



# Pacific Association of Supreme Audit Institutions (PASAI)

Status of the Pacific Regional Audit Initiative (PRAI) - May 2014

## 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. Funding of PASAI's Strategic Plan

The Executive Director, Eroni Vatuloka, and Deputy Secretary-General, Bruce Robertson, met with development partners and stakeholders in Canberra and Sydney, Australia, as they continue to seek funding support for the PASAI Strategic Plan 2014–2024. The partners and stakeholders included the Australian Department of Foreign Affairs and Trade (DFAT), the Asian Development Bank, the World Bank, the Australasian Council of Auditors General (ACAG) and the New South Wales Auditor-General.

Some partners indicated they will provide funding support for the Strategic Plan, while discussions with other partners are progressing. Members and stakeholders will be informed when negotiations are finalised.

PASAI acknowledges the continued assistance of the Asian Development Bank. The Asian Development Bank approved a new technical assistance package of US\$1.3 million over the next two years. The support will fund Round 4 of the Sub-regional Audit Support (SAS) Programme and will also fund external consultants to assist PASAI.

## 2. Capacity Building

*Career Path Training* — The PASAI Secretariat will resume career path training in the new financial year, starting July 2014. When the Annual Plan is approved by the Governing Board in August 2014, SAs will be informed of the dates for the training. Meanwhile, the Secretariat has continued to follow up post-training action plans and accomplishment reports for the training we have delivered over the past two years.

*Australasian Council of Auditors-General–PASAI Regional Working Group on Environmental Auditing (RWGEA)* — The PASAI Secretariat and representatives from four SAs (Cook Islands, FSM, Fiji, Samoa) attended the ACAG–PASAI RWGEA meeting held in Canberra, Australia on 20–22 May 2014. Co-hosted by Mr Ian McPhee, the Commonwealth Auditor-General and Dr Maxine Cooper, Australian Capital Territory's Auditor-General, the main themes for the meeting were waste management, water management and climate change adaptation. Delegates presented on their experience with performance audits carried out within these themes.

The results of environmental audits carried out as part of the PASAI's cooperative performance audit (CPA) programme were presented. Participants also presented about the impact of the audit findings on public administration within their countries. Mr Bruce Robertson presented an overview of the *PASAI Strategic Plan 2014–2024* for delegates to consider where they can assist PASAI to implement its future activities and programs.

A representative from the INTOSAI Working Group on Environmental Auditing provided an overview of its work plan for 2014–2016. Strengthening existing professional relationships under twinning arrangements between ACAG and PASAI members was discussed, as was establishing new relationships. Some ACAG participants were not aware of the twinning arrangements.

PASAI and ACAG members were able share their experiences and practices in environmental audits and the meeting provided valuable experience for some SAI representatives to network with colleagues from the two regions for the first time. A tour of the Australian Capital Territory's Arboretum and the Hume Material Recovery Facility (landfill) was arranged for delegates as examples of environmental projects in the area.

*ISSAI Implementation Initiative* — The second phase of the facilitators' certification programme for compliance audits is underway. Five staff from PASAI members are participating in this e-learning course on implementing compliance audit ISSAIs. The course will run from 28 April to 14 June 2014.

### 3. Sub-regional Audit Support (SAS) Programme

PASAI's Technical Support Advisor, Agnes Aruwafu, visited the Kiribati National Audit Office on 12–15 May 2014 to evaluate the outcome of Round 3 of the SAS Programme. She observed that the Kiribati National Audit Office's SAS secondees have shown increased capacity in audit processes and in identifying audit issues. In particular, one secondee was promoted to the position of Principal Auditor as a result of her increased knowledge and experience gained from the SAS Programme. This is a positive result from Round 3 of the SAS Programme.

The 7th SAS Committee meeting was held at the PASAI Secretariat in Auckland, New Zealand on 26–27 May 2014. The SAS Committee welcomed the participation of SAI Solomon Islands, discussed the lessons learned from Round 3 of the programme, and each Auditor-General developed expectations for each SAI to achieve in Round 4. The amended Memorandum of Understanding (MOU) for the SAS Programme was also reviewed and signed by the Heads of the participating SAIs, the Asian Development Bank, and PASAI representatives. The MOU has incorporated the inclusion of Solomon Islands in the programme and the dates for the fourth round of the programme.

A published report from the Asian Development Bank's consultants from Round 3 of the programme, including an overview of the committee's views on the programme's progress-to-date will be completed and tabled at the 17th PASAI Congress on 19–22 August 2014.



Auditors-General signing the amended Memorandum of Understanding.  
Seated L–R: AG Tuvalu Eli Lopati, AG Kiribati Matereta Raiman and acting AG Solomon Islands Robert Cohen.  
Standing L–R: PASAI Legal Advisor Robert Buchanan, PASAI Executive Director Eroni Vatuloka

PASAI acknowledges the Asian Development Bank's continued support for Round 4 the SAS Programme. The programme will start follows:

- |                          |                                |
|--------------------------|--------------------------------|
| a. Solomon Islands phase | 2 June – 11 July 2014          |
| b. Kiribati phase        | 1 September – 10 October 2014  |
| c. Tuvalu phase          | 7 November – 19 December 2014. |

If you have any questions or queries, contact Agnes Aruwafu, PASAI's Technical Support Advisor: [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

Meeting attendees: Lyn Provost, PASAI Secretary-General (Chair); Eroni Vatuloka, PASAI Executive Director; Matereta Raiman, Auditor-General of Kiribati National Audit Office; Eli Lopati, Auditor-General of Tuvalu Audit Office; Robert Cohen, Acting Auditor-General of Solomon Islands Office of the Auditor General; Robert Buchanan, PASAI Legal Advisor; and Agnes Aruwafu, PASAI Technical Support Advisor.

### 4. International Accounting Standards Workshop

PASAI is organising a workshop on accounting standards to be held in Suva, Fiji on 21–25 July 2014. The objectives of the workshop are:

- to update participants on the International Financial Reporting Standards (IFRS) and the equivalent International Public Sector Accounting Standards (IPSAS) used by Pacific governments and their entities
- to increase the capacity of public sector accountants and auditors

- to establish and encourage a network of practitioners involved in preparing and auditing financial statements.

The workshop will be facilitated by the University of the South Pacific (USP). For the first time, public sector (Ministry of Finance) accountants will be invited to attend the workshop. PASAI expects 40 participants.

The workshop will enhance SAI capacity and capability, which is one of the objectives of the fourth strategic priority of the *PASAI Strategic Plan 2014–2024*.

If you have any questions about the workshop, contact Agnes Aruwafu, PASAI's Technical Support Advisor: [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

## 5. Cooperative Financial Audit — Foreign Aid

The planning meeting of the first Cooperative Financial Audit (CFA) on foreign-aided projects was held in Tonga on 27 March to 2 April 2014. Twelve participants from SAs Cook Islands, Fiji, Kiribati, Samoa, Tuvalu and Tonga attended. The audit teams are currently in the field progressing their financial audits.

The reporting meeting will be held 13–18 October 2014; however, a venue is yet to be confirmed. All Heads of SAI and participants will be advised as soon as a venue is known. PASAI acknowledges the continued support of the INTOSAI Development Initiative for this programme. We look forward to a successful reporting meeting.

If your SAI requires training on the risk-based approach to financial audits, contact Agnes Aruwafu, PASAI's Technical Support Advisor, at [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org), to make the necessary arrangements.

## 6. Cooperative Performance Audit — Public Debt

The overall topic for the Cooperative Performance Audit — Public Debt is to assess whether public debt management is effective and efficient for achieving long-term sustainability and financial stability. Nine SAs are participating in this cooperative performance audit. The planning meeting, held in July 2013 in Nadi, Fiji, enabled participating SAs to develop their specific audit objectives and draft audit plans for public debt management.

The audit teams completed the fieldwork in their jurisdictions and a reporting meeting was held in Rarotonga, Cook Islands on 17–22 March 2014. PASAI's Technical Support Advisor will develop the regional report of the audit when the reports from the participating SAs are tabled or made public. To date, only the Guam Office of the Public Auditor has published their audit report.

If you have any queries about this program, contact Agnes Aruwafu, PASAI's Technical Support Advisor: [agnes.aruwafu@pasai.org](mailto:agnes.aruwafu@pasai.org).

## 7. PASAI Calendar

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

- 2 June – 11 July: SAS 4th round, Solomon Islands phase
- 15–16 July: Strategic planning meeting, Rarotonga, Cook Islands
- 21–25 July: IFRS/IPSAS workshop, Suva, Fiji
- 18 August: 11th Governing Board meeting, Apia, Samoa
- 19–22 August: 17th PASAI Congress, Apia, Samoa
- 1 September – 10 October: SAS Round 4, Kiribati phase
- 22–26 September: Tier 2 Training, Tarawa, Kiribati (tbc)
- 13–17 October: CFA — Foreign Aid, reporting meeting.

Other important dates for PASAI are:

- 6 June: Economic TA and Donors meeting, Suva, Fiji
- 23–24 June: Workshop for Marshall Islands MPs, Majuro, RMI
- 23–27 June: UN Public Service Forum, Seoul, South Korea
- 14 July: PFTAC Annual meeting, Nadi, Fiji
- 25–29 August: APIPA Congress, Pagopago, American Samoa
- 8–12 September: INTOSAI Capacity Building Committee meeting, Lima, Peru
- 16–17 September: INTOSAI–Donor Cooperation Steering Committee meeting, Paris, France
- 18–21 September: Fiji Institute of Accountants (FIA) Technical Workshop, Warwick Hotel, Fiji.

For further information, please contact the PASAI Secretariat:

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