CONTENTS

CHAIRMAN’S MESSAGE 4
SECRETARY-GENERAL’S MESSAGE 6
REPORT FROM THE CHIEF EXECUTIVE 8
VISION, MISSION, VALUES – PASAI STRATEGIC PLAN 2014–2024 10
AT A GLANCE 11
CAPACITY BUILDING PROGRAMME ACTIVITIES 12
OUR PERFORMANCE REPORTING FRAMEWORK 13
OUR GOAL 14
OUR SERVICE OUTCOMES 15

Strengthened SAI independence (SP1) 15
Review of the status of SAI independence 16
Technical assistance and legal support for SAI independence 16
PASAI Independence Resource Kit review 17
Blog posts on independence 17
Strengthening SAI communications with stakeholders 17
1. Communications Strategy and Implementation programme 18
2. Report writing 19
3. Leading audit teams 20
4. Using multimedia effectively 20
5. Interpersonal communication skills for auditors 21

Strengthened governance, transparency, accountability and integrity through advocacy (SP2) 22
Public Expenditure and Financial Accountability (PEFA) 22
Kiribati Public Accounts Committee Induction 22
Accountability and Transparency Study 22
PASAI blog 22
Spotlight on SAI Tonga’s work 23

High quality audits on a timely basis (SP3) 24
Support SAIs’ institutional capability to perform FSG audits 24
FSG support programme 25
Quality Assurance consultant 25
PASAI Quality Assurance Manual 25
Quality Control and Assurance workshop 26
Peer Review workshop 27
Annual Association of Pacific Islands Public Auditors (APIPA) Conference 2020 27
Fundamentals of public sector auditing training 28
Performance audit training 28
Compliance audit training 29
Financial audit manual training 29

**Enhanced SAI capacity and capability (SP4)**
SAI FSM Chuuk State strategic planning workshop 30
Review of SAI Fiji Strategic Plan indicators 30
Human Resources Management Programme 31
SAI Performance Measurement Framework (PMF) 32

**Secretariat capable of supporting SAIs (SP5)**
Online learning platform 32
Monitoring, Evaluation and Reporting (MER) 33
The digitalisation of our business intelligence function 33
Staffing changes 34
Strengthening the procurement function 35
PASAI Secretariat location 35

**OUR SERVICES**

- Technical assistance 36
- Training programmes 37
- Manuals and guidelines 39
- Participation in regional and national forums 39
  PASAI Congress 2021 40

**OUR RESOURCES**

- Our knowledge and technical skills 42
- Our people 43
  - PASAI Governing Board 43
  - PASAI Secretariat 43
  - Secretariat staff 2021 44
- Our financial resources 44
- Our regional and international relationships 45
- SAIs 46

**ANNEX I – FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021** 48
Supreme audit institutions (SAIs) hold a key role in auditing public sector entities and reporting to Parliament to uphold good governance, transparency and accountability. Amidst the upheaval of the COVID-19 pandemic the need for SAIs to deliver on their mandate has become increasingly important. Despite the challenging circumstances of the last financial year, the Secretariat has continued to support the work of public auditors across our region. PASAI’s capability development programmes continue to strengthen SAI capability to deliver on their mandate.

The Governing Board met quarterly during the year to support the Secretariat to ensure good governance and oversight of their core business and service delivery. During the year, the Governing Board had four virtual meetings and has worked closely with the Secretariat to assess the progress of implementation of approved programmes and activities in line with its Strategic Plan and how the work has influenced PASAI’s overall risk profile. This has resulted in some tactical adjustments to how PASAI delivers its services including a rapid transition to the virtual delivery of the Secretariat’s capability development programmes and support.

The Governing Board also undertook a very rigorous process in the appointment of the new Chief Executive of PASAI – confirmed at its meeting on 27–28 February 2020. Esther then started in this role on 8 June 2020.

I was pleased to launch PASAI’s learning platform in November 2020, a key element of its digital transformation. The Secretariat’s quick response to the pandemic has ensured the core elements of the Secretariat’s Strategic Plan and objectives remain unchanged and PASAI has continued to progress its Strategic Priorities to improve accountability, integrity and governance in the Pacific region.

I acknowledge and thank SAI New Zealand for hosting PASAI’s first virtual Congress in June 2021. As Chair, I found the speakers to be very motivational, engaging and shared a lot of good ideas for PASAI and SAIs to take forward.

I am pleased to continue as Chair and thank Grant Hehir for agreeing to stay on in his role representing the past Chair. I also thank Nino Tewid for agreeing to stay in his position as the identified future Chair until our next in-person Congress, and John Ryan for remaining as Secretary-General for the Secretariat.
I welcome to the Board the new sub-regional representatives Caleb Sandy, Eriati Tauma Manaima, and Florence Bonnafoux. I sincerely thank the out-going sub-regional representatives, Peter Lokay, Iso Ihlen Joseph and Jean-Yves Marquet for their significant contributions to the Board. I also acknowledge the continuing Board members Fuimaono Camillo Afele and Sefita Tangi for their ongoing commitment to serving our region.

Virtual meetings come with several challenges compared to in-person meetings. These include an inability to fully discuss issues due to time limitations, internet connectivity issues and physical presence, to name a few. I thank all members of the Governing Board for being able to transition to an online mode and for their contributions during meetings to uphold good governance practices.

I acknowledge how effectively the Secretariat has risen to the challenge presented by the pandemic. Secretariat staff undertook immense challenges both professionally and personally due to the impact of the COVID-19 pandemic. I thank them for being steadfast in their commitment to PASAI.

The Secretariat has successfully changed its service delivery to an online format through a rapid digital transformation. PASAI now delivers its training, advocacy and SAI-level support virtually, and this has increased the efficiency, scale and reach of their support to our region. I thank Esther and her team for their resilience and commitment to serve our region.

I also thank our development partners – MFAT, DFAT and the EU/UNDP for their valued support of the Secretariat and our region. Their continued support and that of new partners is critical for the financial viability of the Secretariat so that it is able to deliver its Strategic Priorities.

I look forward to supporting the PASAI Secretariat in my role as Chair of the Governing Board in the year ahead.

Ajay Nand
Auditor-General, Republic of Fiji
Chairman, PASAI
The ability of a SAI to bring an independent view to Parliament and to the public about the activities of government is vital at the best of times. The advent of COVID-19 and the impact that that has had on all aspects of our lives has made this role more critical than ever.

In this context I am proud of the contribution PASAI has made, in extraordinary circumstances, to the work of Auditors-General across the Pacific. The work of PASAI has helped SAIs in our region to assure parliament and the public on the financial and service performance of their governments. At times of crisis, when the public are relying more than ever on the delivery of financial support and other government services, robust independent assurance is vital.

While COVID-19 has created many problems for all of us there are also some opportunities that arose because of it.

PASAI is now well placed to deliver its core programme in an online format. Even if we had planned for rapid change, we would not have expected the significant digital transformation that PASAI has achieved this year to be possible. PASAI now has a strong model that provides training and development resources to our members through our online learning platform. The online approach enables learning to occur in ways that make implementing what is taught more realistic. It has also opened the opportunity for much greater levels of participation than ever before.

Changes such as the move to online learning delivery and a strong focus on maintaining programme momentum more generally has meant PASAI has made significant progress on its Strategic Plan despite the disruptions caused by lockdowns and closed borders.

This has not happened by chance. In the first instance I want to thank Esther, our Chief Executive, for her leadership of the PASAI programme and Secretariat over the last year. I acknowledge the personal sacrifice this has required, including the unexpected separation from family for much of the year. The Secretariat are a strong team who are focused on the right activities – we are lucky to have such high calibre and committed staff.
I also wish to thank our funders, MFAT, DFAT and EU/UNDP for continuing to support us. Without this support we cannot serve the SAIs of the Pacific. PASAI has had to make changes this year to what we planned to deliver and how we planned to deliver it. Throughout our funders have remained supportive in all that they do.

The PASAI Governing Board has also actively worked to support the PASAI team. We have met regularly over the last year to discuss the challenges that PASAI and SAIs are facing. Each member of the Board has played a vital role in our discussions, which have been productive and collegial.

We have, as a result, been able to deliver strong results. We believe we are well placed to deliver on strategic goals over the remaining years of our 2014–2024 strategy. We have a solid plan in place for the coming year, a strong platform for operating in both in-person and remote formats and we have the support of our funders to do so.

When my Office agreed to host the online 2021 PASAI Congress we had discussions about the Governing Board roles. To ensure that representation across the region remained balanced, and to maintain the spread of the workload across the Governing Board we recommended to members that the Secretary-General and Chair roles were not combined because of New Zealand hosting the Congress. As members of the PASAI Congress you agreed with this recommendation and I thank you for this support.

I look forward to continuing to support our region through my role as Secretary-General of PASAI and hope to see you all in-person in Palau in the not-too-distant future.

**Looking forward**

The year ahead will of course not be any easier. The impacts of the pandemic will be long lasting and the extraordinary demands on our SAIs and our people will remain. We must continue to support each other, as we face these challenges, in the spirit of PASAI’s motto *Pacific Auditors working together*.

John Ryan  
Controller and Auditor-General, New Zealand  
Secretary-General, PASAI
This financial year commenced amid a pandemic that shook the world and has transformed the way we do business. Despite this challenge, we looked to create opportunities through the pandemic. And we did, completely revising the way we do business and to create, deliver, and refine programmes and activities reaching out to the SAIs to advance their mandates and capability. While the pandemic created many challenges, in other ways it enabled us to do new things and to support our SAIs in extraordinary circumstances.

I am pleased to report on the work performed at the Secretariat in my first year as Chief Executive.

The work

SAI Independence is an area which requires advocacy to improve awareness and understanding in the region particularly with the legislators and the public at large. We have updated PASAI’s resources to assist SAI with this advocacy. We also developed a database of the status of SAI independence across the region covering the INTOSAI eight pillars of independence and the SAI PMF tool. These resources will inform our advocacy. We made presentations to SAIs and Public Accounts Committee on the status of SAI’s independence now while explaining the importance of making the Auditor General’s role independent. The presentations aimed to increase the committees understanding of their role to use SAI audited information for scrutiny of public expenditure as this is key to the credibility of a country’s public financial management system. We look forward to working with SAIs to continue advancing our work in this space.

Audit quality is fundamentally important to auditing the public sector. This requires the audits performed in all audit streams, financial audit, compliance audit and performance audit to comply with ISSAI or ISAs for financial audits. There was significant progress in the audit of financial statements of government (FSG) where 80% of SAIs are updated. The focus of the next level is to ensure that these FSG audits are ISSAI compliant, are of quality and that the audit findings will influence positive changes for accountability and transparency within the public financial management system of SAI countries. Projects PASAI delivered to improve audit quality included training workshops and development of audit manuals for all audit streams. Manuals and training workshops were conducted on setting up quality control and quality assurance systems and peer review systems. Technical assistance through consultants was also provided to assist SAIs with audit backlog.

Building SAI capacity and capability is crucial to their sustainability in the long term. Assessing the status of SAIs performance enables PASAI SAIs and others to identify priority areas for support. Five SAI PMF independent reports were completed and

1 SAI PMF – Supreme Audit Institutions Performance Assessment Framework, a tool developed by INTOSAI to measure SAI performance
2 ISSAI – International Standards for Supreme Audit Institutions
3 ISA – International Standards of Auditing
issued during the year. The assessments of seventeen SAIs have now been completed. The three remaining SAIs will be completed in the next financial year. We have worked with the SAIs to develop their strategic plans, human resource management strategy, communication strategy and operational plans. Once these are in place our SAIs will be positioned to be stronger organisations.

Progress has been made but key to the acceleration of progress is instigating and instilling positive changes from the legislative framework to policies at the SAI level. This requires the dedication and commitment of the SAI heads and the support of PASAI. I believe Pacific people can work for a better Pacific, but it takes boldness and courage to make that decision to move forward, one step at a time.

Acknowledgement

I would like to thank and express my gratitude to the SAI heads and members of PASAI for your support. More importantly, I thank all the SAI Heads of the participating SAIs for allowing us to work with you in the implementation of the programmes delivered during the year. We shall continue to make progress and we thank you for your cooperation and trust in us.

I wish to acknowledge and thank our development partners, the Department of Foreign Affairs, Australia; the Ministry of Foreign Affairs, New Zealand; the European Union, and the United Nations Development Programme for their financial support advancing the work of PASAI to strengthen SAIs and advancing accountability and transparency in the region. I recognise the contribution of the INTOSAI Development Initiative (IDI) and the Swedish National Audit Office to our programmes. I also express our gratitude to all our working partners, working groups, friends, organisations, and colleagues who have supported and contributed to our work.

Finally, I would like to show my appreciation and thanks to the Chairman and the Governing Board for your support and guidance this year. I acknowledge and thank the Secretary General, the Controller and Auditor General of New Zealand, the Deputy Secretary General and team for your support during the year. I thank especially and extend my gratitude to the diligent PASAI team for all the programmes and work delivered during the year. The body is not supported by one part but by all parts. We are strongest working together in unity.

Lastly, as we endeavour to advance the work to build SAIs in the Pacific region, we look forward to continuously working with SAIs as leaders instigating and leading positive changes for the betterment of our countries and the region. Let me encourage you with this truth:

”In all things showing yourself to be a pattern of good works; in doctrine showing integrity, reverence, incorruptibility,” (Titus 2:7, Holy Bible).

Ma te Atua koe e Manaaki.

Esther Lameko-Poutoa
Chief Executive
30 June 2021
Our programme of work aims to promote transparent, accountable, effective, and efficient use of public sector resources in the Pacific. Programme activity focuses on providing support to supreme audit institutions (SAIs) in the Pacific region to enhance their capacity and capability and to ensure that high-quality audits are completed in a timely manner.
1st virtual Congress (with 100+ participants)

6 regional and international forums

17 SAI-PMF assessments completed

Communications activities:
- 9 blog posts
- 15 media releases
- 400+ social media posts
- 18,923 website visits

Capability development programmes:
- 13 online training courses
- 577 participants (323 female / 254 male)
- 75% overall satisfaction with online training courses

Monitoring, evaluation and reporting:
- 7 development partner progress reports
- 11 Chief Executive reports to Governing Board
Finalised and issued independent SAI PMF reports for SAIs in:
- FSM Chuuk State
- FSM National
- Kiribati
- the Marshall Islands
- Samoa

SAI-level development support for SAIs in:
- Fiji (FSG audits and Strategic Plan)
- FSM Chuuk State (Strategic Plan and Independence Strategy)
- FSM Yap State (HR Strategy)
- Kiribati (HR Strategy and FSG audits)
- Papua New Guinea (FSG audits)
- the Solomon Islands (FSG audits and Code of Ethics)
- Tuvalu (FSG audits)
- Vanuatu (FSG audits)
We developed this framework to reflect our high-level goal, the outcomes we intend to achieve, the services we provide and the resources we will apply.
Everything we do at PASAI is to achieve the ultimate goal of improving accountability and governance in the Pacific region. While the COVID-19 pandemic has resulted in societal uncertainty and challenges, we remained focused to deliver programmes to reach our goals. In the past year, we have supported SAIs to enhance their mandate and capability to audit public resources to influence positive changes to the public financial management systems in their jurisdictions.
The five Strategic Priorities (SPs) laid out in the PASAI Strategic Plan 2014–2024 all serve to meet the above goal. All work we perform day to day is for one or more of these SPs.

### Strengthened SAI independence (SP1)

PASAI encourages and supports its members to be independent and sustainable institutions that make a difference to the quality of public sector governance and service delivery for the benefit of their peoples. A strong and independent SAI is essential for a country’s good governance and public financial management.

**Outcome measure:** Improvements in SAI independence and resourcing and consequent ability to communicate relevance to citizens and elected stakeholders.

Our work on audit independence during this reporting period was mostly funded under the ‘Strengthening of Public Finance Management and Governance in the Pacific Project’). This project aims to strengthen oversight over public financial management in the Pacific region through improving the budgetary scrutiny, public financial oversight and accountability capacities of parliaments, SAIs and civil society within the region, aligning with international public financial oversight and accountability standards and fostering citizen engagement and oversight. The PFM project is funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP) in partnership with PASAI, the University of the South Pacific and Pacific Technical Assistance Centre (PFTAC).
Review of the status of SAI independence

We assessed the state of independence of 18 SAIs under the SAI Performance Measurement Framework (PMF) and produced a status report. Reports for 17 out of the 18 SAIs have been finalised and issued, with one report remaining. This table summarises the key findings.

<table>
<thead>
<tr>
<th>INTOSAI Independence Pillars and SAI–1</th>
<th>Status of independence of the 18 SAIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Existence of an appropriate and effective constitutional/statutory/legal framework and de facto application of provisions of this framework.</td>
<td>50% met or largely met. 39% partially met. 11% not met.</td>
</tr>
<tr>
<td>2. The independence of SAI heads and members of collegial institutions including security of tenure and legal immunity in the normal discharge of their duties</td>
<td>44% met or largely met. 56% partially met.</td>
</tr>
<tr>
<td>3. A sufficiently broad mandate and full discretion in the discharge of SAI functions</td>
<td>89% met or largely met. 11% partially met.</td>
</tr>
<tr>
<td>4. Unrestricted access to information</td>
<td>94% met or largely met. 6% partially met.</td>
</tr>
<tr>
<td>5. The right and obligation to report on their work</td>
<td>72% met or largely met. 28% partially met.</td>
</tr>
<tr>
<td>6. The freedom to decide the content and timing of audit reports and to publish and disseminate them</td>
<td>78% met or largely met. 22% partially met.</td>
</tr>
<tr>
<td>7. The existence of effective follow-up processes on SAI recommendations</td>
<td>11% met or largely met. 61% partially met. 28% not met.</td>
</tr>
<tr>
<td>8. Financial and managerial/administrative autonomy in the availability of appropriate human, material and monetary resources.</td>
<td>22% met or largely met. 56% partially met. 22% not met.</td>
</tr>
</tbody>
</table>

We are using this information to structure programmes for the next financial year, focussing on criteria that achieved a low score. We intend to add independence assessments of SAIs American Samoa and Palau to complete the assessment of all developing SAIs in the region. We will continue to work with SAIs who need legislative and policy reforms to enhance SAI independence.

Technical assistance and legal support for SAI independence

We liaised with all SAIs to assess their requirement for technical advice and support to achieve or enhance their independence. We received monthly updates on their independence status within the legislative reform programme. Seven SAIs (FSM Chuuk State, the Cook Islands, Fiji, FSM National, the Marshall Islands, Papua New Guinea and the Solomon Islands) expressed an interest to receive support. The PASAI legal consultant engaged under our legislative reform programme provided support to SAIs FSM Chuuk State, Marshall Islands and Solomon Islands, while SAIs Cook Islands, Fiji, FSM National and Papua New Guinea have requested a delay in receiving support until they have confirmed internal arrangements.
Summary of support:

- **SAI Chuuk**: We helped the SAI to develop and finalise a SAI Independence Strategy, submitted to Chuuk State Legislature on 22 February 2021 and issued via media release on 4 March 2021.

- **SAI Marshall Islands**: We provided advice on the request from the SAI to consider an amendment to the Republic of Marshall Islands Audit Act, suggesting it improve monetary incentives to staff who attain certain professional credentials to enable the recruitment and retention of talent within the audit office. This work is ongoing.

- **SAI Solomon Islands**: We completed a review of the SAI's Code of Ethics – approved on 24 February 2021 and now in use by the SAI. This was complemented by an online workshop on Ethics and Integrity for staff to increase understanding of the requirements and application of the Code of Ethics. An online workshop on SAI Independence was delivered for staff in March, successfully establishing a baseline from which the SAI can develop a longer-term strategy to strengthen independence.

The consultant liaised with PASAI and IDI to develop a workshop that can be used by SAIs to advocate for SAI independence and legislative reform aimed at legislature, governments and key stakeholders. This work is ongoing, and we intend to make it available to SAIs in the next financial year.

The importance of SAI independence was the focus of a presentation PASAI made at the Kiribati Public Accounts Committee Induction event.

**PASAI Independence Resource Kit review**

We developed our Independence Resource Kit (IRK) in 2016 for SAIs to self-assess their independence and develop and implement an independence strategy aligned with their overall independence goals and strategic plans.

An assessment of the IRK’s relevance in January 2020 identified the need to revise the document. Based on the review recommendations we engaged a consultant to revise the IRK’s content and report on the status of SAI independence.

A database of the status of SAI independence of member SAIs against the eight pillars of the Mexico Declaration on SAI Independence has been developed. This database will be regularly updated with information provided by SAIs and from the SAI PMF assessment results.

**Blog posts on independence**

As part of our monthly blog series, we published a two-part blog post titled ‘Achieving Audit Independence in the Pacific’ in March and April 2021. The posts provided public auditors with an introduction to the concept of audit independence and aimed to create increased awareness about the critical need to strengthen SAI independence to improve the public financial management of a country.

The INTOSAI Capability Building Committee republished both posts on its website.

**Strengthening SAI communications with stakeholders**

INTOSAI-P 12 (The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens) emphasises the positive impact SAIs have on society by instilling trust and public confidence through public sector auditing, reporting and communicating audit results.

Through the publication of high-quality audit reports, SAIs demonstrate their ongoing relevance to citizens by establishing themselves as a credible source of independent and objective insight into the public sector. In addition, effective communication with stakeholders during and after an audit is critical to increase their understanding of and beneficial action on audit recommendations. Successful communication is integral to achieve accountability, transparency and good governance in the public sector.

In collaboration with SAI New Zealand, we delivered the following suite of training and support to SAIs to improve the communication of their relevance to citizens and other stakeholders.
1. Communications Strategy and Implementation programme

We designed this programme in response to the SAI Needs Analysis conducted in 2019 and targeted it at staff responsible for their SAI’s communications function.

- This programme objectives were to provide SAI staff with the understanding and tools to:
  - develop and implement a Communications Strategy aligned with its overarching Strategic Plan;
  - develop and implement an Annual Operational Plan for their communications function;
  - measure, monitor and report on communications activities;
  - use communications channels (including social media) to engage with key stakeholders; and
  - engage effectively with their key stakeholders (Parliament, media, etc) to create greater visibility and understanding of their work within the public sector and with members of the public.

We developed course material to specifically meet the communications requirements of public sector auditors. The course included practical guidance to enable participants to immediately apply learnings into their business-as-usual work and used best practice examples drawn from SAI New Zealand.

Eleven SAIs (American Samoa, FSM Chuuk State, FSM Yap State, FSM National, FSM Pohnpei, Palau, the Northern Mariana Islands, Samoa, the Solomon Islands, Tuvalu and Vanuatu) requested the training, although SAI Vanuatu did not participate in the programme. Thirty five participants (23F, 12M) from SAIs American Samoa, the Cook Islands, FSM Chuuk State, FSM National, FSM Pohnpei State, FSM Yap State, Palau, the Northern Mariana Islands, Samoa, the Solomon Islands and Tuvalu attended the training. Due to issues with internet connectivity SAI Tuvalu attended only the first two days of the workshops.
Part-day online workshops held between 27 and 30 October 2020 covered:

- **Pre-workshop session** – to build rapport with the participants and draw their attention to following self-preparation activities, including familiarisation with a SAI Strategic Plan, priority stakeholders and current communications approach, activity and products.

- **Introduction to communication** - the role of the communications function in a SAI, principles and standards for SAI communications, and appropriate communications channels for SAIs.

- **Stakeholder analysis and mapping** – key target stakeholders and audience groups of a SAI’s communication activity and their information requirements.

- **Communications strategy** – why a SAI needs a Communications Strategy and how to develop it.

- **Operational plan, monitoring and reporting** – developing an action plan to operationalise the Communications Strategy, how to measure, monitor and report on communications activities and barriers and challenges to effective communication.

- **Social media** – how to develop a SAI-specific social media strategy, create social media accounts and publish content in social media channels, attach images, links, hashtags to increase ‘hits’ on a post.

- **Engaging with the media** – how to prepare for and engage with the media.


We followed the webinar-style workshops with up to three virtual coaching sessions per SAI to provide individualised support. As SAIs are at different points of their strategic plan cycle, this approach allowed for customised coaching discussions to meet the specific needs of each SAI.

For example, some SAIs with an existing communications strategy required support to review and refresh the existing document, while others required support to develop a new strategy and operational plan. While following up on the development of the SAIs’ communications strategies and operational plans, we could address SAI-level challenges and discuss appropriate solutions to fully embed learnings from the workshops.

In a final regional workshop on 27 November 2020, participants shared key issues and learnings. Over 80% of participants rated both workshops as effective. SAI-level coaching sessions are ongoing to support SAIs to develop and finalise a communications strategy and annual operational plan.

2. **Report writing**

We held two part-day workshops to teach participants how to write effective and high-quality reports to increase the uptake of audit findings and demonstrate the ongoing relevance of SAIs to citizens and stakeholders.

The workshops taught the main principles of the writing process and how to apply them effectively to communicate with key stakeholders, such as Parliament, the media and those charged with governance. During the workshop participants learnt how to write for the reader, identify a purpose of the writing, identify the outcome of the writing, use clear wording, present reports well and edit reports effectively. Programme material included examples and best practice guidance from the Office of the Auditor-General, New Zealand.

Eighty-four participants (46 female, 38 male) from SAIs Fiji, FSM Chuuk State, FSM National, FSM Pohnpei State, FSM Yap State, Guam, Palau, Papua New Guinea, Samoa and the Solomon Islands participated in this virtual workshop. Over 80% of participants reported our training was effective in developing their understanding of general report writing principles, and 71% reported our training built their understanding of how to write reports to Parliament and how to report financial audit findings to management and those charged with governance. We are working to strengthen the next iteration of our training by embedding a shift in our approach from theoretical to applied learning with practical exercises and online assessments.
3. Leading audit teams

Eighty-six participants (44 female, 42 male) from SAIs in the Cook Islands, Fiji, FSM National, FSM Yap state, the Northern Mariana Islands, Samoa, the Solomon Islands and Vanuatu participated in this leadership training, conducted in two part-day online sessions from 29 to 30 April 2021.

We developed this training in recognition of the integral role audit team supervisors play in fostering a positive work environment and coaching junior team members. It included how to best deal with conflict within a team, good active-listening techniques, how to give constructive feedback and how to have difficult conversations with staff members.

The training aimed to enhance leadership skills in an audit team context, covering the supervisor’s role in planning an audit, allocating and monitoring audit work, how to budget and the audit completion timeline. High levels of satisfaction were reported – over 95% of participants reported that the training proved ‘very’ and ‘extremely’ effective in developing their understanding of the above concepts.

4. Using multimedia effectively

This training on 26 May 2021 to 37 participants (17 female, 20 male) from 10 SAIs (Fiji, FSM National, FSM Pohnpei State, FSM Yap State, Kiribati, the Marshall Islands, New South Wales, Papua New Guinea, Samoa and the Solomon Islands) expanded on a related blog post released earlier in the month. Both the post and training conveyed the value of using multimedia to communicate SAIs’ work, making key messages more accessible to a broader audience and increasing engagement with stakeholders. They challenged the notion that a SAI’s work is complete with the submission of audit findings – key stakeholders need to engage with and act on audit findings and SAIs can leverage multimedia to achieve increased engagement and drive positive change.

Increasing visibility and engagement with a SAI’s work enables it to demonstrate its value and benefits and how it makes a difference to the lives of citizens. The post and the training explained how to use images and videos to add value to audit reports, presentations, stakeholder engagement publications, annual reports, media releases and social media posts.
Course material covered basic principles for photography and shooting and editing videos, equipment and software required, and how to use multimedia to create engagement on social media. While 82% of participants agreed that the course will help them to improve their current and future job performance, only 65% rated the training content as being effective in developing their understanding of concepts covered including how to shoot and edit images and videos, and how to search for and use royalty-free images. We are working to improve our training based on feedback received.

5. Interpersonal communication skills for auditors

We developed this training to complement the technical capabilities of auditors because the ‘soft skills’ involved in interacting and building relationships are essential to the success of their work.

The online workshop covered how to make a good impression, actively listen, use effective non-verbal communication methods, build rapport with others and present confidently. As staff in a professional audit environment engage with colleagues, clients and stakeholders every day, it is critical they have strong interpersonal communication skills.

The training proved very popular, with 95 participants (58 female, 37 male) from SAIs in the Cook Islands, Fiji, FSM National, FSM Pohnpei State, FSM Yap State, Guam, the Marshall Islands, Palau, Papua New Guinea, Samoa and the Solomon Islands participating on 28 May 2021. Ninety percent of participants reported the training as being effective in strengthening their understanding of interpersonal communication skills required for auditors. High levels of satisfaction were reported with subject matter expertise of our facilitators and with the pace of delivery and level of engagement achieved.

We acknowledge the support of SAI New Zealand in the design and facilitation of these workshops, which included practical examples and best practice guidance from the Office of the Auditor-General, New Zealand.
Strengthened governance, transparency, accountability and integrity through advocacy (SP2)

Improved governance, transparency, accountability and integrity of countries will be assisted by greater regional cooperation amongst SAIs and active engagement with stakeholders and development partners with an interest in effective public financial management.

**Outcome measure:** Strong partnerships with regional organisations with an interest in governance, transparency, accountability and integrity and, where appropriate, strategic partnership agreements with joint results-oriented frameworks agreed.

**Public Expenditure and Financial Accountability (PEFA)**

Two of our staff learnt the PEFA framework for assessment and partnered with PFTAC team to conduct the PEFA assessment on SAI Cook Islands in January and February 2021.

The team assessed financial data integrity, in year budget reports, annual financial reports, external audit and parliamentary scrutiny of audit reports.

We assessed Pillar 6 (Accounting and reporting) and Pillar 7 (External scrutiny and audit), reviewed FSG audits and assessed the impact of these reports in the country. We completed this work in April 2021 and the PEFA Secretariat review is in progress.

PASAI will share insights and learnings from this work with SAIs to assist them to understand what is required for the assessment. We expect this will enable them to improve their government accounts audits and their PEFA ratings.

**Kiribati Public Accounts Committee Induction**

We presented at the induction of the Public Accounts Committee (PAC) for the Kiribati Parliament – an event organised by the UNDP. Our presentation focused on the eight pillars of independence outlined in the Mexico Declaration on SAI Independence and the PASAI Independence Resource Kit, highlighting areas of alignment for SAI Kiribati. We raised the SAI Performance Measurement Framework (PMF) and PEFA tools used to assess a SAI’s independence. We also discussed the critical role of PACs in scrutinising audit reports, the timing of review and scrutiny, records of public consultations relative to audit reports at the Parliamentary Committee level and the follow up of audit recommendations. Questions from the floor revealed minimal understanding of the role and work of the SAI but indicated strong interest from the PAC members.

Secretariat staff will use learnings from this experience to design annual programmes that better support SAIs:

- advocate for SAI independence,
- promote the publication of audit reports in line with legislation,
- promote Parliamentary scrutiny, and
- inform Parliament and the public about the role and work of the SAIs.

**Accountability and Transparency Study**

We suspended work on conducting this study because of COVID-19 border closures.

**PASAI blog**

We continued to publish a regular blog to share knowledge and expertise on technical topics and general areas of interest. The blog posts have been well received by SAIs and shared by other international organisations (such as the International Journal of Government Auditing) on their communications channels increasing global digital coverage, visibility and uptake. Four posts have been republished on the INTOSAI Capability Building Committee website.
We published the following blog posts in the reporting period:

- Gender Performance Audit: Key Considerations and Best Practice (August 2020)
- Cybersecurity: Phishing Scams (October 2020)
- Environmental Audit (November 2020)
- The PASAI Learning Management System: A Response to the COVID-19 Pandemic (December 2020)
- Digital Literacy: Relevance to Auditors and SAIs (December 2020)
- Well-being and productivity (January 2021)
- Achieving Audit Independence in the Pacific – Part 1 (March 2021)
- Achieving Audit Independence in the Pacific – Part 2 (April 2021)
- Improving audit impact with multimedia (May 2021).

Webpage analytics indicate the blog post on well-being and productivity was the most viewed, with people spending more than double the average time visiting the page.

We acknowledge the assistance of SAI New Zealand in the preparation of material for our blogs on cybersecurity, environmental audit and digital literacy.

**Spotlight on SAI Tonga’s work**

The lead article in the June edition of our quarterly newsletter titled ‘Audit from SAI Tonga the key to Ministerial fraud scandal’ celebrated the impact the SAI’s work had on the good governance, transparency, accountability and integrity in the nation. The article commended not only the Tongan Office of the Auditor General, but also the other institutions involved (the Police and judiciary) in acting on the audit findings and administering justice to those found guilty of fraud.

Irregularities reported by SAI Tonga in a routine audit led to the discovery that a high-profile couple had defrauded the government of about USD250,000 in grants through an educational institute. It is important to showcase the way audit work like this contributes to the building of accountable institutions, which is one of the UN’s Sustainable Development Goals.
High quality audits on a timely basis (SP3)

Public accounts audited in a timely manner to internationally agreed standards by SAIs are fundamental to holding governments and public entities accountable through oversight by the legislature. PASAI will work in partnership with other organisations to promote the effective preparation and scrutiny of audited financial statements of Pacific Island governments.

**Outcome measure:** Improvements in production of Financial Statements of Government (FSG)/Whole of Government (WoG) audits\(^4\) annually by trained and qualified SAI staff and increase in numbers of performance audits undertaken by SAIs with audit impacts reported annually.

Support SAIs’ institutional capability to perform FSG audits

We regularly contacted SAIs in the Pacific region to monitor the status of FSG audits and the development of potential backlogs. SAIs face an increased risk of backlogs due to the impact of COVID-19 on workload, budgets and resourcing, as well as limited physical access to relevant documentation.

A delay in the preparation of the FSG by the Ministries of Economy/Finance has been a cause of some audit backlogs. Most of the countries in this category are those with consolidated FSGs. However, some of the recent FSG audit backlogs are due to the Ministries of Economy/Finance prioritising action on urgent COVID-19 issues, causing a delay in the preparation of the FSGs. This resulted in some of the due dates for audits being deferred for up to six months.

As at 30 June 2021, fifteen of the twenty participating SAIs (75%) (2020 – 70%) have completed an up-to-date audit of their country’s FSG.

The completion of the SAI Cook Islands audit of the 2018 and 2019 FSGs, signed and submitted to Parliament in February 2021, has reduced the audit backlog. The support by SAI New Zealand through the twinning program contributed in this favourable outcome.

PASAI recruited a consultant in November 2020 to provide technical support to the remaining four SAIs. We were not able to provide support to SAI Nauru due to border and travel restrictions. However, SAI Nauru completed its 2017–18 FSG, submitted it to Parliament in May 2021 and is progressing its audit of the 2018–19 FSG. SAI Vanuatu has already engaged its own consultant to assist them. Given the circumstances, the PASAI consultant is providing support to SAI Papua New Guinea and SAI Solomon Islands.

Our consultant is working to finalise the Papua New Guinea FSG audits for 2016 and 2017. Further, an initial review of the 2018 FSG draft accounts has been conducted and a discussion of the results is planned with the Ministry of Finance. Since May 2021, the consultant has also been supporting SAI Solomon Islands to complete its 2018 FSG audit.

Work continues in supporting these SAIs to reduce the backlogs and have the FSG audits up to date.

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\(^4\) For the purposes of this strategy references to Financial Statements of Government and Whole of Government Acts and financial audits should be read as including compliance audits where applicable as compliance audits are viewed as a subset of a financial audit encompassing public sector considerations of legislative compliance, performance, waste and probity.
FSG support programme

We resumed work with the INTOSAI Development Initiative (IDI) on the programme ‘Provide SAI-level support for efficient and timely FSG audits in compliance with ISSAIs’. Following the signing of a Memorandum of Understanding (MOU) between PASAI, IDI and the SAI Head, the programme is tailored using the respective SAIs’ FSG reports to:

- conduct an ISSAI-based FSG audit workshop
- complete the audit of FSGs according to ISSAIs,
- refine the participating SAIs’ audit methodology,
- identify areas that require further capacity building, and
- conduct a Quality Assurance peer review process of the FSG audits.

The programme involves eight SAIs (Fiji, Kiribati, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu). It had started with in-country support to SAI Tuvalu (January 2020) and SAI Solomon Islands (March 2020) but was put on hold due to the COVID-19 pandemic.

Delivery of the programme resumed with the establishment of our learning platform, enabling another 43 auditors (19 female and 24 male, and including senior managers) from four of the eight SAIs (Fiji, Kiribati, Papua New Guinea and Vanuatu) to participate in online training conducted over five days in February 2021.

Workshops facilitators from PASAI and IDI trained participants on conducting ISSAI Implementation Needs Assessment for financial audits, supplied resources such as the ISSAI-based audit methodology and audit working paper templates. Over 80% of participants rated the training as being ‘very’ and ‘extremely’ effective in developing participant understanding of topic areas covered and 100% reported that the course met their needs and would help them improve their current and future job performance.

Following the workshop we followed up with SAIs on action plans and progress with their audits. Prior to support discussions over Zoom, we required SAIs to submit an ISSAI implementation needs assessment plan, an audit methodology customisation plan and an FSG audit work plan.

The SAIs are completing the audit of selected FSGs in accordance with ISSAIs while refining their financial audit methodologies and identifying areas that require further capacity building.

We will include auditors from the SAIs of Samoa and Tonga in this initiative from October 2021 and participating SAIs will be subject to a PASAI-led quality assurance peer review in 2022 to demonstrate the extent of compliance with the ISSAI requirements. We will identify areas requiring further improvement in both audit methodologies and practices.

Quality Assurance consultant

In December 2020, we completed the recruitment process to hire a consultant to:

- update the PASAI Quality Assurance (QA) Manual
- develop resources for and deliver workshops on Quality Control and Assurance, and
- develop resources for and deliver a workshop on Peer Review.

PASAI Quality Assurance Manual

The 2015 PASAI Quality Assurance Manual was updated in line with the INTOSAI Quality Assurance and Control ISSAI standards, the International Standard on Quality Control and best practice. This has been revised, and the updated Manual contains additional information on Peer Reviews and how to conduct a quality control over the work of sub-contractors. Additionally, it distinguishes the difference between Quality Assurance and Quality Control and also shows the steps that are required for Quality Assurance functions to be established.

The Manual is currently under final review by the Secretariat and its publication is forthcoming. The Manual contains all the requirements for Quality Assurance and Quality Control in a SAI. Following its publication, Pacific SAIs will be able to either adopt the Manual or use it as a reference point for their work.
Quality Control and Assurance workshop

We developed a workshop based on the revised PASAI Quality Assurance Manual. Participants are able to use training material and the Manual to assist to set up Quality Assurance and Control frameworks and processes within their SAIs. PASAI co-facilitated this workshop with the QA consultant to provide SAI staff with the understanding and tools to:

- develop and implement their own Quality Control and Assurance Manual,
- distinguish between Quality Control and Quality Assurance,
- understand quality control and assurance standards,
- consider elements when setting up Quality Assurance Functions/Control,
- apply quality control on sub-contracted out work, and
- increase stakeholders’ understanding of the SAI’s work, including the public sector and members of the public.

This workshop was based on the new Quality Assurance Manual principles. Workshop training material is accessible on the PASAI learning platform and can be used in conjunction with the Quality Assurance Manual to help the SAIs set up their own quality assurance and control arrangements. However, it was clear from the feedback from the workshop that this is an area where more assistance is required on technical issues from PASAI going forward.

Nineteen participants (13 female, 6 male) attended this training activity from 10 SAIs: Australia (National), Fiji, French Polynesia, FSM National, FSM Pohnpei State, FSM Yap State, Guam, Palau, the Solomon Islands and Tonga. This activity was part of the PFM project. Our workshop achieved a 95% effectiveness rating from participants, who reported high levels of satisfaction with the course content and materials and subject matter expertise of our facilitators.
Peer Review workshop

The QA consultant also co-facilitated a workshop on Peer Review on 31 March 2021 so SAIs would know the importance and benefits of Peer Review measures and how to conduct a Peer Review.

Ten participants (8 female, 2 male) from five SAIs (Fiji, FSM National, FSM Yap State, Guam and Vanuatu) attended the workshop. Over 70% of participants reported the course as being effective in strengthening their understanding of topics related to the SAI Peer Review process.

Annual Association of Pacific Islands Public Auditors (APIPA) Conference 2020

In August, a PASAI team (including two staff from SAI New Zealand) delivered a presentation at the virtual APIPA Conference with the main theme of ‘Audit – Quality Assurance’.

The team delivered the presentation to 230 participants from 12 SAIs and received a score of 4.52/5 (90%) for the course content and 4.58/5 (92%) for course delivery.

The presentation included video clips from SAIs Fiji and the Solomon Islands on their Quality Assurance journey at the SAI-level and showcased some of the work already in progress at the SAI level.
Fundamentals of public sector auditing training

Staff recruited by or allocated to work at some SAIs do not always have a degree or qualification suitable for an auditor. As staff turnover continues to challenge SAIs in the Pacific, we targeted this training to those new to public sector auditing. We used recently revised training materials, so it was also a beneficial refresher course for experienced auditors to keep abreast with emerging issues in the profession.

Forty-eight staff (16 male, 32 female) from eight SAIs (American Samoa, FSM Chuuk State, FSM Yap State, Fiji, Guam, the Marshall Islands, the Solomon Islands and Vanuatu) participated in this online capability development from 14 to 21 September 2020.

The training covered the framework for and elements of public sector auditing, gave an overview of the public sector and the key stakeholders and most importantly, highlighted the importance of ensuring that audit independence is not impaired or compromised.

We also explained the role of the SAI, the ethical responsibilities and the audit process so that public sector auditors can fulfil their mandated responsibilities effectively and with integrity.

More than 80% of participants rated the training as being very’ and ‘extremely’ effective in developing participant understanding of the topics covered.

Performance audit training

We collaborated with the Australasian Council of Auditors General (ACAG) to organise and deliver this four-day online workshop. Thirty-nine 39 participants (21 female, 18 male) from nine SAIs (American Samoa, Fiji, FSM National, FSM Yap State, Kiribati, Samoa, the Solomon Islands, Tuvalu and Vanuatu) attended.

The workshop was designed for audit office staff new to performance audit, including people new to government audit and those who have transitioned into the performance audit area from financial audit. Experienced practitioners introduced participants to the key concepts, structures, and processes of public sector performance audit and included a long-form case study with practical exercises. Participants shared actual and potential audit topics and benefited from an ‘on the couch session’ with auditees. The training included an interactive discussion with Heads of Performance Audit from SAIs across Australia and New Zealand.

The overall evaluation carried out by ACAG indicated most participants found the training activity beneficial and useful with increased knowledge about performance auditing. We will focus on peer review work with SAIs and provide SAI-level support to embed these learnings. We will also encourage SAIs to complete and publish more performance audit reports.
Compliance audit training

The results of 18 SAI PMF assessments in the Pacific conclude:

- More than 80 per cent of SAIs have a wider mandate requiring them to conduct compliance audit either as a separate audit or in combination with either financial audit or performance audits.
- Forty-four per cent of SAIs regarded compliance audit as ‘not applicable’, despite having a mandate that requires them to address compliance with government laws, regulations, policies, and procedures. SAIs’ approaches to compliance auditing varies based on their interpretations of their mandates.
- There is low coverage of compliance audit in the region with 72 per cent of SAIs having a score of 2 or less (out of 4).
- Improvements are required in the following areas in which SAIs achieved a score of 2 or less – planning (44% of SAIs), implementing (50% of SAIs) and reporting (39% of SAIs).

These results indicate a critical need to improve knowledge and understanding of how compliance audit is conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI).

Our four-day online compliance audit workshop in April 2021 were the first to be provided since the IDI–PASAI Cooperative Compliance Audit on Procurement programme in 2016. Fifty-two participants (26 female, 26 male) from eight SAIs (Fiji, FSM National, FSM Pohnpei State, FSM Yap State, Palau, Papua New Guinea, Samoa and Tuvalu) attended.

The workshops aimed to enhance public auditors’ capability to conduct a standalone compliance audit and assist SAIs to improve the coverage of compliance audit activities to enhance compliance with government laws, regulations, executive directives, policies and procedures across public sector and government entities.

Training material focused on the audit process and initial considerations when planning a compliance audit at the organisational and engagement level. Facilitators included practical examples from the public sector to illustrate key concepts and the different phases of the compliance audit process as prescribed by ISSAI 400 and 4000.

Training material consisted of eight modules, and included concepts of compliance audit, how to identify potential audit topics and the different phases of the audit process – from planning, to gathering evidence, evaluating evidence, and forming conclusions to reporting audit findings and following up implementation of audit observations. The facilitators highlighted the importance of understanding the country’s governance ecosystem in identifying significant areas to consider as potential topics for a compliance audit as well as those factors that will ensure a quality audit is conducted.

High levels of satisfaction were achieved – over 95% of participants ‘agreed’ and ‘strongly agreed’ that the course met their needs, and that this course will help them improve their current or future job performance.

Financial audit manual training

In 2019 SAI Heads most common request was for support to improve financial audits.

SAI PMF results and PEFA assessments also indicated a need to enhance the financial audit capacity of certain SAIs.

Support to improve financial audit capacity in the Pacific came from afar. The Institute of Chartered Accountants in England and Wales (ICAEW) developed a customised Financial Audit Manual suitable for SAIs to assist them to carry out efficient, effective and compliant audits of small to medium sized state-owned enterprises. In an agreement with PASAI, ICAEW granted eight Pacific SAIs the licence to use this manual.

The manual provides a structured and well-tested methodology for carrying out financial audits and helps ensure SAIs conduct audits in line with international standards.
We offered a series of two-hour online workshops to senior staff who lead audits or who review working paper files for financial audits as part of the ‘Quality Control’ and ‘Quality Assurance’ systems of the eight SAIs.

Staff from SAIs Solomon Islands, Tuvalu and Vanuatu attended. We will consider training other SAIs conducting financial audits in the next financial year.

Course material aimed to:

- increase understanding of the methodology and tools to conduct and document a financial audit,
- develop and document audit work in the planning phase of a financial audit using the manual,
- develop and document Detailed Procedures – Specific Account Areas of Financial Statements,
- document the Review and Completion of an Audit – Reviewing the Workpaper file to ensure appropriate audit evidence is documented to support the audit opinion, and
- use tools to review workpapers to ensure they are ISSAI or ISA compliant.

To complete the programme, we will work with SAIs to organise independent peer reviews to assess whether their financial audits are compliant with standards and conducted effectively and efficiently.

**Enhanced SAI capacity and capability (SP4)**

The ongoing capacity building of SAIs as institutions and of their staff is crucial to achieve the transparent, accountable, effective and efficient use of public sector resources in the Pacific region.

**Outcome measure:** Improved SAI management processes supported by staff with up-to-date skills and auditing capabilities.

**SAI FSM Chuuk State strategic planning workshop**

SAI Chuuk requested support to develop its Strategic Plan when we assessed SAI needs in 2019. COVID-19 disrupted our plan to train staff in 2020, but from 23 to 25 February 2021 we delivered a workshop via Zoom.

We provided support to SAI Chuuk to develop a Strategic Plan that would guide the SAI’s work, effectively deliver on its mandate and proactively mitigate any implementation risks.

We designed and facilitated the workshop, providing SAI Chuuk’s team with information on strategic management principles and processes, and outlined the steps required to identify strategic priorities and develop a Strategic Plan. We ensured the active participation of SAI staff through group work and discussions, and used SAI-PMF results to identify strategic issues, risks and mitigation, a SWOT analysis and stakeholder mapping.

The workshop first covered the strategic management framework as the foundation for developing a strategic plan. By the end of the workshop, the SAI Head felt capable of developing key elements of the results framework (impact, outcomes, outputs and capacities) and was equipped to consider assumptions, risks and performance indicators in crafting a Strategic Plan. We are working closely with the SAI Head and providing online support to finalise the Strategic Plan.

**Review of SAI Fiji Strategic Plan indicators**

In response to a request from SAI Fiji, we reviewed SAI Fiji’s draft Strategic Plan 2021-25 and performance indicators in July 2020. The feedback we provided was based on SAI-PMF results and aligned with the IDI Strategic Management Handbook. Our feedback has strengthened SAI Fiji’s strategic management capability and enhanced its ability to effectively demonstrate and report on its progress against its strategic priorities.
Human Resources Management Programme

The effectiveness of a SAI depends on its ability to recruit and retain highly skilled, productive and motivated staff. This programme aimed to enhance SAI capacity and capability to improve their approach to managing human resources and related matters.

Despite the role of the Public Service Commission to recruit and deploy staff in the public sector in many Pacific countries, a SAI’s management team is responsible for ensuring they retain existing staff, develop the appropriate skillsets required and keep staff engaged and productive.

In August 2020, PASAI, in collaboration with SAI Sweden, started a programme to help 16 staff from six SAIs (Fiji, FSM National, FSM Pohnpei State, FSM Yap State, Kiribati and Papua New Guinea) develop their own human resources (HR) strategies and operational plans so they can deliver fully on their mandate to promote accountability, transparency and good governance in the region.

In order to continue to meet the development needs of members, we sought the assistance of SAI Sweden to develop and co-deliver the programme virtually. SAI Sweden had already built a strong partnership with us by assisting in earlier leadership and management programmes. An HR specialist from AFROSAI-E also joined the facilitation team which demonstrated commitment to the INTOSAI motto, *Experientia mutual omnibus prodest* (Mutual experience benefits all).

The programme included a series of webinar-style lectures and coaching sessions in which participants were trained to use HR process templates, could share experiences and work in peer networks to build sustainable HR practices. This was the first of our programmes to be delivered online and started before our current online Learning Platform was able to be set up.

SAI Kiribati and SAI FSM Yap State finalised their HR strategies this financial year. Forthcoming operational plans will enable them to implement their strategies.

The HR teams from the four remaining SAIs submitted drafts of their SAI HR Strategies to the programme facilitators in December 2020. The facilitators provided feedback to the teams leaving them to finalise their strategy documents.

Participation in this programme inspired SAI Kiribati to create a dedicated HR team, recognising its responsibility to manage its human resources to the extent allowed under its legal framework. It has enabled two of its staff trained under this programme to focus on HR implementation without distractions from other audit tasks.
SAI Performance Measurement Framework (PMF)

During the reporting period, we finalised and issued five independent SAI PMF reports for SAIs FSM Chuuk State, FSM National, Kiribati, the Marshall Islands, and Samoa. IDI provided independent reviews of these assessment reports to ensure compliance with the SAI PMF methodology.

A SAI PMF assessment for SAIs American Samoa, CNMI and Palau are in progress.

With a near complete suite of SAI PMF results across the region, they are being used as an evidence-base to inform the development of our programmes and guide SAI-level support in areas where their respective assessments have identified gaps.

 Emblem of a skeleton torso: Secretariat capable of supporting SAIs (SP5)

A properly resourced and staffed secretariat is essential to a high level of performance in implementing PASAI’s strategic priorities.

**Outcome measure:** Development partner and SAI satisfaction with PASAI management.

Online learning platform

Over the last year countries across the globe are under increased pressure due to the impact of the COVID-19 pandemic on increasingly fragile economies. In the Pacific region we have not been immune to the impacts of this global crisis. While many of us have been successful in closing our borders and keeping the virus spread to a minimum, others have not, and are facing severe and heart-breaking consequences as a result. For those countries where tourism has become a significant component of the economy the consequences have been equally devastating to the livelihoods of many. An additional impact for all of us with small populations are the impacts of reduced access to a wider pool of expertise to progress important projects.

Due to COVID-19, our face-to-face delivery model of sending educators to train the staff of our member SAIs in person was not possible. In response to travel restrictions and border closures, we pivoted our service delivery model and fast-tracked our Digital Transformation programme. This enabled us to transition all programme delivery online. All our regional workshops, SAI-level support and coaching sessions were delivered online using zoom and materials provided by email until November. PASAI Governing Board Chair, Ajay Nand, launched our new learning platform during the November Governing Board meeting.

We obtained advice from our IT service provider, the INTOSAI Development Initiative (IDI) and AFROSAI-E to assist with the design of our approach. We recruited an eLearning Specialist in October 2020 to set up our learning platform and start the successful transition of our programme delivery to an online format.

Online programme delivery has enabled us to increase the scale and reach of our training as compared to our previous face-to-face delivery model. Enabling course participants to access resources and supplementary training materials stored in the learning platform for an indefinite
time after completing training also enhances the learning experience. We are converting existing learning resources into asynchronous material for selected courses that can be accessed at the right time and in the right way by SAI staff.

We continue to improve our learning platform, convert existing resources to an online format, develop new training material and strengthen instructional design expertise in collaboration with our subject matter experts. We use evaluation results to refine our programme design and delivery. We continue to innovate and explore pedagogical approaches and training modalities to identify the most effective modes of delivery. We are working to shift our design and delivery from theoretical to applied learning, including the use of case studies, practical exercises, online assessments and coaching to better embed learning and change at the SAI level.

We worked with programme facilitators during design and planning to embed MER activity into relevant points of the programme lifecycle. For example, developing a programme intervention logic during the programme design phase, with details of relevant intermediate and higher-order outcomes and indicators.

We achieved an overall satisfaction rating of 75 per cent for ease of use and navigation of the platform. More than 75 per cent of participants of the online training courses we delivered in 2020–21 rated the training as effective.

With planned increases in functionality, users will enjoy even greater interactivity on the learning platform and be able to complete some modules in their own time and at their own pace. We expect this work to positively impact our capability development programme delivery as it increases our potential reach and takes advantage of different training modalities.

Following the easing of COVID-19 travel restrictions, we will transition to a blended learning model (including a mix of online and face-to-face delivery) as a more effective and sustainable delivery model.

**Monitoring, Evaluation and Reporting (MER)**

We have made improvements to our MER function and are on track to meet our reporting obligations under the new External Reporting Board’s service performance reporting guidelines PBE FRS 48 by FY 2022-23. We report on our progress to our development partners regularly and in a timely manner. We have submitted seven progress reports to our development partners in the past financial year. Our work to refine our performance indicators, the methodology adopted to collect the data to monitor and evaluate our progress against our strategic plan has progressed well and is nearing completion. This will allow us to lift the quality of our annual reporting and to meet the new external reporting requirements which will apply in future years.

We have embedded MER activity into all stages of the programme life cycle. We invite all programme participants to evaluate our training using an online survey tool. These results are reporting on internally and provide useful feedback on programme design and delivery that we analyse to improve future programmes.

We are working to streamline our data collection by embedding surveys directly in our learning platform courses, increasing data capture and quality.

**The digitalisation of our business intelligence function**

We recruited a fixed-term Data Specialist to establish data flows and capture data resulting from the implementation of the MER Framework into a scalable database linked to an interactive reporting dashboard.

This initiative will result in improvements to data and reporting quality, a streamlined reporting process and an increased capability to report on outcomes in the long term.

Our work to develop programme level indicators to reflect our Strategic Priorities, and to collect relevant data, is on track and close to finalisation. We intend to make further arrangements to update the database with our revised indicators and to complete testing using actual data in the next financial year.
**Staffing changes**

The revised organisational structure was confirmed in February 2021.

In April we began the recruitment of two new Programme Director roles. These roles were open to applicants from across the region. We are finalising the recruitment process. The directors will be based in SAIs in the North and South Pacific to enable targeted support to SAIs in the region.

Our Communications Advisor joined our team in late March 2021. Dedicated to communications and engagement, this recruitment has resulted in increased quality and quantity of communications activity on our website and social media channels. We continue to work to improve the quality of communications activities to inform our stakeholders about the work we do, the resources available to support SAIs and to raise the visibility of our member SAIs’ work.

Our new eLearning Specialist joined our team in May and is working to improve our learning platform and the quality of our online learning material to enhance learning impact and user experience of our learning platform.
Strengthening the procurement function

A Procurement Specialist funded by the EU and UNDP is working to improve our procurement systems and procedures and to build our team’s capability about the improvements. We are still finalising revisions to a new Procurement Manual while piloting procurement of services to refine related processes and documents.

PASAI Secretariat location

In September 2020 and in response to the independent location review, the PASAI Governing Board unanimously agreed that it was not the right time to change the location of the Secretariat, especially given travel restrictions related to the pandemic. The Board recognised that any change in location at this point would disrupt the operation of the Secretariat and negatively affect the delivery of PASAI programs. The Board considered that it was wise to leave any decision on the PASAI Secretariat location towards the end of the current Strategic Plan (i.e., 2024).

The Board agreed that the Secretariat needs to devise a mechanism to facilitate the selection of the host of the Secretariat, and to clearly identify a process to achieve this. The Board directed the Chief Executive to work with the Secretary-General to present the process for identifying interested parties and the timing. The recommendation of the Governing Board to the Congress was shared in the AGM following the Board meeting.

At its February 2021 meeting the PASAI Governing Board considered the process for the possible re-location of the Secretariat. After further work this was finalised at its 26th meeting on 11 June 2021 for presentation to Congress.

At the 23rd PASAI Congress on 22–24 June 2021, SAI Heads based on the recommendation of the Governing Board reaffirmed the PASAI Secretariat office will remain in New Zealand to 2024 as decided at the September 2020 AGM. SAI Heads also agreed that if Congress ever requires the Secretariat to relocate, a three-year period of planning for the transition would be necessary to ensure an orderly relocation process including fair and open process to select the new location. SAI Heads agreed the Secretary-General role is best linked to the country that hosts the Secretariat, although is not a requirement of the Charter. SAI Heads agreed to revisit the issue of relocating the Secretariat at the next in-person Congress. In addition, SAI Heads confirmed the designation of SAI New Zealand as Secretary-General of PASAI until 30 June 2024.
Technical assistance

We arranged consultants to:

- provide technical assistance for SAI Independence (in FSM Chuuk State, Papua New Guinea, the Marshall Islands and the Solomon Islands),
- perform a range of quality assurance activities, and
- assist SAIs in Papua New Guinea and the Solomon Islands complete FSG audits (links direct to more detail in the relevant sections of this report).

We also engaged a procurement consultant (funded by the UNDP) to review and improve procurement systems, procedures and templates, with work continuing beyond the reporting period.
Training programmes

We provided the following training during the reporting period:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Training</th>
<th>Participants</th>
<th>SAIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 August 2020 (programme continues)</td>
<td>Human resource management</td>
<td>16 (7F/9M)</td>
<td>6:</td>
</tr>
<tr>
<td>14–21 September 2020</td>
<td>Fundamentals of public sector auditing</td>
<td>48 (32F/16M)</td>
<td>8:</td>
</tr>
<tr>
<td>27–30 October and 27 November 2020</td>
<td>Communications strategy and implementation</td>
<td>35 (23F/12M)</td>
<td>11:</td>
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<tr>
<td>3–4 December 2020</td>
<td>Report writing</td>
<td>84 (46F/38M)</td>
<td>10:</td>
</tr>
<tr>
<td>2–5 and 9 February 2021</td>
<td>ISSAI-based audit of Financial Statements of Government</td>
<td>43 (19F/24M)</td>
<td>4:</td>
</tr>
<tr>
<td>9–12 February 2021</td>
<td>Introduction to performance audit</td>
<td>39 (21F/18M)</td>
<td>9:</td>
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<tr>
<td>22–24 March 2021</td>
<td>Quality assurance and control workshop</td>
<td>19 (13F/6M)</td>
<td>10:</td>
</tr>
<tr>
<td>Date</td>
<td>Course Title</td>
<td>Participants</td>
<td>Gender Distribution</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------</td>
<td>--------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>30 March 2021</td>
<td>Peer review quality assurance</td>
<td>10</td>
<td>8F/2M</td>
</tr>
<tr>
<td>20–23 April 2021</td>
<td>Compliance audit training</td>
<td>52</td>
<td>26F/26M</td>
</tr>
<tr>
<td>29–30 April 2021</td>
<td>Leading audit teams</td>
<td>86</td>
<td>44F/42M</td>
</tr>
<tr>
<td>26 May 2021</td>
<td>Using multimedia effectively</td>
<td>37</td>
<td>17F/20M</td>
</tr>
<tr>
<td>28 May 2021</td>
<td>Interpersonal communication for auditors</td>
<td>95</td>
<td>58F/37M</td>
</tr>
<tr>
<td>1–4 June 2021</td>
<td>Financial audit manual workshop</td>
<td>13</td>
<td>9F/4M</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td></td>
<td><strong>577</strong></td>
<td><strong>323F/254 M</strong></td>
</tr>
</tbody>
</table>

**Key:**
- American Samoa
- Australia (National)
- Cook Islands
- Fiji
- French Polynesia
- FSM Chuuk State
- FSM National
- FSM Pohnpei State
- FSM Yap State
- Guam
- Kiribati
- New South Wales
- Papua New Guinea
- Palau
- Samoa
- Solomon Islands
- The Marshall Islands
- The Northern Mariana Islands
- Tonga
- Tuvalu
- Vanuatu
Manuals and guidelines

We reviewed, updated and published Regional Audit Manuals for the main audit streams: performance, financial and compliance. We promoted their availability to SAIs and referred to them in relevant training programmes throughout the reporting period.

A consultant reviewed and revised the PASAI Quality Assurance Manual under our agreement with the UNDP which we used in the Quality Control and Assurance workshop held in March. We are conducting a final content review and will release it to SAIs later this year.

Our Independence Resource Kit was also reviewed and updated by a consultant.

Participation in regional and national forums

Our staff attended the:

- PIFS (Pacific Islands Forum Secretariat) **Specialist Sub-Committee on Regionalism** (SSCR) meeting to finalise the key drivers of change for the 2050 strategy process – 17–19 August 2020,
- INTOSAI **Development Steering Committee** meeting – 17 September 2020,
- online stakeholder **Consultation on IDI’s Gender Equality Strategy** – 23 September 2020, and
- Pacific Islands Forum Secretariat (PIFS) **Public Finance Management (PFM) and Governance Project Steering Committee** meeting – 22 December 2020.

We also worked with PIFS on their ‘Public Financial Management (PFM) and Governance Project Steering Committee’. We provided a paper for the Forum Economic Ministers Meeting (FEMM) held on 13–14 July 2021. It explained how we strengthen public sector auditing services to support PFM reform efforts in Forum Island Countries (FICs).

PASAI staff presented virtually at the **Annual Association of Pacific Islands Public Auditors (APIPA) Conference 2020**.

Staff attended the virtual **Gender Mainstreaming and Mentoring Symposium** on 23–25 April as part of New Zealand’s Asia-Pacific Economic Cooperation (APEC) host year.

The Symposium brought a variety of experts in gender mainstreaming and mentoring fields to provide an overview of the results of its recent research across APEC economies and to explore a range of themed discussions, including:

- gender mainstreaming – the New Zealand perspective;
- gender and corruption;
- addressing gender impacts of corruption; and
- women in anti-corruption and law enforcement agencies.
PASAI Congress 2021

We held our 23rd Congress remotely (online) from 22 to 24 June 2021. The Office of the Controller and Auditor-General of New Zealand hosted the event from Wellington. The theme for the Congress was ‘Impact through leadership’, and the event celebrated the 10th anniversary of the establishment of PASAI in its current form and the significant progress that had been made over this period.

Representatives of 25 PASAI member country, state or territory SAIs attended from the Australian National Audit Office, New South Wales (Australia), Queensland (Australia), Victoria (Australia), the Cook Islands, Federated States of Micronesia (FSM) National, FSM Chuuk State, FSM Pohnpei State, FSM Yap State, Fiji, French Polynesia, Guam, Kiribati, the Marshall Islands, Nauru, New Caledonia, New Zealand, Commonwealth of the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu. PASAI Secretariat staff also attended the Congress.

Observer representatives were the Accounts Chamber of the Russian Federation (Chair of INTOSAI), African Association of Supreme Audit Institutions – English Speaking (AFROSAI-E Secretariat), Asian Development Bank (ADB), Audit Office of South Africa (also representing the INTOSAI Capacity Building Committee), Australasian Council of Auditors General Secretariat, Austrian Court of Audit (INTOSAI General Secretariat), Beasley Intercultural, China National Audit Office (Secretary-General of ASOSAI), Confederation of Asian & Pacific Accountants, Pacific Delegation of the European Union, Department of Foreign Affairs and Trade (Australian Aid), ESCAP Sub-regional Office for the Pacific, Government Accountability Office USA, Graduate School USA, International Journal of Government Auditing, INTOSAI Development Initiative (IDI), New Zealand Ministry of Foreign Affairs and Trade (MFAT), New Zealand Office of the Ombudsman, PFTAC, Turkish Court of Accounts (on behalf of Chair of EUROSAI), State Audit Office of Vietnam (Chair of ASOSAI), United Nations Development Programme Pacific Office and the World Bank.

SAI Heads, along with other Congress participants, noted the strength of the Congress agenda and the great
honour of having highly esteemed keynote speakers contribute to the ‘Impact through leadership’ theme. The Right Honourable Helen Clark (former Prime Minister of New Zealand and former Administrator of the UNDP), the Right Honourable Trevor Mallard (New Zealand Speaker of the House of Representatives), the Honourable Aupito William Sio (Minister for Pacific Peoples and Associate Minister for Foreign Affairs), Mr Ed Olowo-Okere (Global Director, Governance Global Practice, the World Bank Group) and Dr Siouxsie Wiles (New Zealander of the Year 2020) provided particularly valuable perspectives from fields relevant to SAIs across the region.

A panel discussion involved a range of regional and international speakers including John Ryan (SAI New Zealand Auditor-General), Tsakani Maluleke (SAI South Africa Auditor-General), Doris Flores Brooks (former SAI Guam Public Auditor), Lyn Provost CNZM (former SAI New Zealand Auditor-General), Hon Rev Dr Pohiva Tu’i’onetoa (Prime Minister of Tonga and former Auditor General) and Kevin Brady CNZM (former SAI New Zealand Auditor-General).

Key issues discussed included the unique challenges elected SAI Heads and female leaders face, the benefits of increasing the proportion of women in senior leadership positions, the importance of quality control systems and cybersecurity, and the value small, isolated SAIs gain through the region working together which has been achieved because of the evolution of PASAI into the organisation it is today.

Governing Board Chair, Ajay Nand, led a comprehensive Business Session agenda. Attending SAI Heads agreed on:

• the appointment of SAI Tonga to represent the Polynesian group on the Governing Board for another year,
• the appointment of SAI Vanuatu to a three-year term to represent the Melanesian group on the Governing Board, replacing SAI Solomon Islands,
• the appointment of SAI Kiribati to a three-year term to represent the Micronesian group on the Governing Board, replacing SAI FSM Pohnpei State,
• the appointment of SAI New Caledonia to another three-year term to represent the ‘Other’ group on the Governing Board, and
• the endorsement of the continuation of Fuimaono Camillo Afele, SAI Samoa, as PASAI Representative on the INTOSAI Governing Board for another three-year term from 2022 to 2025.

SAI New Zealand rose to the challenge of hosting Congress in a purely online format. The Congress platform allowed for live video crosses to presenters in North America and Australasia, pre-recorded videos submitted by eminent speakers from Africa and the Pacific, break-out discussion sessions in separate online ‘rooms’ and even short, randomly chosen networking sessions between participants.

SAI New Zealand received positive feedback on hosting and organising PASAI’s first virtual Congress – the impressive line-up of the keynote speakers, high quality programme, informative sessions and panel and group discussions. We acknowledge the support of the Office of the Secretary-General and the Office of the Controller and Auditor-General of New Zealand for hosting this event.

We published and distributed the Congress Communiqué on 1 July 2021.
There are five areas that contribute to our organisational capability to deliver on our Strategic Priorities.

Our knowledge and technical skills

Our staff come from highly regarded academic and public sector backgrounds. We bring insights from former professional roles in education, cross-cultural engagement, research, evaluation, programme management, communications and of course, accounting and auditing.

Although our staff joined the PASAI Secretariat with a wealth of specialist capabilities and qualifications, we ensure their knowledge and technical skills are maintained by investing in relevant education.

Our staff participated in the following training opportunities:

- Audit Conference, Institute of Chartered Accountants Australia and New Zealand
- ‘International Audit Manual’ for Audit Practitioners, Institute of Chartered Accountant of England and Wales
- Managing and Motivating People, Auckland University Executive Education School
- Portfolio and Management, Auckland University Executive Education School, and
- Introduction to InDesign by Bring Your Own Laptop®.

Through our regional and international collaborations, we draw on global expertise across a range of technical skill sets.
Our people

PASAI Governing Board

Due to COVID-19 travel restrictions we were not able to hold an in-person Congress in Palau in August 2020 as planned. In early 2021, PASAI members supported the Governing Board’s recommendation to hold the past, current and future Chair positions in place until the next in-person Congress.

The hosting SAI Head usually becomes the Chair of PASAI upon the opening of Congress and holds that role until the next annual meeting. However, the Board asked SAI Fiji to continue as Chair while SAI New Zealand remains Secretary-General, ensuring balanced regional representation for the 2021–22 period.

PASAI Secretariat

We maintained an emphasis on the well-being of our staff during 2020–21. Measures that began in the initial response to the COVID-19 pandemic, such as support to work from home, continued throughout the reporting period.

Aside from another nineteen-day period of lockdown for non-essential workers in Auckland in August 2020, domestic restrictions were minimal. However, we provided our staff the option to perform some work from home each week, subject to operational needs. A hybrid remote work model has allowed opportunities for weekly in-person meetings and collaboration. Staff reported the reduced commute time has also contributed to greater productivity while working from home.
Our financial resources

The budget approved for the year was $1.94 million (NZD). The development partners, in line with the agreements, provided $1.8 million. Total expenditure during the year was $1.3 million with excess funds of $0.5 million. Unspent funds carried forward from the previous year 2019–20 amounted to $1.3 million. Subsequently, total unspent development partner funds at year end were at 1.8 million. These funds have been budgeted in the programmes and activities of the new financial year.

Details of our financial statements for the financial year ending 30 June 2021 are in Annex I.
Our regional and international relationships

The success of our programmes throughout the years is attributed to the invaluable support of our member SAIs, development and regional partners, the International Organization of Supreme Audit Institutions (INTOSAI) community, Pacific citizens and other stakeholders.

We acknowledge our funding contracts with the Ministry of Foreign Affairs and Trade (MFAT), the Department of Foreign Affairs and Trade (DFAT) that will support the continuation of our programmes through to the completion of the 2014–24 strategy. We also acknowledge our current contract with the European Union (EU) through the United Nations Development Programme (UNDP).

We are collaborating with the Swedish National Audit Office (SNAO) and AFROSAI-E to co-deliver an online Human Resource (HR) Management programme. Attended by six SAIs, this programme aims to support participating SAIs to develop and implement a strategy to enhance the HR function and recruit, retain and develop talent in a competitive global employment market.

The secretariat has worked in collaboration with IDI on a new initiative, Transparency, Accountability and Inclusiveness (TAI) audits. This is a to support and promote SAIs in responding in a timely manner, to conduct cooperative compliance audit on the Use of Emergency Funding for COVID-19. Two SAIs are committed to conduct TAI Audits, Solomon Islands and Tuvalu. The secretariat representative is an expert advisor and mentor to the TAI audit of Solomon Islands and representatives from SAIs Samoa and Tonga are mentors and advisors for the TAI audit of Tuvalu.

Our Director Practice Development started collaborating with the IDI in June 2021 as an expert advisor and mentor on the Transparency, Accountability and Inclusiveness of Use of Emergency Funding for COVID-19 (TAI Audits) initiative. PASAI is represented by SAIs Solomon Islands and Tuvalu and two staff from SAI Samoa and Tonga as mentors to support SAIs in the region when they conduct this TAI audit.
We also resumed work with IDI to deliver training and support to SAIs on their Financial Statements of Government (FSG) through the FSG support programme.

We worked with the Pacific Islands Forum Secretariat (PIFS) on their ‘Public Financial Management (PFM) and Governance Project Steering Committee’.

Building on our partnership with SAI New Zealand, we have delivered a suite of five online courses under our Communications programme. We will further develop this training in the next financial year because it was highly popular and achieved an effectiveness rating of more than 80 per cent across all courses.

SAIs

Our online workshops typically include an opportunity for member participants to share experiences with others, providing insights into what courses of action were successful and/or what did not work well.

We demonstrate commitment to our motto of Pacific auditors working together by drawing on the expertise of our SAI colleagues to support the Secretariat in delivering regional initiatives. For example, during the reporting period Samuela Tupou, Audit Manager, Environmental Audit Division of SAI Fiji worked on completing the SAI PMF for American Samoa.

Morina Faasisila (SAI Samoa) and Catherine Mafi (SAI Tonga) have also contributed to the IDI’s TAI Audit initiative.

We facilitate and support twinning arrangements between our member SAIs. Current twinning arrangements are in place for:

- the Office of the Auditor-General New Zealand and Samoa Audit Office;
- the Office of the Auditor-General New Zealand and Cook Islands Audit Office;
- New South Wales Audit office and Solomon Islands Office of the Auditor-General;
- South Australia Audit Office and Tonga Office of the Auditor-General;
- Australian National Audit Office and Papua New Guinea Auditor-General’s Office;
- Australian Capital Territory Audit Office and Kiribati National Office;
- Queensland Audit Office and Vanuatu Office of the Auditor-General; and
- Victoria Auditor-General’s Office (VAGO) and Nauru Department of Audit, Tuvalu Office of the Auditor-General.

We support peer-to-peer arrangements between SAIs, including a two and a half year secondment from the Office of the Controller and Auditor-General New Zealand to fill the Deputy Auditor-General position at SAI Solomon Islands. Organised with support from MFAT and DFAT, this secondment enables direct support to the SAI. The secondee has improved internal governance, pursued SAI independence, enhanced audit practice, developed a quality control system and performed staff coaching and mentoring.

A revised code of ethics is now in place and staff are aware and understand the values, behaviour and conduct expected of them as staff of the SAI. Improvements in staff dynamics in the office have contributed to improvement in the audit work.

The secondee is scheduled to continue in her role until December 2021.
Our member SAIs are:

- American Samoa
- Australia - ANAO - National Office
- Australia - NSW State
- Australia - QLD State
- Australia - VIC State
- Cook Islands
- Federated States of Micronesia (FSM) - National Office
- FSM - Chuuk State
- FSM - Kosrae State
- FSM - Pohnpei State
- FSM - Yap State
- French Polynesia
- Guam
- Kiribati
- Marshall Islands
- Nauru
- New Caledonia
- New Zealand
- Northern Mariana Islands
- Palau
- Papua New Guinea
- Republic of Fiji
- Samoa
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu
ANNEX I – FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Pacific Association of Supreme Audit Institutions (PASAI) Incorporated

Contents

Directory 49
Statement of Comprehensive Revenue and Expense 51
Statement of Financial Position 52
Statement of Changes in New Assets/Equity 53
Statement of Cash Flows 54
Notes to the Financial Statements 55
Independent Auditors’ Report 66
PACIFIC ASSOCIATION OF SUPREME AUDIT INSTITUTIONS (PASAI) INCORPORATED

Directory
for the year ended 30 June 2021

Legal Name Pacific Association of Supreme Audit Institutions (PASAI) Incorporated

Nature of Business Facilitation of support to audit offices in the Pacific region in order to improve quality and build capacity.

Entity Type PASAI is an Incorporated Society, incorporated on 18 November 2009, under the Incorporated Societies Act 1908

Entity’s Mission PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific. PASAI contributes to that goal by helping its member Supreme Audit Institutions (SAIs) improve the quality of public sector auditing in the Pacific to recognised high standards. PASAI works to strengthen understanding, co-operation, and coordination between its members, advocate the interests of good governance, including transparency, accountability, and the need for strong and independent SAIs, to governments and others in the Pacific region, as well as building and sustaining public auditing capacity across the Pacific by sharing knowledge with, and providing support to, its members, and assisting its members to perform their auditing functions. PASAI also serves as a regional organisation of International Organisation of Supreme Audit Institutions (INTOSAI), in the interests of all SAIs in the Pacific and beyond and encourages the co-operation with other regional organisations and SAIs.

Entity’s Structure Under the guidance of the PASAI Congress, the PASAI Governing Board sets PASAI’s direction and oversees the activities of its Secretariat. The Governing Board is responsible for formulating strategies and policies for the organisation. The Board also approves the 3-year work plan and budget and the rules for the conduct of PASAI activities. Membership of the Governing Board is made up of the current PASAI chair, the Secretary General, immediate past PASAI chair and the next PASAI chair. Four representative members are drawn from the Melanesian, Micronesian, Polynesian and Other member states. There is one further representative member, who is PASAI’s representative to the INTOSAI Governing Board. The Chief Executive of the PASAI Secretariat is also an ex-officio member of the Board.

Main Source of Funding PASAI’s main source of funds and cash are derived from grants received from governments, development organisations and public and private institutions. Funding is also sourced from membership subscriptions, interest earned from the investment of surplus cash, as well as any other method approved by the Governing Board.

Business Address Suite 2, Level 1 Heards Building 168 Parnell Road Parnell 1052 Auckland

Postal Address PASAI PO Box 37 276 Parnell 1151 Auckland

IRD Number 103-852-250
Directory (continued)
for the year ended 30 June 2021

Office Holders
Chairperson: Ajay Nand, Auditor-General, Fiji
Secretary - General: John Ryan, Controller & Auditor-General, New Zealand
Governing Board:
Satrunino Tewid, Public Auditor, Palau
Grant Hehir, Auditor-General, Australia National Audit Office
Caleb Sandy, Auditor-General, Vanuatu
Sefita Tangi, Auditor-General, Tonga
Eriati Tauma Manaima, Auditor-General, Kiribati
Jean-Yves Marquet, President de la Chambre, New Caledonia
Fuimaono Camillo Afele, Controller and Auditor-General, Samoa
Chief Executive:
Esther Lameko-Poutoa, PASAI Secretariat, New Zealand

PASAI Members
American Samoa
Australia – ANAO - National Office
Australia – NSW State
Australia – QLD State
Australia – VIC State
Cook Islands
Federated States of Micronesia (FSM) - National Office
Fiji
FSM – Chuuk State
FSM - Kosrae
FSM – Pohnpei State
FSM – Yap State
French Polynesia
Guam
Kiribati
Marshall Islands
Nauru
New Caledonia
New Zealand
Commonwealth of the Northern Mariana Islands
Palau
Papua New Guinea
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu

Auditor
RSM Hayes Audit
Chartered Accountants
1 Broadway, Newmarket, Auckland

Bankers
Westpac New Zealand Limited

Accountants
Bellingham Wallace Limited
470 Parnell Road, Parnell, Auckland
Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
</tr>
</tbody>
</table>

**REVENUE FROM NON-EXCHANGE TRANSACTIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Partner Contributions</td>
<td>1,314,691</td>
<td>1,609,928</td>
</tr>
<tr>
<td><strong>Total revenue from non-exchange transactions</strong></td>
<td>1,314,691</td>
<td>1,609,928</td>
</tr>
</tbody>
</table>

**REVENUE FROM EXCHANGE TRANSACTIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Income</td>
<td>370</td>
<td>386</td>
</tr>
<tr>
<td>Membership Subscriptions</td>
<td>139,088</td>
<td>108,000</td>
</tr>
<tr>
<td><strong>Total revenue from exchange transactions</strong></td>
<td>139,458</td>
<td>108,386</td>
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</table>

**TOTAL REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,454,149</td>
<td>1,718,314</td>
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</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenses</td>
<td>832,088</td>
<td>751,204</td>
</tr>
<tr>
<td>Consultancy Expenses</td>
<td>160,428</td>
<td>209,404</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,829</td>
<td>5,315</td>
</tr>
<tr>
<td>Programme Expenses</td>
<td>21,032</td>
<td>261,270</td>
</tr>
<tr>
<td>Secretariat Travel Expenses</td>
<td>3,509</td>
<td>16,663</td>
</tr>
<tr>
<td>Secretariat Operational Expenses</td>
<td>256,930</td>
<td>293,810</td>
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<td>Governance Expenses</td>
<td>7,685</td>
<td>73,346</td>
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<td><strong>TOTAL EXPENSES</strong></td>
<td>1,289,501</td>
<td>1,611,012</td>
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</table>

Interest Income

Net Finance Income

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,175</td>
<td>5,919</td>
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</table>

**OPERATING SURPLUS/ (DEFICIT)**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>168,823</td>
<td>113,221</td>
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</tbody>
</table>

**OTHER GAINS/ (LOSSES)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/ (Loss) on foreign exchange transactions</td>
<td>(26,370)</td>
<td>(20,243)</td>
</tr>
<tr>
<td>Gain/ (Loss) on disposal of fixed assets</td>
<td>275</td>
<td>-</td>
</tr>
<tr>
<td><strong>SURPLUS/ (DEFICIT) FOR THE YEAR BEFORE TAX</strong></td>
<td>142,728</td>
<td>92,977</td>
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</table>

Income Tax Expense

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>959</td>
<td>1,377</td>
</tr>
</tbody>
</table>

**SURPLUS/ (DEFICIT) FOR THE YEAR AFTER TAX**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>141,769</td>
<td>91,601</td>
</tr>
</tbody>
</table>

Other Comprehensive Income

Total Comprehensive Income For The Year

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>141,769</td>
<td>91,601</td>
</tr>
</tbody>
</table>

*These financial statements should be read in conjunction with the notes to the financial statements and the Auditors Report.*
Statement of Financial Position  
as at 30 June 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>2,132,917</td>
</tr>
<tr>
<td>Term Deposits</td>
<td></td>
<td>180,926</td>
</tr>
<tr>
<td>Receivables from exchange transactions</td>
<td>8</td>
<td>391</td>
</tr>
<tr>
<td>Prepayments</td>
<td>9</td>
<td>10,710</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td></td>
<td>331</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>2,325,275</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>10</td>
<td>27,861</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>27,861</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>2,353,136</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables from exchange transactions</td>
<td>12</td>
<td>106,472</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>13</td>
<td>26,210</td>
</tr>
<tr>
<td>Grants Received in Advance</td>
<td>14</td>
<td>1,823,043</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>1,955,725</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>1,955,725</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>397,411</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td></td>
<td>397,411</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>397,411</td>
</tr>
</tbody>
</table>

These financial statements have been authorised for issue by the Governing Board on the 10 September 2021.

---

Auditor-General, Fiji  
Chairman, PASAI  

Controller & Auditor-General, New Zealand  
Secretary-General  

Chief Executive  

These financial statements should be read in conjunction with the notes to the financial statements and the Auditors Report.
### Statement of Changes in Net Assets/Equity

for the year ended 30 June 2021

<table>
<thead>
<tr>
<th></th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Balance 1 July 2020</td>
<td>255,642</td>
<td>255,642</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/ (Deficit) for the year</td>
<td>141,769</td>
<td>141,769</td>
</tr>
<tr>
<td>Total comprehensive revenue and expense</td>
<td>141,769</td>
<td>141,769</td>
</tr>
<tr>
<td>Balance 30 June 2021</td>
<td></td>
<td>397,411</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance 1 July 2019</td>
<td>164,041</td>
<td>164,041</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/ (Deficit) for the year</td>
<td>91,601</td>
<td>91,601</td>
</tr>
<tr>
<td>Total comprehensive revenue and expense</td>
<td>91,601</td>
<td>91,601</td>
</tr>
<tr>
<td>Balance 30 June 2020</td>
<td></td>
<td>255,642</td>
</tr>
</tbody>
</table>

*These financial statements should be read in conjunction with the notes to the financial statements and the Auditors Report.*
Statement of Cash Flows  
for the year ended 30 June 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was provided from/(applied to):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership subscriptions</td>
<td>160,472</td>
<td>92,820</td>
</tr>
<tr>
<td>Receipts from Development Partners</td>
<td>1,695,918</td>
<td>1,619,685</td>
</tr>
<tr>
<td>Payments to suppliers &amp; employees</td>
<td>(1,175,749)</td>
<td>(1,563,512)</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>680,641</td>
<td>148,993</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash was provided from/(applied to):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from/(funds for) term deposits</td>
<td>(2,372)</td>
<td>(3,960)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(25,694)</td>
<td>(8,373)</td>
</tr>
<tr>
<td>Interest and dividends received</td>
<td>4,655</td>
<td>6,456</td>
</tr>
<tr>
<td><strong>Net cash from/(used in) investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(23,411)</td>
<td>(5,877)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>657,230</td>
<td>143,116</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of the year</td>
<td>1,475,687</td>
<td>1,332,571</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,132,917</td>
<td>1,475,687</td>
</tr>
</tbody>
</table>

*These financial statements should be read in conjunction with the notes to the financial statements and the Auditors Report.*
Notes to the Financial Statements
for the year ended 30 June 2021

1 Reporting entity
These financial statements comprise the financial statements of Pacific Association of Supreme Audit Institutions for the year ended 30 June 2021.

The financial statements were authorised for issue by the Governing Board on the 10 September 2021.

This set of financial statements are presented in accordance with Tier 2 PBE Accounting Standards.

2 Basis of preparation
(a) Statement of compliance
The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime ("PBE Standards RDR") and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

The entity is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure does not exceed $30 million.

The entity is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the public sector and has been established with a view to supporting that primary objective rather than a financial return.

(b) Basis of measurement
The financial statements have been prepared on a historical costs basis.

The financial statements have been prepared on a going concern basis.

(c) Presentation currency
The financial statements are presented in New Zealand Dollars.

3 Summary of significant accounting policies
The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Foreign currency translation
Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors or receipt from debtors, or from the reporting of creditors and debtors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

(b) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.
Notes to the Financial Statements
for the year ended 30 June 2021

(c) Property, plant and equipment
Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation rates have been applied on a basis that reflects the estimated useful life of the asset.

Additions and subsequent costs
Subsequent costs and the cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to the statement of comprehensive revenue and expense in the year in which the expense is incurred.

Disposals
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use.

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the statement of comprehensive revenue and expense is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation
Depreciation is recognised as an expense in the reported statement of comprehensive revenue and expense and measured on a straight value (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied at each class of property, plant and equipment:

<table>
<thead>
<tr>
<th>Class</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and Technology</td>
<td>17.5% - 40% (2-6 years)</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>10% - 25% (4-10 years)</td>
</tr>
</tbody>
</table>

The residual value, useful life, and depreciation methods of property, plant and equipment are reassessed annually.

(d) Leased assets
Leases where the Entity assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(e) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of accounts receivable and other receivables, cash and cash equivalents, other financial assets and accounts payable and other payables.
Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through the statement of comprehensive income, which are expensed in the period incurred.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the entity transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of four categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of four categories being loans and receivables, financial assets at fair value through the statement of comprehensive revenue and expense, held-to-maturity investments and available-for-sale financial assets, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported statement of comprehensive revenue and expense. Below are the classifications relevant to the entity:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The entity's cash and cash equivalents, trade debtors and other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The Entity’s financial liabilities consist of trade and other payables.

(f) Employee benefits

Short-term employee benefits

Employee benefits, previously earned from past services, that the entity expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays. These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.
Notes to the Financial Statements
for the year ended 30 June 2021

(g) Revenue
Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions
Development Partner Contributions are recognised as non-exchange income. Grants and contributions received from development partners are recognised in the statement of comprehensive revenue and expense when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grant is initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

Revenue from exchange transactions
Membership Subscriptions, Interest and dividend income is recognised as exchange income.

Interest income
Interest income is recognised as it accrues, using the effective interest method.

Dividend Income
Dividend income is recognised upon receipt of the dividend.

(h) Income tax
PASAI is an Incorporated Society and as such can only be taxed on net income from non-members. The first $1,000 of such net income is exempt.

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where PASAI operates and generates taxable income.

(i) Goods and Services Tax (GST)
All amounts in these financial statements are shown inclusive of GST, as PASAI is not registered for GST.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements:
In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition: non-exchange revenue (conditions vs. restrictions) generating assets for the purposes of assessing impairment indicators and impairment testing.

The majority of property, plant and equipment held by PASAI is classified as cash generating assets.
Notes to the Financial Statements
for the year ended 30 June 2021

b) Assumptions and estimation uncertainties
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. PASAI based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of PASAI. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values
The useful lives and residual values of assets are assessed using the following indicators:
- The condition of the asset based on the assessment of experts employed by PASAI
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset
Notes to the Financial Statements
for the year ended 30 June 2021

5 Development Partner Contributions

<table>
<thead>
<tr>
<th>Development Partner</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>The Department of Foreign Affairs and Trade</td>
<td>510,835</td>
<td>1,020,083</td>
</tr>
<tr>
<td>The Ministry of Foreign Affairs and Trade</td>
<td>664,281</td>
<td>320,192</td>
</tr>
<tr>
<td>United Nations Development Programme</td>
<td>139,575</td>
<td>269,653</td>
</tr>
<tr>
<td><strong>Total Development Partner Contributions</strong></td>
<td><strong>1,314,691</strong></td>
<td><strong>1,609,928</strong></td>
</tr>
</tbody>
</table>

In addition to the funding provided to PASAI by United Nations Development Programme (UNDP) to deliver programmes per above, UNDP also funded three consultants to deliver contributions to PASAI's programme. The contracts with these consultants amount to $165,066 (USD) in total, of which $49,838 (USD) was paid during the period directly by UNDP. The remainder of these contracts will be completed during the 2022 financial year.

Similarly, the Swedish National Audit Office (SNAO) provided consultancy services to PASAI during the year to deliver contributions to PASAI's programme. The services provided by the consultants on behalf of the SNAO were paid directly by the SNAO.

6 Expenses

The following amounts were expensed in the statement of comprehensive revenue and expense for the year:

<table>
<thead>
<tr>
<th>Expense</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td><strong>Personnel Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACC Levies</td>
<td>1,631</td>
<td>1,250</td>
</tr>
<tr>
<td>Employer Kiwisaver Contributions</td>
<td>20,632</td>
<td>9,016</td>
</tr>
<tr>
<td>Payroll Processing Fees</td>
<td>1,054</td>
<td>818</td>
</tr>
<tr>
<td>Staff Training</td>
<td>8,272</td>
<td>5,118</td>
</tr>
<tr>
<td>Salaries</td>
<td>800,499</td>
<td>735,002</td>
</tr>
<tr>
<td><strong>Total Personnel Expenses</strong></td>
<td><strong>832,088</strong></td>
<td><strong>751,204</strong></td>
</tr>
<tr>
<td><strong>Consultancy Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancy - Fees</td>
<td>160,428</td>
<td>183,772</td>
</tr>
<tr>
<td>Consultancy - Airfares</td>
<td>-</td>
<td>12,155</td>
</tr>
<tr>
<td>Consultancy - Accommodation</td>
<td>-</td>
<td>8,240</td>
</tr>
<tr>
<td>Consultancy - Per Diem</td>
<td>-</td>
<td>5,237</td>
</tr>
<tr>
<td><strong>Total Consultancy Expenses</strong></td>
<td><strong>160,428</strong></td>
<td><strong>209,404</strong></td>
</tr>
<tr>
<td><strong>Programme Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme - Airfares</td>
<td>-</td>
<td>126,044</td>
</tr>
<tr>
<td>Programme - Accommodation</td>
<td>-</td>
<td>73,957</td>
</tr>
<tr>
<td>Programme - Per Diem</td>
<td>-</td>
<td>52,594</td>
</tr>
<tr>
<td>Programme - Event Catering</td>
<td>-</td>
<td>5,551</td>
</tr>
<tr>
<td>Programme - Miscellaneous Expenses</td>
<td>-</td>
<td>3,124</td>
</tr>
<tr>
<td>Facilitator - Fees</td>
<td>21,032</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Programme Expenses</strong></td>
<td><strong>21,032</strong></td>
<td><strong>261,270</strong></td>
</tr>
<tr>
<td><strong>Secretariat Travel Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretariat - Travel</td>
<td>2,552</td>
<td>13,164</td>
</tr>
<tr>
<td>Secretariat - Accommodation</td>
<td>697</td>
<td>2,802</td>
</tr>
<tr>
<td>Secretariat - Per Diem</td>
<td>260</td>
<td>697</td>
</tr>
<tr>
<td><strong>Total Secretariat Travel Expenses</strong></td>
<td><strong>3,509</strong></td>
<td><strong>16,663</strong></td>
</tr>
<tr>
<td><strong>Secretariat Operational Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fee</td>
<td>10,450</td>
<td>11,960</td>
</tr>
<tr>
<td>Accounting Fees</td>
<td>64,903</td>
<td>111,491</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>709</td>
<td>2,850</td>
</tr>
<tr>
<td>Cleaning</td>
<td>5,585</td>
<td>5,350</td>
</tr>
<tr>
<td>Information Systems</td>
<td>32,695</td>
<td>27,953</td>
</tr>
<tr>
<td>Electricity</td>
<td>3,206</td>
<td>3,256</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements
for the year ended 30 June 2021

Secretariat Operational Expenses (contd.)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>5,262</td>
<td>7,807</td>
</tr>
<tr>
<td>Equipment Lease</td>
<td>8,461</td>
<td>8,599</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>7,321</td>
<td>8,638</td>
</tr>
<tr>
<td>Postage, Printing &amp; Stationery</td>
<td>1,281</td>
<td>1,244</td>
</tr>
<tr>
<td>Rent</td>
<td>80,638</td>
<td>79,170</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>9,726</td>
<td>2,164</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>10,138</td>
<td>4,209</td>
</tr>
<tr>
<td>Telephone</td>
<td>16,555</td>
<td>19,119</td>
</tr>
<tr>
<td><strong>Total Secretariat Operational Expenses</strong></td>
<td><strong>256,930</strong></td>
<td><strong>293,810</strong></td>
</tr>
</tbody>
</table>

Governance Expenses

<table>
<thead>
<tr>
<th>Governance Expenses</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Accommodation</td>
<td>2,792</td>
<td>18,418</td>
</tr>
<tr>
<td>- Event Catering</td>
<td>-</td>
<td>9,694</td>
</tr>
<tr>
<td>- Other Expense</td>
<td>630</td>
<td>1,690</td>
</tr>
<tr>
<td>- Per Diem</td>
<td>650</td>
<td>7,061</td>
</tr>
<tr>
<td>- Travel</td>
<td>3,613</td>
<td>30,689</td>
</tr>
<tr>
<td>- Venue Hire</td>
<td>-</td>
<td>5,794</td>
</tr>
<tr>
<td><strong>Total Governance Expenses</strong></td>
<td><strong>7,685</strong></td>
<td><strong>73,346</strong></td>
</tr>
</tbody>
</table>

7 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westpac New Zealand Limited - Cheque</td>
<td>229,988</td>
<td>262,105</td>
</tr>
<tr>
<td>Westpac New Zealand Limited MFAT</td>
<td>600,440</td>
<td>400,175</td>
</tr>
<tr>
<td>Westpac New Zealand Limited DFAT</td>
<td>1,244,445</td>
<td>813,295</td>
</tr>
<tr>
<td>Westpac New Zealand Limited UNDP</td>
<td>58,033</td>
<td>-</td>
</tr>
<tr>
<td>Petty Cash Administration</td>
<td>11</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>2,132,917</strong></td>
<td><strong>1,475,687</strong></td>
</tr>
</tbody>
</table>

Cash and cash equivalents comprise of cash at bank and on hand. The carrying value of cash at banks and on hand approximates their fair value. There are no restrictions over cash and cash equivalents held by PASAI.

8 Receivables from exchange transactions

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>275</td>
<td>20,883</td>
</tr>
<tr>
<td>Interest Income Receivable</td>
<td>116</td>
<td>226</td>
</tr>
<tr>
<td><strong>Total receivables from exchange transactions</strong></td>
<td><strong>391</strong></td>
<td><strong>21,109</strong></td>
</tr>
</tbody>
</table>

Accounts receivable are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of accounts receivable approximates its fair value. As at 30 June 2020 and 2021, all overdue receivables have been assessed for impairment and no allowances were made.

9 Prepayments

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Prepaid</td>
<td>2,366</td>
<td>2,645</td>
</tr>
<tr>
<td>Rental Deposit Prepaid</td>
<td>8,344</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total prepayments</strong></td>
<td><strong>10,710</strong></td>
<td><strong>2,645</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements for the year ended 30 June 2021

10 Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

### 2021

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 July 2020</td>
<td>24,151</td>
<td>33,328</td>
<td>57,479</td>
</tr>
<tr>
<td>Additions</td>
<td>14,459</td>
<td>11,510</td>
<td>25,969</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(8,224)</td>
<td>(8,224)</td>
</tr>
<tr>
<td>Balance as at 30 June 2021</td>
<td>38,610</td>
<td>36,614</td>
<td>75,224</td>
</tr>
</tbody>
</table>

**Accumulated depreciation**

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Balance as at 1 July 2020</td>
<td>14,712</td>
<td>33,046</td>
<td>47,758</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,412</td>
<td>417</td>
<td>7,829</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(8,224)</td>
<td>(8,224)</td>
</tr>
<tr>
<td>Balance as at 30 June 2021</td>
<td>22,124</td>
<td>25,239</td>
<td>47,363</td>
</tr>
</tbody>
</table>

**Net Book Value as at 30 June 2021**

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td></td>
<td>16,486</td>
<td>11,375</td>
<td>27,861</td>
</tr>
</tbody>
</table>

### 2020

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 July 2019</td>
<td>46,062</td>
<td>33,328</td>
<td>79,390</td>
</tr>
<tr>
<td>Additions</td>
<td>8,373</td>
<td>-</td>
<td>8,373</td>
</tr>
<tr>
<td>Disposals</td>
<td>(30,284)</td>
<td>-</td>
<td>(30,284)</td>
</tr>
<tr>
<td>Balance as at 30 June 2020</td>
<td>24,151</td>
<td>33,328</td>
<td>57,479</td>
</tr>
</tbody>
</table>

**Accumulated depreciation**

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Balance as at 1 July 2019</td>
<td>42,299</td>
<td>30,428</td>
<td>72,727</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,697</td>
<td>2,618</td>
<td>5,315</td>
</tr>
<tr>
<td>Disposals</td>
<td>(30,284)</td>
<td>-</td>
<td>(30,284)</td>
</tr>
<tr>
<td>Balance as at 30 June 2020</td>
<td>14,712</td>
<td>33,046</td>
<td>47,758</td>
</tr>
</tbody>
</table>

**Net Book Value as at 30 June 2020**

<table>
<thead>
<tr>
<th></th>
<th>Computer Equipment</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td></td>
<td>9,439</td>
<td>282</td>
<td>9,721</td>
</tr>
</tbody>
</table>

11 Income tax expense

- **Current tax expense**
  - Current year
    - NZD 959

- **Deferred tax expense**
  - Origination and reversal of temporary differences
    - NZD 0

**Total tax expense**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZD</td>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>Current tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>959</td>
<td>1,377</td>
</tr>
<tr>
<td>Deferred tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of temporary differences</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total tax expense</td>
<td>959</td>
<td>1,377</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements
for the year ended 30 June 2021

Reconciliation of tax expense and the accounting surplus multiplied by the domestic tax rate:

<table>
<thead>
<tr>
<th></th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus / (deficit) before income tax</td>
<td>142,728</td>
<td>92,977</td>
</tr>
<tr>
<td>Non taxable income</td>
<td>(1,427,411)</td>
<td>(1,697,685)</td>
</tr>
<tr>
<td>Tax exempt income</td>
<td>(1,000)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Non taxable dividend</td>
<td>(13)</td>
<td>(13)</td>
</tr>
<tr>
<td></td>
<td>(1,285,696)</td>
<td>(1,605,721)</td>
</tr>
</tbody>
</table>

Net Increase / (Decrease) in employee entitlements
(3,804) 36,815

Add Back
ICA credits attached to dividends received 42 145
Non deductible expenses
1,293,032 1,574,197
At statutory tax rate of 28%
1,001 1,522
ICA credits attached to dividends received (42) (145)
959 1,377

Deferred Tax
There is no deferred tax asset/liability.

12 Payables under exchange transactions

<table>
<thead>
<tr>
<th></th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>91,124</td>
<td>20,953</td>
</tr>
<tr>
<td>Westpac MasterCard</td>
<td>4,435</td>
<td>557</td>
</tr>
<tr>
<td>Audit Fee Payable</td>
<td>10,138</td>
<td>11,759</td>
</tr>
<tr>
<td>Sundry Payables</td>
<td>775</td>
<td>-</td>
</tr>
<tr>
<td>Total current</td>
<td>106,472</td>
<td>33,269</td>
</tr>
</tbody>
</table>

Total payables under exchange transactions
106,472 33,269

Accounts payable and other payables are normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

Sundry payables includes a credit of $775 resulting from foreign exchange movement on member contributions. The credit will offset member contributions in the following financial year.

13 Employee benefits

<table>
<thead>
<tr>
<th></th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave entitlements</td>
<td>33,010</td>
<td>36,814</td>
</tr>
<tr>
<td>Salaries payable</td>
<td>(6,800)</td>
<td>22,074</td>
</tr>
<tr>
<td>Total employee benefits</td>
<td>26,210</td>
<td>58,888</td>
</tr>
</tbody>
</table>

14 Grants Received in Advance

<table>
<thead>
<tr>
<th></th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Ministry of Foreign Affairs and Trade</td>
<td>715,525</td>
<td>579,808</td>
</tr>
<tr>
<td>The Department of Foreign Affairs and Trade</td>
<td>1,102,854</td>
<td>760,457</td>
</tr>
<tr>
<td>United Nations Development Programme</td>
<td>4,664</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,823,043</td>
<td>1,340,265</td>
</tr>
</tbody>
</table>

During the year, PASAI received a grant totalling $800,000 from the Ministry of Foreign Affairs and Trade to fund Programmes for Pacific SAIs to improve independence and sustainability. $579,808 of grant funding was carried over from the previous financial year which was utilised in the current financial year.

During the year, PASAI received a grant totalling $853,231 from the Department of Foreign Affairs and Trade to fund Programmes for Pacific SAIs to improve independence and sustainability. $760,457 of grant funding was carried over from the previous financial year which was partly utilised in the current financial year.

During the year, PASAI received a grant totalling $144,239 from The United Nations Development Programme to fund Programmes for Pacific SAIs to improve independence and sustainability.
Notes to the Financial Statements
for the year ended 30 June 2021

15 Commitments
Operating leases are held for premises used for office space, as well as the lease of office equipment.

<table>
<thead>
<tr>
<th>Non-cancellable operating leases are payable as follows:</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>78,374</td>
<td>82,395</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>152,614</td>
<td>40,319</td>
</tr>
<tr>
<td><strong>Total operating leases</strong></td>
<td><strong>230,988</strong></td>
<td><strong>122,714</strong></td>
</tr>
</tbody>
</table>

Lease of Land & Buildings

Property: Suite 2, Level 1, “Heards Building”, 168 Parnell Road, Parnell, Auckland, New Zealand
Annual Rent: $76,307
Rent payments: Monthly
Rent Reviews: 2 yearly
Right of Renewal: 1 July 2024

Lease of Assets

Asset: Fuji Xerox Copier
Monthly Rent: $689
Term: 12 months from 14 October 2020

16 Financial instruments

(a) Carrying value of financial instruments
The carrying amount of all material financial position assets and liabilities are considered to be equivalent to fair value. Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction.

(b) Classification of financial instruments
All financial assets held by the entity are classified as "loans and receivables" are carried at cost less accumulated impairment losses. All financial liabilities held by the Company are classified as financial liabilities at amortised cost.

(c) Classification of financial instruments
The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td><strong>Financial liabilities</strong></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>Loans and receivables</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>NZD</td>
<td>NZD</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2,132,917</td>
<td>2,133,308</td>
</tr>
<tr>
<td>391</td>
<td>391</td>
</tr>
<tr>
<td><strong>106,472</strong></td>
<td><strong>106,472</strong></td>
</tr>
<tr>
<td><strong>1,475,687</strong></td>
<td><strong>1,496,796</strong></td>
</tr>
<tr>
<td>21,109</td>
<td>21,109</td>
</tr>
<tr>
<td><strong>33,269</strong></td>
<td><strong>33,269</strong></td>
</tr>
<tr>
<td><strong>Amortised cost</strong></td>
<td><strong>Amortised cost</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>106,472</td>
<td>106,472</td>
</tr>
<tr>
<td>1,496,796</td>
<td>1,496,796</td>
</tr>
<tr>
<td>33,269</td>
<td>33,269</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements
for the year ended 30 June 2021

17 Contingent liabilities and contingent assets

Make Good Obligation
The premises at Suite 2, Level 1, 168 Parnell Road has a “make good obligation” (reinstatement works), which PASAI has to comply with at the end of the lease or when the lease is terminated. The lease has a term of three years and one month commencing on the 1 June 2021 and ending on 30 June 2024, with two rights of renewal of two years each and expiring on 30 June 2028. The amount of make good cannot be reliably estimated.

18 Events after the reporting date

There were no significant events after the reporting date.
The COVID-19 pandemic has resulted in a number of lockdowns, restrictions, and societal uncertainty. The Board have assessed that although these events have caused some inconveniences, at this stage, no significant impact is anticipated on PASAI’s ability to meet its short-term obligations as they fall due or to deliver against the 2021/22 operational plan.

19 Key management compensation

The entity has a related party relationship with its key management personnel.

Key management personnel compensation includes the following expenses:

<table>
<thead>
<tr>
<th></th>
<th>2021 NZD</th>
<th>2020 NZD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and other short-term employee benefits</td>
<td>635,123</td>
<td>532,741</td>
</tr>
<tr>
<td>Total remuneration</td>
<td>635,123</td>
<td>532,741</td>
</tr>
<tr>
<td>Number of persons recognised as key management personnel</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the members of the Pacific Association of Supreme Audit Institutions Incorporated

Opinion

We have audited the financial statements of the Pacific Association of Supreme Audit Institutions Incorporated, which comprise:

- the statement of financial position as at 30 June 2021;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in net assets/equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 3 to 17 present fairly, in all material respects, the financial position of the Pacific Association of Supreme Audit Institutions Incorporated as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Pacific Association of Supreme Audit Institutions Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Pacific Association of Supreme Audit Institutions Incorporated.

Other information

The governing board is responsible for the other information. The other information comprises the Directory on pages 1 and 2 (but does not include the financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the governing board for the financial statements

The governing board is responsible, on behalf of Pacific Association of Supreme Audit Institutions Incorporated, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governing board is responsible, on behalf of the Pacific Association of Supreme Audit Institutions Incorporated, for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governing board either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor’s responsibilities for the audit of the financial statements is located at the XRB’s website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the members, as a body. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the members as a body, for our work, for this report, or for the opinions we have formed.

RSM Hayes Audit 26 August 2021
Auckland
Pacific Association of Supreme Audit Institutions

Suite 2, Level 1 Heards Building, 168 Parnell Road
Auckland 1052, New Zealand
PO Box 37276, Parnell, Auckland 1151, New Zealand
Telephone: +64 9 304 1275

www.pasai.org