



PASAI *SAI insights*

Pacific Auditors working together

Samoa's professionalization and capacity-building story

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INTRODUCTION

This week, two of my staff departed from Samoa to undertake a Master's of Auditing in Nanjing Audit University in the People's Republic of China. Fa'amaile Latu (Auditor in the Information Technology Audit (ITA) Unit) and Afulilo Tuitama (Senior Auditor in the Communications & Stakeholder Relationships (CSR) Unit) are the 4th and 5th Nominees from SAI Samoa since this program started with China's National Audit Office (CNAO) and Nanjing Audit University (NAU).



Fa'amilo Latu



Afulilo Tuitama

The initiative with CNAO and NAU all began when SAI Samoa hosted and chaired the PASAI Congress and Governing Board in Samoa in 2014. The Representative of the Auditor-General of CNAO participated and gave PASAI an invitation to attend an audit Seminar hosted by CNAO in October 2014. I took the PASAI Delegation to China as Chairman of PASAI, and managed to discuss scholarship opportunities for staff of SAIs of the Pacific to undertake Master's of Auditing at Nanjing Audit University. In 2016, CNAO wrote to Pacific SAIs about the commencement of the Master of Auditing Program and during 2016 SAI Samoa sent its first nominee, Ms Annie Leitupo. SAI Fiji also sent two nominees.

The Master of Auditing in China is not the only postgraduate qualification that staff of SAI Samoa are pursuing as of today. In SAI Samoa this 'Master's Professionalization program' was triggered and inspired by one of the themes promoted by INTOSAI for the 2016 INCOSAI. Professionalization was also an important theme that our own former Secretary General and Controller and Auditor General of New Zealand, Ms Lyn Provost, spoke so eloquently and extensively on in the 2015 PASAI Congress in Vanuatu.

As Accountants and Auditors, we have been trained to ensure that the tone at the top remains intact before we can expect good results from other parts of our organisations. The pursuit of Master's' degrees as a long-term goal foreseen and envisioned in the Strategic Plan of SAI Samoa before July 2014 was an attempt to raise the qualifications and professionalization of the Leadership and Staff of SAI Samoa to be the same as the Controller and Auditor General. When the international emphasis and significance of professionalization came by way of an INCOSAI theme and a Paper by our own former Secretary General, it really gave the Master's Professionalization program of SAI Samoa extra strength and motivation.

As of now, we have nine staff doing Master's via online/flexible/distance learning in Australia including the Deputy Controller and Auditor-General, Ms Violet Roebeck Fasavalu (below with her fellow scholars). Ms Indori Va'a, who was a Principal Auditor with our Special Audit Unit, just graduated this year from Auckland University of Technology with a Master's of Professional Accounting, and our former Director for Communications & Stakeholder Relationships, Ms Sita Leota, is now doing a Master's Degree under a Fulbright Foreign Student Scholarship at Brandeis University in Boston, U.S.A.





Indori Va'a



Sita Leota

And now we're starting to see the results. In June 2018 we welcomed back our first nominee and graduate of the Program, Annie Leitupo, and I believe that SAI Fiji has also welcomed its own two original nominees back to its workforce. Two other SAI Samoa Staff, Malili Chou Lee and Frances Iosefa are completing this year their first year of the two year course.



Annie Leitupo



Frances Iosefa



Malili Chou Lee

In due course, this program could enable us to identify a potential successor to the position of SAI Head or Controller and Auditor General. Graduates of the professionalization program may be recommended to the Executive Government and Parliament to continue and sustain SAI Samoa and its reforms when my tenure or term with the Audit Office is completed.

There may be questions as to the reasons for all the capacity building and institutional strengthening being undertaken by SAI Samoa as well as the ongoing international engagement and duties of SAI Samoa to the INTOSAI, IDI and PASAI. This history I will provide below should, I believe, answer all of these questions ...

HISTORY OF CAPACITY BUILDING AND INSTITUTIONAL STRENGTHENING IN SAI SAMOA

Our growth in terms of building capacity and institutional strength has been spread over three overlapping phases:

- the ISP (Institutional Strengthening Project) of 2006 – 2011
- Capacity Supplementation through the model Development Needs Analysis 2012 - 2014
- the 10 Year Strategic Plan of 2014 – 2024

1. THE INSTITUTIONAL STRENGTHENING PROJECT (ISP) – 2006-2011

In 2006/2007, my Predecessor appointed me as the Deputy Controller and Chief Auditor as well as Coordinator to an Institutional Strengthening Project which ran from 2006 until 2011.

SAI Samoa's Institutional Strengthening Project (ISP) consisted of a project management component and 7 major technical components. Namely: -

- 1 – Overhaul and Implementation of Audit Office Management & Governance Systems
- 2 – Rebuilding / Strengthening of Financial Auditing Capability
- 3 – Establishment of an I.T Auditing Function
- 4 – Establishment of a Performance Audit Function
- 5 – Revision and updating of the Legislative Framework governing the Audit Office
- 6 – Strengthening of Human Resources / Organisational Structure
- 7 – Implementation of Audit Office computer network and I.T Infrastructure.
- 8 – Project Management

1. Overhaul and Implementation of Management and Governance Systems

Improved Risk Management and Governance Systems and Procedures

Under this component, a Fraud Control Plan and Risk Management Framework were completed as part of introducing best practices in SAI Samoa's Governance.

It was recommended that the Governance framework then be used as an example for the country to follow in improving overall risk management and governance practices across Samoa.

Practice Management / Time Recording Systems

The ISP examined various time recording and job scheduling software systems and selected a recognised industry and standard package – RETAIN™. This software was installed on the SAI Samoa's network and all professional staff were trained in its use. This new system allowed better job scheduling, more effective allocation of staff resources and provides more timely and accurate job-costing information for each audit assignment. The system has been successfully used to create an Annual Job Schedule and Resource Plan. SAI Samoa's Leadership Team and staff accountability levels were also improved, as a result of this new system, which tracked both productive and non-productive use of audit staff time.

Audit Job Re-costing – Entire Audit Office Client Base

A major review and job re-costing exercise was carried out for each audit client and an examination and revision of existing staff "charge-out" rates also completed. New staff charge-out rates were loaded into the RETAIN Practice Management / Time Recording system.

Stakeholder Communication Plans

SAI Samoa has a variety of stakeholders. Major stakeholders identified during the ISP include:-

- Legislative Assembly (including Speaker of the Legislative Assembly)
- Parliamentary Committees
- Prime Minister
- Minister of Audit
- Other Ministers
- Ministries/Departments, Public Bodies and other auditees
- Professional Stakeholders including Contracted Accounting Firms, Other Audit Offices, Professional Auditing & Accounting Bodies, Standard Setting Bodies, INTOSAI, PASAI, Commonwealth Association of SAI, Samoan Community / General Public including the Media and Civil Society

A Communications Plan for dealing with each stakeholder was developed, activated and implemented, resulting in more formalised and regular contact with interested stakeholders of the Audit Office.

Records Management

A major Records Management Policy was developed. The Policy had to be consistent with Samoa's 'Whole of Government' Records Management Framework and Guidelines.

Dashboard Reporting / Monitoring System

A dashboard reporting monitoring systems was implemented to provide the leadership team with an instant "snapshot" of all key performance indicators. The monitoring system reported on all the performance measures in the Audit Office Strategic Plan to allow SAI Samoa's leadership team to quickly identify areas needing addressing. The Dashboard system received information and data from a number of systems such as the Retain Time Recording System as well as manual processes.

Annual Reporting Template

SAI Samoa's 'Annual Report to Parliament' process was reviewed and streamlined. After reviewing three previous Annual Reports and taking into account Best Practice from other Supreme Audit Institutions (SAI's) an improved reporting template was developed. This provided greater focus on key issues being reported as well as better analysis of issues that were relevant across the Samoa Public Sector. It was also used to produce a high quality report to Parliament at the time of this project. In subsequent years, the template was improved further as the statistical information required was gathered and refined to provide even better reporting.

2. Rebuilding / Strengthening of Financial Auditing Capability

This component involved strengthening Financial Audit capability within SAI Samoa.

Quality Review of Corporation Accounts

A major review of every public body's (corporation /state owned enterprise) Financial Statements was completed. As a result of this review, a comprehensive Disclosure Checklist was developed, which assisted in improving the quality of financial reporting and associated levels of required disclosure. The checklist aligned with international best practice and relevant legislation and has since been used as part of a formal review of every State Owned Enterprise. Using this checklist, the review identified various areas requiring improvement in order to comply with the latest International Financial Reporting Standards (IFRS). All SAI Samoa's professional staff were trained in the Disclosure Checklist and IFRS.

Financial Audit Manual

A comprehensive Financial Audit Manual was developed. Addressing international standards and best practices as well as local Samoan needs, the manual covered everything from Auditing Concepts, Auditor Independence and Professional Ethics through to how to conduct each type of Audit activity. Major topics in the manual included managing audit risk, audit sampling, audit evidence, documentation requirements and communicating audit results to relevant stakeholders. Quality Assurance processes were also specifically covered in the Manual. Relevant local Samoan legislation and standards were also covered. All SAO professional staff were trained in the new Financial Audit Manual.

Audit Issues Registry / Register of Past Audit Issues

Prior to the ISP, SAI Samoa had no cost-effective and easy way in which to monitor and track past audit concerns and issues raised with each Ministry or State Owned Enterprise (SOE). An automated Audit Recommendation Monitoring / Tracking System (ARMS) was installed and all prior audit recommendations were loaded into the system. ARMs provided SAI Samoa the means to ensure management are accountable for implementing audit recommendations. The system also provided a means to quickly identify outstanding and overdue management promises to action SAI Samoa's audit recommendations.

Pre-Audit Query System

A new and automated system was developed and implemented to record and classify SAI Samoa's queries arising from the Pre-Audit / Bank Audit role. Known as the Audit Query System, this enabled SAI Samoa to capture specific audit queries, assign responsibility to someone to follow up each issue and to flag overdue deadlines. The system produced a variety of reports including some that summarise types of problems and the best and worst offending Ministries with respect to processing Accounts Payable and Payroll payments. All staff members were trained in the use of the new system to be operated and maintained on a daily basis.

Standardised Work Paper Templates

A series of standardised Audit Work paper templates were developed in order to introduce a more formalised and standardised documentation approach to each audit.

Better Practice Guides

Two Better Practice Guides were developed in:

- Fixed Asset Management
- Producing Financial Statements

Better Practice Guides provided proactive guidance on controls and processes that should be implemented. The expectation in providing Better Practice Guides was that the governance and control frameworks within organisations in the public sector would be improved.

The Better Practice Guides were distributed to all Ministries and Public Bodies in December 2009. SAI Samoa committed to producing more Better Practice Guides in the future using the processes developed.

Electronic Workpaper Situational Analysis

Due to the lack of IT infrastructure and lack of documentation on audit methodology and workpapers at the time, the original ISP Technical Design (2006) strongly recommended against the initial implementation of electronic workpapers into SAI Samoa. However, these areas were then addressed by the implementation of the wireless network and Intranet and the development of the financial audit manual and standard workpapers. The Electronic Workpaper Situational Analysis analysed the status then of SAI Samoa's preparedness for implementing electronic workpapers. The Situational Analysis considered SAI Samoa's technical requirements, electronic workpaper packages available, other electronic workpaper usage and potential risks

and benefits. The analysis concluded that electronic workpapers would be beneficial but would require committed implementation and appropriate funding to be viable.

Outsource Guidelines

SAI Samoa has traditionally outsourced a number of audits to private sector accounting firms which has generally worked well. The Outsource Guidelines documented the outsource process and provided guidelines to both SAI Samoa and outsource providers.

Financial Audit Work Papers Review

A full scale review of all financial audits performed by SAI Samoa and on behalf of SAI Samoa was completed. This review included Public Bodies, Public Accounts and Project Audits. Audits reviewed were benchmarked against the International Standards on Auditing and the International Financial Reporting Standards (IFRS). Areas of focus were identified and these were to be targeted by SAI Samoa's leadership team.

3. Establishment of an I.T Auditing Function

Inventory of IT systems across the Samoan Public Sector

Using a questionnaire-based approach, a baseline inventory of all major IT hardware and software systems in use within the Samoan Public Sector was completed with a separate report issued to Parliament.

3 Year IT Audit Strategic Plan / Strategy

As part of establishing a formalised IT Audit capability, a 3-Year IT Audit Strategic Plan / Strategy was prepared for every Samoan public sector audit client. This Strategy also identified the specific training needs of IT staff over the next 3 years, as well as scheduled IT Audits for each client over the next 3 years. Budgeted hours for each IT Audit were also included in the Strategy, and the Strategy document then linked to supporting schedules for each client.

Acquisition / implementation of Flowcharting Software

SAI Samoa acquired and installed an industry recognised flowcharting software package - SmartDRAW™. This software enabled staff to produce flowcharts significantly faster than before and provided the ability to regularly update these each year with minimum effort. This has resulted in superior audit documentation of client systems and procedures. The software was used in a major review of the Government Payroll system and a number of other system walkthroughs.

Acquisition/implementation of computer assisted audit software tool (CAAT)

SAI Samoa acquired an industry-recognised data extraction and analysis reporting software tool – IDEA (Interactive Data Extraction and Analysis) - under the Institutional Strengthening Project.

Implementation of Standardised CAAT program Suite

Using IDEA, SAI Samoa's IT Audit Team developed standard Computerised Audit Assisted Techniques (CAATs) across all major organisations in the Samoa Public Sector. These CAATs were used to perform data matching, recalculation of values and amounts, sample selection, identification of large and unusual transactions and evaluate access security. These CAATs significantly strengthened and streamlined the audit process and enabled analysis to be performed that previously was not possible.

An example of CAATs implemented include the pre-audit analysis of payroll. Using IDEA, SAI Samoa developed a standard series of tests which performed at each payrun over the entire payroll. These tests included recalculation of amounts, changes in pay details (rates, accounts), potential anomalies as well as summarising information by Ministry. This CAAT allows SAI Samoa to test the entire payrun each time which would be impossible to do manually.



SAI Samoa's Terence Su'a presenting IDEA and CAATS at PASAI's Congress in Australia, August 2018

Standardized IT Audit Manual and IT Audit Methodology

A comprehensive IT audit manual and methodology were developed and documented. This methodology covered all stages of the IT Audit process from strategic planning, detailed execution, documentation, reporting and follow up. All nominated IT Audit staff were trained in the IT Audit Manual and Methodology, and SAI Samoa's leadership group were trained in an overview of the methodology and in particular how it links with the financial audit process.

Standardized IT Audit Work papers

Standard work paper templates were developed and implemented. SAI Samoa's staff were trained in their usage and began using them on the audits they were performing. This streamlined and standardised the IT audit process.

4. Establishment of a Performance Audit Function

Historically SAI Samoa had not had a performance audit function, with work in this area generally limited to the audit of performance measures. This component was therefore focussed on implementing the foundations for a performance audit function.

Performance Audit Manual and Methodology

Based on global best practice a comprehensive performance audit manual and methodology covering all stages of the performance audit process was developed and documented.

Standard Workpapers and Templates

For each stage of the performance audit process SAI Samoa developed standard performance audit workpaper templates, providing SAI Samoa's staff with a proper structure to enable the process to be standardises and streamlined.

Topic Selection Methodology

The selection of topics for performance audits can be quite controversial. The ISP implemented a fully documented topic selection methodology to be used in the selection of all performance audits. The methodology analyses and weights potential performance audits on a number of objective criteria to identify and prioritise performance audits. The ISP was able to provide the leadership team with access to extensive practical experience in performance audit topic selection.

Performance Audit Organisation Structure and Job Descriptions

As Performance Audit was a new function for SAI Samoa it was necessary to develop a proper organisational structure and related job descriptions. These were developed in conjunction with the Human Resource component and approved by the Public Service Commission before SAI Samoa became independent from it.

Training

SAI Samoa's staff were trained in the Performance Audit manual and methodology.

Environmental Audit – Water Quality

Once the building blocks of the performance audit function had been implemented these were given practical use in the SAI Samoa's Performance Audit (Environmental) of Water Quality. This first performance audit focussed on the processes within the public sector for monitoring and ensuring water quality. A number of issues were identified and these were included in a report to Parliament for the year ended June 2011.

Performance Measures Audit Manual

SAI Samoa had been auditing performance measures for the Samoa public sector but without a documented methodology, process or manual. The ISP introduced a Performance Measures Audit Manual which documented the process for auditing performance measures, including criteria for assessing good performance measures as well as auditing the measurement reported.

Fraud Investigation Manual

A fraud investigation methodology was developed and documented in a manual. This manual covered all aspect of the investigation from the original cause, planning, investigation, reporting and liaising with other agencies (eg police, attorney general).

5. Revision of the Legislative Framework governing the Audit Office

Legislative Overview Report

A comprehensive review was performed on all aspects of the Samoa legal framework with regards to SAI Samoa. This review included:

- Review of all Samoan legislation
- Comparison to audit legislation from around the world
- Review and analysis of International Organisation of Supreme Audit Institutions (INTOSAI) best practice attributes
- Benchmarking the current Samoa legislative framework against the INTOSAI best practice attributes
- Analysing the requirements of SAI Samoa going forward

A range of recommendations were then made to enhance and strengthen the current legislative Framework. These included the enactment of the now approved Audit Act 2013 and Constitutional Amendment No. 2 Act 2014, supported by a number of National and International documents/declarations/resolutions such as:

- INTOSAI Lima Declaration 1977
- INTOSAI Mexico Declaration 2007
- INTOSAI (International Organisation of Supreme Audit Institution) 8 Pillars of Supreme Audit Institution Independence
- Samoa Public Finance Management Reform Report – October 2006
- Public Expenditure and Financial Accountability (PEFA) Assessment 2009/2010
- Public Administration Sector Plan 2007 – 2011
- 66th United Nations General Assembly Resolution A/66/209 – December 2011
- Pacific Association of Supreme Audit Institution (PASAI) Accountability and Transparency in the Pacific Region 2011

The Audit Act 2013 consolidated the old legislations governing the mandates, role, functions, powers, responsibilities and operation of SAI Samoa. The legislative amendments made to the Constitution in January 2014 made Samoa and SAI Samoa almost 100% compliant with the requirements of various of these international guidelines including the INTOSAI 1977 Lima Declaration, INTOSAI 2007 Mexico Declaration, 2011 UN Resolution, 2011 PASAI Accountability and Transparency Report/ Project, 2014 Maltese conclusions on the Conference of Commonwealth Association of Auditors Generals and the PEFA (Public Expenditure and Financial Accountability) Framework.

6. Strengthening of Human Resources / Organisational Structure

Organisation Structure and Job Descriptions

A new organisational structure was developed for SAI Samoa. Key features of the new structure included:

- Clear career paths for all staff with the removal of roadblocks
- A new grade to reduce the gap between Principal and Director, to allow smooth progression and the retention of experienced staff
- New positions for the new audit functions of Performance Audit and IT Audit
- Greater focus on parliamentary reporting
- A third Assistant SAI Head to reflect the significant growth in the Audit Office at that time

New and revised job descriptions were written for every position identified in the new organisation structure. For the new functions (Performance and IT Audit), job descriptions were developed by the HR Consultant in conjunction with the relevant Technical Advisor for the area.



Coaching Mentoring

All staff received training in coaching and mentoring. This was expected to improve the level of coaching within SAI Samoa, leading to higher productivity and staff retention.

Career Development Program and Staff Career Plan

A full career development program was developed and implemented. As part of this process Career Development Plans were developed for all SAI Samoa staff. These plans identify goals and objectives, learning styles and training required.

The methodology was fully documented and the SAI Samoa team worked through it with the Technical Advisor. Proper ongoing usage of the Career Development Program should lead to greater staff retention and morale.

Tailored Training Program

Based on best practice from other SAIs and using the feedback from the career development plans, training programs were developed and tailored for individual staff members. This allowed for more productive, focussed training that met the needs of individual staff members rather than a 'one size fits all' approach.

Succession Planning

In consultation with the leadership group, a succession plan was developed identifying all key positions within SAI Samoa based on strategic importance, replaceability and technical skills required. Successors were identified for these positions based on categories of present, up to 2 years hence and up to 5 years ahead. This planning identified potential vulnerabilities and also key staff for the future.

Staff Satisfaction Survey

The first annual staff satisfaction survey was conducted. Positive results were received in most areas, although some areas for improvement were noted for action by the leadership group. As staff were involved in all aspects of process from initial planning, through data collection and to reporting, SAI Samoa was well placed to conduct this survey on an annual or as required-basis.

7. Implementation of Audit Office computer network and I.T Infrastructure

Purchase and Installation of Laptop Computers, Audit Office Servers and Wireless Local Area Network

Significant time was spent in establishing and testing a robust hardware and software network for SAI Samoa, and the ISP delivered one of the first heavily-secured wireless computer networks in Samoa.

The network used the latest in IT technologies such as digital certificates (Security / Encryption technology), "virtual servers", the latest Microsoft Operating system software, and high-levels of automated fall back/system recovery capability.

As the installation was carried out by a local Samoan IT company, this resulted in improving and building on overall IT capability within Samoa as a whole.

Internet and Email facilities

Internet and Email facilities were established along with various controls including Internet usage limits (to control Internet usage costs). Email and filtering controls were also introduced to prevent staff from accessing inappropriate web-sites containing offensive material. Controls were also added over email to reject material containing pictures, music files and so forth.

Firewall, anti-virus and anti-spyware software

A SAI Samoa's firewall was installed to help protect against Internet based security threats. Anti-virus and anti-spyware software were installed on computers within SAI Samoa.

Internet Usage and Audit Office I.T Security Policy & Employee Code of Conduct

Formalised IT Security policies and procedures regarding Internet use and IT security generally were developed alongside an updated employee code of conduct. All staff members were required to accept these in order to gain access to SAI Samoa's Office network.

Outsourced Web Site

SAI Samoa established a web site on the Internet that was capable of being able to be managed/controlled remotely by authorised SAI Samoa staff.

Intranet and Audit Knowledge Database

An Intranet was developed to allow a central repository of all electronic information including manuals, training material, reports and other material. This allowed easy access to material for all SAI Samoa's staff, significantly improving productivity and effectiveness.

Highlights of ISP

As well as improving existing skills, knowledge and tools in the traditional disciplines of compliance and financial auditing, the ISP added new areas such as performance, environmental and information technology audits as well as special examination to the core functions. Further, the legislation improving the legislative and policy framework for SAI Samoa that were passed and enacted in January 2014 provided additional mandate.

The most notable events as far as human resource management was concerned were the approved restructures by the Public Service Commission while SAI Samoa and its staff were under its auspices. The first restructure was approved in 2006 so population started from the 2007 financial year until financial year 2011. The second restructure as a result of the ISP was approved in 2011, with population commencing from the 2012 financial year and completing in the 2013 financial year.

The Public Service Commission approved the revised organisational structure of SAI Samoa in February 2011 and the Ministry of Finance gave funding that spread the population of the revised organisational structure over 3 years – 2011, 2012 and 2013. These gains from the institutional strengthening project led to the update of arrears in audits and reports to parliament that had been the obstacle to the progress of SAI Samoa in the past years.



2. CAPACITY SUPPLEMENTATION, MODEL DNA and OUTSOURCING

In 2013, as I was applying for my 2nd three year renewable term, I identified two further developments that would cap off all the capacity-building and institutional strengthening activities to date. These two developments included capacity and quality supplementation from proven international audit office experience, and settling on a model Auditor DNA – the cell-level competencies, mind-sets and approaches the ideal auditor would possess - to complete the sets of skills, knowledge and attitude that staff of SAI Samoa should have going forward.

1. The ideal or ultimate goal was for existing staff to come into their own according to their potential and capabilities as:

- Business-oriented Auditors
- Special examiners/enquirers
- Strategists and leaders

1. Business-oriented Auditors

This was the financial audit group that worked best with strong business-oriented disciplines, such as working strictly for remuneration tied to deliverables. They should be exposed to market testing alongside private sector audit providers to ensure quality and timeliness in performance. This plan should go together with our reforms in the area of outsource of audits to enable a mix of contestability and direct allocation as is the practice in other Supreme Audit Institutions.

2. Special examiners or enquirers

These were the industrious group with the drive, self-motivation and work ethics to go beyond the minimum requirements to ensure strict deadlines were met and a quality product was achieved.

3. Strategist and leaders

This was the senior group earmarked to be the leadership team responsible for strategies and policies, outsource audit management and quality control/review/assurance. From this group, a successor to the position of Controller and Auditor General may be selected.

With past and current echoes calling for the creation of a Special Fraud Entity from amongst parliamentary, executive government and civil society circles, the Special Examiners / Enquirers was seen as the platform to set up such a specialist entity. The practice in other countries with such entities is to staff it with lawyers, former Police Officers and Accountants/Auditors including IT Auditors. We have already started building such capacity/capability for selected Auditors in the Audit Office and Organisations identified as Samoa's Integrity Organisations Network (SION) to become special or forensic auditors should the Executive Government wants to go towards that direction. At the moment we have 17 Certified Fraud Examiners (CFE) in Samoa all either current or former senior staff of SAI Samoa and more are studying towards becoming CFEs.

This started to reap benefits from financial year 2013/2014, at the commencement of the current 10 Year Strategic plan of SAI Samoa for the period July 2014 to June 2024.

(The strategy and leadership group was planned to be stationed in SAI Samoa while the other two categories was planned to break into a Business Audit Group and a Special Examination/Enquiry Office or Consultancy. There were no additional staff and no additional costs identified for such a final restructure for SAI Samoa. I did indicate

this initiative and vision in my original application for the SAI Head position in 2010, and hopefully it will be in place by the end of the period of the current strategic plan which is 30th June 2024.)

2. The model Auditor DNA



The model Auditor DNA being developed with various formal and on the job training should arm or empower staff with the appropriate meticulousness, speed, sharpness and most importantly courage and confidence to take up audit issues with Parliament, Cabinet and CEOs of all audited organisations and not stop at ACEOs,

Principals and Senior Officers. It should also minimise procrastination and delays in completion of work. The model Auditor should always be able to speak truth to power.

3. Outsourcing

Further to this, SAI Samoa organised the current round of outsourcing in 2013, using a mixture of direct allocation and competitive procurement. The arrangements before 2013 were all direct allocations under statute and mainly to the two Large Audit Firms in Samoa. Based on the recommendations of the Institutional Strengthening Project, SAI Samoa has now expanded its outsourcing to include 4 other medium to large size audit firms.

By expanding the outsource of audits SAI Samoa will be in a position to assess the effectiveness of the private external audit sector with a view to providing improvements through quality assurance and quality control as well as to gradually introduce former SAI Samoa Staff who will form an Audit Practice to compete in the private external audit market. This way the investment made from the institutional strengthening project and other capacity building activities will still be used by SAI Samoa.

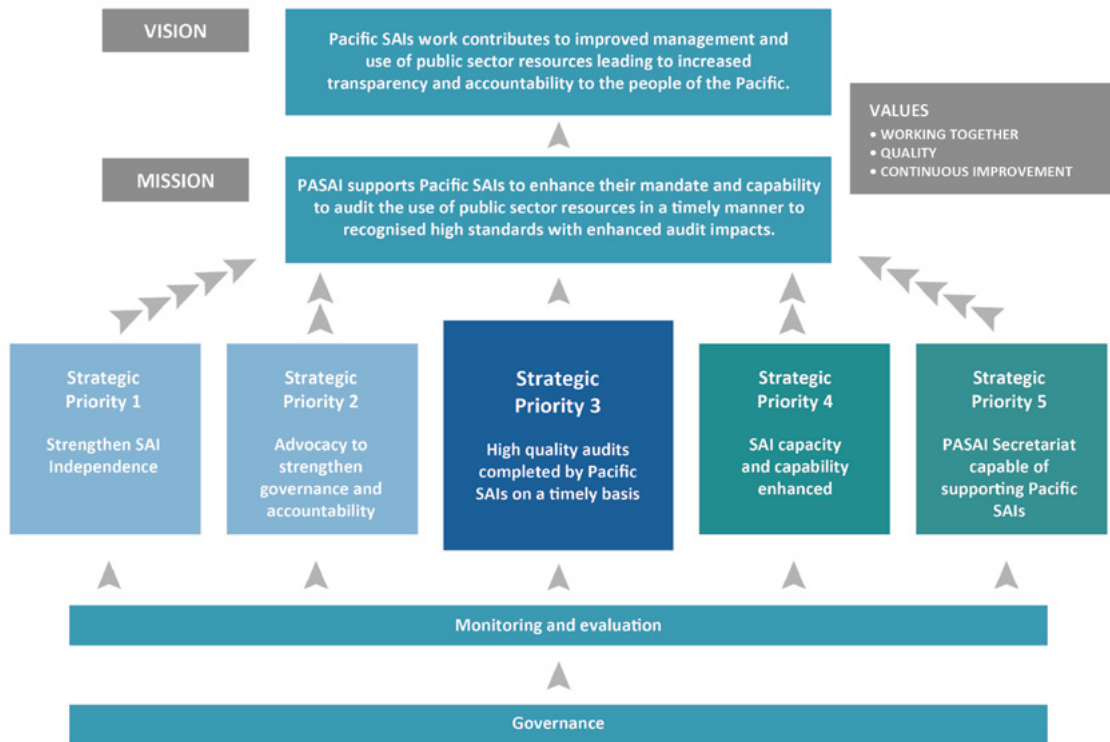
With the reforms in place and beginning to entrench in SAI Samoa, my work shifted or changed from an inward looking focus to an outward looking focus commencing with financial year 2013/2014. Part of this outward looking focus included the activation of the communication plan and an increase in coordination with the public internal audit sector especially the Ministry of Finance as well as the Accounts Division of the Ministry of Finance in relation to the Public Accounts.

Coordination with the public internal audit sector was done through the Strategic Plan of the Investigation and Internal Audit Division of the Ministry of Finance whereby SAI Samoa was identified as a member of the Government Audit Committee for Ministries and Public Bodies. The Committee provided leadership, guidance and oversight over the work of internal auditors spread over the Ministries and Public Bodies.

From financial year 2013/2014, SAI Samoa also considered the lessons learned from the INTOSAI/UN Meeting in Vienna on the counselling role of a Supreme Audit Institution in addition to its audit role. It was envisaged that this counselling role would be used more at the highest level where the SAI Head would do rounds with the Politicians, Ministers, Boards and Chief Executive Officers on the strategies, vision and mission of an organisation under our audit and its relationship to the core functions of SAI Samoa as well as the overall vision and outcomes of the whole of Government.

3. THE 10 YEAR STRATEGIC PLAN

SAI Samoa is now operating on a 10 Year Strategic Plan covering the 10 year period from July 2014 to 30 June 2024. This extension to from a three year to a ten year period is mainly to ensure consistency with the 10 year strategic planning approach adopted by the Pacific Association of Supreme Audit Institutions (PASAI).



PASAI STRATEGIC PLAN

The increased period means that a longer-term approach needs to be taken. As such, all strategies and initiatives that will be taken in the future may not yet be identifiable and will be progressively identified in the future. Given the above, the 10 year strategic plan will be regularly reviewed and updated, as necessary, to ensure any changes in circumstances are accounted for. This follows and observes the Samoan age old concept that principles and foundations will remain, but practices do change in accordance with the circumstances of the day.

The Strategic Plan will guide SAI Samoa's activities for the next ten years. Over those years, the SAI Head will be seeking Cabinet's support to **separate, clear and distinct actions and reforms** required from time to time to implement the Strategic Plan.

Now that the financial statements, audits and reports of Government and SAI Samoa are almost up to date, the ultimate objectives of the Audit Office's 10 year Strategic Plan are:

1. Complete funding and sustaining of the operating and capital expenditures of SAI Samoa from audit fees without heavy dependence on the Government's budget. Financial independence or control is a further requirement for complete independence of Audit Offices or Supreme Audit Institutions apart from personnel independence as prescribed by the International Organisation of Supreme Audit Institution (INTOSAI)
2. Complete outsourcing of all financial audits to technical partners or audit service providers in the private sector.

3. Focusing on operational audits and preparation of the Audit Office current staff/ personnel to reorganize/restructure from July 2024 into:
 - i. Office of Controller and Auditor General (OCAG)
 - ii. Technical partner(s) in the Private Sector including the formation of a Technical Arm of OCAG formed from former staff to perform audits on behalf of the Office of Controller and Auditor General or Audit Office
 - iii. Staff of the current Special Audit Unit/Group of the Audit Office to form a Fraud Examination or National Integrity Office of the State or as a Private Practice in the Private Sector.
4. Gradual outsourcing of operational audits to technical partners or audit service providers in the private sector including the Technical Arm of OCAG formed from ex-staff
5. Rightsizing of the staff and personnel of SAI Samoa from 58 professional and support staff that we had in our organisational structure as at 30 June 2014 funded as a Vote in the annual Government budget to 12 staff as at 30 June 2025 funded as a Charge to the Treasury Fund under statutory expenditure with expected savings to the Government's personnel budget.
6. Surplus staff will form the Technical Arm of OCAG from ex-staff and are also expected or predicted to fill the ever present vacancies in other private sector audit/accounting practices and executive, finance and internal audit positions in the public and private sector.



4. GOING FORWARD

Now that timeliness of audits and reports has been fixed, I am now working towards perfecting the quality of audits and audit observations/recommendations as well as the sustainability of institutional memory, knowledge and skills and the organisational culture of SAI Samoa's staff. This will be done through:

- Public finance management reform (PFMR) project – January to December 2013
- Increase in the workforce mainly within the Ministries, Projects, Public Accounts and Pre-audit Division
- Full implementation of international standards of supreme audit institutions (ISSAIs)
- Providing assurance on the implementation of international standards on auditing (ISAs)
- Providing assurance on the implementation of international financial reporting standards (IFRS)
- Providing assurance on the implementation of international accounting standards (IAS) and international public sector accounting standards (IPSAS)
- Upgrades of tools, manuals and technologies
- On the job training, secondments and capacity supplementation
- Strengthening the audit sector in the public sector through assistance to strengthening internal and external auditing across Government Ministries and Public Bodies by participating as a member of the Ministry of Finance Internal Audit Committee
- Strengthening the audit sector in the country through outsourcing to and sharing resources, training and information with private sector auditors by strengthening external auditing partnerships between SAO and Public Practitioners
- Activating the outsourcing guidelines for sharing or outsourcing financial audits going forward. There is no such guideline at the moment.
- Peer reviews with other Supreme Audit Institutions (SAI) in PASAI (Pacific Association of Supreme Audit Institution) and APIPA (Association of Pacific Island Public Auditors)
- Budget Funded Projects – Web-Based Certified Fraud Examination Training & Qualification
- Twinning with the OCAGNZ
- Professional and Working Relationship with the New Zealand Serious Fraud Office



Conclusion

Following the All Blacks' working philosophy to keep on improving, that "we are only as good as our last game", I tell my team and myself that we are only as good as our last performance review. Growing a high-performing team and service delivery requires constant upkeep and adjustment.



Using the ISP, I built a culture focussed on consistently performing at the highest level, working harder and smarter, achieving impact, maintaining an appropriate work/life balance and sustaining organisational culture, people, tools, technology, structures, systems, policies and legislations. I also implemented succession planning and career paths for staff to pass down the SAI Samoa's ideal DNA to future generations of SAI Samoa's Staff.

There was full disclosure by the Controller & Auditor General of all leadership and managerial matters as well as participation, and involvement of the Assistant Controller and Auditor General, Directors, Managers, Principals and Seniors in the leadership and management of the Office through the Executive and Leadership Teams. I also created a Junior Staff Forum for unlocking the potential of young talents in the Office.

I have designed an executive and leadership team built around sharing institutional memory, knowledge, skills and organisational culture. Within these teams, working groups were organized around subjects or responsibilities. In addition to encouraging professionalization through their Master's degrees, I've rotated Directors and the Assistant Controller and Auditor General into an Acting Controller & Auditor General role, and senior staff have participated in overseas representation for the Controller & Auditor-General.



In all of this, my commitment has been to SAI Samoa's vision, which remains the same in the 10 year strategic plan for July 2014 to June 2024 as in the 2009-2012 Strategic Plan:

“To be a leader in delivering independent public sector audit services and promoting improvement in public sector administration”.

I thank the PASAI Secretariat Team for the opportunity to share on SAI Samoa.

Fuimaono Mata'afa Papalii C.G. Afele

**CONTROLLER & AUDITOR-GENERAL,
SAMOA AUDIT OFFICE and
PASAI representative to the INTOSAI
GOVERNING BOARD**



APPENDIX 1: SAI Samoa's position as at 30 June 2014 and expected position as at 30 June 2024

1. INTOSAI 8 Dimension under the Lima and Mexico Declaration
 - i. Legislative and policy framework – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - ii. Staff or personnel independence – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - iii. Broad mandate and full discretion – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - iv. Unrestricted access to information – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - v. Right and obligation to report on work – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - vi. Freedom to decide content and timing of audit reports and to publish and disseminate these – accomplished with the passage of the Constitutional Amendment 2014 and Audit Act 2013 in January 2014 and to maintain and sustain within the next 10 years
 - vii. Existence of effective follow up mechanisms on SAIs recommendations – progressing well and 100% accomplishment by 2024 and to maintain and sustain within the next 10 years
 - viii. Financial and managerial/administrative autonomy and the availability of appropriate human, material, and monetary resources – commencing work on financial independence from the Executive Government and full set of IPSAS compliant financial statements that are externally audited from July 2014 and 100% accomplishment by 2024
2. Enforcement of and compliance with ICATs (ISSAIs Compliance Assessment Tools) and ISSAIs (International Standards of Supreme Audit Institutions) – Progressing well and 100% accomplishment by 2024
3. Timely and quality audits of ministries – now auditing 2018 for all
4. Timely and quality audits of loan and donor funded projects – now auditing 2018 for all
5. Timely and quality audits of public accounts – the last audit was for 2017. The audit of 2018 is not yet due. The draft accounts should be with SAI Samoa by 31st October 2018 and the audit should be completed by 31st December 2018.
6. Timely and quality audits of public bodies or public enterprises –now auditing 2018 for all except one auditee
7. Timely and quality reports to parliament:
 - i. SAI Samoa statutory requirement is to report to parliament at least once in a financial year
 - ii. Report to parliament on the 2010 financial year was tabled in 2012 financial year
 - iii. Report to parliament on the 2011 financial year was tabled in 2013 financial year
 - iv. Report to parliament on the 2012 financial year was tabled in 2014 financial year
 - v. Report to parliament on the 2013 financial year was tabled in 2017 financial year
 - vi. Report to parliament on the 2014 financial year was tabled in 2017 financial year
 - vii. Report to parliament on the 2015 financial year was tabled in 2017 financial year
 - viii. Report to parliament on the 2016 financial year was tabled on 17th August 2018
 - ix. Report to parliament on the 2017 financial year was tabled on 3rd October 2018
 - x. Report to parliament on the 2018 financial year financial year will be tabled in December 2018
 - xi. SAI Samoa's short term target within the 10 year period of the Strategic Plan is one report to parliament in each financial year
 - xii. SAI Samoa's medium term target within the 10 year period of the Strategic Plan is to produce two 6 monthly reports and 1 Annual Summary of the 6 monthly reports in each financial year
 - xiii. SAI Samoa's long term target within the 10 year period of the Strategic Plan is to produce four quarterly reports and 1 Annual Summary of the quarterly reports in each financial year and to report separately on the performance and other operational audit reports stipulated in the Audit Act 2013
8. Establishment, development and sustainability of new products or functions
 - i. Performance audits – progressing well and 100% accomplishment by 2024
 - ii. Compliance audits – progressing well and 100% accomplishment by 2024
 - iii. Environmental audit – progressing well and 100% accomplishment by 2024
 - iv. Information technology audits – progressing well and 100% accomplishment by 2024
 - v. Special audits – commencing work from July 2014 with the establishment of the unit and training of specialist under the internationally recognised CFE (certified fraud examination) program and 100% accomplishment by 2024
9. Establishment, development and sustainability of the strategy and corporate services unit – progressing well and 100% accomplishment by 2024
10. Establishment, development and sustainability of the communications and stakeholder relationships unit – progressing and 100% accomplishment by 2024
11. Establishment, development and sustainability of the legal unit – commencing work from July 2014 and 100% accomplishment by 2024