



PASAI

July – September 2021

Quarterly Report

Pacific Association of Supreme Audit Institutions

Introduction

The Pacific Association of Supreme Audit Institutions (PASAI) is the official association of supreme audit institutions (government audit offices and similar organisations, known as SAIs) in the Pacific region. PASAI is one of the regional organisations belonging to the International Organization of Supreme Audit Institutions (INTOSAI).

Our programme of work aims to promote transparent, accountable, effective and efficient use of public sector resources in the Pacific. Programme activity supports SAIs to enhance their capacity and capability and to ensure they complete high-quality audits in a timely manner.

Our current financial year runs from 1 July 2021 to 30 June 2022. In our first quarter July – September 2021, we present a report of our programme activities with the SAIs of the region. Through our quarterly reports, we will continue to share the progress of our work with our member SAIs, progress and development within the SAIs and impact of the work of the SAIs improving accountability and transparency across the Pacific region.

Executive summary

Our goal is to improve good governance, accountability, transparency and integrity in the management and use of public sector resources through the work of SAIs in the Pacific region. We do this by supporting SAIs to enhance their mandate and capability to audit public resources in a timely manner and to recognised high standards and influence positive changes to the public financial management systems in their jurisdictions.

In the first quarter of FY2021–22 we progressed our work in line with our strategic priorities. Under our **SAI Independence programme** we have explored opportunities for legislative reform and the development of independence strategies in workshops with SAIs Cook Islands, Guam, Kiribati and Marshall Islands. With this work, we aim to address independence issues highlighted in SAI Performance Measurement Framework (PMF) assessments and strengthen the financial and administrative independence of SAIs. To support this, we have also completed a legislative review of the constitution and SAI legislations of the Cook Islands, Guam, Kiribati, Marshall Islands, Solomon Islands and Vanuatu.

Under our **Communications Programme**, SAIs Fiji and FSM Pohnpei have revised their communications strategies and are working towards developing operational plans to implement their strategic communications priorities. We are working with SAIs Cook Islands, FSM National, FSM Yap and Samoa to review and finalise their communications strategies and are following up with other SAIs to assess if further support is required in this area.

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Our advocacy work involves the use of our communications channels to increase the visibility of issues relevant to SAI, and we have published three **blog posts** on leadership, environmental auditing and SAI New Zealand's response to the COVID-19 pandemic.

We support our member SAIs to deliver **high quality audits on a timely basis**. Under this programme, we have provided SAIs Papua New Guinea and Solomon Islands with technical assistance to address their **Financial Statements of Government (FSG) audit backlog**. We worked with the INTOSAI Development Initiative (IDI) to deliver a workshop to strengthen SAI Tonga's capability to conduct FSG in line with ISSAIs¹, and have arranged a consultant to support SAI FSM Yap to develop and implement a Quality Control and Quality Assurance system. We are also participating in IDI's Professional Education for SAI Auditors-Pilot (PESA-P) programme focused on building SAI capability to carry out high quality audits, and provided coordination and coaching support to SAIs with limited senior staff.

We are progressing with our aim to **enhance SAI capacity and capability** to deliver on their mandate. In August we commenced our flagship **Leadership Programme** to build the executive leadership skills of SAI Heads and established second-tier leaders. Under our **Human Resource (HR) Management Programme** we reviewed and finalised SAI FSM Yap's HR operational plan in September and are supporting SAIs FSM National, FSM Pohnpei and Papua New Guinea to continue the development of their HR strategies.

We also collaborated with the INTOSAI Working Group on Environmental Auditing (WGEA) to deliver a two-day virtual workshop on **Environmental Auditing** in July. Our work on the **SAI PMF assessments** for SAIs American Samoa, Northern Mariana Islands (CNMI) and Palau has progressed well during this quarter. In September we held a workshop with North Pacific SAIs to improve their understanding of the SAI PMF measurement tool and inform decisions on how to improve their performance.

Programme delivery by SAI

Melanesia

Fiji



- SP1
- Communications coaching sessions
- SP3
- IDI PESA-P Compliance audit programme
 - IDI PESA-P Financial audit programme
 - IDI PESA-P Performance audit programme
- SP4
- HRM Programme
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Vanuatu



- SP1
- Expert opinion by legislative reform consultant
- SP3
- IDI PESA-P Compliance audit programme
 - IDI PESA-P Financial audit programme
 - IDI PESA-P Performance audit
- SP4
- SAI Head Leadership Programme

FSM National



- SP1
- Communications coaching sessions
- SP4
- SAI PMF Domains B, D, E and F workshop
 - HRM Programme
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Papua New Guinea



- SP3
- Technical assistance to update FSG audit
 - IDI PESA-P Compliance audit programme
 - IDI PESA-P Financial audit programme
 - IDI PESA-P Performance audit programme
- SP4
- HRM Programme
 - SAI Head Leadership Programme

Micronesia

Chuuk



- SP4
- SAI PMF Domains B, D, E and F workshop
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Kiribati



- SP1
- Independence workshop
 - Expert opinion by legislative reform consultant
- SP3
- IDI PESA-P Compliance audit programme
- SP4
- HRM Programme
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Solomon Islands



- SP1
- Expert opinion by legislative reform consultant
- SP3
- Technical assistance to update FSG audit
 - IDI PESA-P Financial audit programme
- SP4
- Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Guam



- SP1
- Independence workshop
 - Expert opinion by legislative reform consultant
- SP4
- SAI PMF Domains B, D, E and F workshop
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

Kosrae



- SP4
- SAI PMF Domains B, D, E and F workshop
 - Environmental Auditing and SDG workshop
 - SAI Head Leadership Programme

¹ International Standards of Supreme Audit Institutions

Marshall Islands



SP1

- Independence workshop
- Expert opinion by legislative reform consultant

SP4

- SAI Head Leadership Programme

Palau



SP3

- IDI PESA-P Performance audit programme

SP4

- SAI PMF assessment
- SAI Head Leadership Programme
- SAI PMF Domains B, D, E and F workshop

Nauru



SP4

- SAI Head Leadership Programme

Northern Mariana Islands



SP4

- Environmental Auditing and SDG workshop
- SAI Head Leadership Programme

Pohnpei



SP1

- Legislative independence strengthened after earlier PASAI technical assistance
- Communications coaching sessions

SP3

- IDI PESA-P Compliance audit programme
- IDI PESA-P Financial audit programme
- IDI PESA-P Performance audit programme

SP4

- SAI PMF Domains B, D, E and F workshop
- HRM Programme
- Environmental Auditing and SDG workshop
- SAI Head Leadership Programme

Yap



SP1

- Communications coaching sessions

SP3

- IDI PESA-P Compliance audit programme

SP4

- SAI PMF Domains B, D, E and F workshop
- HRM Programme
- SAI Head Leadership Programme

Polynesia

American Samoa



SP4

- SAI PMF assessment
- Environmental Auditing and SDG workshop
- SAI Head Leadership Programme

Cook Islands



SP1

- Independence workshop
- Legislative reform consultant
- Communications coaching sessions

SP3

- IDI PESA-P Financial audit programme

SP4

- SAI Head Leadership Programme

Samoa



SP1

- Communications coaching sessions

SP3

- IDI PESA-P Compliance audit programme

- IDI PESA-P Financial audit programme

- IDI PESA-P Performance audit programme

SP4

- SAI Head Leadership Programme

Tonga



SP3

- ISSAI-compliant FSG audit workshop
- IDI PESA-P Compliance audit programme
- IDI PESA-P Financial audit programme
- IDI PESA-P Performance audit programme

SP4

- Environmental Auditing and SDG workshop
- SAI Head Leadership Programme

Tuvalu



SP3

- IDI PESA-P Compliance audit programme
- IDI PESA-P Financial audit programme
- IDI PESA-P Performance audit programme

SP4

- SAI Head Leadership Programme
- TAI Audit Programme

Other

Australia



SP4

- Environmental Auditing and SDG workshop

French Polynesia



SP4

- Environmental Auditing and SDG workshop

New South Wales



SP4

- Environmental Auditing and SDG workshop

New Zealand



SP4

- Environmental Auditing and SDG workshop

PASAI developments

While the COVID-19 pandemic has resulted in uncertainty and challenges, we remain focused to deliver programmes to achieve our goal. We have responded to the pandemic by changing our delivery model from face to face to online. The rapid digital transformation process achieved last year has placed us well to deliver our core programme online and progress against our strategic priorities despite travel restrictions and lockdowns.

A key element of our digital transformation is our Learning Platform through which we provide training and development resources to our members. In July and August 2021 improvements to our Learning Platform included a review and optimisation of administrative settings and improvements to the login page to streamline and improve the user experience. A new course structure has been developed to enable increased interactivity, participant engagement, and pre- and post-training components.

We standardised the structure of our courses to ensure a consistent approach across all our eLearning delivery. We consolidated user guides into one document and improved its presentation to ensure it reflects the above improvements. We developed eLearning material for the SAI PMF workshops held in September. Development work for our Report Writing workshops scheduled for November and other workshops in the new year is in progress.

Programme activities and achievements

Our programme of work is driven by the Strategic Priorities (SP) 1–4 outlined in the PASAI Strategic Plan 2014–2024. In the following section, we present our programme activities and achievements under each SP.

SP1: Strengthened SAI Independence and Communications

A strong independent SAI is essential for a country's good governance and public financial management. Global and regional trends indicate continuing limitations to the financial and administrative independence of SAIs, with SAIs reporting insufficient financial and human resources to adequately deliver on their mandate².

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

SAI Independence Programme

Through this regional programme, we conducted workshops for SAIs Cook Islands (28 July), Kiribati (28 July), Marshall Islands (9 September) and Guam (22 September). Aimed at senior SAI staff, the workshop aims to increase the understanding of a SAI's PMF scores on Domain A: Independence and Legal Framework, assessment criteria and scoring mechanism. For SAIs who have had a Public Expenditure and Financial Accountability (PEFA) assessment, these results were also discussed.

The workshops were interactive and explored the local context including issues and environmental factors that prove challenging to the achievement of SAI independence – for example having a specific provision in the legislation that gives freedom to the SAI to decide on the timing of its audit reports. As a result of these workshops, opportunities to develop and document an independence strategy and the possibility to review the SAI's legal framework to address independence issues highlighted in the SAI PMF assessment were also discussed.

SAI Cook Islands – Following the workshop for SAI Cook Islands, our consultant for legal support on SAI independence has provided expert advice on potential areas for legislative reform.

SAI Kiribati – A consultant will be provided to support SAI Kiribati with its legislative review to strengthen independence. This support is expected to be provided before the end of the year.

SAI Guam – It confirmed it has taken action to address the issues raised in its SAI PMF report, and that this work is incorporated in its Strategic Plan 2019–2023, with a proposed timeline to address issues identified.

SAI Marshall Islands – Its draft legislation was reviewed by our legal consultant in 2019–20. Suggested next steps being considered include a workshop for the Public Accounts Committee (PAC) co-delivered by PASAI and senior SAI staff, followed by the submission of the draft legislation.

In addition to our independence workshops, our consultant for legal reform support, William Kosar, provided guidance and an expert opinion on areas of independence that require strengthening, based on the SAI PMF results of SAIs Cook Islands, Guam, Kiribati, Marshall Islands, Solomon Islands and Vanuatu. Following this, further reform and advocacy work will take place at the discretion of the SAI Head, taking into consideration local environmental and political factors.

²IDI Global SAI Stocktaking Report 2020

Amendments to the FSM Pohnpei Code strengthen SAI Pohnpei independence

The FSM Pohnpei Legislature passed amendments to the Pohnpei Code on 3 September 2021, significantly enhancing the independence of SAI FSM Pohnpei. This development strengthens the ability of the Office of the Public Auditor to effectively deliver on the SAI's mandate to promote accountability, transparency and good governance of public resources, adding value to the citizens of Pohnpei State.

Signed by the Governor of Pohnpei and Speaker of the Pohnpei Legislature, the amendment ensures, "the Auditor shall be independent of administrative and political control, direction and influence. Neither the Auditor nor any employee of the Auditor acting under the Auditor's authority shall be subject to personal, civil or criminal liability for any act or omission in carrying out his or her duties in good faith".

The proposed amendments were re-submitted during the 10th Pohnpei Legislature for consideration, following an initial submission in the 9th Pohnpei Legislature meeting. We provided technical assistance for legal reform in October 2019 to FSM Pohnpei, FSM National and other FSM states. Work to strengthen the audit independence of FSM National and other FSM states is in progress.



POPA staff

**The PASAI Secretariat's work on audit independence is funded by the 'Strengthening of Public Finance Management and Governance in the Pacific Project' (PFM). This project aims to strengthen oversight over public financial management in the Pacific region through improving the budgetary scrutiny, public financial oversight and accountability capacities of parliaments, supreme audit institutions and civil society within the region, aligning with international public financial oversight and accountability standards, and fostering citizen engagement and oversight. PFM is funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP) in partnership with PASAI.*

PASAI Communications Programme

This programme consists of a suite of workshops and coaching sessions in the following areas – Communications Strategy and Implementation, Report Writing, Interpersonal Communications, Leading Audit Teams, Using Multimedia Effectively, Dealing with the Media and Engagement with Stakeholders.

Following a pause in the 'Communications Strategy and Implementation programme' due to work on our annual report and development partner reporting requirements, we have now resumed this work.

SAI	Programme activities this quarter
<ul style="list-style-type: none">• Fiji• FSM Pohnpei	We have reviewed these SAIs' communications strategies, which have been approved by the respective SAI heads. We are now supporting these SAIs to develop an annual operational plan to implement their strategies.
<ul style="list-style-type: none">• FSM National• FSM Yap	We are reviewing the revised communications strategies these SAIs submitted to us and have held online coaching meetings to discuss further feedback.
<ul style="list-style-type: none">• Cook Islands• Samoa	On our behalf, SAI New Zealand is supporting these SAIs under their existing twinning arrangements to revise and update their communications strategies.

We are also following up with other SAIs to see if either further support is required to develop their communications strategies and operational plans.

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.

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:

- [Leadership](#) (July) – Five leadership competencies, effective communication during the pandemic and PASAI's leadership and communications programmes
- [The future of environmental auditing in the Pacific](#) (August) – PASAI training and resources to support SAIs to conduct performance audits on environmental issues, opportunities and challenges, and possible future audit topics for the Pacific
- [Responding to an emergency: SAI New Zealand's pandemic response](#) (September) – Using the CIMs model to create a COVID Response Team and lessons learnt during implementation.

The blog posts have been well received by SAIs and shared by other international organisations on their communications channels increasing global digital coverage, visibility and uptake. For example, the INTOSAI Journal retweeted all posts and the leadership post was featured in an [INTOSAI CBC newsletter](#).

We acknowledge SAI New Zealand's support in the preparation of material for the August and September blog posts.

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 Financial Statements of Government audits

We continue to provide support to SAIs that have a Financial Statements of Government (FSG) audit backlog – including Nauru, Papua New Guinea, Solomon Islands and Vanuatu. We are providing technical assistance to update the FSG audits for **Papua New Guinea** and **Solomon Islands**. Delays in both audits have been caused by the late and/or incomplete preparation of the FSGs by the Ministry/Department of Finance. We are supporting both SAIs to work through these issues.

A progress update is provided below:

Solomon Islands – The 2018 FSG audit commenced in May 2021 and is in progress with the support of a PASAI–UNDP consultant. The fieldwork is now complete with a focus on documentation and loading information into TeamMate for the review process. The review process and drafting of the management letter and audit opinion is expected to occur in October with tentative completion in November.

Papua New Guinea – The 2016 FSG audit management letter was sent to the Department of Finance (DoF) on 6 September to respond to various audit issues raised. The related audit opinion is expected to be issued in October. Furthermore, the 2017 FSG audit management letter will be sent to the DoF in October, with the audit opinion expected to be issued at the end of October. PASAI consultant, John Vila, has worked with the SAI to ensure the audits are completed and compliant with international audit standards. A high-level analytical review of the 2018 FSG has been completed and a list of audit issues has been sent to DoF. We are supporting the SAI to progress this.

Nauru – Progress is noted for the 2019 FSG audit which is in its final stages. The draft management letter was submitted to Treasury for review on 29 September. We will consider a consultant for the 2019–20 FSG audit if international border and travel restrictions ease.

Vanuatu – The audit for the financial years 2015–2017 has been completed and the final management letter and audit opinion is expected to be issued in October. SAI Vanuatu has received both the 2018 and 2019 FSG in June and July, and plans to perform the 2018 and 2019 FSG audits simultaneously. We are liaising with SAI Vanuatu for further support required for the 2018, 2019 and 2020 FSG audits.

Fiji – SAI Fiji continues to make progress on the audit of 2019 FSG accounts with the draft audit management letter issued to the Ministry of Economy in September. The 2019 FSG is scheduled to be tabled in Parliament in the September–October sitting of Parliament. The audit schedule was delayed by a cyber-attack on the Fiji Government's IT network (Govnet) and the second wave of the COVID-19 pandemic in Fiji resulting in the closure of the office with staff required to work from home. This created challenges in accessing records and documents to enable the successful and timely completion of the audit.

SAIs Cook Islands, Guam, Kiribati, Samoa, Tonga and Tuvalu are up to date with their FSG audits. Due to COVID-19 travel restrictions, the deadline for the 2020 FSG audits have been deferred to 30 December 2021 for SAIs American Samoa, FSM National, FSM Chuuk State, FSM Kosrae State, FSM Pohnpei State, FSM Yap State, Marshall Islands, Northern Mariana Islands and Palau.

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

In collaboration with the INTOSAI Development Initiative (IDI), we are delivering an 18-month programme to support eight SAIs to improve financial audit quality. This programme focuses on building SAI capacity to conduct FSG audits using ISSAI³ compliant audit methodology to ensure an effective, efficient and timely audit process. Participating SAIs will conduct an FSG audit for one financial year through this programme. This involves refining a SAI's methodology in the FSG audit for the financial year selected as well as developing a Quality Assurance peer review process for the audit.

SAIs Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu are participating in this programme.

We conducted an online workshop with **SAI Tonga** on 13–15 September. Attended by 10 participants (four female, six male), this workshop was jointly facilitated with IDI. Following the workshop, ongoing support is available and will be provided to SAI Tonga through our Learning Platform. The draft FSG is expected to be provided by the Tonga Ministry of Finance to SAI Tonga by December 2021, with the audit planned in January–February 2022 and a Quality Assurance peer review in July 2022.

Participants reported the training was highly effective in building their understanding of the concepts discussed – an average of 80% rated the course as ‘very’ and ‘extremely effective’ across course topics covered. Ninety per cent reported the course met their learning needs and 100% reported this course will help improve current or future job performance. High levels of satisfaction were reported with the subject matter expertise of our facilitators.

Achieving High Quality Audits – Financial, Compliance and Performance Audits

We are participating in the IDI PESA-P programme which started in August 2021, and focuses on building SAI capability to carry out high quality audits related to one of the three audit streams and demonstrating professional behaviour in the SAI context. We provide coordination support to participants in the Pacific region, as well as coaching support for SAIs who do not have senior officers to act as coaches and mentors in the programme. A total of 84 participants are registered in this programme from the PASAI region, as follows:

Audit stream	Number of participants	SAIs
Compliance Audit	30	Fiji, Kiribati, Papua New Guinea, Pohnpei, Samoa, Tonga, Tuvalu, Vanuatu and Yap (9 SAIs)
Financial Audit	37	Cook Islands, Fiji, Papua New Guinea, Pohnpei, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (9 SAIs)
Performance Audit	17	Fiji, Palau, Papua New Guinea, Pohnpei, Samoa, Tonga, Tuvalu and Vanuatu (8 SAIs)

Enhancing Quality Control and Quality Assurance systems

Work on our programme to strengthen SAI Quality Control (QC) and Quality Assurance (QA) systems continues from FY 2020–21. Nine SAIs are part of this programme – Guam, FSM National, FSM Pohnpei, FSM Yap, Palau, Papua New Guinea, Solomon Islands, Tonga and Vanuatu. Towards the end of September, we engaged the QA consultant that conducted our QC and QA workshops in March 2021 to help us follow up with participating SAIs.

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. Our programme activity progress is detailed below.

Strengthening SAI Performance – adoption of the SAI PMF

The SAI PMF is an international framework for self, peer or external assessment of a SAI’s performance against ISSAIs and other established best practices, and was adopted by INTOSAI in 2016. We are responsible for rolling out the SAI PMF assessment in the Pacific region.

At the beginning of the financial year, only three SAI PMF reports remained outstanding. The assessment for **Northern Mariana Islands** commenced in September 2019. It is in the final stage of the review process with IDI. Assessments for **American Samoa** and **Palau** commenced in June and July 2021 and are in progress.

To improve SAIs’ understanding of the SAI PMF tool and inform decisions on how to improve their performance, we held a workshop for North Pacific SAIs covering the Domains B (Internal governance and ethics), D (Financial management, assets and support services), E (Human resources) and F (Communications and stakeholder engagement).

The virtual workshop was held on 28–30 September and was attended by 17 participants (seven female, 10 male) from seven SAIs – FSM Chuuk, FSM National, FSM Kosrae, FSM Pohnpei, FSM Yap, Guam and Palau). In addition to a discussion of SAI PMF dimension, criteria and results, we held a ‘live’ panel discussion followed by a Q&A session between the panel members and participants.

Panellists included Allen Parker, Director of Audit, Cook Islands; Kelepi Makakaufaki, Director of Financial Audit Unit, Tonga Office of the Auditor General; Irina Springlewski, Manager SAI Governance, IDI and Sinaroseta Palamo-Iosefo, PASAI Director Practice Development. This course achieved an effectiveness rating of more than 90% in building participant understanding of the SAI PMF dimensions, criteria and results.

Human Resource Management Programme

SAIs must have a skilled workforce to deliver value and benefits to the lives of citizens through effective and impactful audits. The availability of competent staff with the right skills is critical to a SAI’s ability to deliver its mandate⁴. Globally, SAIs face continued challenges in this area – with more than 70% of SAIs reporting a shortfall of adequate staffing levels and key staff competencies⁵.

To address this situation, we are collaborating with the Swedish National Audit Office (SNAO) and AFROSAI-E to co-deliver a virtual training programme on Human Resource (HR) Management for SAIs in the Pacific region. The programme started on 26 August 2020 and consists of online workshops and coaching targeted to meet the specific requirements of Pacific SAIs. Expected outputs for participating SAIs included the development of an HR Strategy and Operational Plan.

Sixteen SAI staff (seven female, nine male) from six SAIs are participating in this programme.

SAI	Programme activities this quarter
<ul style="list-style-type: none"> • Fiji • Kiribati 	Finalised their HR strategies and operational plans in July and August 2021 respectively and are now working to implement the activities outlined in their operational plans, including developing a competency framework.
<ul style="list-style-type: none"> • FSM Yap 	The HR strategy was finalised in June 2021. During this quarter, programme facilitators reviewed the SAI’s HR operational plan, which was finalised on 29 September. It is now working to implement the activities outlined in its operational plan, including developing a competency framework.
<ul style="list-style-type: none"> • FSM National • FSM Pohnpei • Papua New Guinea 	Continue to progress the development of their HR strategies and operational plans.

We recently held meeting with SNAO to review programme progress and plan next activities to support participating SAIs.

Introduction to Environmental Auditing and SDG training workshop

In collaboration with the INTOSAI Working Group on Environmental Auditing (WGEA), we delivered a two-day virtual workshop on Environmental Auditing on 29–30 July. The workshop provided a high-level introduction to key concepts of environmental auditing and the Sustainable Development Goals (SDGs). Aimed at equipping auditors with the information to integrate the SDGs into their organisational planning and auditing, the sessions included information on how SAIs can approach and contribute to the follow-up and review process of SDGs by examining relevant audit cases and examples of cooperative audits from around the world.

Course material included pre-recorded videos by Dr Vivi Niemenmaa (Secretary General, INTOSAI WGEA) and ‘live’ Q&A sessions with Sinaroseta Palamo-Iosefo (Director Practice Development, PASAI) and Jonathan Keate (Senior Solicitor Sector Manager, Office of the Auditor-General of New Zealand). The workshop was attended by 56 participants (38 female, 18 male) from 14 SAIs (American Samoa, Australia, Fiji, French Polynesia, FSM

⁴ Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution (SAI) https://www.intosaicbc.org/wp-content/uploads/2019/09/4.-Guide_Pathways-for-Professional-Development-of-Auditors-in-SAIs.pdf

⁵ IDI Global Stocktaking report 2020

National, FSM Chuuk, FSM Kosrae, FSM Pohnpei, Guam, Kiribati, New South Wales, New Zealand, Northern Mariana Islands and Tonga). More than 90% of participants rated the workshop as being highly effective in building their understanding of environmental auditing concepts covered.

Leadership Programme

We launched the 2021–2022 SAI Head Leadership Programme on 24 June at the 23rd PASAI Congress with the theme *Impact through Leadership*. The goal of the programme is to increase executive leadership skills in the Pacific region and to enable effective leadership of SAIs to have greater impact and deliver higher quality outcomes.

Delivered by Beasley Intercultural Pty Ltd over 18 months, this programme is open to all SAI Heads in our region and to a limited number of established second-tier SAI leaders. Broad topic areas covered include organisational leadership, responding to political change, people management, establishing an inclusive organisational culture and stakeholder engagement. Training material and discussions are customised to the needs of SAI Heads in the Pacific region.

The online programme consists of 2–3 hour long monthly workshops and facilitated small group coaching sessions for 1.5 hours building on the teaching programme and involving a maximum of six participants. The first virtual workshops were held on 4 August and 1 September followed by group coaching sessions. Thirty-two SAI Heads and established second-tier leaders identified as likely future SAI Heads (nine female, 23 male) from all 20 SAIs in PASAI's Polynesian, Melanesian and Micronesian subregional member groups are participating in this programme.

IDI Transparency, Accountability and Inclusiveness (TAI) Audit Programme

The TAI audit is an IDI global programme, which started in June 2021. SAIs **Solomon Islands** and **Tuvalu** are participating in this programme and are auditing a selected topic based on their country context and priorities. SAI Solomon Islands is auditing 'emergency public procurement' and SAI Tuvalu is auditing 'socio-economic packages'. We are providing mentoring support to the audit teams with a staff member from SAI Tonga.

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 also partner with other agencies to deliver capability development initiatives to the Pacific region.

Our staff attended the 2021 Pacific Financial Technical Assistance Centre (PFTAC) Steering Committee Meeting held on 1–2 July. We also attended the launch of the IDI Global Stocktaking SAI Report 2020 on 16 September and the following sessions of the 14th INTOSAI-Donor Cooperation Steering Committee (IDSC) Meeting:

- Session 1 – GCP T2: Recipe for Success – Cultivating an environment for SAI capacity development in Fragile States (20 September)
- Session 2 – Leaving No SAIs Behind (21 September)
- Session 3 – How can we improve support to SAIs based on findings from the Global SAI Stocktaking Report 2020? (22 September)
- Session 4 – Coordination – A key pillar in building resilient SAIs (24 September)
- Session 5 – Responsive SAIs – How can SAIs be responsive to Emerging Trends (27 September).



PFTAC Steering Committee meeting – Session 2

Providing a Pacific perspective

Our Chief Executive, Esther Lameko-Poutoa was a panel member in Session 2 – Leaving No SAIs Behind. Other panellists included Ola Hoem, (Deputy Director-General, SAI Governance Unit, IDI), Camilla Fredriksen (Manager Global Foundations Unit, IDI) and Suzanne Wille (European Commission).

Kerry Crawford (Global Foundations Unit, IDI) moderated the panel discussion and focused on challenges faced by SAIs to access support, our efforts as a regional organisation to ensure that Pacific SAIs are able to get support, and what IDSC could do differently to support SAIs.

Esther discussed the critical role of audit independence to enable SAIs to deliver on their mandate by providing an independent and objective assessment of public expenditure and related processes to improve performance, enhance transparency and accountability and ensure the effective use of public resources for the benefit of their citizens.

In the Pacific region, SAIs need further development on only three of the eight pillars of independence outlined by INTOSAI in the *Mexico Declaration of the Independence of SAIs (2007)* – in particular financial independence, appointment of the Auditor-General and follow up on audit recommendations.

Legislative reform and consultation are required to achieve this, including getting an Act approved in Parliament. Our legal experts provide technical support to SAIs to enable this. In addition, we train SAIs to present on audit independence and the role and value of public audit offices to their Parliament, Public Accounts Committee (PAC) and other key decision makers. We also work with SAIs to advocate about independence and how to achieve this. This support is currently being provided to our member SAIs remotely due to travel restrictions in the islands. Esther concluded that audit independence is vital to establish the credibility, public confidence and trust in the work of public audit offices.

International collaboration

We collaborate with regional and international organisations and SAIs to lift the capability and capacity of our member SAIs. We are working with **IDI** deliver the IDI PESA-P and TAI audit programmes. We are also partnering with **SNAO** and **AFROSAI-E** to deliver our Human Resource Management programme, and with **SAI New Zealand** to deliver key elements of our Communications Programme – in particular, Report Writing and Interpersonal Communications.

Governance matters

Our 27th Governing Board meeting and 12th Annual General Meeting was held on 10 September. We presented our Annual Report 2020–21, audited financial statements and management report to our Governing Board and then to our members at the AGM.

At the Governing Board meeting, members discussed the issue of SAI independence. We resolved to work with development partners and regional leaders to advocate for strengthened SAI independence to complement the efforts of our members.

Agenda items also included the findings and recommendations from the assessment of the technological setup of 20 PASAI members and an update on the implementation of the Monitoring, Evaluation and Reporting Framework to meet external and internal reporting requirements.

One of the reporting requirements in New Zealand is for PASAI to include in our annual report a 'Statement of Service' performance to comply with the PBE FRS 48 accounting standard. To facilitate this, we have finalised a performance reporting framework and revised set of performance indicators. This will form the basis of our performance reporting beginning from the current financial year.

The 28th Governing Board meeting is scheduled for 26 November.

Secretariat news

Recruitment and staffing

Our revised organisational structure was confirmed by our Governing Board in February 2021, with the provision for two new Programme Director roles. The Directors will be based in SAIs in the North and South Pacific to strengthen our regional representation and enable targeted support to SAIs in the region.

A region-wide recruitment process commenced in April 2021 and was finalised in August 2021. Doris Flores Brooks will be based in Guam as our new Director (North). Ms Flores Brooks is a Certified Public Accountant, former Guam Senator, university lecturer and as the former Public Auditor of Guam, is certainly no stranger to PASAI. She has also served as the Chair of PASAI's Governing Board from 2013 to 2014. Doris started in her role on 27 September 2021.

Meresimani Vosawale-Katuba will be based in Fiji as our new Director (South) and will join us on 4 October 2021. Ms Vosawale-Katuba has 13 years of audit and management experience in SAI Fiji, with her most recent role being Manager Performance Audit Services. She has established and led SAI Fiji's Quality Assurance Unit. She was recently on a global panel of QA reviewers for the INTOSAI Development Initiative / ASEAN Supreme Audit Institutions Financial Co-operative Audit.

We welcome our new Directors and look forward to drawing on the diverse talent and experience of our team to serve our member SAIs and strengthen accountability, transparency and good governance in the Pacific region.

Other news

Due to the spread of COVID-19 Auckland has been in lockdown from 18 August. During this time our Auckland-based Secretariat team is working remotely from home and following relevant Ministry of Health advice and guidelines.

