



Pacific auditors working
together

PASAI

MARCH 2023 NEWSLETTER

Pacific Auditors Working Together

Inside this edition:

SAI Solomon Islands garners widespread coverage of its COVID-19 audits following media workshop	1
A sneak peak at PASAI's 4th Accountability and Transparency publication.....	3
SAI New Caledonia sheds light on its new strategic plan.....	5
Audit Office of New South Wales receives 'follow-the-dollar' powers	7
SAI Palau hosts 24 th PASAI Congress	7
SAI Papua New Guinea hosts official visit by SAI Australia.....	10
Staff at SAI Pohnpei making time for educational advancement.....	11
SAI Australia develops methodology for auditing ethics.....	13
Mālō 'aupito, grandfather of PASAI	15
Upcoming events / training	16

SAI Solomon Islands garners widespread coverage of its COVID-19 audits following media workshop

The Office of the Auditor General (OAG) took an innovative approach last month to ensure widespread and accurate media coverage of critical audit reports on the use of COVID-19 response funds by three key Solomon Islands ministries.

Supported by the OAG's communications team, the Auditor General of Solomon Islands, David Dennis, hosted local media representatives at an inaugural live reporting accountability workshop over one and half days in mid-February.

The result was four front page lead articles in the two national daily newspapers and at least 15 other follow up media reports across radio, TV, print and online platforms in the days after the workshop.

Mr Dennis said the aim of the workshop was not only to brief journalists on the COVID-19 audits but to ensure they understood the role of the OAG, the purpose of conducting audits and the importance of the media's responsibility to report these accurately.



Solomon Islands Auditor General, David Dennis, explains the function of the OAG on the first day of the workshop (image source: Internews)



"The media is a critical stakeholder for our office, as your engagement plays a vital role in disseminating our reports to the public, through fair and accurate reporting which encourages the public to engage and drive the recommended improvements," Mr Dennis explained to the 15 journalists representing all of Solomon Islands' media outlets attending the workshop.

The workshop was designed to coincide with the tabling and publication of the three compliance audits, done under the Performance Audit branch, investigating the use of special funds provided to three government entities for the COVID-19 response under a State of Emergency declared in 2020 at the onset of the pandemic. Specifically, these entities are the Ministry of Health and Medical Services, the Ministry of Infrastructure Development and the National Disaster Management Office.

While the first half day provided an overview of the role and functions of the OAG, the second day of the workshop was split into two half-day sessions. The first involved a detailed briefing from the Auditor General on the findings and recommendations of the COVID-19 audits. Journalists were able to ask questions at any point during the session which was held on the record.

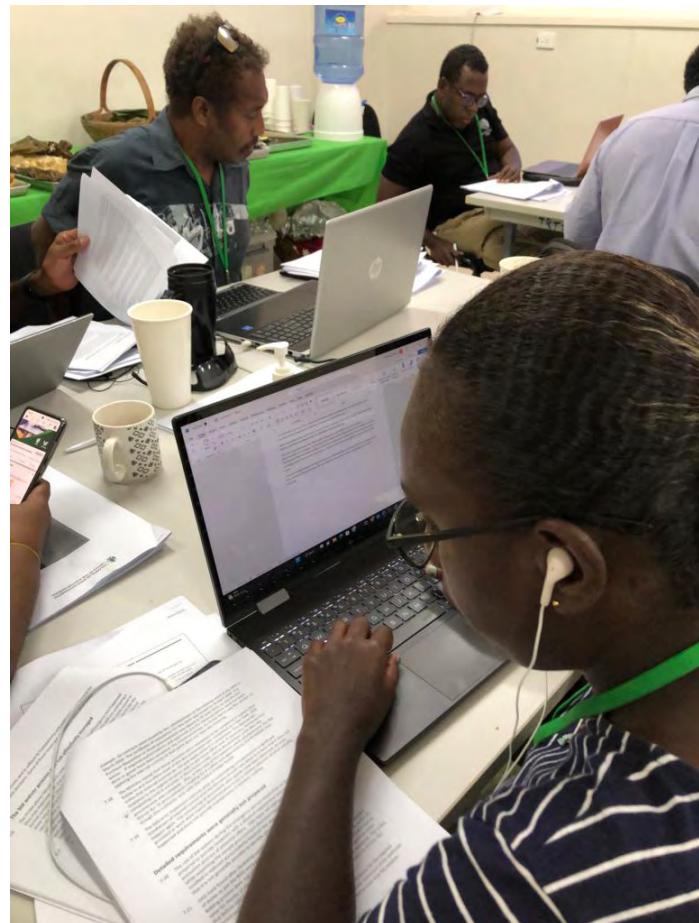
The international media-strengthening nonprofit [Internews](#), which was supporting the OAG to host the workshop, delivered the second session. Through its Transparent Pacific project, three senior Solomon Islands journalists were on hand to mentor the reporters as they wrote their reports fresh from the morning's briefing.

Transparent Pacific, which aims to build the capacity for accountability reporting in the region, is hoping to support other Pacific SAIs to hold similar workshops.

The workshop also provided an opportunity for the OAG's communications team, who had just returned from a media strategy workshop in Fiji, to put into practice what they had learnt, especially, dealing with sensitive questions raised by the media. The OAG would like to thank PASAI for this practical training.

The Auditor General said he planned to hold future live reporting accountability workshops for the media on tabled audits with the aim of building a relationship with the media that sees them continuing to support the OAG in accurately disseminating audit reports to the public.

"Our plan is for ongoing engagement with the media, for further accountability workshops and briefings which will be held as future reports are released," Mr Dennis said.



Solomon Islands journalists preparing their reports on the COVID-19 audits during the final session of live reporting Accountability Workshop 2 (image source: Internews)

A sneak peak at PASAI's 4th Accountability and Transparency publication

Background

PASAI's strategy includes the periodic publication of reports that provide an insight into the state of accountability and transparency in the region. These reports are part of the PASAI's work under Strategic Priority 2: Advocacy to strengthen governance, accountability, transparency, and integrity. The reports aim to increase awareness of the challenges SAIs face.

The past accountability and transparency reports have historically assessed the effectiveness of SAIs operations and interactions with other parts of the public financial management (PFM) system.



The last report, published in 2015, focused on how SAIs in the Pacific were promoting ethical behaviour and good governance practices in the public service environment.

The publication of the 4th Accountability and Transparency report was delayed. The delay was initially due to funding challenges PASAI was facing in 2018 and then by the impacts of the pandemic. Due to the importance of this contribution to PASAI's advocacy work the project approach was reshaped in late 2021 when the ability to travel was still uncertain.

Approach

The work was largely completed during 2022. Using a survey and online engagement approach to data collection positioned the project team to avoid any impacts that lock downs or travel restrictions could have had.

The survey asked SAIs to reflect on the effectiveness and impact of its actions in certain areas, providing a self-evaluation of its activities and effectiveness in interacting with and influencing other parts of the PFM system, including civil society.



The project team analysed SAI responses to the survey and conducted follow up discussions with SAI leadership teams. Due to the completion of the SAI PMF assessment for PASAI's 20 recipient SAIs, PASAI now holds a vast array of data that was not on hand when previous A&T studies were completed. The project team was able to consider this material, as well as other data held by PASAI's monitoring, evaluation and reporting function, alongside the survey responses when preparing the report.

A PASAI Governing Board sub-committee,¹ supported by the Office of the Secretary-General, oversaw the project.

Purpose of the study

The report is designed to assist Pacific SAIs and other PFM system stakeholders to understand the current challenges facing SAIs in the Pacific region and the impact of those challenges on the work of SAIs in promoting accountable and transparent use of public resources.

The report includes case studies showcasing key achievements and barriers to SAI effectiveness. It is hoped the case studies will encourage and inspire other SAIs in the region, particularly when they read about what their peers have achieved. This approach embodies the PASAI motto of 'Pacific SAIs working together'.

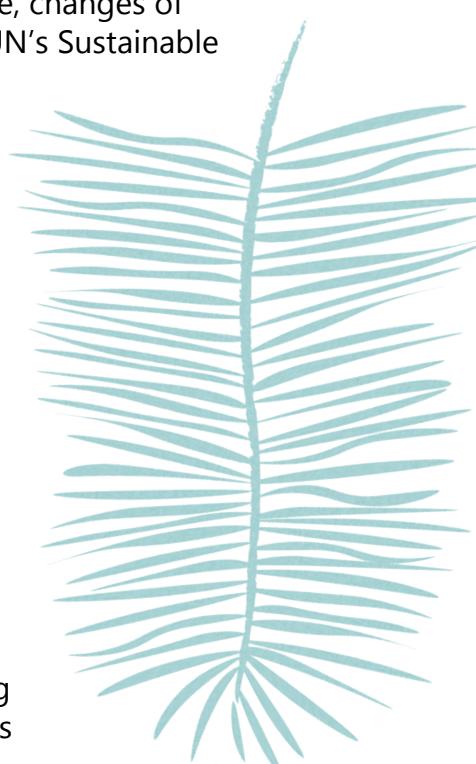
Findings and next steps

The findings show progress in some critical areas. However, there remains many challenges impacting the ways SAIs operate and their ability to contribute to the effectiveness of the PFM systems of their jurisdictions.

A significant concern identified is the difficulty that some SAIs in the region still face due to insufficient resources to complete their core mandates in a timely manner. Restrictions on a SAI's resources also impact its ability to respond effectively to emerging issues such as the proper disbursement of relief funds during the COVID-19 pandemic, cybersecurity threats, financial and environmental consequences of climate change, changes of government and work towards achieving the UN's Sustainable Development Goals.

Emerging issues create opportunities for a SAI to show stakeholders its relevance and the important role it can play in helping to improve governance, accountability, transparency and integrity in its country. SAIs need to be able to adapt and respond to changes in their environments.

However, this additional and unpredictable work increases the pressure on SAIs making it even more critical that they're capable of producing timely and relevant responses without compromising the quality of work already required. Providing assurance about these emerging issues while also completing its core mandate is fundamental to maintaining and building the trust and confidence of a SAI's stakeholders.



¹ Consisting of the Auditor-General of Australia, the Président de la Chambre territoriale des Comptes de Nouvelle-Calédonie, and the Controller and Auditor-General of Samoa.

The project team hopes that the report's examples will encourage SAIs across the region to try things that have worked well for their peers. The project team also commends the report to those that have the power to influence the effectiveness of the PFM system in other areas and seeks their support to continue the work to strengthen the system for the benefit of all Pacific citizens.

The areas of weakness identified provide useful information about where the PASAI Secretariat's support needs to focus in the future. This will feed into the development of PASAI's next strategy.

The report will be released soon so look out for related launch events.

SAI New Caledonia sheds light on its new strategic plan

Florence Bonnafoux, Président de la Chambre territoriale des Comptes in New Caledonia, contributed the following article.

The [September 2022 edition](#) of the newsletter included an article about the work in progress to develop a strategic plan for the Territorial Audit Office in New Caledonia. After another work session with all the staff of the office, we have completed this work and published our strategic plan (in French) on our website².

We believe that citizens trust their local institutions and elected representatives based on the quality of the public service provided and the integrity of their leaders. Respecting the public financial order and being a high performing and transparent public service underpin this trust and are therefore of general interest. The Territorial Audit Office of New Caledonia, an independent third party, informs the public and guarantees the fundamental right of citizens to call to account any public official regarding their administration.

Looking back to enlighten the future



Engravings of a mirror and an oil lamp on the building of the French Court of Accounts, tools that symbolise the SAI's role of enabling people to analyse what has been done in the past and to recommend good practices for the future

Our mission is to contribute to the improvement of public management through our analysis, recommendations and reports. We audit the performance of public management to ensure financial rules and regulations are respected and we contribute to the evaluation of public management and services.

Our values are those of independence, both of the institution and of its members, of considering the facts and opinions of those with an interest in our audits and of taking our decisions by collective deliberation.

² <https://www.ccomptes.fr/fr/chambres-regionales-et-territoriales/ctc-nouvelle-caledonie/organisation>



We reflected upon our engagement with stakeholders. We have a good audience with local media and regular contact with elected representative but we are not actively engaged with citizens and local communities.

Our main strength lies in the consideration given to our recommendations and the actual implementation of them. Our weaknesses are related to the limited size of the office and the particularities of the local legislation which doesn't fully enable us to use methods and tools developed for the French Court of Accounts. This presents a particularly important risk of divergence and isolation of the Territorial Audit Office from its French counterpart.

Capitalising on opportunities can include developing new types of audits. PASAI also helps us stay abreast of major trends and ideas.

Our main challenges for the coming years will be to adapt the dynamic created at the national level through SAI France's Strategic Plan, JF 2025, to our local context and to consider the impact of the evolution of our core mission, accountability, in a more uncertain and exacting world due to climate change, a sanitary crisis and internal or geopolitical tensions.

Contemplating all of these issues, our strategic ambitions are to:

- be a dynamic force to improve public management in New Caledonia considering our audit capacity
- be a source of reliable information for public managers and citizens by putting our capabilities and tools into action for quality audits and
- lead by example and be a best practice organisation in human resource management and quality of life at work.

To achieve these ambitions up to 2025, we have three strategic priorities:

- work in project mode
- develop our relationships with our main stakeholders and
- ensure internal communication and quality of life at work.

The success in meeting these strategic issues and priorities will be measured against several impact and output criteria.

Indicators for the 2025 horizon

Strategic priority	Operational priority	Impact	Output
Better public management	Work in project mode	The number of court convictions related to integrity in the public service is in line with the national average	Timely audits are conducted in less than eight months
Provide reliable information	Develop our relationship with our main stakeholders	We can identify and promote the implementation of our recommendations to auditees	We arrange at least three engagement events with stakeholders and citizens per year
Lead by example	Develop quality of life at work	Internal control and quality assurance are in place and can be promoted and shared	At least three quarters of staff are satisfied or very satisfied to be working for the office

These strategic priorities have each been detailed in an operational plan comprising eleven objectives and nearly three times more activities across the three years 2023 to 2025. We will report on our progress in implementing these strategic priorities each year through our annual report.

Audit Office of New South Wales receives 'follow-the-dollar' powers

Last November, the Parliament of New South Wales (NSW) passed new legislation to support the NSW Auditor-General to 'follow the dollar' and help it hold the State Government accountable for its use of public resources.

The Government Sector Audit and Other Legislation Amendment Bill 2022 (the Act) was introduced to NSW Parliament late last year, making amendments to both the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.



The Act introduced a power for the Auditor-General to audit the use of public resources by non-government entities.

This means a performance audit of the NSW Government can now include activities or functions that are delivered for or on behalf of the government by a non-government organisation.

It also means the Audit Office of Audit NSW can audit the use of grants given by the government to a non-government entity.

The amendments were recommended by a number of NSW parliamentary committees and other bodies over the past 10 years, including the Public Accountability Committee, the Public Accounts Committee and the Independent Commission Against Corruption.

Referred to as 'follow-the-dollar' powers, the expanded mandate is important in an environment in which the government is increasingly making public resources available to non-government entities to carry out activities.

Accordingly, the Audit Office of NSW is considering the use of these powers in upcoming performance audits.

SAI Palau hosts 24th PASAI Congress

Please enjoy this small selection of photos taken at Congress in Koror, Palau between 28 February and 3 March 2023.

You can read more about the event in our recent [media release](#) or in the next edition of our [quarterly report](#) to be published in April.

On behalf of all who attended, PASAI thanks the Office of the Public Auditor for the Republic of Palau for making such agreeable arrangements as hosts.

Photo credits: Jessica Du, Editor of the International Journal of Government Auditing





The ceremonial handing over of the chairperson's gavel



The model canoe, symbolic of a Pacific SAI



Performance of a 'haka'



Watching a video that conveyed the importance of communicating audit work



A presentation about PASAI's Learning Platform



Discussions about the development of PASAI's next Strategic Plan

SAI Papua New Guinea hosts official visit by SAI Australia

February was an exciting month for staff of the Auditor-General's Office of Papua New Guinea (AGO) who had the pleasure of hosting a visit by the Australian National Audit Office (ANAO), led by the Auditor-General of Australia, Grant Hehir.

The highlight of the visit was an all-staff event that key external stakeholders were invited to, including the new Chairman of the Public Accounts Committee. During the event, the Auditor-General of Papua New Guinea, Gordon Kega, highlighted the AGO's key priorities for the year.

Mr Hehir followed with a presentation about the important role of audit offices and the strength of the relationship between AGO and ANAO providing significant learning opportunities for each office.



[The Auditor-General of Australia, Mr Grant Hehir, presenting at the all staff event](#)

At this important gathering the auditors-general launched the AGO Audit Manual, which was finalised with assistance from the ANAO employees. AGO officers also presented on their positive experiences working in Australia under the aid programme.

The visit concluded with Mr Kega and the AGO deputy auditors-general accompanying the Australian delegation on a tour of the Parliament Haus and the Bomana War Cemetery providing an opportunity to further appreciate the long-standing and close relationship between Papua New Guinea and Australia.



[Visit to the Parliament Haus](#)

Mr Kega and Mr Hehir both agreed the visit was a great success and of mutual benefit to each SAI. The visit provided an opportunity for Mr Hehir to understand the auditing challenges faced by the AGO and its senior leadership team and AGO staff were pleased to have an opportunity to meet with and share experiences with the Australian Auditor-General.

The co-signing of a renewed Joint Expression of Intent during the visit was an opportunity to reflect on the importance of the enduring partnership and a confirmation of the commitment to future engagement.

Mr Hehir expressed the hope it would not be long before his next visit to Papua New Guinea and is looking forward to Mr Kega's upcoming visit to Australia.



The Joint Expression of Intent, signed by the Auditor-General of PNG, Gordon Kega, and the Auditor-General of Australia, Grant Hehir, to recognise the importance of the SAI partnership

Staff at SAI Pohnpei making time for educational advancement

Senior Auditor becomes an IDI certified SAI Financial Auditor

Cherry Lyn Somcio, Senior Auditor of the Pohnpei Office of the Public Auditor (POPA), recently passed the INTOSAI Development Initiative's Professional Education for SAI Auditors – Pilot (PESA-P).

PESA-P is a professional education initiative that aims to create a critical mass of SAI audit professionals with competencies that add value to their SAIs' professionalisation. Its syllabus is based on the INTOSAI Competency Framework.

POPA's Public Auditor, Ihlen K Joseph, nominated Ms Somcio under the Financial Audit stream. Her coach Alice Etse, Audit Manager, helped her in applying the education to POPA's context, monitored her progress and helped her in developing her Initial Professional Development Portfolio (IPDP).

The programme included 30 hours of education through social learning, accessing other resources and working on the IPDP. After completing a further 70 hours of mandatory digitised education, Ms Somcio took and passed the two assessment examinations in September 2022. PASAI paid for the exam fees.

Ms Somcio encourages her fellow auditors to participate in future PESA programme intakes, saying, "It's very challenging because it requires attention and time, but it is really rewarding, not only for the certification that I received but also for the learning experience throughout the programme.

"I gained a deeper understanding of the SAI's value and benefits, every step of the audit process and my role as a government auditor in enhancing the accountability, transparency and governance in Pohnpei State."



Cherry Lyn Somcio with her SAI Financial Auditor certification

Investigator completes Bachelor's Degree

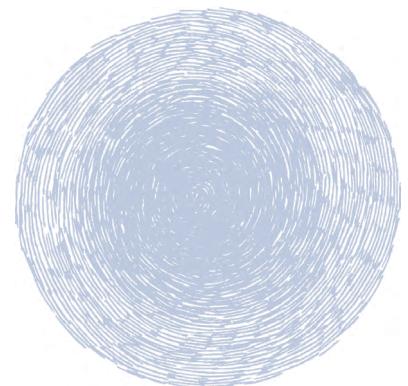
Derek Dainard completed his Bachelor's Degree in Business Administration at the Walden University through an online program in November 2022 and now awaits the arrival of his degree.

He has worked at POPA since 2017 with an Associate Degree in Business Administration. After encouragement from Investigative Advisor, Sophia Pretrick, he decided to enroll as an undergraduate in early 2021.

Mr Dainard faced many challenges in his journey to complete his Bachelor's degree including limited financial resources and juggling work while also completing university assignments. Derek was promoted to Investigator II under the Compliance Investigation Division due to his dedication, capabilities and work performances.

Despite all these challenges, he persevered and finished his study with the encouragement of his mentor, Ms Pretrick and the support of his wife, Vellisa Edgar.

Now that he is a father to a newborn son, he wants to be a good role model. His message to all young people and students is, "Nothing is impossible if you are really committed and devoted to the thing you want to achieve. No pain, no gain."



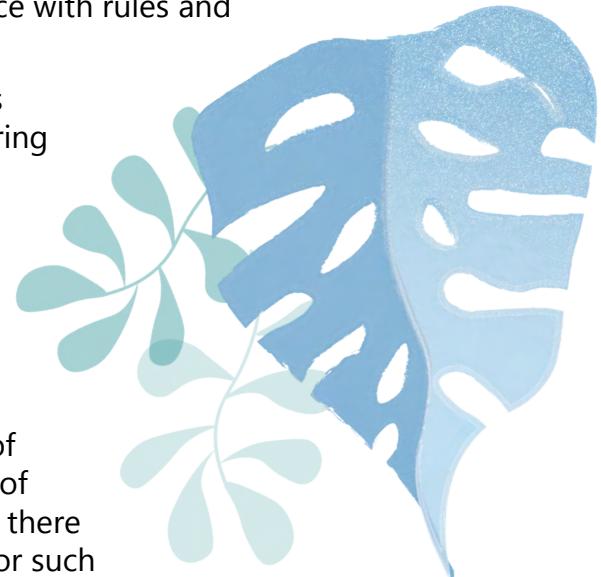
Investigator II, Derek Dainard BBA

SAI Australia develops methodology for auditing ethics

The Australian National Audit Office (ANAO) has highlighted the importance of ethics in government programmes in multiple audits, particularly those examining procurement and grants administration. The lack of adequate documentation and records to support the rationale for decisions made and actions undertaken by audited entities is a consistent theme, and even if the entity is technically compliant with the rules and policy framework, their decision-making can sometimes fall short of the intent behind these frameworks.

In his [mid-term report](#), Auditor-General Grant Hehir identified the ANAO's consideration of ethics as an area for improvement, and pointed to the need to develop a methodology for assessing the ethical use of public resources, in addition to looking at technical compliance with rules and policy frameworks.

In November 2022, the ANAO finalised its methodology and framework for considering ethics either as part of a broader performance, financial or performance statements audit, or as an audit of an entity's ethical framework. Both are based on comprehensive research and broad consultation, including with the Australian Public Service Commission, the Department of Finance, the Institute of Internal Auditors Australia and the Office of the Auditor-General New Zealand, noting there is minimal availability of methodologies for such audits anywhere in the world.



The methodology defines the Australian Government Sector ethical framework as:

- the legal framework applicable to the entity being audited
- activity-specific frameworks (that is, key public sector resource management frameworks for specific Australian Government activities such as the [Commonwealth Grants Rules and Guidelines](#) and the [Commonwealth Procurement Rules](#))
- Government Policy Orders (in other words, orders made by the finance minister specifying a policy of the Australian Government that is to apply to the entity being audited) and
- entity-specific frameworks, which may include, for example, the entity's policies, guidelines and procedures.

The selection of the appropriate elements of the ethical framework to apply to an audit will depend on the type of entity being audited, the type of audit and any circumstances unique to the activity being audited.

There are three scenarios included in the methodology under which ANAO performance audits may include consideration of ethics:

- effectiveness audits of ethical frameworks
- audits with specific ethical criteria and
- audits which include consideration of ethics in findings.

The methodology also provides a framework for applying the ethics methodology to any performance or financial audit throughout the typical phases of an audit:

- assessing and responding to the risk of ethical matters on the audit
- assessing if findings are of an ethical nature
- assessing the materiality of ethical findings
- the impact of ethical findings on the overall audit strategy and risk assessment
- reporting ethical findings and
- the impact of ethical findings on the audit conclusion.

It is important to note that where ANAO makes findings or a conclusion as to whether an entity's use or management of public resources has been ethical, it is a matter for the person or people responsible for the entity, rather than the auditor, to assess whether the audit findings reflect the broader posture of the entity or relate to individual staff conduct.

With the methodology finalised, the ANAO is signalling its intent to start applying greater scrutiny to the public sector for the ethics of their decisions. It has been noted in the ANAO's [Annual Audit Work Program 2022–23](#) and [Corporate Plan 2022–23](#), and the Auditor-General and multiple ANAO staff have also presented on it at external forums, including the [Audit Committee Chairs Forum](#) last December.

At this forum, the Auditor-General presented insights on integrity and ethics, and the ANAO facilitated a panel discussion and Q&A titled 'Spotting ethical red flags in procurement', which involved speakers from the sector.

Last November, an ethics panel discussion involving several senior ANAO staff featured in LearnFest. This is the ANAO's annual whole-of-office festival of capability, continuous learning, community and culture. All ANAO auditors will receive training on the methodology in the first half of 2023, and ethical considerations will be increasingly visible in audits.

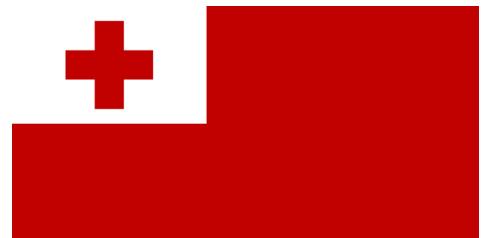


Australian Auditor-General, Grant Hehir, presenting at the Audit Committee Chairs Forum

Mālō 'aupito, grandfather of PASAI

The PASAI Secretariat published the following [announcement](#) on 24 March 2023:

The media has recently reported that the Hon Rev Dr Pōhiva Tu'i'onetoa died in the United States on 18 March 2023. The former Prime Minister of Tonga became known as the grandfather of PASAI for his long involvement with the association.



Dr Pōhiva was appointed the *pro tem* Secretary-General of the Heads of Audit Offices in the South Pacific when Tonga hosted the group's conference in 1985. The South Pacific Association of Supreme Audit Institutions (SPASAI) was founded in 1986 as a regional working group of INTOSAI. Dr Pōhiva was officially appointed as the Secretary-General of SPASAI at its first Congress in 1988, holding the role until 1994. The association changed its name to PASAI after its 2008 Congress, having expanded its membership to jurisdictions in the North Pacific as well. He later served as the Chair of PASAI's Governing Board.

Over a 33-year tenure as the Auditor General of Tonga, Dr Pōhiva championed the independence of his office as being in the broader national interest. The Tonga Office of the Auditor General now serves as regional inspiration for its independence.



Dr Pōhiva in a video for PASAI's 33rd Congress

While serving as Prime Minister of Tonga, Dr Pōhiva participated in PASAI's 33rd Congress in 2021 by contributing a video presentation. In it he said, "I continue to be appreciative of the work of SAIs in advocating for good governance, ensuring greater accountability and increased transparency."

"There's no question of the significance and importance of the work of SAIs in holding the government accountable to its citizens. That is an undisputed role for SAIs which we should continue to enhance and modernise."

Reflecting on Dr Pōhiva's extraordinary legacy to the regional public audit community, the PASAI Secretariat is saddened by news of Dr Pōhiva's passing and is thinking of his family members at this time. In memory of him, we say, "Mālō 'aupito," (Thank you very much).

Upcoming events / training

17–21 April	QC procedures for outsourced audits workshop
24–28 April	In-country visit (Tuvalu)
1–5 May	ISSAI-compliant FSG Audits – iCAT tool and WP Manual (Samoa)
2–11 May	HR Champions programme – Module 1 (Samoa)
22–26 May	In-country visit (Vanuatu)
2 June	34th Governing Board meeting (online)
5–9 June	PEFA assessment (Tuvalu)
5–9 June	FSG workshop
19–23 June	Tier 1 training (Guam)

Dates may change. Find updated information on the [Events calendar](#).



For further information contact PASAI's Communications Advisor:

Email: luke.eaton@pasai.org Phone: +64 9 304 1275



To unsubscribe please email secretariat@pasai.org.