



## **Pacific Association of Supreme Audit Institutions**

### **Communiqué from the 16th Congress**

**Tamuning, Guam**

**13 September 2013**

The heads of supreme audit institutions ("SAIs") in the Pacific have endorsed a new set of objectives for public auditing in the Pacific region.

Meeting at the 16th Congress of PASAI at Guam on 10 to 13 September 2013, PASAI's member organizations reaffirmed the principles of regional co-operation and individual SAI leadership which were the foundation of the recently concluded Pacific Regional Audit Initiative ("PRAI"), an initiative of the 2005 Pacific Plan. The Congress noted the results of two independent evaluations of the PRAI, carried out respectively by the Asian Development Bank and an international expert funded by AusAID. Both evaluations confirmed that the PRAI has been a successful initiative and has established PASAI as a respected regional organization. While much remains to be done to bring the auditing of public accounts in the region to a uniformly high standard, the PRAI is seen as a good and appropriate model for future SAI development.

The Congress was hosted by the Office of Public Accountability of Guam, and was attended by the heads or representatives of 25 member SAIs together with representatives of the SAI of China (which will shortly host the XXI INCOSAI in Beijing and assume the presidency of the International Organization of Supreme Audit Institutions ("INTOSAI")), the Office of Inspector-General of the U.S. Department of the Interior ("DOI"), the United Nations Development Programme ("UNDP"), and a number of development partners including AusAID, the INTOSAI Development Initiative ("IDI"), the New Zealand Ministry of Foreign Affairs, and the World Bank.

The Congress adopted as a new strategic goal that within the next ten years the public resources of all participating countries and territories are audited in a timely manner, and government resources are assessed for effectiveness and efficiency, to uniformly high standards with enhanced audit impacts and improved audit capacity. To this end, the Congress mandated PASAI's Governing Board to work on the development of a new program to succeed the PRAI, to be based on five strategic priorities:

1. Strengthening the independence of Pacific SAIs.
2. Strengthening transparency and accountability in Pacific Island countries and territories, by contributing to and promoting an integrated approach to public financial management ("PFM") through strong partnerships.
3. Promoting and enhancing effective accountability and financial management in Pacific Island countries and territories through strengthened public financial reporting, public audit, and legislative oversight.
4. Continuing to strengthen the capacity and capability of PASAI's member SAIs to perform their mandates within their country's or territory's PFM system.
5. Ensuring the PASAI Secretariat is able to support the implementation and monitoring of strategic priorities 1 to 4.

PASAI's development partners commended the new strategic direction, and encouraged PASAI to identify specific activities within each strategic priority which could be the basis of proposals for ongoing, co-ordinated funding of its work over the next three to five years. The Congress responded by inviting the Governing Board to work with the development partners to understand their priorities and secure funding for the strategy. The Congress also decided to retain PASAI's Secretariat in New Zealand for the foreseeable future, to enable the strengthening of the Secretariat under the strategy to be successfully completed.

The Congress also welcomed the confirmation of a further funding commitment by the Asian Development Bank for PASAI's ongoing work, which will in particular enable the continuation of the sub-regional auditing support ("SAS") program.

In recognition that the Congress took place in United States territory, the Congress was addressed in its opening session by Ms Mary Kendall, Deputy Inspector-General of the DOI Office of the Inspector-

General, and (by video) Mr Gene Dodaro, Comptroller-General of the United States (who also chairs a number of committees and working groups of INTOSAI). Ms Kendall spoke of the challenges faced both by her office and by SAIs in maintaining their independence, especially in small communities. Mr Dodaro also emphasized the importance of SAI independence, and spoke of the importance of PASAI's activities in the context of INTOSAI's global work to develop the capacity of SAIs. He encouraged PASAI to continue contributing to the development of INTOSAI's objectives.

The Congress also received strong encouragement for the next stage of its activities from other stakeholders, including the Pacific Islands Forum Secretariat and the UNDP. Speaking by video address during the opening session of the Congress, the Forum's Deputy Secretary-General Ms Andie Fong Toy spoke on the theme of building stronger governance institutions in the region under the revised Pacific Plan, and the importance of continuing to improve the quality of public financial management to achieve strong governance as a platform for economic growth. PASAI intends to accept her invitation to report to the Forum Economic Ministers on the progress made to date under the PRAI to improve the quality and timeliness of public sector audits, and the opportunity to continue that work through PASAI's new strategic approach.

The UNDP's representative commended PASAI's work to improve accountability and transparency in the region. Identifying areas of common endeavor, both the UNDP and the DOI Office of the Inspector-General sought opportunities to work with PASAI as partners in the region particularly in the area of anti-corruption work. The Congress was pleased to formally confirm the status of both organizations as official observers for future meetings of the Congress and the Governing Board.

In its business sessions, the Congress received reports on the completion of its activities under the four strategic goals of the PRAI (encouraging regional co-operation; building SAI capacity; carrying out co-operative audits across the region; and promoting enhanced communication and advocating for improved transparency and accountability). It welcomed in particular the completion of the fourth regional co-operative performance audit on Climate Change Adaptation and Disaster Risk Reduction; the progress made to date in the fifth co-operative performance audit which has a focus on public debt; and the planning for the first regional co-operative financial audit which is to focus on the audit of foreign aid in a number of member countries.

The Congress also welcomed the commencement of the third round of the SAS program, which involves co-operative audit activity to assist the SAIs of Kiribati, Nauru, and Tuvalu in the completion of their audits of public agencies.

In the area of SAI capacity development, the Congress received reports on the work to develop “twinning” arrangements between an increasing number of Pacific Island SAIs and developed nation SAIs (which include the SAIs of New Caledonia and New Zealand and the SAI and state audit offices of Australia); the development of a certification program for staff of PASAI’s member SAIs; and the completion of the latest rounds of staff training programs run by the PASAI Secretariat.

The representative of the IDI conducted a workshop on the performance measurement framework for SAIs, and the Congress agreed to use the framework as a basis for future measurement of success. SAI heads also received a presentation on the use of computerized audit software systems.

The Congress concluded on a forward-looking note, with discussion of the plans for the XXI INCOSAI and the forthcoming global call for proposals for funding under the INTOSAI Donor Co-operation. A number of SAI Heads are looking forward to attending and participating in the Beijing Congress. The Congress also mandated the Governing Board to develop a regional proposal to respond to the global call, as part of a comprehensive strategy to fund PASAI’s future activities.

All the participants in the Congress were most grateful for the organizational work by staff of the Office of Public Accountability of Guam and PASAI’s Secretariat, and the leadership and gracious hospitality provided by Public Auditor Doris Flores Brooks. With the encouragement of its global body, its regional stakeholders, and its development partners, PASAI looks forward to the next stage in the journey to improve public auditing – and, in turn, improved governance – in the Pacific region by collective and individual effort.

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