



Pacific Association of Supreme Audit Institutions (PASAI)

Status of the Pacific Regional Audit Initiative (PRAI) - November 2013

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. INTOSAI-Donor Cooperation - Global Call of Proposals 2013

The INTOSAI-Donor Cooperation launched the Global Call for Proposals (GCP) following the INCOSAI in Beijing, China in October 2013. Heads of SAs were sent the communication from the INTOSAI-Donor Cooperation on 22 November 2013. As was discussed during the PASAI Congress in Guam in September, it is very important that bids from this region are of high quality, well aligned to the PASAI 2014-24 strategy and well-coordinated to achieve scale and quality that is needed to attract donor attention.

The PASAI Secretariat will put in a bid based on the complete long-term strategy and must be the coordination point for all other bids or sub-bids from our region. Our goal is to ensure a very high standard is maintained so that we maximize the chances of success in this highly competitive process.

The Secretariat wishes to encourage all SAs in the region to consider their needs for support and areas that align to the PASAI strategy goals. Please notify these to the PASAI Secretariat by 8 January 2014 so that your projects can be built into the overall PASAI strategy bid or coordinated with others in the region to design another bid of appropriate scale. The Secretariat is available to assist with SAs' in this process but it is essential for the success of the overall PASAI strategy bid that we run a well-coordinated process across the whole region. Therefore the Secretariat must be aware of all bids being submitted from members. SAs should get in touch with the Secretariat if they have difficulties accessing the relevant website <http://www.idi.no/artikkel.aspx?Mid1=98&Ald=628>. The following are available to assist: Eroni Vatuloka eroni.vatuloka@pasai.org ; Agnes Aruwafu agnes.aruwafu@pasai.org ; and Sinaroseta Palamo-Iosefo sina.iosefo@pasai.org .

2. Advocacy work in the Solomon Islands

As well as facilitating in the communications workshop in Honiara, Solomon Islands on 4-8 November, the PASAI Executive Director, Eroni Vatuloka convened meetings with: Brian Lenga, Executive Director of the Commonwealth Pacific Governance Facility (CPGF); members of the Solomon Islands Public Accounts Committee; and, the Minister of Finance and Accountant General.

The meetings discussed democratic governance, work of the parliamentary committees and civil education as well as explore opportunities where PASAI could work with CPGF, PACs and PFTAC in promoting good governance in the region. The group would like to understand more about PASAI and how it attempts to respond to the challenges faced in public financial management in the Pacific region, especially the scrutiny role of the legislature.

The Executive Director shared PASAI's draft long-term strategy which has a broad focus of influencing the full spectrum of effective public financial management involving financial reporting, external auditing and legislative scrutiny.

3. Workshop for Samoan MPs and Parliament Officials

PASAI Executive Director, Eroni Vatuloka participated in a *Financial Oversight Workshop for the Parliament of Samoa* on 13-14 November 2013. The programme was facilitated by three former members of Parliament of Australia and New Zealand.

The workshop covered the budget cycle, the role of Parliament in the process, challenges and opportunities of the Public Accounts Committee. The PASAI presentation was on the *Financial Oversight in a Regional Context – the Role of the Public Accounts Committee (PAC)* within the broader sphere of Supreme Audit Institutions. The United Nations Office for Drugs and Crime (UNODC) presented on *Financial Oversight in a Global context*.

Given that most members of Parliament were unaware of PASAI and the work it does in the Pacific region, PASAI presentation covered how it all started with the Pacific Plan and the

various initiatives that arose out of the plan, one of which was the Pacific Regional Audit Initiative (PRAI). It also covered the outputs that have been produced to date under the 4 strategic outputs, and the new strategy it has developed for the long term.

PASAI also had an opportunity to present to the Parliament officials. PASAI wishes to thank UNDP and the Samoan Parliament for including PASAI in the programme.

4. Capacity Building

Communicating Effectively – The 3rd *Communicating Effectively* workshop was held in Honiara, Solomon Islands on 4-8 November 2013. The workshop was opened by the Auditor General of Solomon Islands, Mr Edward Ronia who stressed the importance of communicating audit results to clients and to the public. The workshop included, report writing skills, improving readability, presentation of reports to clients and stakeholders and dealing with the media. It was closed by Ms Claire Cochrane, Counsellor Governance for the Australian Aid program based in Honiara.



Participants of the 3rd *Communicating Effectively* workshop held in Honiara, Solomon Islands on 4-8 November 2013.

Training materials - The training materials for Tier 1, 3 and 4 will be finalised and copied on to CDs in this sequence. Copies of these materials will be made available on the PASAI website, www.pasai.org and CDs will be distributed to PASAI's members.

ISSAI Implementation Initiative (3i Program) –The Certification programme for ISSAI facilitators has just completed the second e-learning course on iCATs for financial and performance audits. 11 financial auditors and 8 performance auditors from the PASAI region participated in the second e-course. All the 19 auditors have successfully completed this stage. The final stage of the program, the facilitation skills workshop was completed for both performance auditors and financial auditors in Bangkok, Thailand on 30 September to 12 October 2013 respectively.

The Capacity Building Advisor continues to follow up and remind SAs about completing and submitting iCATs, which are other deliverables for the 3i programme as agreed to by the Heads of SA in Nadi, December 2012.

E-course on Risk Based Approach to Financial Auditing – This program is facilitated by the INTOSAI Development Initiative (IDI). The program aims to enhance awareness of the ISSAs pertaining to financial audit, with a particular emphasis on providing training to financial auditors in using tools for adopting a risk based approach to financial auditing.

The second offering of this course was for 7 weeks from 9 September to 25 October 2013. 15 participants from 5 PASAI member SAs participated in the second offering of this course. Of the 15 participants, there are 7 male and 8 female. IDI will inform the Secretariat when the results are available.

5. Cooperative Performance Audit (CPA) – Public Debt

The overall topic for this CPA 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 participating SAs to develop their specific audit objectives relevant to their issues concerning public debt management and to complete a draft audit plan.

The audit teams are currently conducting their fieldwork and are expected to attend a reporting meeting of the audit in Rarotonga, Cook Islands on 17-22 March 2014.

Should your SAI require technical support please contact the PASAI Technical Support Advisor at agnes.aruwafu@pasai.org.

6. Cooperative Financial Audit (CFA) – Foreign Aid

The 16th PASAI Congress endorsed the 1st CFA to commence in March 2014 and will closely follow the International Standards of Supreme Audit Institutions (ISSAIs). Importantly, it will be a requirement that participating SAIs must have completed their iCATs before they commence this CFA.

To date, the following SAIs have shown an interest, FSM, Kiribati, Solomon Islands, Tonga Vanuatu and Tuvalu. A formal invitation will be forwarded to all Heads of SAIs which will outline specific criteria that must be met before participation is approved.

The planning meeting will be held in Tonga on 25 March to 1 April 2014.

SAIs interested in participating or have any questions should contact the PASAI Technical Support Advisor at agnes.aruwafu@pasai.org.

If you have any questions relating to iCATs, please contact the PASAI Capacity Building Advisor at sina.iosefo@pasai.org.

7. Sub-regional Audit Support (SAS) Programme – 3rd round

Kiribati National Audit Office (KNAO)

The Kiribati phase commenced on 14 October 2013 and completed on 28 November 2013. The PASAI Technical Support Advisor visited Kiribati to be present during the handover of the work of the SAS Team to KNAO.



Standing L to R: Seondee Nauru, Kiribati, Tuvalu, PASAI TSA, Kiribati
Seated L to R: ADB Audit expert, AG KNAO, Deputy AG KNAO

The Auditor General expressed her gratitude to the SAS team for the work they achieved during the SAS program and on behalf of PASAI she presented a certificate of participation to each of the SAS team members.

The third round of the SAS program is now completed and a country report will be submitted to the SAS committee by the PASAI Technical Support Advisor for its consideration. It is expected a regional report will be drafted to describe the lessons learnt during this SAS program.

8. PASAI Calendar

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

- 16 December-3 January 2014 – PASAI Secretariat closure;
- 11-12 February - 10th Governing Board meeting, Auckland, New Zealand;
- 3-7 March – SAI PMF workshop, Nadi, Fiji;
- 17-22 March – 5th CPA public debt reporting meeting, Rarotonga, Cook Islands;
- 25 March-1 April – 1st Cooperative financial audit (CFA) - Foreign Aid, Nukualofa, Tonga.

For further information, please contact the PASAI Secretariat:

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