

Pacific Association of Supreme Audit Institutions (PASAI)

Status of the Pacific Regional Audit Initiative (PRAI) - October 2010

PASAI Mandate and Objectives

PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific.

PASAI contributes to that goal by helping its member SAs improve the quality of public sector auditing in the Pacific to uniformly high standards.

To that objective, PASAI's mandate is to strengthen understanding, co-operation and coordination between its members by advocating the interest in good governance and build and sustain auditing capacity while assisting its members to perform their auditing functions. It also serves as a regional working group of INTOSAI and encourage co-operation with other regional working groups.

PRAI

The Pacific Regional Audit Initiative (PRAI) is a Pacific Plan initiative.

The PRAI's overarching objective is to raise Pacific public auditing to uniformly-high standards.

This in turn is expected to improve transparency and accountability in managing and using public resources.

Capacity Development Program

The draft of the first of the manuals and training materials to be produced under this program has been completed. The draft *Human Resources Management Manual (HRM)* was sent to the manual champion Mr Pohiva Tuionetoa (Tonga Auditor General) for review on 31 October 2010.

The Secretariat acknowledges the work of the members of HRM Working Group namely:

- Mr Haser Hainrick, National Public Auditor of the Federated States of Micronesia (FSM) and leader of the group;
- Mr Stoney Taulung, Public Auditor, Kosrae State (FSM);
- Ms Sinaroseta Palamo-Iosefo, Audit Manager, Samoa Audit Office; and
- Ms Margaret Numanga, Audit Manager, Cook Islands Audit Office.



HRM Manual Working Group with Elizabeth Tommy (Technical and Methodology Advisor) at the mid point meeting, 23—27 August 2010, Auckland, New Zealand

The progresses of the other manuals are as follows:

- Financial Audit Manual (FAM) - The draft manual is being reviewed by the Technical and Methodology Advisor (TMA). A technical review of the manual is being arranged.
- Performance Audit Manual (PAM) - The PAM Working Group is yet to have its mid-point meeting thus members are still developing their respective sections of the manual. The group meets in Nadi 8 to 12 November 2010.
- Tier 2 Intermediate Government Auditing Training Material - The draft training material is being reviewed by the Capacity Building Advisor (CBA).
- Tier 3 Supervisory Roles - Training Material - The draft training material is being developed by the Tier 3 Working Group with the assistance of the CBA.

A second Capacity Building "Kick-off" Conference scheduled for 15-19 November, 2010 will prepare the working groups in developing the other four manuals and training materials including: Quality Assurance Guidelines; Reporting Guidelines; Tier 1 Fundamentals of Government Auditing; and Tier 4 Management of Government Audits.

Cooperative Performance Audit

The performance audits on Access to Safe Drinking Water have commenced after signed plans were received from the 10 SAs participating in the program. The SAs include: Cook Islands, Federated States of Micronesia (Kosrae and Yap states), Fiji, Kiribati, Palau, Papua New Guinea, Samoa, Tonga and Tuvalu.

Sub-regional Audit Support (SAS) Program

The SAS program will commence with the audit of the Nauru Consolidated of Government accounts in place of the two entities, Nauru Central Utilities and Ronphos Corporation, mentioned in the September 2010 Update. There is benefit in making this change given that the Nauru Consolidated Government accounts for the 3 years is yet to be audited. The program will start in February 2011.

The Public Financial Management Coordinator, Mrs Beulah Daunakamakama has already begun preparations for the SAS program. Mrs Daunakamakama completed her first round of consultations with the Department of Finance of Nauru during the month.

Accountability and Transparency in the Pacific Region - 2010

The scoping paper for the Accountability and Transparency project in the region is being reviewed by the Secretary General and will be circulated to the members of the Governing Board for their endorsement.

Secretariat

Tax Status – The New Zealand Inland Revenue Department (IRD) has confirmed the tax status of PASAI in terms of GST and Income Tax:

- PASAI does not supply goods or services for consideration and therefore is not conducting a taxable activity and should not be registered for GST; and
- PASAI qualifies for tax exemption as a non-profit organization.

The Secretariat will now proceed with the finalization of the 2009/2010 accounts and prepare for the audit. The audit will commence on 29 November 2010 by CST NEXIA, the PASAI auditors.

PASAI Website - The Secretariat wishes to convey its appreciation to those who provided useful comments on the design and review of the PASAI website. All comments have been considered and taken on board.

Annual SAI Stocktake – SAs are reminded that the closing date for this survey is 12 November. Guam, Tonga and Marshall Islands are the only SAs that have completed and returned the survey questionnaire.

Consultants - ADB is completing the process of extending the contracts of the current PASAI consultants.

Tier 2 Pilot Training – Heads of SAs have been reminded to send the names of their nominees for the Tier 2 pilot training scheduled for 14 – 25 February 2011.

PASAI Calendar

The dates for the various activities over the next 3 months are as follows:

4-5 November 2010 - Australian Council of Auditors General meeting, Brisbane;
8-12 November 2010 - Performance Audit Manual Working Group meeting, Nadi;
15-19 November 2010 - 2nd Capacity Building "Kick-off" Conference, Nadi;
22-27 November 2010 – XX INCOSAI Johannesburg, South Africa;
6-8 December 2010 - Sub-regional Audit Support (SAS) Team Planning, Auckland;
20 December to 4 January 2011 - PASAI Secretariat Office will close;
24-28 January 2011 – Tier 1 mid-point meeting, Auckland.

For any clarification of any of the items in this update, please do not hesitate to contact the PASAI Secretariat.

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