

### 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. 10th Governing Board meeting

With the exception of Junior Patrick, Auditor General of the Marshall Islands, whose auditor duties unavoidably detained him, all members of the Governing Board attended its 10th meeting held in Auckland, New Zealand on 11-12 February 2014. Two of PASAI's development partners were also able to attend. The highlight of the matters discussed includes the endorsement of PASAI's long-term strategy 2014 -2024 and a prioritization schedule for the implementation of the strategy. The two documents were circulated to all PASAI members for their signatures, indicating their commitment and support. The strategy will be used as the basis for the regional submission for assistance under the Global Call for Proposals.



**10th PASAI Governing Board Meeting**  
11th February 2014, Auckland, New Zealand

The PASAI Secretariat has subsequently completed an operational plan for 2014/15 – 2018/19 (the first implementation period) and this has been circulated to members of the Governing Board for their comments. Once this is completed, members, development partners and stakeholders will be given time to comment on the plan.

Other important resolutions from the Governing Board meeting include:

- special assistance to SAI Nauru, and its exclusion from the SAS program;
- development of SAs strategic plans and the application of the SAI performance measurement framework;
- confirmation of a theme for the 17th PASAI Congress to be held in Apia, Samoa on 18-22 August 2014;
- approval of a structured process for the review of PASAI manuals, guidelines and Secretariat policies.

Details on the implementation of the resolutions will be circulated to members and stakeholders.

## 2. PFM Symposium

The Executive Director attended a symposium on public financial management (PFM) reform in the region on 14 February 2014. The symposium was attended by 25 participants including officials of the Ministry of Finance of Fiji, Tonga, Samoa, Solomon Islands and Vanuatu, regional bodies, development partners and other stakeholders.

The 5 island states represented at the meeting shared the status of the PFM reforms in their countries, especially their experiences and challenges. Participants discussed the way forward for these reforms, in particular how to respond to the challenges.

The stakeholders stressed that the reforms needed to be initiated from within the island states rather than from external pressures. This was important in all reforms as anything not originating from within has the tendency not to directly address the weaknesses in the financial systems.

The Executive Director shared two points on behalf of PASAI:

- PFM reform should be concerned about the full cycle of fiscal accountability, with strategies incorporating financial reporting, external audit and scrutiny by the legislatures or their committees. PFM is not complete until the three processes are effectively in place and working.
- Any delays in the preparation of financial reports will consequently affect audits which in turn delay effective scrutiny by the legislatures.

## 3. Capacity Building

*Career Path Training* – While the submission of post-training action plans and accomplishment reports is rather slow, the PASAI Secretariat is encouraged by some successful stories.

- After participating in the Tier 2 training, SAI Tuvalu has established a Performance Audit Unit with Cabinet approving the SAI's new organisational structure.
- SAI Pohnpei State of the Federated States of Micronesia has adopted the "line of enquiry" concept from PASAI's cooperative performance audit it participated in. This has been incorporated in the SAI audit methodology.
- SAI Vanuatu has established a time management system, a concept that was introduced in the Tier 3 training, to assist SAIs in the management of their audit portfolios.

The Secretariat will continue to follow-up on the outstanding plans and reports.

*Cooperative Performance Audit on Climate Change* – Only two of the ten SAIs reports on climate change are outstanding. PASAI can now start drafting a regional report for the audit.

*Professionalisation Workshop* – The Capacity Building Advisor represented PASAI at the Professionalisation workshop hosted by AFROSAI-E in Pretoria, South Africa on 17-19 February 2014. The workshop brought together representatives from AFROSAI-E member SAIs and various stakeholders including professional accounting and auditing organizations in South Africa, regional and international organizations as well as development partners, to share experiences and explore ideas in view of the concept note on professionalizing public sector accounting and auditing in Africa.



Left to right : Mr Tony Redmond – Facilitator, Mrs Sinaroseta Palamo-Iosefo – PASAI Capacity Building Advisor, Mt Ludovick Utouh – Auditor General of Tanzania and Chairperson of AFROSAI-E Governing Board and Mr Wessel Pretorius – CEO AFROSAI-E

Having auditors in the public sector certified as “professionals” is an issue in most member SAIs of PASAI. However professionalization will only work if:

- organisations seeking to professionalise create the necessary circumstances under which professionalism can flourish;
- there is a professional accountancy institute to support the professionalization process;
- there is an appropriate education and training infrastructure in place.

The initiative will be a challenging one for PASAI to take forward as a region considering the three different government models under which our members operate. Professionalization at country level is possible if there is concrete commitment from the government, the SAI and relevant organizations. Regionally, this can be achieved through strong commitment from Pacific leaders and coordination with agencies who strive to improve public financial management in the Pacific.

#### **4. Cooperative Performance Audit – Public Debt**

The overall topic for this cooperative performance audit is to assess whether public debt management is effective and efficient to achieve long term sustainability and financial stability. The planning meeting held in July 2013 in Nadi, Fiji enabled the participants to develop their specific audit objectives relevant to their SAIs and draft their audit plans.

The audit teams should have completed the fieldwork and be drafting their audit reports to present at the reporting meeting to be held in Rarotonga, Cook Islands on 17-22 March 2014.

Should your SAI require any assistance please contact the PASAI Technical Support Advisor at [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

#### **5. Cooperative Financial Audit – Foreign Aid**

The 16th PASAI Congress endorsed the first cooperative financial audit (CFA) to commence in March 2014. The audit will closely follow the International Standards of Supreme Audit Institutions (ISSAIs) and risk based approach to financial auditing.

IDI is cooperating with PASAI Secretariat to jointly organise this CFA and the following SAIs have confirmed their participation: Fiji, Cook Islands, Kiribati, Samoa, Tuvalu and Tonga. A planning meeting for participants from these countries will be held in Nukualofa, Tonga on 27 March – 2 April 2014.

Should you have any queries please contact the PASAI Technical Support Advisor at [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

#### **6. Sub-regional Audit Support (SAS) Program– Round 4**

PASAI is grateful that the Asian Development Bank is supporting the fourth round of the SAS program to include an additional participating country. PASAI has confirmed that Solomon Island Office of the Auditor General will be participating in the fourth SAS program. A SAS committee meeting will be held in May 2014 to confirm the program's timeframe.

During the 10th PASAI Governing Board meeting, the specific needs and challenges faced by the Department of Audit, Nauru was discussed. After discussion with Director of Audit, Mr Mahonaran Nair, PASAI has decided that the SAS program will not meet the long term sustainable needs required therefore, Nauru will not be included in the fourth round of the SAS program. Instead, under the new PASAI strategy, PASAI will work with SAI Nauru to develop a targeted approach to provide long term sustainable assistance.

Arrangements are currently being made with ADB to advertise the two consultancy positions, the SAS Program Coordinator and SAS Public Auditing Expert. If you know of anyone who may be suitable for these positions please refer to the ADB Recruitment Centre website or refer to the following link for more information <http://www.adb.org/documents/adb-recruitment-center-arc-quickstart-guide-external-applicants>

Should you have any questions or queries please contact the PASAI Technical Support Advisor at [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

## 7. PASAI Calendar

In the next six months, PASAI has the following activities planned: Note that the SAI PMF Workshop has been rescheduled because of storm concerns in Fiji.

- 17-22 March – 5th CPA public debt reporting meeting, Rarotonga, Cook Islands;
- 27 March – 2 April – 1st CFA - Foreign Aid planning meeting, Nukualofa, Tonga;
- 14-17 April – SAS Tuvalu follow-up;
- 28 April—2 May — SAI PMF Workshop—rescheduled;
- 5-9 May – SAS Kiribati follow-up;
- 20-22 May – 8th ACAG/ PASAI WGEA meeting, Canberra, Australia;
- 26-27 May – SAS Committee meeting, Auckland, New Zealand;
- 2 June – SAS 4th round, country 1 start (tbc);
- 14-18 July - IFRS/IPSAS workshop, Suva, Fiji (tbc);
- 21-25 July - SMOG workshop, Suva/Nadi, Fiji (tbc);
- 4 August - 12 September - SAS 4th round, country 2;
- 18 August - 11th Governing Board meeting, Apia, Samoa;
- 19-22 August – 17th PASAI Congress, Apia, Samoa.

Other important dates for PASAI are as follows:

- 14-16 March, FIA Technical workshop, Sheraton Hotel, Denarau, Fiji;
- 27-29 March – Commonwealth Auditors General Conference, Malta;
- 23 May – 3rd PFM working group meeting, Suva Fiji;
- 25-29 August – APIPA Congress, Pagopago, American Samoa.

For further information, please contact the PASAI Secretariat:

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