



PASAI Quarterly Report

Pacific Association of Supreme Audit Institutions

July – September 2022



Training



Communications and reporting



Other

➔ 6 workshops

- Leadership (2)
- Stakeholder engagement (3)
- HR Management (1)

➔ 5+ SAI-level coaching sessions

- Development and implementation of Communications Strategy – SAI **FSM National**
- Leadership (1)
- HR Management - SAIs **Marshall Islands, Solomon Islands and Tuvalu** (3)

➔ 89 social media posts

➔ 92 more followers (on Facebook, LinkedIn and Twitter)

➔ 3 blog posts • media releases

➔ 3 reports to external stakeholders (incl. our Annual Report 2021–22)

➔ 1 newsletter

- SAI country visit to **Solomon Islands** including advocacy for independence
- In-country support for financial audit for SAI **Vanuatu**
- Completed a Strategic Plan for SAI **Northern Mariana Islands**
- Participation in global programmes: IDI **PESA-P** and **TAI audit**
- Participation in **Forum Economic Ministers Meeting**
- Presentation at **ACPAC Conference** and IDI **SPMR Regional Guidance Workshop**
- Regional representation in IDI **Auditing for Impact** and **TOGETHER** initiatives

Programme delivery by SAI

<p>Melanesia Fiji</p>  <p>SP1</p> <ul style="list-style-type: none"> • Independence discussions <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme • PESA-P programme 	<p>Papua New Guinea</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP3</p> <ul style="list-style-type: none"> • Technical assistance to update FSG audit <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme • PESA-P programme 	<p>Solomon Islands</p>  <p>SP1</p> <ul style="list-style-type: none"> • SAI country visit • Independence advocacy <p>SP2</p> <ul style="list-style-type: none"> • Support SAI workshop with CSOs • Stakeholder engagement workshops <p>SP3</p> <ul style="list-style-type: none"> • Technical assistance to update FSG audit <p>SP4</p> <ul style="list-style-type: none"> • Financial audit support • TAI Audit programme • SAI Head leadership programme • HRM Programme • Information Technology programme • PESA-P programme 	<p>Vanuatu</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP3</p> <ul style="list-style-type: none"> • Financial audit in-country support <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • PESA-P programme 	<p>Micronesia Chuuk</p>  <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme
<p>Guam</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme 	<p>FSM National</p>  <p>SP2</p> <ul style="list-style-type: none"> • Comms strategy, operational plan and process doc technical assistance • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Monitoring and reporting programme • Information Technology programme 	<p>Kiribati</p>  <p>SP1</p> <ul style="list-style-type: none"> • Audit legislation technical assistance <p>SP4</p> <ul style="list-style-type: none"> • Strategic planning technical assistance • SAI Head leadership programme • PESA-P programme 	<p>Kosrae</p>  <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme 	<p>Marshall Islands</p>  <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • HRM Programme
<p>Nauru</p>  <p>SP1</p> <ul style="list-style-type: none"> • Independence discussions <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme 	<p>Northern Mariana Islands</p>  <p>SP4</p> <ul style="list-style-type: none"> • Strategic planning technical assistance • SAI Head leadership programme 	<p>Palau</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • PESA-P programme 	<p>Pohnpei</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Monitoring and reporting programme • PESA-P programme 	<p>Yap</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme
<p>Polynesia American Samoa</p>  <p>SP4</p> <ul style="list-style-type: none"> • Strategic planning technical assistance • SAI Head leadership programme 	<p>Cook Islands</p>  <p>SP1</p> <ul style="list-style-type: none"> • Independence discussions <p>SP2</p> <ul style="list-style-type: none"> • Communications strategy coaching <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme • PESA-P programme 	<p>Samoa</p>  <p>SP2</p> <ul style="list-style-type: none"> • Communications strategy coaching • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme • PESA-P programme 	<p>Tonga</p>  <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • Information Technology programme • PESA-P programme 	<p>Tuvalu</p>  <p>SP2</p> <ul style="list-style-type: none"> • Stakeholder engagement workshops <p>SP4</p> <ul style="list-style-type: none"> • SAI Head leadership programme • HRM Programme • PESA-P programme

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 and communications

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. 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

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 one-on-one, interactive virtual workshops with our member SAIs, we are focusing on providing support to SAIs on legislative reform and to develop their independence strategies mapping out steps to strengthen audit independence. We are also carrying out in-country visits to support SAIs with the above activities and to ramp up our advocacy work.

With SAIs **Cook Islands** and **Nauru**, we have discussed options to develop independence strategies so that steps to progress independence gaps are identified and followed. An in-country visit to SAI Nauru is planned in October to support this work.

Discussions were held with SAI **Fiji** on its progress. With Parliament's last sitting scheduled for the last week of August, we discussed its plans to re-submit proposed amendments following elections and the formation of the new government. SAI **Vanuatu** has also indicated that it will re-submit proposed amendments when its new government is voted in.

Kiribati Audit Act review – TA legal support

The Kiribati Auditor-General reviewed draft legislative amendments developed by our consultant, and documents related to the Kiribati Audit Act review and related legislation. Following discussions, the consultant agreed to focus on revising and proposing amendments to the Kiribati Audit Act only (and not the Constitution), in particular to strengthen financial and organisational independence, and provisions related to the appointment and removal of the Auditor-General. The proposed Audit Bill is expected to be tabled in Parliament in November or December 2022. This work has been conducted remotely and we are planning a trip to Kiribati in January 2023, pending confirmation from the SAI.

In-country advocacy visit: SAI Solomon Islands

Our Chief Executive and Director South visited SAI Solomon Islands from 26 to 30 September. The aim of this visit was to assist the SAI in its independence journey through proposed amendments to its legislation.

Our team met with key stakeholders from Parliament, the Public Service Commission, the Ministry of Finance and the Chamber of Commerce and Industry. Our team held discussions about how to strengthen SAI operational and financial independence, success stories and models from the Pacific region and explored the local context and challenges to achieving or maintaining SAI independence. Other focus areas during our visit included learning about SAI priorities and challenges.

Our team made courtesy call visits to MFAT and DFAT offices, holding discussions about the importance of governance, clearing the backlog of FSG accounts and audits and the support being provided in this area. Visits were also made to the offices of Transparency International and the Institute of Solomon Island Accountants.

Our team attended a workshop organised by IDI and SAI Solomon Islands with civil society organisations (CSOs). As a member of the discussion panel, our Chief Executive presented on the need for SAI independence. Attendees shared the need for greater access to information about the SAI, including simplified audit reports and summaries of audit findings which CSOs can use to raise awareness about issues.



Left to right: David Dennis, Auditor-General; Heston Rence, Public Accounts Committee (PAC) Secretariat; Esther Lameko-Poutoa, Chief Executive, PASAI; and Hon Douglas Ete, Chairman of PAC



Attendees of the CSO workshop listen while Ruth Liloqula, CEO of Transparency International Solomon Islands, speaks

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.

Accountability and Transparency Study

Data collection is well underway and the final review and sign off of the report is expected in January 2023.

PASAI Communications Programme

This programme consists of workshops, coaching sessions and technical assistance 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.

Communications Strategy – SAI-level support

SAI	Programme activities this quarter
<ul style="list-style-type: none"> • FSM National 	<p>We provided technical assistance to SAI FSM National in September to develop its Stakeholder Engagement Strategy, Operational Plan/Calendar and other policy and process documentation to build the capability of the SAI's communications functions.</p> <p>This work is on track, with approval of final deliverables expected in early October.</p>
<ul style="list-style-type: none"> • Cook Islands • Samoa 	<p>On our behalf, SAI New Zealand is supporting these SAIs under their existing twinning arrangements to revise and update their communications strategies, and has met with each SAI in online coaching sessions. This work is in progress.</p>

Stakeholder Engagement Workshop

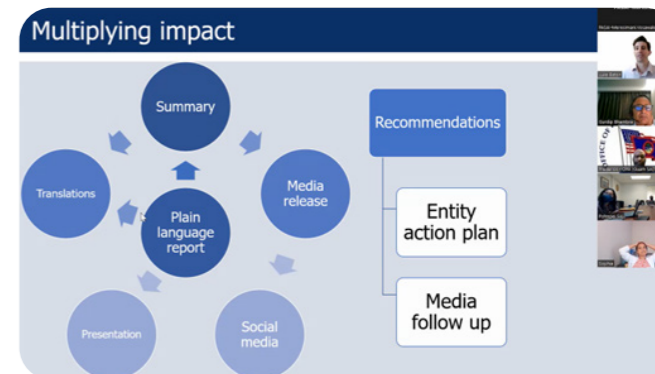
We delivered a virtual, regional workshop on Effective Stakeholder Engagement in July. This training extended on UNDP–PASAI PFM workshop discussions in May, highlighting the need and value of SAIs partnering with civil society organisations (CSOs) and citizens to create greater understanding of a SAI's role, its work, and values and benefits to society.

Our workshop focused on how to effectively engage with key stakeholders to communicate audit findings, recommendations, follow up and impact - including the Legislature, Executive, Judiciary and CSOs and citizens. A special focus was placed on engagement with CSOs and citizens, with applied training on how to distil complex audit findings into citizen-friendly reports.

The course outline included discussions of theory, and practical tasks to embed learning, as well as knowledge and best practice sharing from the Pacific region. Panel speakers included Siotame 'Drew' Havea (Civil Society Forum of Tonga) and Kelepi Makakaufaki (Deputy Auditor-General, Tonga), who spoke about how SAIs and CSOs can work together and the benefits of doing so. We also heard about SAI Tonga's experience of preparing for a recent CSO workshop and next steps in its CSO engagement journey. Guest speaker Michelle Deans (Senior Writing Coach, SAI Victoria) shared effective writing and presentation tips.

We launched the **PASAI Stakeholder Engagement Toolkit** containing templates and other supplementary material to support SAIs in this area. We are committed to mainstreaming gender in our work programme and covered how language can help create an inclusive work environment and increase engagement with SAI communications.

Attended by 40 staff (24 female, 16 male) from 10 SAIs, the workshop achieved a 100% overall satisfaction rating for meeting participant learning needs and improving their current/future job performance. The PASAI Stakeholder Engagement Toolkit was well received with 100% of participants agreeing (27%) and strongly agreeing (73%) that the Toolkit was useful in their preparation to engage with their key stakeholders.



Screenshots from the second of three days of workshops on Effective Stakeholder Engagement

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:

- [Applying best practice to our evolving learning delivery \(August 2022\)](#) – explores our approach towards developing our online courses in compliance with international standards and best practice.
- [The importance of strategic planning and alliances in creating audit impact \(September 2022\)](#) – explains the importance of selecting audit focus areas that are relevant and beneficial to citizens.
- [Reflections on seven years at PASAI \(September 2022\)](#) – former PASAI Chief Executive and Director, Tiofilusi Tiueti, recounts the challenges and triumphs over his years at the Secretariat.

Other international organisations have shared the blog posts on their communications channels increasing global digital coverage, visibility and uptake. For example, INTOSAI published a link to our first September blog post on its [CBC website](#).

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 are providing a consultant to SAIs **Papua New Guinea** and **Solomon Islands** – their 2018 FSG audits are in progress, and will be used in the PASAI-IDI Financial Audit FSG ISSAI Compliance programme.

SAIs **Nauru** and **Vanuatu** have recruited independent consultants to assist them with FSG audits for 2019–20 and 2018–19 FSG audits respectively. There is slow progress with resolving the audit backlog of the above four SAIs. This is due to delays in resolving management letter issues, audit adjustments and the subsequent signing of the accounts with the Departments or Ministries of Finance.

SAIs Cook Islands and Fiji have also experienced delays in the 2020 FSG audits. SAI **Cook Islands** is planning to audit FSG for 2020 and 2021 at the same time. However, the financial statements for both years are not ready. The SAI **Fiji** 2020 audit is in progress and is expected to be completed by October 2022.

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. Participating SAIs include Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu. We have now progressed to conduct the QA review of the FSG audits that have been completed.

Enhancing Quality Control and Quality Assurance systems

Our programme to conduct review of the financial audit practices of selected SAIs is now in progress. We have planned the process of documenting any review of the financial audit process starting with the countries that we will be visiting. Criteria used in the review will be a combination of the PEFA indicators for audit coverage and standards as well as Domain C, indicators SAI-9 to SAI-11 of the SAI PMF framework. The first SAIs to participate in this programme will be those in **Solomon Islands** in September and **Samoa** in December 2022.

IDI Transparency Accountability and Inclusiveness (TAI) audits

This is an IDI-facilitated global cooperative compliance audit on the use of emergency funding in response to health and socio-economic crises caused by COVID-19. IDI and PASAI are collaborating with SAIs Solomon Islands and Tuvalu to work on the TAI Audits.

Solomon Islands is auditing 'emergency public procurement supplies by Ministry of Health and Medical Services (MHMS)'. This audit is still in progress.

Tuvalu has completed the audit of the COVID-19 Socio-Economic Packages paid by Ministry of Finance, and submitted the report to Parliament in June 2022.

Financial Audit Support

We are providing technical assistance support to SAI **Solomon Islands** to ensure that its audits are of high quality, including those outsourced to private audit firms. We are also providing support to SAI **Vanuatu** for financial audit. In July, our Director South completed an in-country visit to SAI Vanuatu in to assist the audit team in completing a financial audit in line with ISAs by reviewing and walking through sample working papers and the audit programme for key sections.

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

Twenty-nine SAI Heads and established second-tier leaders identified as likely future SAI Heads (8 female, 21 male) from all 20 SAIs in PASAI's Polynesian, Melanesian and Micronesian subregional member groups are participating in this programme. Workshops and group coaching sessions are used to build SAI Leadership capability.

Phase 1 of this programme has now concluded, and the final workshop and coaching sessions were held in July 2022. In the final workshop and subsequent coaching session, attendees participated in a reflective process through a *tok stori*, *storian* or *talanoa* process. Discussions revolved around reflections, group norms, the leadership development journey, and subjects or areas participants might like to focus on in future.

Phase 2 of the programme started with the first of three Community of Practice sessions on 6 September. It provided an opportunity for SAI leaders to discuss the issues arising and actions needed by SAIs related to the webinar delivered by SAI New Zealand on 19 July 2022 titled "Building strong national integrity systems".

SAI Performance Measurement Framework (PMF)

During this quarter we made progress with the **SAI Palau SAI-PMF report**. The IDI review is in progress.

Our **regional report on SAI performance** summarising the results of our twenty participating SAIs has been completed, and is being prepared for publication in November.

Human Resource Management programme

In collaboration with the Swedish National Audit Office, we continued the delivery of our HRM programme to SAIs **Marshall Islands**, **Solomon Islands** and **Tuvalu**.

This programme will continue to December 2022, and this quarter included seven online workshops and three coaching sessions to support SAIs to develop their HR strategies and operational plans. Six SAI staff (3 female, 3 male) are participating.

Monitoring & Reporting Programme

Our consultant is working with SAIs **FSM National** and **FSM Pohnpei** to develop an effective performance monitoring and reporting system for them.

Strategic Planning support

We provide technical assistance support to SAIs who require the development of a strategic plan and operational plan. Following on from the completion of projects with SAIs Kiribati and Papua New Guinea, we supported the following SAIs in the June–September quarter:

SAI	Project status
American Samoa	In progress – we had online meetings with the consultant and Head of SAI to discuss plans and arrangements for the in-country strategic planning workshop.
Northern Mariana Islands	Completed – the consultant completed a new strategic plan 2022–2026, an operational plan for 2022–23 and a monitoring and evaluation framework to track progress against the strategic plan.

Professional Education for SAI Auditors Pilot (PESA-P) programme

PESA-P is a global, professional certification programme delivered by the IDI, covering the three audit streams – compliance, financial and performance audit. PASAI provides coaching support for participating SAIs with limited senior staff.

This quarter the PESA programme modules and activities were completed on 15 July with 53 staff (69%) from 11 SAIs¹ who completed the requirements and are eligible to sit the PESA-P exams in September 2022. The Secretariat supported our member SAIs by paying the exam fees for the 53 eligible staff. We also liaised with IDI and SAIs on exam arrangements and venues.

Information Technology (IT) programme

The teammate project with eight SAIs (Cook Islands, Fiji, FSM National, Guam, Papua New Guinea, Samoa, Solomon Islands and Tonga) is in progress, and all updates have been completed. Our work to identify and select an alternative audit software solution is in progress.

Twinning arrangements

SAIs Kiribati and Nauru have written to the three co-twin partners, the Australian Capital Territory, Tasmanian and Victorian audit offices, to re-establish their twinning partnership. We await further actions from the Australasian Council of Auditors-General (ACAG) members and will work with the ACAG Secretariat to coordinate support required to progress these renewed partnerships. Other active twinning arrangements include SAI New Zealand with SAIs Cook Islands and Samoa.

¹Cook Islands, Fiji, FSM Pohnpei, Kiribati, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

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.

Our Chief Executive delivered a presentation on the topic of 'The Importance of SAI audit independence in the Pacific Island countries' at the **Australasian Council of Public Accounts Committee (ACPAC) Conference**, held from 21 to 22 July.

On 11 and 12 August, our Chief Executive participated in the **Forum Economic Ministers Meeting (FEMM)** in Port Vila, Vanuatu.

International collaboration

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

From 28 to 30 September, our Director Practice Development attended the three-day **IDI SPMR Regional Guidance Workshop**. Attended by representatives from all INTOSAI Regions, the workshop aimed to capture reflections and shared experiences on strategic management practices both at the regional and SAI levels. Workshop discussions will be used to develop a Regional Guidance Note, which will serve as a regional reference document on strategic management to be used to benchmark and improve their own governance and to benefit member SAIs.

Our Director Practice Development is involved in the **IDI TOGETHER initiative** as PASAI resource person. With a focus on human resources, ethics and gender for SAIs, IDI will pilot this initiative in three INTOSAI English speaking regions – AFROSAI-E, EUROSAI and ASOSAI in September 2022. The pilot is expected to run to mid-2023. IDI will roll-out this initiative in the remaining regions at a later stage.

Our Director South participated as PASAI resource person in **IDI Auditing for Impact initiative** project meeting in August. She is working with IDI and three other members on drafting an **Auditing for Impact Playbook**. This guide is designed to assist smaller as well as larger SAI offices reach their strategic audit goals by using different 'plays' or strategies of what has worked well for other SAIs globally. It will complement handbooks which are more process oriented with templates and illustrations.



Our Director of Practice Development presents on strategy implementation at the workshop

Governance matters

We held our 31st Governing Board meeting online on 23 September. We presented a report which included the progress of work in achieving the PASAI Strategic Plan 2014–2024 for July and August 2022.

The Director, Monitoring, Evaluation and Reporting (MER) presented on how each internally and externally reported indicator of our Performance Reporting Framework aligns to one of our five strategic priorities. She explained the achievements for the year ended 30 June 2022 against the annual targets.

The Governing Board endorsed the Annual Report and Financial Statements for presentation at the Annual General Meeting of PASAI Incorporated, held later the same day.

Agenda items also included endorsement of a project plan to develop PASAI's next Strategic Plan, with work beginning at the Governing Board's next meeting set for 24 and 25 November 2022.

We published the [Annual Report 2021–22](#) on 29 September 2022.

