



PASAI Quarterly Report

Pacific Association of Supreme Audit Institutions

April – June 2023



Training



Communications and reporting



Other

3 workshops

- IFRS Refresher Training (Fiji)
- HR Champions workshop (Fiji)
- ISSAI-compliant FSG workshop (Fiji)

4 Community of Practice sessions

- Actioning A&T report findings x 2
- Strategy development (Part A) x 2

176 more followers (on Facebook, LinkedIn and Twitter)

91 social media posts

8 media releases

7 reports

- internal evaluation reports (3)
- reports to external stakeholders (4)

3 blog posts

1 newsletter

- Held PASAI's **34th Governing Board meeting**
- Participated in the **INTOSAI-Donor Cooperation's annual Steering Committee meeting** and the Capacity Building Committee's annual meeting
- SAI **New South Wales** hosted the 11th meeting of the **Regional Working Group on Environmental Auditing**
- SAI country visits to the **Northern Mariana Islands, Papua New Guinea** and **Tuvalu** for independence advocacy and supporting the work of SAIs particularly in FSG audits
- Financial audit technical assistance for SAIs **Papua New Guinea** and **Solomon Islands**
- Published the fourth **Accountability and Transparency report**
- Communications strategies and operational plans completed for SAIs **Kiribati** and **Papua New Guinea**

PASAI in the news

The Saipan Tribune published one of our media releases on an in-country advocacy mission as Guam-based PASAI director visits Saipan.



Programme delivery by SAI

<p>Melanesia Fiji</p>  <p>SP3</p> <ul style="list-style-type: none"> ISSAI-compliant FSG workshop <p>SP4</p> <ul style="list-style-type: none"> Leadership programme HR Champions programme workshop 	<p>Papua New Guinea</p>  <p>SP2</p> <ul style="list-style-type: none"> SAI independence and advocacy visit Comms strategy, operational plan and process doc technical assistance <p>SP3</p> <ul style="list-style-type: none"> Technical assistance to update FSG audit ISSAI-compliant FSG audit QA review ISSAI-compliant FSG workshop <p>SP4</p> <ul style="list-style-type: none"> Leadership programme HR Strategy development 	<p>Solomon Islands</p>  <p>SP3</p> <ul style="list-style-type: none"> Technical assistance to update FSG audit ISSAI-compliant FSG audit QA review ISSAI-compliant FSG workshop <p>SP4</p> <ul style="list-style-type: none"> Leadership programme 	<p>Vanuatu</p>  <p>SP3</p> <ul style="list-style-type: none"> ISSAI-compliant FSG audit QA review ISSAI-compliant FSG workshop <p>SP4</p> <ul style="list-style-type: none"> Leadership programme HR Champions programme workshop 	<p>Micronesia Chuuk</p>  <p>SP4</p> <ul style="list-style-type: none"> Leadership programme Enhancing Strategic Management Capabilities programme
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<p>Nauru</p>  <p>SP4</p> <ul style="list-style-type: none"> Strategic and operational plan technical assistance Monitoring and reporting framework technical assistance 	<p>Northern Mariana Islands</p>  <p>SP2</p> <ul style="list-style-type: none"> SAI independence and advocacy visit 	<p>Palau</p>  <p>SP4</p> <ul style="list-style-type: none"> Leadership programme Enhancing Strategic Management Capabilities programme 	<p>Pohnpei</p>  <p>SP4</p> <ul style="list-style-type: none"> Enhancing Strategic Management Capabilities programme PMS technical assistance review HR Champions programme workshop 	<p>Yap</p>  <p>SP4</p> <ul style="list-style-type: none"> Leadership programme
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Programme activities and achievements

The Strategic Priorities (SPs) 1–4 outlined in the PASAI Strategic Plan 2014–2024 guide our programme of work.

SP1: Strengthened SAI independence

Our first strategic priority is to strengthen SAI independence to enable SAIs to effectively deliver on their mandates. We do this by providing SAIs with resources, guidance and technical assistance (TA) on legal reform.

SAI Independence Programme

Our independence programme supports SAIs to advance their independence through strategy formulation, advocacy with stakeholders in the SAI country and legislation amendments and reform.

Following our interactive virtual workshops with our member SAIs last year, we are focusing on providing one-on-one support to SAIs on legislative reform and to develop their independence strategies mapping out steps to strengthen audit independence. This quarter we supported SAIs to advocate for SAI independence through our in-country visits, during which we met with SAI staff, key stakeholders in the public financial management system and other government agencies.

SP2: Strengthened governance, transparency, accountability and integrity through advocacy

Our second strategic priority is to advocate for strengthened governance, transparency, accountability and integrity. We do this through our partnerships with regional organisations and by raising the visibility of related issues through our communications function. We also work with SAIs to strengthen their communications function, enabling them to communicate the impact, value and benefits of their work to key stakeholders.

In-country advocacy visits

Our team visited SAIs **Northern Mariana Islands, Papua New Guinea** and **Tuvalu** to advocate for SAI independence, and to assess the development requirements of each SAI. Our advocacy work includes engagement with representatives of the Legislature, other government agencies and regional and development partners to increase understanding and visibility about the role and value of SAIs and to champion greater SAI independence.

Our Director North visited the **Northern Mariana Islands** from 1 to 5 May on an advocacy and knowledge-sharing mission. Meetings with the Temporary Public Auditor and her staff were held to discuss how the results of an independent performance assessment, strengths and gaps, and how PASAI can help improve SAI capabilities. Courtesy visits were made to senior government officials including the Lieutenant Governor, the Senate President and the Secretary of Finance to promote the importance of actioning recommendations made by the SAI and maintaining its overall independence.



Director (North), Doris Flores Brooks, and Temporary Public Auditor, Dora I Deleon Guerrero (fourth and fifth from left), with staff from SAI Northern Mariana Islands

Our Chief Executive and Programme Director visited SAI **Papua New Guinea** from 15 to 19 May. Our team held meetings with the Auditor-General and his staff to discuss audit independence, the existing Financial Statements of Government (FSG) audit backlog and future audit technical support from PASAI. The PASAI team and senior SAI officers met with staff from the departments of Finance and Treasury, committing to complete these outstanding audits as a priority and collaborate to ensure the timeliness of future audits.

As a result of these meetings, plans were made with the SAIs and the Department of Finance for the FSG audits of the last four financial years to commence in July 2023.

The visit also included meetings with the parliament's Public Accounts Committee (PAC) and other Papua New Guinean government agencies, including the departments of Finance and Treasury to advance productive relationships with the SAI.



PASAI Chief Executive, Esther Lameko-Poutoa (front left), and Programme Director, Susana Laulu (front right) with financial auditors and senior representatives from the departments of Finance and Treasury in Papua New Guinea

In **Tuvalu**, our Chief Executive and Programme Director met with the Auditor-General and her staff to discuss and plan support to build audit capabilities, and to progress the implementation of SAI Tuvalu's independence strategy. Meetings were held from 6 to 9 June with the Finance Secretary and Ministry of Finance staff involved in FSG preparation.

For the FSG audit, we discussed and worked with the FSG team to address gaps identified from the 'quality assurance (QA) review report'. This is to ensure progress is made to achieve quality financial audits in line with ISSAIs. We also worked with the SAI in the QA review of their performance audit. This support will continue.

Our team met with the Acting Clerk of the Legislative Assembly and members of the parliament's Public Accounts Committee to discuss the importance of audit independence and their role in the scrutiny of the audited FSG, audit recommendations and the follow-up process. Courtesy visits were also made to the Acting Australian High Commissioner, MFAT Senior Development Programme Coordinator and the Chair of the Tuvalu Association of Non-Government Organisations (TANGO).



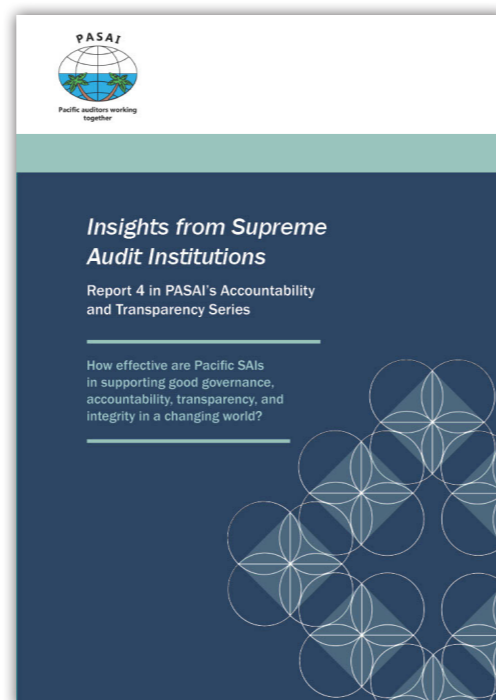
Left to right: Auditor General of Tuvalu, Imase Taai Kaunatu; Finance Secretary, Taufia Patolo; PASAI Programme Director, Sinaroseta Palamo-Iosefo; and Finance Assistant Secretary, Asau Leuma

Accountability and Transparency Study

We published our fourth report in the Accountability and Transparency series on 18 May. The report contains regional information of the effectiveness of the work of SAIs, key achievements, issues, risks and good practice.

Our Secretary-General (the Controller and Auditor-General of New Zealand) [launched the report in a webinar](#) showcasing key findings, followed by a [panel discussion](#) on the value civil society organisations (CSOs) bring to the effective function of the public financial management system, and particularly, to the work of SAIs in the Pacific. Panellists included Arianne Kassman, Chief Executive, Transparency International, Papua New Guinea; Emeline Siale Ilolahia, Executive Director, Pacific Islands Association of Non-Governmental Organisations (PIANGO); and Satrunino Tewid, PASAI Chair and Public Auditor of Palau.

We explored how SAIs can embed the good practice in the report to influence local and regional change through our online [Community of Practice](#) sessions on 8 and 9 June for our current and emerging SAI leaders



PASAI Communications Programme

We provided support to SAIs **Kiribati** and **Papua New Guinea** to develop their Stakeholder Engagement Strategy, Operational Plan/Calendar and other policy and process documentation to build the capability of the SAI's communications functions. This work was completed in April and May respectively.

PASAI monthly blog series

We publish monthly blog posts on topical and technical areas of interest that are relevant to our member SAIs. In this quarter, we published blog posts on:

- [Environmental audit opportunities for the PASAI region](#) (April 2023) – covers recent and upcoming environmental auditing events and opportunities for the PASAI region, including two global climate change projects.
- [Understanding the GAGAS audited financial statements](#) (May 2023) – following on from last October's blog post on the audit opinions of the financial statements of the Government of Guam, this post looks at the remaining parts of these audited financial statements – the Management Discussion and Analysis, the Basic Financial Statements and the Schedules of Required Supplementary Information.
- [Audit quality management](#) – changes in perspective for our SAIs (June 2023) – explored the importance of managing audit quality in a risk-based and dynamic manner and outlined the INTOSAI Development Initiative's System of Audit Quality Management pilot.

Other international organisations have shared the blog posts on their communications channels increasing global digital coverage, visibility and uptake. For example, the INTOSAI Capacity Building Committee and OLACEFS retweeted the link to our June blog post.

SP3: High quality audits on a timely basis

Our third strategic priority is focused on SAIs achieving high quality audits in a timely manner. Our programme of work aims to build SAI capability to ensure up-to-date Financial Statement of Government (FSG) or Whole of Government (WOG) reports are audited in line with international auditing standards and benchmarks. It is also to ensure financial, compliance and performance audits are conducted in accordance with international auditing standards in a timely manner.

Support institutional continuity of SAI with a focus to prevent a further backlog of FSG audits

Our 'Financial Statement of Government (FSG) audit programme' requires 20 SAIs to update us on the progress of their FSG audits and provides support to the SAIs with audit backlogs.

We summarise the status of FSG audits the countries who have an FSG audit backlog:

- SAI **Fiji** has completed its 2020 and 2021 FSG audits, and issued draft Management Letters. The audited accounts have been signed.
- SAI **Vanuatu** has recruited an independent consultant to assist with its 2018 and 2019 FSG audits. This work has been impacted by a cyber-attack on government IT infrastructure in November 2022. The SAI has not been able to access to FSG 2018–2021 audit documentation due to lost data and other IT issues.
- SAI **Cook Islands** awaits the financial statements from the Ministry of Finance for 2020, 2021 and 2022, and is receiving support to address the backlog from SAI New Zealand under the existing twinning arrangements.
- SAI **Nauru** has still not received the 2021 and 2022 accounts and awaits the Ministry of Finance to address issues with the draft 2020 accounts.
- SAI **Papua New Guinea** has received the FSG for the years 2019, 2020, 2021 and 2022. The audit of 2019 is to start in July, and we are providing technical assistance to the SAI to progress this work.
- SAI **Solomon Islands** has a three-year audit backlog. The audit of 2019 and 2020 FSG has commenced, and we are providing the SAI with technical assistance to progress this work.

Technical Assistance for FSG Audits

We are assisting SAIs **Papua New Guinea** and **Solomon Islands** to progress a three-year audit backlog in line with international standards.

SAI level support for efficient and timely FSG audits in compliance with ISSAIs

In collaboration with the INTOSAI Development Initiative (IDI), we continued to provide SAI-level support to eight SAIs for efficient and timely FSG audits in compliance with ISSAIs.

The QA review of FSG audits for seven SAIs (**Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga and Tuvalu**) have been completed, and the QA review for SAI **Vanuatu** is in the finalisation stage.

Enhancing Quality Control and Quality Assurance systems

We are providing support to SAIs by co-ordinating the final phase of the programme, the QA review of the audits completed with the support from us and IDI.

The QA reviews of SAIs **Papua New Guinea, Samoa, Solomon Islands and Tonga** were completed this quarter. Consultants completed QA reviews of SAIs **Fiji, Kiribati and Tuvalu** in the previous quarter.

Financial Statements of Government workshop

Twenty-one senior staff (15 female, 6 male) from the **Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu** and **Vanuatu** participated in a face-to-face workshop from 5 to 9 June 2023. This training is part of a programme of capability-building support to conduct FSG audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) that started in 2020.

Two of our PASAI programme directors and a Senior Manager from the **INTOSAI Development Initiative** facilitated this training which aimed to ensure participating SAIs are able to sustainably plan, execute and report on their government audits in accordance with international standards. The objective of the in-person workshop was for senior staff who lead the FSG audit engagements or who review the working paper files for FSG audits as part of the SAI's 'Quality Control' and 'Quality Assurance' systems, to gain a better understanding of executing and reviewing FSG audits in their SAIs. This workshop also focused on the lessons learnt from the programme. Attendees discussed Quality Assurance review findings and practical solutions to emerging issues.

SP4: Enhanced SAI capacity and capability

Our fourth strategic priority is focused on building the capacity and capability of SAIs to undertake their mandates in a way that can be measured against the SAI PMF.

Leadership programme

This quarter we started Phase 3 of our Leadership programme with two **Community of Practice** session streams. The first is open to SAI heads and the second stream, whose session runs a day after the first, is open to emerging leaders within our member SAIs. We have expanded the scope of the programme to facilitate in-depth discussion on seven topics scheduled over the coming months.

In the first sessions on 8 and 9 June, we explored ways SAIs can use the findings in the latest Accountability and Transparency report to influence change. Participants of our second sessions on 29 and 30 June were able to provide feedback on our development of a new strategic plan.

Strategy, Performance Measurement and Reporting programme

- **Enhancing Strategic Management Capabilities programme** – SAIs **FSM Chuuk, FSM Kosrae, FSM Pohnpei, Guam, Palau** and **Tuvalu** are participating in this programme to develop a strategic plan, operational plan and performance reporting framework. Following online and face-to-face workshops in February and March, participating SAIs have developed workplans to progress this work at their SAIs. We are monitoring and reviewing SAI's activities and work according to their workplans. Work at SAI-level is progressing well – SAI Tuvalu completed its external stakeholders' consultation workshop in June and the remaining five SAIs will hold stakeholder consultations in July.
- **Technical assistance for strategic management** – We provided support to SAI **Nauru** to develop a strategic and operational plan and a monitoring and reporting framework to track and report on progress towards strategic priorities. This work is in progress and is expected to be completed in July.
- **Technical assistance for performance monitoring systems** – We provided support to develop and implement appropriate performance monitoring systems to SAIs **FSM National** and **FSM Pohnpei**. This project was completed within the April–June quarter, and we reviewed the consultant's final reports for each SAI which includes the SAI's performance monitoring framework, performance indicators and data collection and management process.



Auditor-General of Nauru, Manoharan Nair (far right), with some of his audit staff at a Strategic Planning workshop

Human Resource Management (HRM) programme

In collaboration with SAI Sweden, we continued the delivery of our HRM programme to build SAI capability in this area. This work includes the following elements:

- **HR Champions Programme** – This programme aims to create a group of staff capable of supporting their own SAIs in a self-sustaining model, minimising a reliance on external expertise for HR support. We delivered first six modules of this training in an in-person workshop from 2 to 11 May. Thirteen staff (10 female, 3 male) represented nine SAIs – **Fiji, FSM National, FSM Pohnpei, Guam, Kiribati, the Marshall Islands, Tonga, Tuvalu** and **Vanuatu**. Participants were introduced to HRM processes and international good practice. A contextual lens was applied to ensure that learnings were relatable to their local setting and operations.
- **Technical assistance for HRM** – We continued to support SAIs **Marshall Islands** and **Papua New Guinea** to complete their HR Strategies.
- **Review of PASAI HR Guide** – We are finalising the Guide and will use it in the HR Champions Programme (above).

Regional and international meetings and collaboration

Meetings

We are committed to working with our regional and international partners. We attend and participate in regional and international meetings and forums.

We gathered SAI heads from across Australasia and the Pacific Islands for the 11th meeting of the **Regional Working Group on Environmental Auditing (RWGEA)** from 9 to 11 May 2023. The event programme was shaped around the themes from the INTOSAI WGEA work plan on climate, biodiversity and the green economy.

SAI **New South Wales** hosted the gathering where attendees heard from expert speakers on the topics of auditing threats to biodiversity and government responses to climate risk. They also participated in practical workshops to scope and plan potential environmental/climate change audits. Across the jurisdictions there were common interests in disaster risk reduction, the implementation of climate adaptation actions and strategies to embed inclusiveness in audit scopes.

International collaboration

We collaborate with regional and international organisations and SAIs to deliver capability development initiatives to the Pacific region.

We are collaborating with HR experts from SAI **Sweden** to deliver our **HRM programme**. There are further details about this at the end of the SP4 section of this report.

Our Director Practice Development, Sinaroseta Palamo-Iosefo, participated in the **INTOSAI-Donor Cooperation (IDC) annual Steering Committee** meeting on 20 June 2023 in Kingston, Jamaica. She spoke about our SAIs' challenges, shared our Independence Resource Kit and conveyed the long journey for some SAIs to improve their independence. On 21 June, she delivered a presentation on 'Quality and relevant audits as the foundation of high impact SAIs' at the **Capacity Building Committee's annual meeting**. This covered how we support our members to improve audit quality, and the challenges they face in implementing and complying with the new ISSAI 150: Auditor Competence.

Sina heard the different perspectives of donors, INTOSAI, other regions and the International Federation of Accountants, increasing our knowledge of emerging issues – such as auditing climate change and sustainability reporting, and learning about tools and resources available to SAIs. We will use these learnings to identify, design and deliver appropriate interventions for our members.



Sinaroseta Palamo-Iosefo, speaking at the IDC meeting alongside the Director General of the INTOSAI Development Initiative, Einar Gørrissen

Governance matters

We held our **34th Governing Board meeting** online on 2 June 2023.

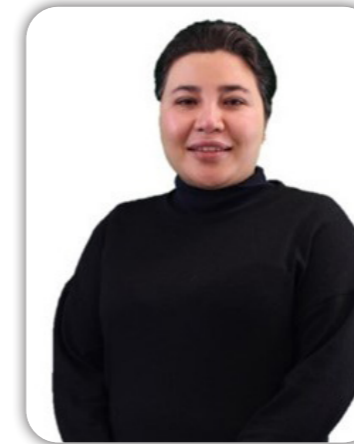
Esther Lameko-Poutoa, Chief Executive PASAI, presented a comprehensive operational plan for the coming financial year. The Governing Board approved the plan and its proposed budget.

Members discussed the draft recommendations of a team commissioned to independently evaluate the PASAI Secretariat’s delivery against our current strategic plan. They also continued work on the development of a vision, mission and values to guide new priorities in our next strategic period.

Secretariat developments



Susana Laulu



Fatemeh Mosawi

New staff

In late April we welcomed an accomplished auditing and accounting professional, **Faiane Susana Laulu**, to the Secretariat team as a Programme Director based in Samoa.

Ms Laulu brings more than 20 years of experience in auditing, financial management, governance, banking, public policy, business strategy and related disciplines to PASAI. Most recently she was the Chief Executive Officer of the Development Bank of Samoa. Since starting she has been focusing on having member audit offices in the Pacific deliver high-quality audits on a timely basis and played an active role in the FSG workshop covered at the end of the SP3 section of this report, above.

We also welcomed a new Office Coordinator, Fatemeh Mosawi, to the Auckland office this quarter.

PASAI Strategic Plan 2024–2034

As mentioned earlier in the section on our online [Community of Practice](#) sessions for our current and emerging SAI leaders, we used the 29 and 30 June sessions to seek feedback on the development of a new strategic plan.

Consultants commissioned to conduct an independent evaluation of our delivery against our 2014–2024 Strategic Plan provided us with a draft evaluation report by the end of this reporting period. The report presents findings and recommendations to inform the development of our next Strategic Plan and future programme activities. We plan to publish the report after presenting the report findings at our Annual General Meeting in September.

