



# PASAI Update

*Pacific Auditors working together*

## Career path training

It has been an adventurous month of training, with rescheduling required due to typhoon rage in Pohnpei. Fortunately there was no reports of fatalities from the typhoon, damage limited to fallen trees. But, most importantly, we were able to deliver the scheduled training! This is the first tier training that has been hosted by the Office of the National Public Auditor of the Federated States of Micronesia (FSM).

The Tier 3: Supervisory Roles in Government Auditing training was held on 13–18 May 2015 in the State of Pohnpei, FSM. Initially 14 participants from Guam, FSM States of Pohnpei, Kosrae, Chuuk and the Office of the National Public Auditor FSM were registered for the training. However, the typhoon had other ideas and the participants from Guam and Chuuk were unable to attend.

The PASAI Director of Practice Development, Sina Palamo-Iosefo, was assisted by two facilitators from the hosting SAI and one facilitator each from the Samoa Audit Office and the Office of the Auditor General of Fiji. Participants were introduced to the INTOSAI Standards of Supreme Audit Institutions (ISSAIs) framework ([www.issai.org](http://www.issai.org)) as well as the risk-based approach to financial auditing (RBAFA). They worked through case studies and exercises to gain insights on how supervisors perform their duties during the different stages of the audit process. The training provided a valuable opportunity for the participants to understand the supervisor's role in financial and performance auditing.



**Tier 3 - Supervisory Roles in  
Government Auditing  
Training**

**May 13-18, 2015  
Pohnpei, Federated States of Micronesia**



*"... it is important for participants to transfer their new knowledge to their daily audit responsibilities."*

## Career path training (cont)

Mr Nikola Pejic, the Second Secretary and Consul at the Australian Embassy in Pohnpei, closed the training and presented certificates to the participants. Mr Pejic's closing remarks emphasised the importance of participants transferring their new knowledge to their daily audit responsibilities. Feedback from participants echoed their appreciation for the opportunity to develop new supervisory skills and enhance existing skills.

The Secretariat will continue to take tier trainings out to member SAIs. Every training hosted by a SAI provides different challenges and opportunities for both the Secretariat and the hosting SAI. Experience from the trainings hosted by SAIs has shown this approach to be beneficial and cost-effective for the host in terms of developing professional staff as well as developing support staff who are generally responsible for logistical arrangements for the training. Support staff need to develop additional skills to assist audit staff to carrying out their responsibilities. The training needs of support staff and issues identified from the training will be considered by the Secretariat in its future capacity development programs.

## Nauru Department of Audit — new designated title

Mr Manoharan Nair, who has been the Director of Audit for the Nauru Department of Audit for several years, has a new designated title of Auditor General effective 12 May 2015. The Parliament of Nauru amended the Audit Act 1973 accordingly.



## **Risk-based financial audit training workshop trialled by PASAI & the World Bank**

The SAls of Kiribati, Tuvalu, Tonga, Vanuatu and Samoa are responsible for auditing the financial statements of the Aviation Investment Project Offices established to manage the World Bank's Pacific Aviation Investment Project in each of these countries. The Tonga Airports Limited is project managing this regional project on behalf of the World Bank and established a division called the Technical and Fiduciary Services Unit, to support each project office.

As part of their audit processes, the SAls of Kiribati, Tonga and Tuvalu review, inspect and assess internal controls and records at the Technical and Fiduciary Services Unit to ensure the costs shared among the project offices are as stated in their financial statements. Earlier this year, the participating SAls recognised the value of working together to create efficiencies and to share knowledge about the client and the accounting system they use. The PASAI Secretariat worked with the World Bank to trial a training workshop for public sector auditors from the SAls of Kiribati and Tuvalu to apply theoretical and technical knowledge to a real-life financial audit. This opportunity also met PASAI's Strategic Priority 3 to conduct 'high-quality audits completed by Pacific SAls on a timely basis'.

The PASAI Director Technical Support, Agnes Aruwafu, coordinated and delivered this workshop in Tonga from 18–22 May 2015 with the assistance of Technical Advisor from SAI Tuvalu Mr Tony Precvich who joined the auditors at the client for last two days of the audit.

Feedback from the participants was very positive and they were able to embed some of their learnings about risk-based approaches to financial statement audits according to International Standards of Supreme Audit Institutions (ISSAIs).



Participants from the Tuvalu, Kiribati and Tonga SAls at the workshop in the Tonga Audit Office Conference Room, May 2015

The PASAI Secretariat wrote an evaluation report for the World Bank and included recommendations on how to refine and improve the design of the workshop. It is proposed to conduct a second workshop for the Tonga SAI and the Samoa SAI, which are due to conduct the audit as part of their financial statements due by 31 December 2015. Depending on the success and lessons learned from this second workshop, it is envisaged that a third workshop may be conducted in 2016 for the Vanuatu, Kiribati and Tuvalu SAls, for their financial statements due on 30 June 2016.

PASAI acknowledges the support of World Bank for this trial workshop and looks forward to a continued collaborative working relationship.

PASAI also would like to acknowledge the Tonga Audit Office for making their conference room and facilities available for the workshop.

For more information about this program, contact Agnes Aruwafu, Director Technical Support at [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

# Third Accountability and Transparency Study now under way

The Accountability and Transparency (A&T) Report is one of PASAI's key publications. It provides an independent view of accountability and transparency in the Pacific region, which can be used as a basis for communicating with the region's governments and broader advocacy about the role of SAIs.

The Governing Board approved terms of reference for the 2015 project at its meeting in February. The project will build on the 2011 A&T Report, but focus only on three areas of interest:

1. SAI independence
2. Budget scrutiny
3. Ethical behaviour and good governance

The 2015 study will also follow-up on the findings and the recommendations of the 2011 study.

As in 2011, the study involves data gathering at two levels. The first level is a questionnaire on the focus topics, which has now been distributed to all PASAI member organisations for completion by mid-June. The second level is a series of in-depth studies in selected countries. The Governing Board selected seven countries to be visited: Cook Islands, Fiji, Tuvalu, Marshall Islands, Kiribati, New Caledonia and Vanuatu. With one exception, these countries were not visited in the previous study. The Board considered them representative of the main regional groupings within PASAI, as well as the different constitutional systems found in the region.

The country visits are now under way, and are being carried out by the project consultants Aolele Su'a Aloese and Craig Neil, together with PASAI's Asian Development Bank-engaged consultants Robert Buchanan and Claire Kelly. PASAI is grateful for the ADB's assistance in making them available for this project.

Communications are an inherent part of the project plan. The project team is assisting SAI Heads to communicate with stakeholders in relation to the project, in particular the in-depth country studies. A communications strategy and plan will be developed for the published report, which is expected to be presented to the 2015 Congress in Vanuatu.

## CALENDAR

### THE NEXT SIX MONTHS

22 June to 3 July 2015:  
Cooperative Procurement Audit  
Design Planning Meeting, Oslo,  
Norway

13–16 October: PASAI 18th  
Congress, Port Vila, Vanuatu.

### FURTHER INFORMATION

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