

### 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 Board meeting

Late in the month, Mrs Lyn Provost, Auditor-General of the New Zealand SAI, and Secretary-General, attended the 62nd INTOSAI Governing Board meeting as the Pacific region's representative. While a good meeting, it was all the more easier to go with the All Blacks being recently crowned the rugby world cup champions!

A snapshot of the business conducted by the Governing Board is:

- It was confirmed that the next INCOSAI will be convened in Chengdu, China on 28 October through 2 November 2013. The themes will be governance at national levels and national audit and, secondly, the role of SAs in safeguarding long term sustainability of finance policies
- Timor Leste was accepted as a full member of INTOSAI
- The introduction, communication and training on ISSAs remains a key part of INTOSAI's agenda. Again our PASAI approach was noted and commented on favourably
- There was substantial discussion around donor funding, including the role of the INTOSAI donor committee
- Copies of our manuals produced to date were distributed and more copies were requested.

En route to the Governing Board, Mrs Provost also attended the INTOSAI Working Group on Accountability for and Audit of Disaster-related Aid in Turkey. Ominously, the Working Group coincided with Turkey's recent deadly earthquake, which provided a serious and sad backdrop to the important area role of SAs in auditing disaster related aid fund flows. It reinforced the important role SAs can take in audit related work on a country's preparedness, resilience and management of disasters.

### 2. Capacity building

The Financial Audit Manual and the Performance Audit Manual and Tier 1-4 training materials are progressing through the final review and editing process. However, this may be delayed because of the unavailability of the Communications Advisor, Anna Will (see 6). Although PASAI is negotiating alternative arrangements, this may delay the presentation of some of the manuals and/or training materials at the February 2012 Governing Board meeting.

Several significant capacity building projects are continuing. Matt Major, the Sub-regional Audit Support Expert, has extensive experience in the use of templates, and he is assisting in the final review of the Financial Audit Manual. Preparations for the *Communicating Effectively* training course were completed in late October, and 18 participants will attend the training in Nadi, Fiji from 2-11 November 2011. Later in the month, 19 participants from 11 SAs are scheduled to attend the Tier 4 – *Management of government audits* pilot.

### 3. Capacity building

PASAI is drawing the second cooperative performance audit on water to a conclusion through preparation of the regional report. As with the audit on solid waste, preparation of this report is considered important in concluding on the round and providing the Pacific stakeholders with an effective region wide view on this important resource. All but two SAs have been able to table their own

country reports with their Parliament.

Fieldwork for the third co-operative performance audit on sustainable fisheries management has started. While two participating SAs are yet to commence their work, the audit is expected to be completed after February 2012 with a reporting meeting to be held at the end of March 2012.

#### **4. Sub-regional audit support programme**

The sub-regional audit support (SAS) team will complete the Nauru phase of the programme three weeks earlier than originally scheduled because of:

- the decision by the SAI to focus on just one of the two entities in the planned work and bring that up to date rather than not completing two in the work schedule; and
- shortage of local staff to support the programme.

The Tuvalu phase of the programme remains as scheduled, starting on 23 January 2012.

#### **5. Accountability and transparency project**

PASAI has selected a four-member steering committee to oversee the completion of the accountability and transparency project. The committee includes:

- Pohiva Tuionetoa (Chair);
- Lyn Provost/ Bruce Robertson;
- Doris Flores-Brooks; and
- Edward Ronia.

Apart from monitoring the progress and planning the project completion, the committee will review the reporting approach and format.

The in-depth studies of the Federated States of Micronesia, Guam, Samoa, and Tonga have been completed. The studies of the Solomon Islands and New Caledonia started on 31 October and will be completed in mid-November.

To date, 14 SAs have returned the completed accountability and transparency questionnaires. SAs facing difficulties in completing the questionnaires should contact Aolele Aloese on [aolele.suaaloese@gmail.com](mailto:aolele.suaaloese@gmail.com) or Eroni Vatuloka on [eroni.vatuloka@pasai.org](mailto:eroni.vatuloka@pasai.org).

#### **6. Secretariat**

PASAI's Secretary-General, Lyn Provost, signed a Grant Funding Arrangement with the New Zealand Ministry of Foreign Affairs and Trade on 14 October 2011 for a total aid package of NZ\$1.6 million over three years. This is in addition to the New Zealand Government's initial funding (for three specific projects) earlier this year of NZ\$179,733. Following the signing, PASAI received the first tranche of NZ\$500,774 on 25 October 2011. The assistance is part of New Zealand's support of PRAI under its Pacific Economic Growth Programme. PASAI is grateful for the kind assistance to enhance capacity building in SAs and improve accountability and transparency in the Pacific region.

PASAI has advertised the Capacity Building Advisor position and Heads of SAs have been sent details of the advertisement. PASAI is seeking a suitably qualified and experienced auditor, who can be recruited or seconded from a developing country SAI to assist with the implementation of the capacity building programme in the region. Applications for the position closed on 11 November 2011.

PASAI's Communications Advisor/ Editor Ms Anna Will will finish her contract later in November as she and her partner are expecting their first child. Anna has been our first advisor and given the role good impetus. Her work has confirmed its value. The Asian Development Bank, on behalf of PASAI, will soon be advertising the position.

#### **7. PASAI Calendar**

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

- 17-25 November – Pilot training, Tier 4 – *Management of government audits*;
- 19 December 2011 – 2 January 2012 – PASAI Secretariat closes for the festive season; and
- 23 January – 30 March 2012 – SAS Tuvalu phase audits.

For further information, please contact the PASAI Secretariat:

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