1.0 Australian National Audit Office

1.1 The Australasian Council of Auditors-General Concurrent Audit on Homelessness

The Australasian Council of Auditors-General (ACAG) previously agreed to increase collaboration, where appropriate, in the conduct of performance audits on topics that have a national dimension. The National Partnership Agreement on Homelessness (NPAH) was chosen as the topic for the first concurrent audit, and six state and territory Auditors-General have completed or are undertaking similar audits. (Audits of the NPAH are being undertaken in the Australian Capital Territory, the Northern Territory, Queensland, Victoria, Tasmania and Western Australia. Reports of the audits will be tabled in the relevant state and territory Parliaments.)

A common audit objective and criteria were developed to support the concurrent audit approach. The objective of the state and territory jurisdiction audits was to examine whether or not the relevant government agencies were meeting their obligations under the NPAH, and whether or not the NPAH was making a difference for homeless people. The Australian National Audit Office (ANAO), in preparing its report, has considered the findings of the reports completed by the state and territory Auditors-General. (As of 27 March 2013, the Auditors-General of Western Australia, Victoria and Queensland, Tasmania and the Northern Territory had tabled their reports.)

The objective of this audit was to examine the effectiveness of the Department of Families, Housing, Community Services and Indigenous Affairs’ (FaHCSIA) administration of the NPAH, including monitoring and reporting of progress against the objective and outcomes of the agreement.

ANAO made one recommendation aimed at strengthening the administrative arrangements for potential future funding arrangements for homelessness involving the delivery of services by the state and territory governments. It was also noted in the report that the issues raised are matters which may require broader consideration by the Australian Government in respect of other future funding arrangements that operate at a national level.

1.2 Australian National Audit Office (ANAO) Mentor Program

In April 2013, the ANAO introduced a new and refreshed Mentor Program, which aims to assist interested staff to achieve their full potential and develop their career. The program offers mentors an excellent opportunity to pass on their knowledge and experience to colleagues.

The program provides mentees an additional avenue to assist with overall skills development and career aspirations. The mentors complement the role of an individual’s supervisor and the ANAO’s formal Performance Assessment Scheme.

The program includes:

- A new Mentor Policy and Guidelines;
- Information about the program which is available from the Learning & Development portal on the ANAO’s intranet;
- Information sessions for both mentors and mentees;
- Training for mentors;
- Preparatory session for participating mentees;
- Development of a 70:20:10 Agreement between the mentor and mentee; and
- Communities of Practice – ongoing facilitated meetings for mentors and mentees to share knowledge and experiences.

The program includes an initial pilot program from May – August 2013, with a full evaluation being conducted in September 2013.

Interested SAI’s wishing to obtain further information may contact David Sloan, Director Learning and Development at the ANAO at david.sloan@anao.gov.au or +61 2 6203 7558.

*If you would like further information please contact: webmaster@anao.gov.au or ag1@anao.gov.au by email.*

2.0 Cook Islands Audit Office

2.1 Financial Audits:

During the period 1 January to 30 June 2013, a total of 39 financial audit reports have been completed to be tabled in Parliament.

2.2 Special Reviews and Investigations:

During the period 1 January to 30 June 2013, a total of 3 special reviews and investigations have been completed to be tabled in Parliament. These were as a result of the identification of a high-risk or genuine and valid complaint from a member of the public, or initiated by the Director of Audit.

2.3 Audit follow-up on Solid Waste Management Performance Audit Report Recommendation

The Cook Islands Audit Office conducted a follow-up of audit recommendation highlighted in the audit report on the management of solid waste at the Rarotonga Waste Facility. The report was part of the 1st PASAI Regional Co-operative Performance Audit and was issued back in May 2010.
The follow-up review found that although not all the recommendations in the report had been achieved. All the key issues highlighted had been addressed by stakeholders. These included;

a. The establishment of a Solid Waste Management Committee to oversee all decisions pertaining to solid waste within the Cook Islands as well as drive the improvement of a national solid waste management policy.
b. The purchase of a new compactor to further compact recyclable materials such as plastic bottles and aluminium cans into smaller bales which can be easily shipped overseas, thereby increasing the economic viability of recycling in the Cook Islands. The compactor is also used to bale all refuse before they are placed in the landfill therefore increasing its lifespan. It also allows management to keep track of how much waste is actually going in and provides them with the tools to calculate the remaining lifespan of the landfill.
c. The improvement in the collection of roadside waste with the purchase of a new truck and trailer by the contractor to help keep recyclables that have already been sorted by homeowners separate from general refuse.

The purpose of the follow-up audits is to ensure that the issues identified in the audit reports are addressed by the Auditee in a timely manner. Follow-up audits also provide a clear indication of the impact our reviews are having on how Government better manages its public resources.

It is envisioned that more follow-ups will be conducted on special reviews and performance audits six months after the issuance of the final audit report.

2.4 Crown Audit:

The Cook Island Government consolidated annual financial statements combine the annual statutory accounts of ministries (17), island administrations (10), offices of parliament (4), corporations, public authorities and companies (15), and other entities (12).

The Audit Office has completed the audits of the above mentioned entities for the year ended 30 June 2010 and we are therefore in the process of completing the audit of the 30 June 2010 Crown consolidated financial statements. The final audited Crown consolidated financial statements are expected to be presented by the end of June 2013.

A Government wide financial statements catch-up project has continued during the quarter and this will see more timely consolidated financial statements presented in the future. Currently we have completed the audits of 25 entities for the 30 June 2011 financial year, and 18 entities for the 30 June 2012 financial year.

The Audit Office is working with MFEM to ensure the catch-up project objectives are met. Funding was approved from the Cook Islands Technical Assistance Fund (CITAF) for extra resources to enable the Audit Office to undertake its part of the catch-up project. As a result the office has recruited two audit consultants during the quarter who are now assisting in completing the outstanding audits.

2.5 Staff Training and Development:

2.5a Regional:

*PASAI Tier 1 Training - Fundamentals of Government Auditing, Nadi, Fiji - 28 February - 8 March 2013*

Ani Matenga, Auditor, attended Tier 1 Training which ran over a period of 7 days and covered a range of topics essential
to government auditing.

Topics were thoroughly covered by the trainers and sufficient activities and exercises were done throughout the course of the training to ensure that participants fully understood the concepts and principles being taught. Participants were given many opportunities and encouraged to share their views on the topics at hand and also to share their experiences on the practices in their own respective offices. Overall, the 7 day training was well organised and has enabled myself to gain a more in depth and thorough knowledge on government auditing. She also had the opportunity to share a few experiences with the other participants as well as listen to theirs.

Tier 4 Managing Government Audits, Nadi, Fiji – 8 to 12 April 2013

Audit Manager for Special Reviews, Ngatokorua Elikan, attended a PASAI Tier 4 training workshop held over a period of 5 days which cove red a range of topics on how to manage government audits. Also present at the workshop was the Director of Audit Allen Parker who attended at the request of PASAI to be one of the presenters.

Topics covered during the workshop ranged from communicating audit findings to how to manage difficult clients and staff. A range of group and individual activities including opportunities for participants to share on their own personal working experiences ensured that everyone fully understood the concepts and principles being taught. At the end, participants were required to develop individual work plans to implement some of the lessons learnt during the week back at their own SAI s. Overall the training was well organised and I learnt a lot from sharing experiences with my regional colleagues.

If you would like further information please contact: Donna Engu (donna.engu@auditoffice.gov.ck) by email.

3.0 The Audit Office of New South Wales

On 17 May 2013, Peter Achterstraat, Auditor-General of New South Wales, gave a presentation to the European Organisation of Regional External Public Finance Audit Institutions (EURORAI) 2013 IT audit seminar in Suzdal, Russia. Copies of Peter’s and other presentations are available on the EURORAI website: http://www.eurorai.org/Suzdal1.htm

Peter explained the use of Audit Command Language (ACL) in isolating high risk journal entries that may need further work. The other members of EURORAI were keen to hear about developments in PASAI and passed on their regards.

If you would like further information please contact: Sandra Tavares by email Sandra.Tavares@audit.nsw.gov.au
4.0 Office of the Auditor-General New Zealand (OAG)

INTOSAI Working Group on Environmental Auditing: meeting in Tallinn, Estonia, June 2013

The Working Group on Environmental Auditing (WGEA) held its 15th meeting in Tallinn, Estonia on 3-6 June 2013. The meeting was hosted by the outgoing chair of the WGEA, the SAI of Estonia. The Audit Board of Indonesia will take over the role of Chair at this year’s INCOSAI in Beijing.

There was a very good turnout, with 158 participants from 70 SAIs, as well as representatives from international organisations such as the INTOSAI Development Initiative (IDI), the United Nations Environment Programme, and the European Court of Auditors.

Regional representation

Five representatives from SAIs in the PASAI region attended – Jonathan Keate (New Zealand), Mark Simpson (Australian National Audit Office), Mere Waqanicagica (Fiji), and Camillo Afele and Marshall Maua (Samoa).

The main purposes of the WGEA meeting

The meeting was an opportunity for SAIs that had prepared environmental auditing guidance and research papers over the work period 2011-2013 to run tutorials. These tutorials focused on the eight guidance and research projects that have recently been completed, namely:

- Addressing fraud and corruption issues when Auditing Environmental and Natural Resource Management: Guidance for SAIs
- Auditing Water Issues: An Examination of SAIs’ experiences and the methodological tools they have successfully used
- Sustainability reporting – Concepts, Frameworks and the Role of SAIs
- Impact of Tourism on Wildlife Conservation
- Environmental Issues Associated with Infrastructure Development
- Environmental Data: Resources and Options for SAIs
- Land Use and Land Management Practices – An Environmental Perspective

The tutorials each involved an update from the project leader, presentations from SAIs that had carried out relevant audit work, and discussion. These guidance and research papers are available on the WGEA website (www.environmental-auditing.org).

The meeting included presentations from around 30 SAIs on their recent audit experiences, and keynote addresses from Estonian Government ministers and international experts. An expert panel discussed the history of environmental auditing as well as the role of the WGEA and likely future developments. As always, it is interesting to hear presentations from international experts and SAIs about lessons learned from their audits and innovative approaches.

Regional updates

Regional co-ordinators from six INTOSAI regions updated the meeting. Jonathan Keate, of the SAI of New Zealand, told the WGEA about activities in the PASAI region, focusing on the co-operative audits on environmental topics being carried out under the Pacific Regional Audit Initiative. The activity in the PASAI region impressed those present. PASAI is regarded as one of WGEA’s success stories, and a great example of the benefits of co-operation between PASAI and support organisations such as the Intosai Development Initiative, the New Zealand and Australian governments, and the Asian Development Bank.
Work plan for next work period

The WGEA meeting also endorsed the proposed work plan and projects for the next work period. SAIs signed up to lead or be subcommittee members of research or guidance in:

• renewable energy;
• energy savings;
• environmental assessments;
• marine environment;
• market-based instruments for environmental management and protection;
• greening the SAI;
• maximising the impact of environmental audits;
• updating the WGEA 2004 guidance on auditing waste management; and
• reviewing the four ISSAIs on environmental audit.

The plan has to be finalised and membership of subcommittees confirmed. The SAI of New Zealand will take part in the subcommittee for the research project looking at the use of market instruments.

The WGEA steering committee will deliver the work programme under the chairmanship of the next WGEA Chair, the Audit Board of the Republic of Indonesia.

Each region is encouraged to carry out at least one co-operative audit on an environmental topic in 2014-16. The PASAI co-operative audit programme enabled our region to meet this objective in the previous work period.

Jonathan Keate (far left) with participants of the 15th meeting of the Working Group on Environmental Auditing (WGEA) in Tallinn, Estonia on 3-6 June 2013.
**International Center for Environmental Audit and Sustainable Development, Jaipur, India**

The newly built International Center for Environmental Audit and Sustainable Development in Jaipur, India will offer the first training session in environmental auditing later this year. The centre and the environmental auditing training programme is a joint collaboration between the WGEA and the SAI of India, who have invited SAIs to nominate representatives to attend the first training session from 25 November to 11 December 2013. The training course will be run by experts from audit offices from India, the United States, Brazil, Norway, and Estonia. For information on the centre and the training course see www.iced.cag.gov.in.

**The next RWGEA meeting**

The next RWGEA meeting is to be held in Canberra in April 2014. The ANAO and Australian Capital Territory Auditor-General’s Office will jointly host the meeting. Invitation letters and information about the proposed programme will be distributed later this year.

For further information about the WGEA meeting see the WGEA website (www.environmental-auditing.org). If you want to know more about WGEA activities or the next RWGEA meeting, please contact Jonathan Keate by email jonathan.keate@oag.govt.nz or phone +64 4 917 1544.

**5.0 Office of the Federated States of Micronesia National Public Auditor (ONPA)**

**ONPA Releases New Audit of the FSM National Postal Service for Fiscal Years 2009 through 2012 (up to May 2012 only)**

The Office of the National Public Auditor (ONPA) announces the release of Audit Report No. 2013-03, *Audit of National Postal Service (NPS) for Fiscal Years 2009 through 2012 (up to May 2012 only)* dated April 30, 2013. A digital copy of the report is available for public review online at www.fsmopa.fm and printed copies are available at the ONPA offices in Palikir, Pohnpei and Weno, Chuuk. The audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

The audit was conducted in response to the Postmaster General’s request for an audit considering her recent appointment as the new PMG and her need to understand the overall circumstances of the FSM Post Offices.

Based on the operational risks ONPA uncovered during the preliminary survey, ONPA developed their audit objectives to include determining whether: (1) Stamp stocks and other philatelic products reflected on records were being counted, managed and protected; and (2) All revenues due to NPS from Inter-Governmental Philatelic Corporation (IGPC) and postal clerks’ sales were collected and properly accounted for.

Based on ONPA audit, they found that improvement was necessary in the areas of management and protection of postage stamp inventories and philatelic products. Furthermore, improvement in control is also necessary to ensure that revenues due to NPS from IGPC are fully collected. The ONPA findings disclosed the following:

- $5.9 Million worth of postage and philatelic products inventory as of fiscal year ending 2011 equivalent to 16 years sales was excessive;
- $467,550 expired and damaged postage stamps and stamp papers equivalent to a little over one-year sales accumulated in the inventory;
• Lack of internal control procedures in the stock room and sales agents’ operations caused unexplained large amount of stock count discrepancies;
• Inadequate segregation of duties increased the risk of fraud and undetected errors; and
• Inadequate contract monitoring caused failures to collect postal revenue amounting to $76,482 and check the accuracy of income and financial reporting.

ONPA discussed their findings and recommendations with the Postmaster General and other key staff of the NPS. Their response, which indicated their agreement with the findings and recommendations, is included in the final report which is now available online at www.fsmopa.fm.

**FY 2012 Single Audit Reports**

As we are approaching the June 30th deadline for the FY’12 Single Audits for FSM, the National Public Auditor’s Office has begun to receive several single audit reports for certain component units of the FSM National and State Governments for the fiscal year 2012. All completed single audit reports can be accessed at the office website at www.fsmopa.fm. The remaining single audit reports will be posted soon after they are finalized and received from the contracted CPA firm (Deloitte & Touche).

*If you would like further information please contact: ONPA by phone (691)320-2862/2863.*

**6.0 Pacific Association of Supreme Audit Institutions (PASAI)**

**6.1 Accountability and Transparency project**

PASAI is now implementing its follow-up strategy for the 2011 Accountability and Transparency Report. This has included a presentation of the report to the New Zealand and Fiji chapters of Transparency International, and discussion of future collaboration with the UNDP – particularly in the area of anti-corruption work.

We have also been discussing the report with the Schools of Government and Accounting and Finance at the University of the South Pacific. The report was warmly welcomed by senior academic staff, and copies have now been deposited in each campus library throughout the region. We will be exploring opportunities for the report to be used in teaching and research activities, as well as other forms of possible collaboration.

On a different topic, in March 2013 PASAI’s Executive Director and Legal Consultant attended a meeting of stakeholders in relation to a proposed Council of Pacific Public Accounts Committees (PACs) of Pacific Parliaments. Also in attendance were the Auditors-General of Solomon Islands and Vanuatu (in their capacities as the secretaries of their respective PACs). The CoPPAC proposal is an initiative of the Centre for Democratic Institutions of the Australian National University, and is supported by the World Bank Institute which has been involved in establishing similar networks in Africa and South-East Asia. The proposal aligns well with PASAI’s strategies for improving regional cooperation and enhanced transparency and accountability, and PASAI will be supporting the ongoing efforts in this area.
6.2 SMOG Program

During his travel to the SAIIs under the SMOG Assistance Program, Thomas Holland (SMOG Advisor) took photos of staff in the various SAIs. The photo below was taken during his visit to the Kiribati National Audit Office (KNAO) at Tarawa where he is posing with members of staff after one of their weekly meeting with the head of SAI and the senior management team.

Thomas Holland (centre) with the staff of the Kiribati SAI.

For any clarification of any of the items in this Bulletin, please do not hesitate to contact the PASAI Secretariat by
Email: enquiry@pasai.org
Telephone: +64 9 304 1275
Fax: +64 9 307 9324