-style-type: none"> <li>• Get external review of SAI to confirm number of staff required to fulfil mandate. This could be done by a donor organisation</li> <li>• Engage with the media and civil service organisations on issues caused by the shortage of staff</li> </ul>

SAI accused of being biased	<ul style="list-style-type: none"> <li>• Ensure audit work carried out in accordance with international auditing standards</li> <li>• Ensure SAI is viewed by the public and media as a credible institution. This requires the SAI to have exhibited high ethical standards, as well as being transparent and accountability in its previous actions</li> </ul>
Political interference in audit selection	<ul style="list-style-type: none"> <li>• Publish list of proposed audits and work plans before the commencement of each year</li> <li>• Get PAC input into work plans and also inform the OPAC of the proposed work programme</li> <li>• Establish a strong and mutually respectful relationship with the legislature, including the Public Accounts Committee. For example, provide PAC with audit reports and brief PAC on them, obtain PAC input into the SAI work programme, brief committee in SAI Annual Plan, and provide advice and assistance to the PAC where the opportunity arises</li> </ul>
An external party frequently imposing new work tasks on SAI without allocation additional resources	<ul style="list-style-type: none"> <li>• Make explicit the trade-offs, costs and consequences of doing the unfunded work</li> </ul>
Trying to influence the results of a SAI's audits	<ul style="list-style-type: none"> <li>• Engaging support of PAC</li> <li>• Referencing SAI role to founding and governing legislation/Constitution</li> </ul>
Politically engaged media that may attack SAI's to destroy its credibility	<ul style="list-style-type: none"> <li>• SAI having a history of acting openly, transparently and ethically</li> <li>• SAI producing robust and high quality audit reports</li> </ul>
Parliament seeking to introduce rules that introduce (or facilitate) political dependence of the SAI's top management	<ul style="list-style-type: none"> <li>• Engaging support of PAC</li> <li>• Engaging support of media and civil society</li> </ul>



# PASAI Website Analytics for October 2017

Counter from PASAI Website HOME page:



Other interesting things to note for October 2017 were:

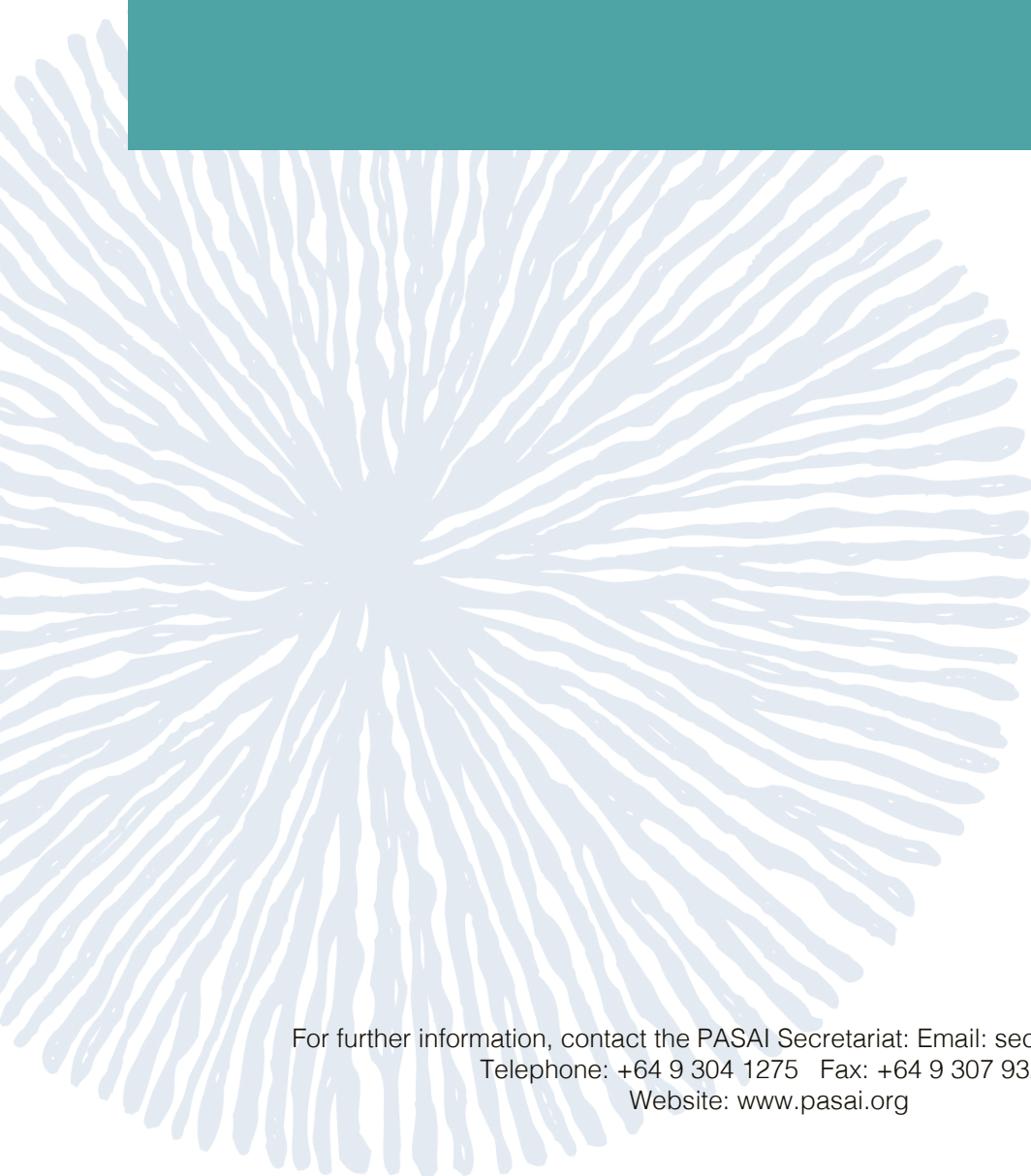
- 77% of people visited our website from desktops.
- 14% of people visited our website from mobile phones.
- 9% of people visited our website from a tablet.
- 45% of traffic came through a Google search
- 37% of traffic came directly to our website
- Our most popular page visited was our home page.



# PASAI CALENDAR

## THE NEXT SIX MONTHS

- **27 November – 1 December 2017:** PASAI/IDI 6th CPA SDG preparedness – joint planning workshop, Suva, Fiji.
- **4 – 8 December:** IDI/PASAI QA Review meeting Co-operative Compliance Audit – Public Procurement, Nadi, Fiji.
- **22 – 26 January:** Effective Communications workshop for SAI Samoa, Apia, Samoa.
- **22 – 23 February:** 18th Governing Board Meeting, Auckland, New Zealand.



For further information, contact the PASAI Secretariat: Email: [secretariat@pasai.org](mailto:secretariat@pasai.org)  
Telephone: +64 9 304 1275 Fax: +64 9 307 9324  
Website: [www.pasai.org](http://www.pasai.org)