

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.

1. 14th PASAI Congress, Nukualofa, Tonga – 2-5 August 2011

The 14th PASAI Congress, held in Nukualofa, Tonga on 2-5 August 2011, was opened by the Acting Speaker of the Legislative Assembly, Lord Tu'i'afitu. In welcoming the delegates, Lord Tu'i'afitu recognised that the existence of independent SAs is crucial to maintaining public confidence in the accountability relationship between the Government of the day and the public.



The Congress briefing by the Heads of SAs on the adoption of the Johannesburg Accords was an opportunity to share views on the implementation of the international requirements on several matters. The following is a summary of the discussion:

- (i) Although a range of parliamentary frameworks exist in the region, all SAs can consider relevant good practices from other jurisdictions;
- (ii) SAs communicate the value of their work through their reports (to Parliamentary select committees, entities, public expenditure commissions, Boards, management, audit committees), media releases, good practice guides, website, workshops/seminars, and annual reports;
- (iii) The value of audits may be assessed by follow-up of audit issues, improved timelines, surveys, and peer reviews;
- (iv) PASAI has successfully introduced environmental audits on a co-operative basis on two audits – the audit of management of solid waste audit and the audit of access to safe drinking water;
- (v) The rollout of International Standards of Supreme Audit Institutions (ISSAIs) is being facilitated by the PASAI manuals/training materials, which are aligned with these standards.

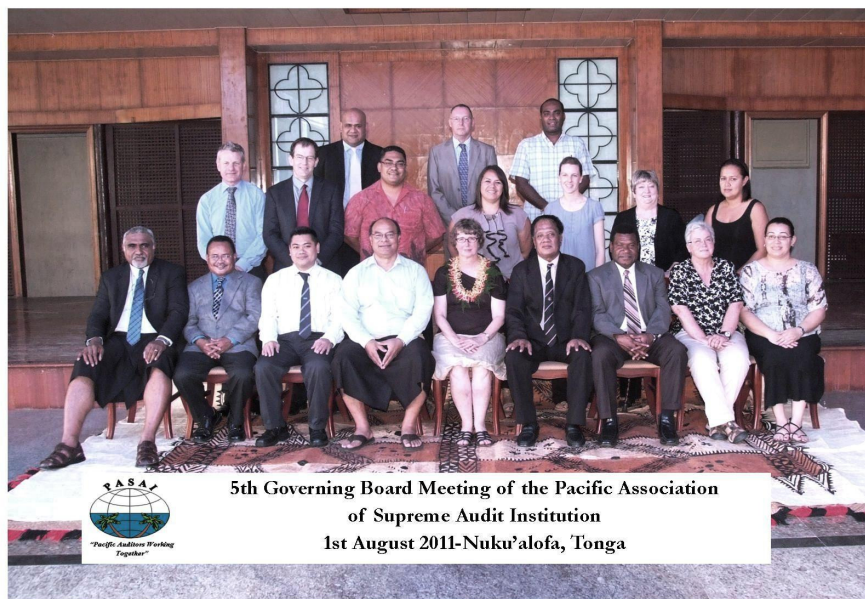
The update on the programmes of the Pacific Regional Audit Initiative (PRAI) provided delegates with information on the progress and achievements in the last 12 months and discussed the planned work for 2011/12. This was well received by the Congress, which then endorsed the PASAI business plan for financial year 2011/12. The PASAI business session allowed members to discuss and endorse specific PASAI matters.

The Congress included two workshops on *Leading organisational change* and *Implementation of ISSAIs*. On *Leading organisational change*, the Tonga Commissioner of Police, Mr Chris Kelley, gave an inspirational keynote address on the changes he headed in the reform of the Tonga Police. This set a good platform for our co-ordinator, Lin Weeks, to conduct a valuable and useful forum to prepare Heads of SAs for the innovative changes in their own Offices that are the focus of PRAI.

The ISSAI workshop, conducted by Sarah Lineham of the Office of the Auditor-General of New Zealand, was a significant step by PASAI in the adoption of the ISSAIs. The presentation successfully raised the Congress' awareness by introducing an ISSAI checklist. The checklist focuses on the ISSAI at level 2 of the ISSAI framework dealing with the "Prerequisites for the functioning of SAs". A copy of the presentation and very useful checklist is available from the PASAI website – www.pasai.org.

2. 5th PASAI Governing Board meeting

In conjunction with the Congress, the PASAI Governing Board held its 5th meeting at the International Dateline Hotel, Nukualofa, Tonga on 1 August 2011. The Board considered and discussed PASAI governance issues, projects, strategy and funding and general business issues. A number of these matters were taken to the business session of the Congress for its endorsement.



The Governing Board also met as the governing body of the PASAI Incorporated Society to discuss matters required under the New Zealand Incorporated Society law. These include approving the 2010/11 Annual Report and audited financial statements of the society and the appointment of the 2011/12 auditors.

A clear theme from the Governing Board, taken into the Congress, was that PASAI is over its substantial and necessary set up phase and now is the time for PASAI and individual audit offices to effectively implement and integrate the benefits of the PRAI. Both the board and Congress adopted a new performance framework designed to assess the outcomes achieved by the PRAI as well as its outputs.

3. PASAI Incorporated – Annual General Meeting

The Annual General Meeting (AGM) of PASAI Incorporated was held on Friday 5 August 2011. The 20-day notice required by the rules of the incorporated society was waived as members had requested the Governing Board to hold the AGM during the Congress, which most members would be attending.

During the meeting, the members considered and endorsed the Society's annual report and audited financial statements for the financial year 2010/11.

It was pleasing for the AGM to note that the audited financial statements and the annual report were completed and audited within the very short time period between the year end and the Congress one month later. The meeting was very grateful to staff of the Secretariat, the Secretary-General's Office and, of course, for the cooperation of PASAI's auditors, CST-Nexia of Auckland.

4. Capacity building

Three PASAI manuals (Human Resources Management, Reporting Guidelines, and Quality Assurance Guidelines) were approved by the Governing Board when it met in Tonga on 1 August 2011. The three manuals were subsequently endorsed by the PASAI Congress on 3 August 2011. Electronic copies of the manuals will be circulated to members and will also be available from the PASAI website – www.pasai.org.

The Financial Audit Manual and Performance Audit Manual are being reviewed by the New Zealand Office of the Auditor-General and the PASAI Secretariat. The manuals are expected to be completed by the end of the year.

The Governing Board noted that the manuals had gone through extensive review and were ready to be adopted. The manuals would be the basis of the four training manuals (Tiers 1 to 4) that are being developed. In the 2011/12 financial year, the Board will focus on the adoption of audit manuals, which are essentially based on international best practices.

The training materials for Tier 2 – *Intermediate government auditing* and Tier 3 – *Supervisory roles* are being finalised for review by the champion. The pilot training for Tier 1 – *Fundamentals of government auditing* was conducted in Nadi, Fiji on 11-22 July 2011. Tier 4 – *Management of audits* is being prepared for pilot training and evaluation in November 2011.

5. Co-operative performance audit

The regional report of the first co-operative audit on management of solid waste was approved by the PASAI Governing Board when it met in Nukualofa, Tonga on 1 August 2011, and was circulated at the 14th PASAI Congress. The report summarises the findings of the 10 national reports, most of which are now public documents. The regional report is now available from the PASAI website – www.pasai.org.

The second co-operative audit on access to safe drinking water has been completed and the 10 participating SAs are making arrangements to make their national reports public. The regional report of the audit will be produced once all the national reports have been made public.

The planning meeting for the third co-operative performance audit was held in Nadi, Fiji on 22-26 August 2011. The Governing Board had approved the audit topic – sustainable fisheries management – when it met in Tonga on 1 August 2011 and the Congress subsequently endorsed it.



The meeting, attended by 20 participants from 11 SAls, produced plans for the audits. The meeting was facilitated by Dr Graham Piling of the South Pacific Commission and Mr Jonathan Keate of the New Zealand Office of the Auditor-General, who provided technical advice and guidance on the topic. Mr Keate is also Chair of the INTOSAI Working Group on Environmental Audit.

6. Sub-regional audit support programme

The second round of the sub-regional audit support (SAS) programme started in June 2011. It is being delivered through a combination of training workshops and observed and guided audits. Our SAS Programme Co-ordinator, SAS Expert, and secondees are currently in Kiribati auditing the Kiribati Public Utilities Board (PUB) and the Kiribati Provident Fund (KPF).



SAS Expert, Matt Major conducting training at the Kiribati National Audit Office

Our consultants were impressed with the audit staff who had a good re-collection of the CARKEYS audit methodology, despite the 14 months delay in the second round. The audits of PUB and KPF were expected to be completed on 26 August 2011. The Nauru phase of the programme will start on 12 September 2011.

7. Accountability and transparency project

Our project consultant, Aolele Sua Aloese has carried out initial research and met with the project team in Suva, Fiji to conduct interviews with a number of regional partners (including the Pacific Islands Forum Secretariat, the United Nations Development Program, and AusAID) and other interested individuals and organisations (including the Fiji chapter of Transparency International, the Fiji Independent

Commission Against Corruption, and academics from schools or business and government at the University of the South Pacific). A scoping and benchmark paper was considered and noted by the PASAI Governing Board. Fieldwork started in Tonga following the PASAI Congress and the Samoa part of the study will be completed in September.

8. Secretariat

Eroni Vatuloka of the PASAI Secretariat and Bruce Robertson briefed the Small Island States (SIS) Officials Committee and the Pacific Plan Action Committee (PPAC) when the two committees met in Suva, Fiji on 15 and 17 August 2011 in preparation for the Pacific Island Forum Leaders's meeting in Auckland on 6 – 9 September 2012. The committees acknowledged PASAI's co-ordinating role in successfully implementing the SAS programme in Nauru, Kiribati, and Tuvalu. They noted the transformational effect that the SAS has had on the capacity of the three countries to conduct audits.

The SIS and PPAC also acknowledged the co-operative performance audit on the management of solid waste. They noted, in particular, the diverse range of capacity building options PASAI is providing to strengthen audit institutions and personnel.

The two committees have recommended to the Pacific Island Forum Leaders to note the successful implementation of PRAI, especially the SAS and co-operative audits programmes.

9. PASAI Calendar

In the next three months, PASAI has planned the following activities:

- 22 June - 2 September – SAS Kiribati phase audits;
- 19 September - 25 November – SAS Nauru phase audits;
- 25 October - 11 November – Communications pilot training;
- 21 November - 9 December – Pilot training, Tier 4 – *Management of government audits*.

For further information, please contact the PASAI Secretariat.

Email: enquiry@pasai.org
Telephone: +64 9 304 1275
Fax: +64 9 307 9324.