From PASAI’s Chief Executive, Tiofilusi Tiueti

As this newsletter comes out to demonstrate and celebrate what has been going well around the Pacific region in recent weeks, it is natural and right that our thoughts should turn to what has gone so unthinkably badly in the tragic events of Friday 15th March.

In just a few short minutes, fifty innocent people, young and old, lost their lives in a senseless attack. Many more were very seriously injured. For this to happen anywhere in the world would be devastating. For it to happen in New Zealand’s garden city of Christchurch, at a gathering of innocent people at their prayer, feels diabolical.

Nothing we can say or do will bring those people back to their families, loved ones and communities - but everything we do and say from now on must reflect our determination, as the human beings who share this planet, to replace extremism, entitlement and hatred with freedom, self-responsibility and love.

As an organisation, PASAI takes accountability, transparency and integrity very seriously. We are a New Zealand-based, regional and multi-cultural organisation, embracing all that is wonderful about our many different birthplaces and beliefs. We are also a member of INTOSAI’s diverse international body and a staunch supporter of the Pacific Islands Forum’s ‘Blue Pacific’ concept of oneness and unity. You can read stories of our mutual respect and spirit of cooperation in this newsletter.

But it is our role as Supreme Audit Institutions to question the governments in our states across the Pacific about what they are doing to support our citizens. We promise to continue to improve on that, to contribute in whatever way we can to an assurance that something so terrible can never happen again.

And as humans, it’s our role to share love, support and faith in the future, along with our deepest, most heartfelt condolences to the families affected by this awful event.

Kia kaha.
We are very pleased to announce that Mr Gordon Carey, Performance Audit Adviser, has now commenced his placement with our office for a duration of 2 years. Gordon will be responsible for developing and implementing a performance audit program to review management issues to ensure effectiveness, value for money and efficiency within government reporting. He will also build the capacity of audit staff in performance audit through training and mentoring, and develop our own Performance Audit manual in line with PASAI’s templates and the context in Tuvalu.

In Strategic Area 2 of Tuvalu’s National Strategic Plan, one of the goals for good governance is to strengthen institutional capacity to serve the public interest with competence and justice. For the Office of the Auditor General, this required “an increase in emphasis on performance and compliance audits”, and so the OAG’s annual plan clearly stated the detailing and establishment of a Performance Audit division.

The idea of carrying out performance audits is to ensure that maximum efficiency, effectiveness and economy is being obtained by the Government of Tuvalu. Within the Government, there are inefficiencies that are not identified and fixed, which leads to increased costs for the same benefit or wasteful expenditure of scarce resources.

The OAG recognised that a performance audit function could resolve these problems efficiently and effectively, and that there would be potential savings in the future if performance audit recommendations are implemented. Furthermore, the shift from performing exclusively Financial Statement audits to a combination of Performance Audit and Financial Statement audits would strengthen the Office and increase the value-add for OAG’s stakeholders.

The Performance Audit division established within the OAG will be responsible for investigations requested by the Government or Parliament. As the Office did not have the staffing resources to respond to increased demand and complete these investigations thoroughly, the requirement arose for a technical expert on Performance Audit to assist the OAG in providing capacity building for its staff, and the recruitment process began.

With Gordon now on board in this new and important role, we are pleased to welcome him into the Tuvalu OAG and PASAI families, and to experience the impact this developing area of our services will have for the future. He can be contacted on email: gcarey@gov.tv or Office phone +688 20132.
POPA’s Fraud Awareness at the Postmasters Training  By Cherry Lyn Somcio

On January 16, 2019, the Pohnpei Office of the Public Auditor (POPA) started the New Year right by presenting a Fraud Awareness Briefing (FAB) at the FSM Postal Services, Headquarters.

This is part of POPA’s proactive efforts in promoting good governance and outreach to the public, raising awareness of the values and benefits of POPA in relation to fighting fraud and corruption.

The briefing formed part of the Postmasters’ Annual Meeting, so all the Postmasters from Pohnpei, Yap, Chuuk and Kosrae attended, along with the FSM Postmaster General and FSM Customs & Tax Administration.

In addition to empowering the Postmasters to tackle fraud and corruption, the event meant that POPA will be able to achieve their goal on their awareness program, which is to have a great impact on the participants.

For more information about POPA and/or about the Fraud Awareness program visit the POPA’s website:
http://opapni.fm/
The fast-track for SAI Nauru – PASAI’s FASTS programme

From PASAI’s Director – Technical Support, A’eau Agnes Aruwafu

With a population of approximately 10,000 and a land area of only 21 square kilometres, Nauru is one of the smallest Pacific nations in the Micronesia region.

Similarly, the Nauru Audit Office is one of PASAI’s smallest SAIs, with fewer than 10 staff, most of whom have little public sector auditing experience and no relevant tertiary qualifications. In 2016 when the Financial Statements of Government were prepared after a gap of 15 years, the NAO was faced with the challenge of conducting the financial audit with limited auditing capabilities.

PASAI’s plan

As part of PASAI’s key strategic priority of conducting high quality and timely audits, PASAI continued its success from the Sub-Regional Audit Support (SAS) Program to assist small island developing nations by providing a consultant to NAO to assist with the conduct of financial audits.

However, the challenge was to try and achieve sustainability for this office in the long run. The unique nature of Nauru as a small nation with an equally small population, including a lack of qualified accountants, meant there was no pool of people for the SAI to recruit from resulting. Succession planning for the office proved to be difficult and a very practical obstacle for the Auditor-General.

Therefore, to promote solidarity among small island Pacific countries pursuing similar development partners and allowing them to learn lessons from each other, and in pursuit of PASAI’s theme of “Pacific Auditors Working Together”, the Financial Audit Statements Technical Support Secondment program or F.A.S.T.S was created. The design and implementation of this intervention aligns with the “Blue Pacific” Pacific Forum Leaders’ vision for a collective action by Pacific people which reaffirms the connections with their natural resources, environment, culture and livelihoods. SAIs play an important role in helping towards this vision and PASAI will continue to provide this support.

FASTS Program

PASAI sent out an invitation to PASAI members for staff to express their interest in the secondment, and received quite a few applications. After a thorough review of the skills and matching them to the needs of Nauru, three secondees from SAI Fiji, SAI Samoa and SAI Tonga were selected, all with excellent qualifications, knowledge and experience in Financial Auditing. Over a three-month period, they each spent up to one month in Nauru, working closely with the Auditor-General to provide on-the-job training, mentoring, coaching and office workshops around the risk-based approach to financial auditing according to International Standards of Supreme Audit Institutions (ISSAIs).
Achievements and Impacts

While there were many lessons learned on how this approach can be improved for the future support, the achievements were quite evident:

• Staff skills, and knowledge of fundamental auditing were improved;
• The large accountability gap of 15 years was closed, bringing audit of Financial statements of Government up to date;
• Government entities’ awareness of the important role of the SAI was re-established after a 15 year gap;
• Staff have confidence and better understanding of their important role as auditors for government, due to the deeper, longer peer learning and practical support provided;
• Focussed recruitment ensured that there was a gender balance of secondees - two females and one male - which helped empower the senior staff of SAI Nauru which consists of females;
• The secondees gained a better appreciation of the common and unique challenges of Pacific SAIs, particularly from the point of view of women working in senior positions in SAIs;
• The knowledge, skills and capacity of female staff within SAIs auditing in complex and challenging contexts was much enhanced;
• The mix of secondees from Pacific SAIs sharing experiences proved beneficial to this exchange, given the similar challenges and environments these SAIs all operate in (developing context);
• More in-depth diagnostics of challenges faced by Nauru SAI will help design relevant capacity interventions in the future;
• Lessons were learned on how to improve the program to achieve sustainability and solidarity in high quality audit practices for SAI Nauru;
• The blended approach to supplement this support with a short-term in-house consultant was effective, and
• This collective action contributes to the Pacific regional “Blue Pacific” efforts of the Forum Leaders.

The feedback from the secondees, staff and the Auditor-General speaks for itself:

“As a baker I have to decide the amount of bread produced each day and what the total cost of this will be. The whole day I bake cream buns and I decide how much money I can make, stick bread (hot dog buns) and burger buns. Doing all this every day to earn a profit. I have to keep looking at the numbers. This is similar to audit. I am looking at numbers and matching up the receipts and each expense and if there is a variance between expense and the documentation I have to check why.

In the last 6 to 7 months, I didn’t know what to do, now after FASTs program I have a better understanding.”

- Examiner of Accounts

“in the earlier days the staff have no idea how to audit. They now use audit templates and at least doing some auditing”

- Auditor General

The mode of supporting Nauru Audit Office in the form of secondment added so much value and it was effective. Explain and show technique works well as there was someone who was present in the office that became the “go to person” of the staff every step of the audit. Life in an audit office outside of Nauru will give an insight of what an auditor should be like if an audit staff is placed on attachment program.

- Secondee from Pacific SAI
Future Outlook

PASAI’s South-South cooperation was possible through the support of ADB and the ongoing collaborative relationship forged between both organisations. Completion of the current program of SAI Performance Measurement Framework reviews across PASAI members, including SAI Nauru, will form the basis on which future rounds of FASTS will be designed, providing an excellent platform to measure the improvements that result from these interventions. Ultimately, we hope that our interventions to SAI Nauru, together with the roll-out of an advocacy program, will achieve the overall outcome of increased public confidence in government due to the value and benefits of the work of the SAI.
Congratulations to SAI Pohnpei for the production of their stakeholder engagement brochure, 'A Year in the Life of POPA' as part of their ongoing rollout of their strategic communications.

Says Cherry Lyn Somcio, Communications lead for the SAI, ‘We are very happy with the brochure. In fact, we already distributed it to Legislature and Executive Offices and two public libraries. We already gave an e-copy to the local newspaper and we are planning to distribute it also to schools.’

You can read more about POPA's communications in this newsletter. (page 3)

SAI Yap is in the final stages of completing its Communications strategy alongside its overall Strategic Plan. In a comprehensive strategy that clearly highlights how the SAI will communicate and record information at all levels and with each stakeholder, Achilles Defngin and team have pulled together a plan that will be both a roadmap and a performance measure for SAI communications. Well done to all involved for an inspiring piece of work.

In January 2019, Fiji’s Office of the Auditor-General published the first issue of its newly refreshed newsletter, named the OAG Bulago www.oag.gov.fj/newsletter/

‘Our primary objective is inform our stakeholders of the activities and developments in the Office of The Auditor General,’ states Ajay Nand, Auditor-General.

Sharon Dipitika, SAI Fiji’s Communications Officer, will be coordinating and editing the newsletter for publication every four months. Comments and ideas are welcome.

Through funding from the Department of Foreign Affairs and Trade (DFAT) Tonga with their program “Support for the External Oversight Function of the Public Finance Management (PFM) System Tonga”, the Public Accounts Committee (PAC) of the Legislative Assembly of Tonga were very grateful to receive a generous donation from PASAI. It includes a camera, printers and speakers as well as other equipment to be used by the Public Outreach Team in Tongatapu and the outer islands for conducting their public awareness program. The Lord Speaker, Lord Fakafanua, acknowledged with appreciation the ongoing support and assistance that PASAI offers to the Legislative Assembly through the PAC and looks forward to working closely in the future.
A PASAI perspective from the Secretary-General’s office

By Sarah Markley

Over and above my role at the New Zealand Office of the Auditor-General as Sector Management for Local Government, I also have an important part to play as Deputy Secretary-General for PASAI. The Secretary-General, John Ryan, has a secondary oversight role of PASAI’s management which is exercised between meetings of the Governing Board. As deputy to John in respect to his PASAI responsibilities, the part I play is to provide day-to-day, ongoing support to PASAI’s Chief Executive to help the Secretariat achieve their goals as set out in the PASAI Strategic Plan.

PASAI requires my input more at some times than others. January and February 2019 has been one of those supremely busy times. My involvement in PASAI initiatives over this time has been wide ranging including:

• direct SAI capability enhancement with our twinning arrangements as mentioned below;
• working with Chief Executive, Tiofilusi Tiueti, to ensure the independent mid-point review was finalised satisfactorily;
• preparing summaries of this large report for the Governing Board and development partners;
• preparing the first draft of the high level action plan setting out PASAI’s response to the review;
• supporting the completion of funding proposals to MFAT and DFAT to ensure PASAI has the funding it needs to support achieving its ambitious goals;
• support across the whole Pacific region as part of PASAI’s 20th Governing Board meeting and all of its preparations, and
• coordinating the arrangements for the solid introduction to PASAI of the globally-used IntoSAINT tool and co-leading the moderator training.

Samoa-New Zealand twinning activities

New Zealand SAI has “twinning” relationships with Samoa and the Cook Islands Audit Offices. During February, we had the honour of hosting the Special Investigations and Enquiries team from the Samoa Office of the Auditor-General. Through a series of two-week visits in November, December 2018 and February to Wellington, the six secondees from the senior leadership team of SAO observed our staff in action and shared information, processes, and knowledge.
The February visit was the third and final in the series of visits. The two-week interaction saw the secondees paired with sector managers from our Parliamentary Group and our Legal and Inquiries team, to experience first-hand the work we do and how we do it.

The visits were also timed to coincide with Parliament’s annual review season. This provided an opportunity for our visitors to observe how our Office interacts with select committees to ensure that the performance of our public entities is properly scrutinised.

On all three occasions, the secondees have been quick to develop an actionable plan to take back to their SAI, providing some quick wins and also feeding into the longer term goals of their Office’s strategic plan. The ability to share knowledge so directly has proven to be a very successful capacity-building strategy for PASAI, and all the SAIs involved have recognised and enjoyed the experience of learning from each other in very practical, just-in-time interventions that impact directly on the business of the Offices of the Auditor-General in each country. PASAI’s development partners have been particularly impressed with the relevance and immediate impact on performance, and it is definitely a practice we will encourage other PASAI SAIs to partake in.
20th meeting of the PASAI Governing Board in Auckland, NZ

PASAI held its 20th Governing Board Meeting in Auckland from 28 February to 1 March 2019. Chaired by PASAI’s current chairperson, Auditor-General of Australia, Grant Hehir, the meeting was attended by the Auditors-General of Fiji, Tuvalu, New Caledonia, Samoa, Solomon Islands, and Tonga.

John Ryan and I attended to represent the Secretary-General of PASAI, providing guidance, feedback and direction throughout, along with PASAI’s Chief Executive and the Secretariat including consultants Eroni Vatuloka and Robert Buchanan.

Importantly, the meeting was also attended by development and funding partners representing MFAT, the Australian Department of Foreign Affairs and Trade, the European Union Delegation to Fiji, the United Nations Development Programme, and the World Bank. These partners and their funding support are critical to PASAI and its ability to run a programme to support the work of auditors across the Pacific.

Discussions focused on the response to the recent independent mid-term review of PASAI’s Strategic Plan 2014 – 2019 and how the findings of the review will influence the organisation’s focus and delivery approach for the next five years. The overall success of the work of PASAI to date was confirmed along with the validity of the strategic priority areas as set out in the Strategic Plan.

We then heard from each of the development partners individually and as a group, to fully understand their priorities, goals and funding policies and ensure that PASAI’s reporting provides them with the most relevant and transparent information to capture well the impact of their support for PASAI. The meeting’s discussions also centred on public financial management issues, accountability and transparency goals, and how PASAI can support its members to improve these across our region.

While the Board will not meet again until just before PASAI’s Congress in August 2019, PASAI’s Chief Executive and Secretariat – with the support of the Secretary-General’s office - were tasked with providing further thoughts and information in relation to the mid-term review and the Strategic Plan. This will be an ongoing process requiring further meetings and discussions between now and August, some of which have already taken place. The results will be an even more robust and SAI-focussed operational platform to meet the goals of the second half of PASAI’s ten-year Strategic Plan.
IntoSAINT

Short for the International Organisation of Supreme Audit Institution’s Self-Assessment of Integrity, the IntoSAINT tool was developed by the Netherlands Court of Audit and launched in 2010. It’s a self-assessment tool that enables SAIs to evaluate the quality and maturity of their integrity systems, which has been used in SAIs across the globe, in both developing and developed countries. OLACAFs and the SAI of Mexico have also had a good level of uptake in public sector organisations.

The nature of improvement is to challenge existing thinking – and changing things for the better means honestly looking at what’s not working, while highlighting and building upon strengths. The IntoSAINT process provides a robust way to do this.
I was honoured last year to be able to attend the IntoSAINT working group meeting in Mexico, and noted in my report from that meeting that “One of the things I think is particularly effective about the tool is that it cuts through the “tick box” approach to assessing what integrity controls are in place and enables an evaluation of whether the controls are operating effectively. For example, an organisation may have a code of conduct, conflict of interest policy, rotation policy or a gift declaration policy. However, does a cross-section of employees feel that these are applied equally to all staff?

In the PASAI region there is a wide range of integrity system maturity – but a strong drive to improve. The New Zealand Government strongly encourages the development of good governance systems in the Pacific and supported our participation in this meeting primarily with the goal of evaluating whether the tool could be a worthwhile addition to PASAI’s toolbox.

It was with great pleasure, then, that we were able to hold a PASAI-specific training week to equip staff from our SAIs to implement the tool. The current pilot programme has been made possible through funding provided by the Ministry of Foreign Affairs and Trade (MFAT) to our Office to support PASAI and its work to improve governance and accountability in the Pacific.

Facilitator Francisco Parral-Pineda, from SAI Mexico who manage IntoSAINT, ran an intensive week of training and assessment with a dual purpose: firstly, to train auditors from across the Pacific region to run these workshops themselves, and secondly, to apply and test the process by performing a self-assessment workshop assessing the SAI of New Zealand.

As a self-assessment tool, it raised some hard questions, prompted spirited discussions, and identified some challenging situations. All of this was ably captured by the moderators and reported back to our senior management team at the end of the week.

Recently I was able to lead the self-assessment workshop at ANAO in Canberra (see photo below). This again proved a worthwhile exercise, with all staff involved learning a lot and becoming enthusiastic ambassadors for integrity. Although the results of the workshop are confidential to the leadership team of each SAI, the fierce trans-Tasman rivalry between the Aussies and the Kiwis is motivating each SAI to seek to implement the recommendations from the workshops.

Between now and 30 June 2019, the newly trained facilitators will also apply the tool in the Cook Islands Audit Office, the Samoan Audit Office, and one public sector organisation in Samoa and the Cook Islands. This will complete the pilot programme and enable an informed decision to be made about taking the tool out further to other SAIs in the Pacific region, which we are now qualified to do without SAI Mexico’s attendance. I look forward to seeing this excellent part of the PASAI toolbox being rolled out still further in the coming months and years.
New SAI head for Kiribati

Kiribati has appointed a new Auditor-General to replace Matereta Raiman, who completed her term of office on 31 December 2018.

Mr Eriati Tauma Manaima assumed his new role on Monday 21 January 2019. With a background in the Ministry of Finance and Economic Development in the Republic of Kiribati, he joins the Auditor-General’s Office from the World Bank Group in Washington, where he was Senior Adviser to the Office of the Executive Director (EDS09) which represents Australia, Cambodia, Kiribati, Republic of Korea, Republic of the Marshall Islands, Federated States of Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Tuvalu, and Vanuatu.

We kindly welcome Mr. Manaima to the PASAI family and wish him all the best in his new role.

We also acknowledge the great impact that Matereta has made on SAI Kiribati, PASAI and INTOSAI during her time as Auditor-General of Kiribati, particularly with her outstanding contribution to the SAI’s independence which we’ve reported on previously in the newsletter and on the PASAI website. We wish her well in her retirement.
Corporate Storytelling with IDI
By Jill Marshall, PASAI’s Communication Advisor

During IDI’s reporting week in late January 2019, facilitators from around the globe gathered in Oslo to learn from each other and from subject matter experts about writing reports that have impact and meaning.

The team was particularly keen to find out more about corporate storytelling. ‘Storytelling’ has become something of a buzz-word in corporate communications, but nowhere is it more important than in organisations and environments where there’s a need to make complex, factual information bright and readable, or difficult messages more palatable for a broad audience.

The world of SAIs is just such an environment.

As PASAI’s Communications Advisor, as a best-selling author of fiction for all ages, and as a writing coach, I was delighted to be invited to attend the first two days of the IDI event to shed some light on the topic of compelling ways to tell your story.

During the morning session I discussed the background to some of PASAI’s recent communications, including an ‘All-Female’ newsletter in August 2018 and some quirky social media posts and photos from the SPMR workshop in November. We talked about how it’s important to bring emotion and reaction into your ‘news’ – and how that means opening up the tales of failure as well as success. As an organisation, PASAI probably hasn’t done enough of that in the past, but it’s something we’re working on; you should see some of those messages of ‘lessons learned – the hard way’ rolling out in our communications in the very near future.

In the afternoon, we got to the meat of the topic. Storytelling. What is it, why do we need it, and how do we do it? (The afternoon also contained deep-dive discussions about the Oxford comma, an example of which can be seen in the previous sentence. As I’ve met professional editors and writers who wouldn’t know an Oxford comma from an Oxford shoe, I was amazed to be debating the topic with a bunch of people who often don’t even have English as their first language. Respect, IDI folk).

Along with Matthew Price, IDI’s communications lead and another very experienced writing coach, we took the team through a whistle-stop tour of storyland. We took in plotting, readability and audience, avoiding the passive voice, not avoiding lively language and a myriad other details that can help transform any writing from flat to formidable.

It was a great deal to squeeze into an afternoon, and even more of a trial to condense still further into a storytelling ‘dashboard’ (available below). The audience stayed with us valiantly, however, hopefully picking up some pertinent tips on ways to make whatever they write as engaging as possible, while still being accurate and influential.

Some of the messages definitely hit the mark. For instance, Deputy Director General of IDI, Archana P. Shirsat, wrote to tell me that she was writing up a story for a report and had ‘... never realized how extensively we use the passive voice’. Several other people told me that they’ll never again forget the importance of the three little pigs fairy-tale in constructing even a weighty government report …

For me, it’s really quite straightforward. I’ve trained lawyers, accountants and managing directors to write enticingly while still getting their point across. At the beginning, they all have the same problem as the professional author: the blank page. ‘I can’t get started,’ they’ll groan. ‘It’s all too complicated.’ ‘What is it you’re trying to say?’ I ask. They then tell me, eloquently and fluidly – and perfectly acceptably - exactly what’s needed. ‘So write that,’ I say.
Most people can’t believe it’s that easy – but that’s the key to it. We’re all people, communicating with other people. There’s nothing fearful in that. Sure, you may then need to tweak what you’ve written for a particular audience, or ensure a professional runs their expert eye over it, but in essence you’re just connecting with another human via the written word. It’s really very unlikely that the human is the terrifying English teacher of your childhood. They’re just another person like you, hoping to understand.

If this particular piece of writing has resonated with you and for help with your writing queries, contact me on jillmarshall@pasai.org.
**Calendar of Events**

01/04 WGITa, FIIJ
The Working Group for IT Audit will meet in Fiji. PASAI will be represented by Chief Executive, Tiofilusi Tiueti.

08/04 SPMR III MONITORING & EVALUATION, NADI, FIIJ
In the third phase of the end-to-end programme for SPMR funded by IDI, delegates will learn about Monitoring and Evaluation.

01/05 REVIEW OF INDEPENDENCE RESOURCE KIT AND SAI INDEPENDENCE
Technical legal support will be provided to enable PASAI to review its Independence Resource Kit, which is being used increasingly in other regions as well as extending out through PASAI. At the same time there will be a review of SAI’s Independence status.

06/05 SAI PMF PLANNING WORKSHOP
PASAI and IDI will hold a regional SAI PMF planning workshop for the SAIs of Fiji, Kiribati, CNMI and Vanuatu (EU Program 5, activity 5.1)

06/05 PAC SUPPORT, FSM NATIONAL
PASAI will provide support to FSM National’s PAC to update the review of audit reports that are tabled in legislature.

20/05 PAC SUPPORT, FIIJ
PASAI will provide support to Fiji’s PAC to update the review of audit reports.

27/05 STRENGTHENING SAI INDEPENDENCE, SOLOMON ISLANDS
SAI Solomon Islands will be supported by a TA to strengthen their independence for effective and credible systems of public accountability.

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