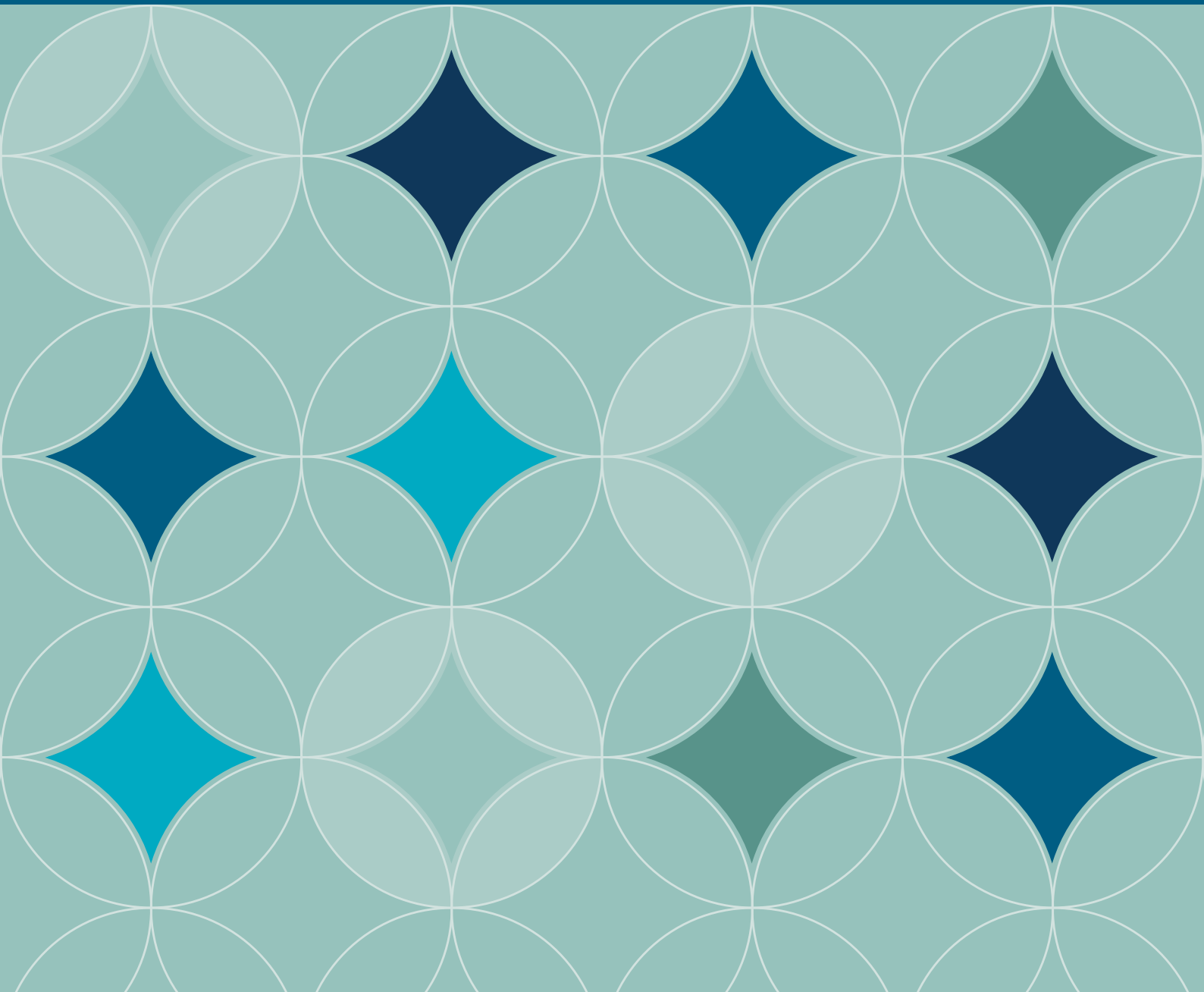




Pacific auditors working
together

Annual Report 2022–23

for the year ended 30 June 2023





▲ SAI FSM National delegate, Miriama Naivalu, at Congress

Additional images on pages 2, 12, 39, 43 and 52 provided by the International Journal of Government Auditing.

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Chairperson's foreword



Good governance is fundamental to the sustainable development of any nation, including Pacific nations. To help hold governments to account, supreme audit institutions (SAIs) play a critical link in a country's public financial management system – to uphold and promote accountability and transparency. Public audit offices' role as the independent watchdog of public expenditure and administration has become increasingly critical to ensure the efficient and effective

delivery of essential public services including health, education, utilities and transport.

The Secretariat has accelerated its in-country advocacy and legislative reform support efforts to support audit independence. We need to continue this good work so that independent SAIs can more effectively respond to emerging issues and direct their resources to audit the right matters at the right time. This will help to ensure good governance and the efficient use of public resources.

PASAI's programmes to build SAI audit technical capability are designed to lift the quality of audit work to meet international standards. Thanks to these efforts, Pacific SAIs are now more prepared to apply objective, independent analysis to public sector entities in compliance with audit standards, and to make a real difference to the people of Pacific Island nations.

SAIs also need to have a sustainable operational model and effective internal governance mechanisms. Through PASAI's programmes, Pacific SAIs have strengthened their leadership, strategic, information technology, human resources and communications capabilities. This holds SAIs in good stead to consistently and effectively deliver on their mandate to promote good financial governance and value for money, and to achieve audit impact.

I am pleased to serve as Chairperson of the PASAI Governing Board. I welcome to the Board our new Polynesia Representative Imase Kaunatu, Auditor-General of Tuvalu, and Desmond Wildin, Cook Islands Director of Audit, as Incoming Chairperson. My sincere thanks to the out-going board members, Grant Hehir of Australia who served as the Immediate Past Chairperson, Sairusi Dukuno of Fiji as the former Chairperson, and Sefita Tangi of Tonga, who served as Polynesia Representative, for their valuable contributions to our Board.

I acknowledge the commitment of the PASAI Governing Board for meeting regularly and continuing to ensure good governance and oversight of the Secretariat's core business and service delivery. The Governing Board had four board meetings during the year – two of which were held in-person in Auckland and in Palau prior to our Congress, and the rest held virtually. Through the year, the Governing Board worked closely with the Secretariat to assess its progress, overall risk profile and discussions on PASAI's end-of-term evaluation and a new strategic plan.

I thank our development partners, the New Zealand Ministry of Foreign Affairs and Trade and the Australian Department of Foreign Affairs and Trade, for their valued support to the Secretariat and our region over the past year. Their continued support is critical for the sustained operations of the Secretariat to strengthen good governance, accountability, transparency and integrity in the Pacific region.

I also thank the Secretariat staff for their work and commend their resilience, commitment and dedication to lifting the capability of the region by developing SAIs to build their capacity and capability. Their efforts enable our member SAIs to more effectively pursue good governance, accountability and transparency while operating in challenging circumstances. A special thanks to Tiofilusi Tiueti for his significant contribution to PASAI – first as Chief Executive and later as Director Technical Support, and for championing effective public finance management, SAI independence and audit quality regionally and internationally. We celebrate his promotion as the Minister of Finance for the Government of Tonga, and wish him well in his new role.

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

A handwritten signature in black ink, appearing to read 'Satrunino Tewid', written over a white background.

Satrunino Tewid
Public Auditor, Republic of Palau
Chairperson, PASAI

Secretary-General's message



It has been a successful year for PASAI. This success has been underpinned by a strong performance by our Secretariat team which I thank them for. In November 2022, I had the privilege of representing PASAI at the 14th International Congress of Supreme Audit Institutions in Brazil. While one of the smaller INTOSAI regions, our achievements were, in the context of COVID-19 and the many other challenges faced by Pacific nations, significant. Whether in progressing work on independence or building capability, the

Pacific region has made significant progress since the last INTOSAI Congress in 2019.

The PASAI Congress in Palau in February 2023 (our first in-person Congress since August 2019) underlined this for me and also in the power of SAIs working together to support one another to develop. At that Congress we welcomed the Australian Capital Territory and Western Australia as new members. This is a positive development and will allow us to continue to grow our capacity for peer-to-peer support through Twinning Partnerships.

The Office of the Secretary-General is active in INTOSAI. This includes the PASAI Regional Working Group on Environmental Auditing, which gathered in Sydney in May 2023 to discuss environmental issues for our region, notably climate change and biodiversity in the Pacific. From this conference a number of Pacific SAIs committed to a coordinated audit in climate change.

We also supported IntoSAINT (integrity assessment tool). In June, the Tongan Public Services Commission and the Tongan Office of the Auditor General undertook this assessment process to examine the values, systems and norms of their own workplaces. This work helped staff assess ways of working that will help to build and sustain

integrity across their organisations.

PASAI's fourth Accountability and Transparency Report, published in May 2023, confirmed the same challenges to SAI effectiveness that were discussed in Palau. The case studies, observations and common needs shared in this report continue to inform the Secretariat and the Governing Board's thinking, as we finalise the operational plan for the final year of the current strategy and seek to refresh our strategic priorities for the decade to come.

This year we have undertaken an independent evaluation of our delivery against our 2014-2024 Strategy. I thank all of our members, funders and other partners for taking the time to provide constructive feedback to the evaluators. Overall, the evaluation is complimentary of our work. PASAI is recognised as a key enabler for change, supporting SAIs across the region to build their capacity and capability and to advocate for integrity system improvements in their national contexts. We know there is more to be done. The evaluation report provides a number of recommendations for our future work. These recommendations reflect many of the areas for development that the Governing Board is already working on. My Office remains committed to working with the PASAI Secretariat, Governing Board, member SAIs and twinning partners to refine and strengthen PASAI's ways of working for the next strategic period.

Once again, I thank the Secretariat team, the staff in my office and all SAIs in the region for their ongoing commitment to improving public accountability for the people of the Pacific.

I look forward to continuing the progress we have made in the coming year.

A handwritten signature in black ink, appearing to read 'John Ryan'.

John Ryan
Secretary-General, PASAI
Controller and Auditor-General, New Zealand

Report from the Chief Executive



It takes courage and perseverance to bring about positive change. We celebrate with Pacific SAIs the achievements for this year and we look forward to more sustainable actions in the next. The strategy over the last nine years was to support and build the capacity of SAIs to conduct timely audits to international standards and to enhance the impact of these audits. We delivered technical support in all areas and are pleased to see the progress and change that has resulted. But there is a need to do more and

build on the momentum achieved so far. Following the removal of COVID-19 related travel restrictions we have taken the opportunity to focus on country visits, creating opportunities to foster better working relationships between SAIs, PASAI and the twinning SAIs. We have listened more and communicated better with the SAIs which is a steppingstone to achieving impact in SAI countries and the region. We continue to emphasise to SAIs that fulfilling their roles as auditors general and public auditors is crucial to ensure government accountability. PASAI continues to work in collaboration with its development partners supporting capacity development for SAIs in the Pacific region. I am pleased to report on another positive year.

The work

SAI independence is an ongoing area of priority. The assessment of audit independence, using the SAI Performance Measurement Framework (PMF) tool for all SAIs that are beneficiaries of PASAI's programmes, has been completed. To date, only 25 per cent of SAIs are at the developed stage of audit independence (based on the SAI PMF scoring system). We were excited to work with SAI Kiribati this year in the review of its legislation and to support the drafting of the amendment bill, ensuring that all gaps in independence were addressed. We also supported them in the public consultation of the amendment bill. It revealed, however, the challenges the SAI faced in its independence journey and the need for support from all partners. The amendment bill is still within the processes of government. We continue to work with SAIs to develop and implement independence strategies. Audit independence is a journey. There is a need for more talk about this issue, informing the public at large about its importance to uphold integrity in the audit process and giving them independent assurance of public entities' performance. The more knowledge and support of this issue the easier it will be to achieve results. We advocated for audit

independence at the regional level with presentations at forums, workshops and meetings with stakeholders in the countries we visited. PASAI is ready and willing to support SAIs once that critical decision is made by the SAI to take a step forward.

Advocacy to strengthen governance, transparency, accountability and integrity focused on supporting SAIs to communicate effectively with stakeholders with audit planning, reports and publications. We completed another accountability and transparency study in May 2023. This study has considered the results and impact at the SAI and country level of the audit work.

Key to the success of any audit office is audit quality and coverage with regular reporting to the Legislature and the public on the financial and service performance of their governments. Timely completion of audits of financial statements of governments remains a challenge. The external quality assurance review of seven SAIs conducting financial statements of government audits was completed this year. The support work in the next year will be focused on addressing the gaps identified. There is also a shift to auditing emerging issues, such as climate change, so SAIs need more support to build performance audit capability.

It is critical to SAI success that they have the capacity to operate as a fully functional office with adequate infrastructure, human and financial resources, and systems and processes in place. Reporting annually on SAI performance is also vital to building public trust and leading by example. Based on SAI need, we provided support in the areas of strategic planning, organisational control environment, leadership and internal communication, overall audit planning, human resources and training. This is the first year since COVID-19 where we consistently delivered training workshops throughout the year.

Acknowledgement

I would like to thank and express my gratitude to the SAI heads and members of PASAI for your support. I also thank all the SAI heads 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 Australian Department of Foreign Affairs and Trade and the New Zealand Ministry of Foreign Affairs and Trade, for their financial support in advancing the work of PASAI to strengthen SAIs and advance accountability and transparency in the region. I also 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 Chairperson 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 the team for your support during the year. I especially thank and extend my gratitude to the diligent PASAI team for all the programmes and work delivered during the year. The willingness to share ideas and expertise while acknowledging the need to work together in unity has and will make our work more efficient and effective.

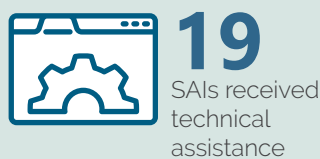
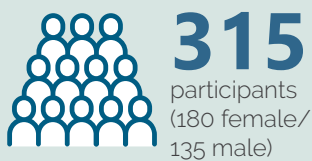
As we endeavour to advance the work to develop the capacity of SAIs in the Pacific region, we look forward to continuing to work with SAIs. PASAI is fully committed to supporting you as leaders instigating, navigating and leading positive changes for the betterment of public financial management and good governance in our countries and the region.



Esther Lameko-Poutoa
Chief Executive, PASAI
30 June 2023

2022–23 at a glance

Capability development programmes and technical assistance



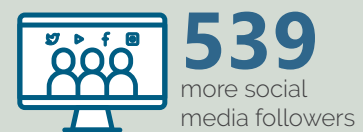
Regional and international forums



SAI independence



Communications activities



Monitoring, evaluation and reporting



Capacity development workshops¹

American Samoa



Cook Islands



Fiji



FSM Chuuk



FSM Kosrae



FSM National



FSM Pohnpei



FSM Yap



Guam



Kiribati



Marshall Islands



Nauru



Northern Mariana Islands



Palau



Papua New Guinea



Samoa



Solomon Islands



Tonga



Tuvalu



Vanuatu



Financial Statements of Government



Financial Audit Manual



Performance and compliance audit: strategic audit planning



IPSAS/IFRS



Leadership programme



Enhancing Strategic Management Capabilities



Human Resource Champions



Effective Stakeholder Engagement



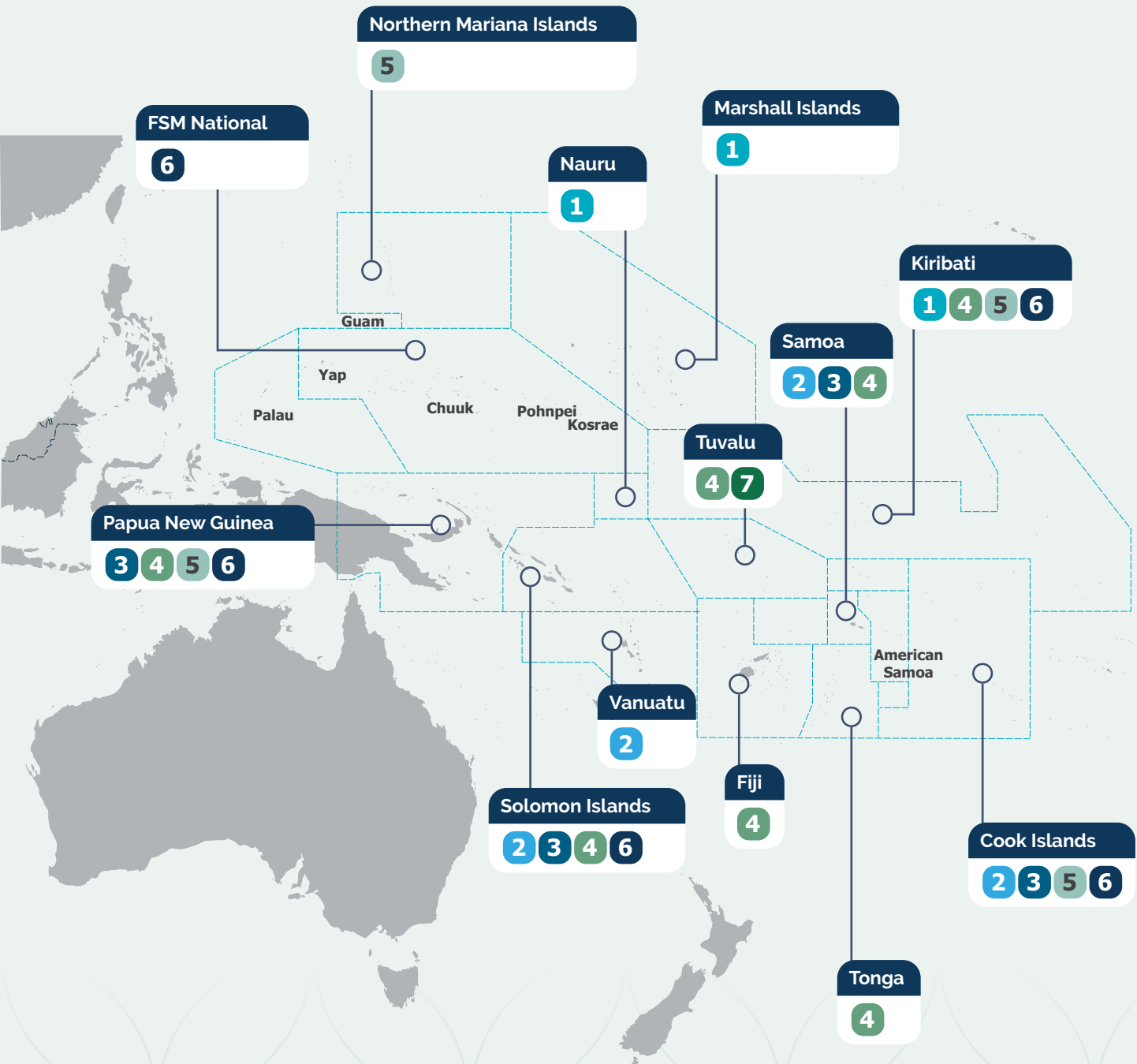
Communications and Media



IT Policies

¹ There is further information about our training programmes on page 40.

Technical assistance²



- 1** Review audit legislation
- 2** Financial audit support
- 3** FSG audit support
- 4** Quality Assurance review
- 5** Strategic and operational plans
- 6** Communications strategies
- 7** Human Resources strategy

² There is further information about our technical assistance on page 38.

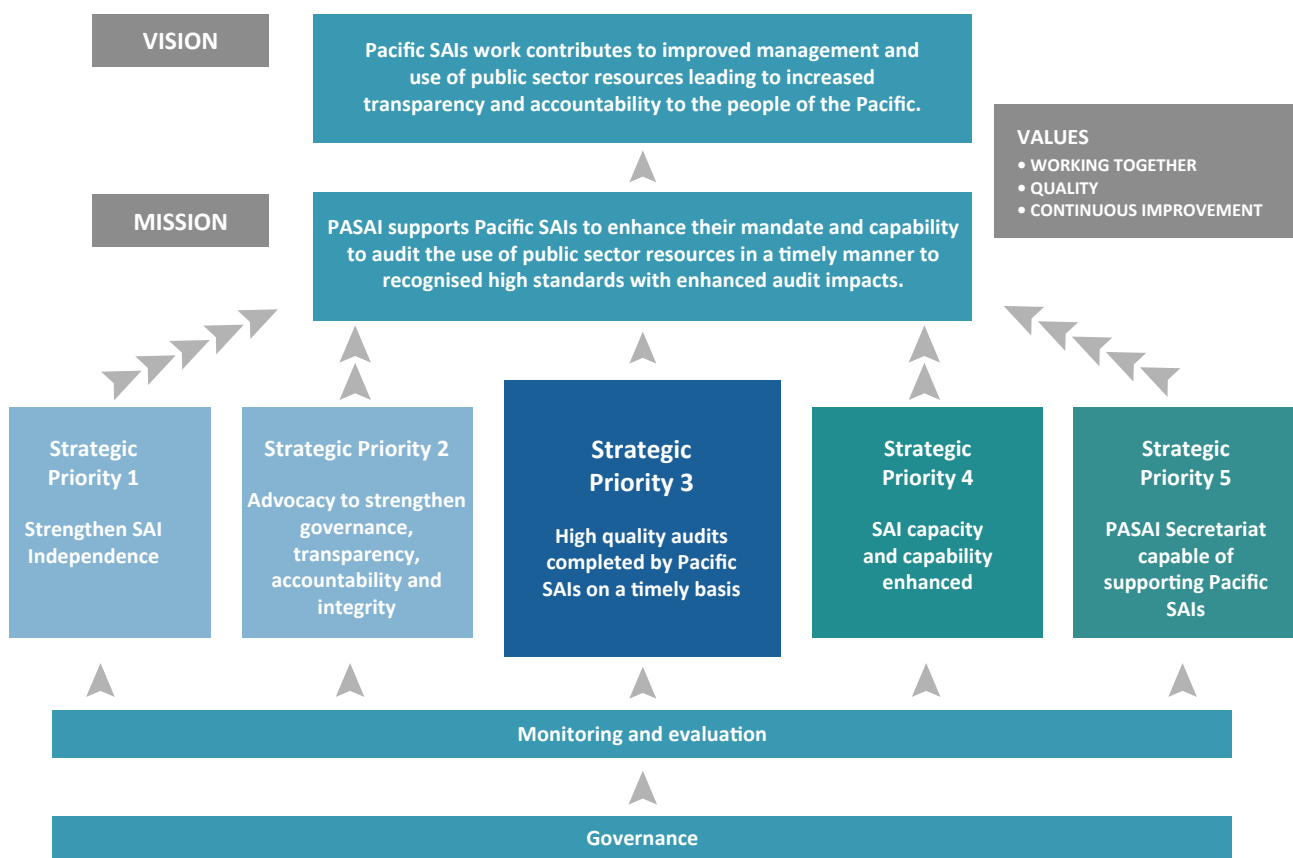
About us

Who we are

The Pacific Association of Supreme Audit Institutions (PASAI) is the official association of supreme audit institutions (SAIs) in the Pacific region. PASAI is one of the seven regional organisations belonging to the International Organization of Supreme Audit Institutions (INTOSAI).

PASAI has a total of 29 member SAIs.³ Of these, 20 developing SAIs in the Pacific Island's Melanesian, Micronesian and Polynesian sub-regions benefit from our programme of work.⁴ Our other nine⁵ member SAIs are represented on our Governing Board, participate in twinning arrangements and contribute their expertise to our training activities to build the capability and capacity of the developing SAIs. The PASAI Secretariat is located in Auckland, New Zealand and has staff based throughout the region.

Our vision, mission and values



³ Fourteen of our members are state- or territorial-level audit offices, and are not technically the 'supreme' audit institutions in their respective nations. For reporting purposes, we refer to them all by preceding the name of their jurisdiction with the word 'SAI' instead of writing their official titles in full.

⁴ American Samoa, the Cook Islands, the Federated States of Micronesia (FSM), FSM Chuuk State, FSM Kosrae State, FSM Pohnpei State, FSM Yap State, Fiji, Guam, Kiribati, the Marshall Islands, Nauru, the Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

⁵ Australia, the Australian Capital Territory, the Australian State of Queensland, the Australian State of New South Wales, the Australian State of Victoria, the Australian State of Western Australia, French Polynesia, New Caledonia and New Zealand.

Our work

We aim to promote transparent, accountable, effective and efficient use of public sector resources in the Pacific region. The strategic priorities contained in our Strategic Plan 2014–2024 provide the focus for our programme of work and guide our annual operational plan. Our strategic priorities are:

1. Strengthen SAI independence;
2. Advocacy to strengthen governance, transparency, accountability and integrity;
3. High quality audits completed by Pacific SAIs on a timely basis;
4. SAI capacity and capability enhanced; and
5. PASAI Secretariat capable of supporting Pacific SAIs.

Our central priority is supporting our member SAIs to improve the quality of public sector auditing in the Pacific to recognised high standards. It is aligned with the core mandate of SAIs – to audit government revenue and expenditure, and scrutinise public financial management and reporting to provide assurance that public resources are used as prescribed.



▲ Auditor-General of Kiribati, Eriati Manaima, holding a model canoe at Congress

Highlights from 2022–23: How we made a difference

In this section we highlight some of our key achievements and how we have made a difference to the public financial management systems of Pacific Island nations.

Strategic Priority 1: Strengthen SAI independence

We support our members to be independent and sustainable institutions that promote good governance and public financial management. We do this by providing expert legal advice to SAIs to achieve legislative change that strengthens SAI independence, working with our members to develop independence strategies to chart SAI pathways to independence and by encouraging our members to effectively engage with legislature and other key stakeholders.

Increased engagement with legislature to achieve change

The SAI and legislature play a pivotal role in enabling legislative oversight, accountability and good governance in public sector institutions. Effective and regular communication between the SAI and legislature strengthens their bilateral working relationship and increases the impact of the SAI's work on public sector financial management practices and on society. To strengthen SAI capability in this area, we delivered our 'Effective Stakeholder Engagement' workshop in July 2022 and launched our Stakeholder Engagement Toolkit. Attended by 40 staff (24 female, 16 male) from 10 SAIs, this workshop achieved an overall satisfaction rating of 100 per cent.

Eighty-five per cent of our member SAIs met with their Public Accounts Committees (PACs) at least once a year to discuss a range of issues including audit reports and recommendations, budget issues and other matters.

Some SAIs have established regular engagement with legislature and others are gradually ramping up their efforts to do so.

We advance productive relationships between SAIs, legislature and other government agencies during our in-country visits. In our visit to Papua New Guinea, we supported the SAI to meet with the PAC to discuss the role and value of SAIs, scrutiny of the audited financial statements of government, audit recommendations, the follow-up process and the importance of pursuing the SAI's independence. We also met with SAI, legislature and other government agency representatives during visits to Fiji, the Federated States of Micronesia, Guam, the Northern Mariana Islands, Samoa, Solomon Islands and Tuvalu.

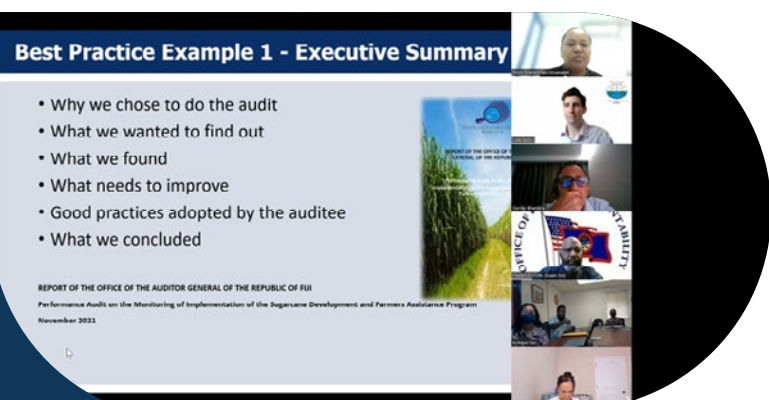
We also work with PACs to build understanding of the importance of SAI independence, the work of the SAI and its impact on the public financial management system. To create awareness of these topics, our Chief Executive delivered a presentation on 'The importance of SAI audit independence in the Pacific Island countries' at the Australasian Council of Public Accounts Committee (ACPAC) Conference in July 2022.

SAI success stories

SAI FSM Pohnpei conducted up to five formal meetings with the Pohnpei Legislature in 2022–23, including a capacity development workshop to



build legislators' understanding of the SAI's work and how both entities can collaborate to promote good governance and hold the government to account. They also held discussions about the SAI's programme and operations. The SAI head attended a joint meeting of the Committee on Finance and the Judiciary and Governmental Affairs Committee on matters relating to the Pohnpei Government investments in the Caroline Fisheries Corporation. Informal meetings with members of the Legislature and key staff on other relevant issues continued throughout the year.



▲ Director (South), Meresimani Vosawale-Katuba, presenting during the online workshop

SAI Fiji met with their PAC up to eight times last year – this involved a briefing to the members for the Financial Statements of Government (FSG) Accounts 2019 to discuss audit reports submitted to Parliament and to hold an induction for the newly formed PAC in March 2023. SAI Fiji provides confidential advance briefings to PAC members to help them understand the content of audit reports before the committee makes its deliberations, which are live-streamed to the public. This ensures the full understanding of issues and recommendations outlined in audit reports. SAI Fiji also meets with the Fiji Standing Committee on Public Accounts to deliberate on audit reports – these meetings are open to the public and media creating the impetus for audit entities to implement audit recommendations.



Through regular and robust engagement with legislature, SAIs can advocate for greater SAI independence. **SAI Guam** met with its Legislature up to 12 times in the last 12 months to discuss the results of tabled audit reports, legislation dealing with government procurement and the SAI's budget, operations and products. The SAI secured an amendment to its Audit Act in September 2022 to allow for 0.25 per cent of General Fund Revenues for its minimum budget from October 2023 – strengthening SAI Guam's financial independence. The Amendment Act further recognised that a separate salary scale for SAI staff was needed to enable the SAI to be more responsive to recruitment and retention challenges.



Working with SAIs to achieve audit independence

We assessed the legal frameworks of all 20 developing SAIs against international best practice during the previous financial year. In FY 2022–23, we built on this work by supporting our SAIs to develop and progress legislative amendments to strengthen SAI independence. An example is our work with SAI Kiribati to develop an independence strategy, draft proposed amendments to the Kiribati Audit Act 2017 and lead a public consultation workshop on its legislative amendment bill.

During our in-country visits we worked with SAI Nauru to develop its independence strategy and to draft proposed amendments to its legislation. We supported SAI Marshall Islands with the latter and assisted SAI Tuvalu with its efforts to engage with the government to effectively implement the legislative amendment passed in 2016. In each of our in-country visits, we led sessions with SAI staff to discuss the strategic importance of SAI independence, the SAI's progress, related SAI PMF and Public Expenditure and Financial Accountability (PEFA) assessment scores and ways to improve these.



▲ Auditor-General of Nauru, Manoharan Nair (left) and Director Practice Development, Sinaroseta Palamo-Iosefo (front), with staff from SAI Nauru

Strategic Priority 2: Advocacy to strengthen governance, transparency, accountability and integrity

We support the improved governance, transparency and accountability of countries by supporting active SAI engagement with stakeholders and development partners to create change. We do this through our in-country advocacy visits, building SAI capability through our communications and stakeholder engagement programmes and by identifying and sharing good practice.

In-country visits to advocate for audit independence

With the re-opening of international borders and travel at the end of 2022, we visited nine SAIs as part of our advocacy work. Our team visited SAIs Fiji, FSM National and Pohnpei state, Guam, Northern Mariana Islands, Papua New Guinea, Samoa, Solomon Islands and Tuvalu. We met with the SAI heads and their staff to discuss SAI independence, pathways to strengthen this and to assess their learning, development and technical support requirements. We also met with representatives of legislature, other government agencies and other regional and development partners to increase understanding and visibility about the role and value of SAIs and to advocate for greater SAI independence.



▲ Director (North), Doris Flores Brooks, meeting with Lieutenant Governor, the Honourable David M Apatang, and Temporary Public Auditor, Dora I Deleon Guerrero, in the Northern Mariana Islands

Example visits

In **Samoa**, our team met with the Deputy Prime Minister, Speaker, Deputy Speaker and Deputy Clerk of the Legislative Assembly of Samoa and the members of the Finance and Expenditure Committee to advocate for SAI independence and to create increased visibility of the SAI's work and its value to the public financial management system. Meetings were also held with other government agencies including the Samoa Ministry of Finance and Public Service Commission, and with New Zealand Ministry of Foreign Affairs and Trade (MFAT) and Australian Department of Foreign Affairs and Trade (DFAT) post representatives. We also discussed SAI independence, a quality assurance review for the 2021 FSG audit, financial reporting and the SAI's Communications Strategy with SAI staff.



We met with the SAI head and staff leading FSG, financial and performance audits for **Solomon Islands** and participated in a workshop to launch the civil society organisation (CSO) Independence Resource Kit developed by IDI and Transparency International. The workshop was attended by SAI staff, representatives from government ministries and CSOs. Our Chief Executive participated in a panel discussion on SAI independence. Other panellists included the Clerk of the Legislative Assembly and the Chief Executive of Transparency International Solomon Islands.



▲ Attendees of the Solomon Islands workshop

We also met with the Minister of Finance of Solomon Islands, the Chief Executive and Chief Accountant of the Ministry of Finance, the Minister, Permanent Secretary and Chairman of the Public Services Commission, and in-country representatives from MFAT, DFAT and Transparency International. We held discussions with the Speaker of the House and Clerk of the Legislative Assembly on the role of the SAI in promoting good governance and SAI independence.

Communicating effectively to achieve impact

Our Communications Programme focuses on building SAI capability to effectively communicate and raise the visibility of their role, their work and its impact to key stakeholders. It includes workshops, coaching sessions and technical assistance in the areas of developing and implementing a communications or stakeholder engagement strategy, stakeholder engagement, media training, multi-media training and report writing.

We provided support to SAIs FSM National, Kiribati, Papua New Guinea and Solomon Islands to update and implement their **communications strategies** to enable appropriate communications activities with the aim of increasing the visibility and engagement with the SAIs' work. SAI New Zealand also supported SAIs Cook Islands and Samoa to revise their communications strategies under their existing twinning arrangements.

We supported the implementation of SAI communications strategies through our in-person **Communications and Media workshop** held in Nadi, Fiji. Attended by 24 staff (16 female and 8 male) from 16 SAIs, participants learnt about how to engage with the media and other stakeholders. We delivered practical exercises on how to draft a media release and prepare for a media interview. With a focus on applied learning, participants were paced through a mock media interview during the media practicum and we discussed a real-time media case study and SAI responses.

SAI success stories



▲ Communications Advisor, Luke Eaton, facilitating a session during the workshop.

In the stakeholder engagement session of the workshop, we used a talanoa facilitation style to encourage peer-to-peer learning, during which participants shared their experiences of a recent stakeholder engagement event. Participants used the PASAI Stakeholder Engagement Toolkit and other material to apply their learnings by preparing for their next stakeholder engagement event. This workshop achieved an overall satisfaction rating of 100 per cent.

In our **Effective Stakeholder Engagement workshop**, we trained participants how to effectively communicate audit findings and recommendations to key stakeholders including the legislature, executive, judiciary, CSOs and citizens. A special focus was placed on engagement with CSOs and citizens, with applied training on how to distil complex audit findings into citizen-friendly summaries. We shared good practice from the Pacific region. Siotame 'Drew' Havea (Chairperson, Civil Society Forum of Tonga) and Kelepi Makakaufaki (Deputy Auditor-General, Tonga) spoke about how SAIs and CSOs can work together and the benefits of doing so. Participants also learnt about SAI Tonga's experience of preparing for a CSO workshop and next steps in its CSO engagement journey. Guest speaker Michelle Deans (Senior Writing Coach, SAI Victoria) and the PASAI team shared effective writing and presentation tips.

SAI **Solomon Islands** is strengthening its engagement with local media and achieved widespread and accurate media coverage of its performance audit reports on the use of COVID-19 response funds by three Solomon Islands ministries. In February 2023, the SAI head and his team invited local media representatives to a reporting accountability workshop, resulting in four front-page lead articles in local newspapers and 15 follow-up media reports in radio, TV, print and online.

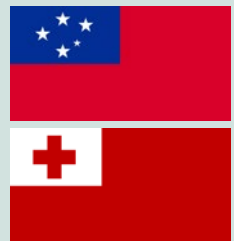


▲ Solomon Islands Auditor-General, David Dennis, explains his SAI's function to journalists (image source: Internews)

SAIs **Guam** and **Northern Mariana Islands** are using Citizen-Centric Reporting (CCR) to effectively communicate information about the financial condition and performance of the government to its citizens. SAI Guam occasionally conducts compliance audits on the CCRs as part of its mandate.



SAIs **Samoa** and **Tonga** provide training to the media on the interpretation of audit reports, key findings and recommendations. This increases media capability to accurately and effectively interpret the technical aspects of key audit findings and proposed recommendations.



Accountability and Transparency Report

Our fourth [Accountability and Transparency Report](#) presents state-of-the-region information on the effectiveness of the work of SAIs, key achievements, issues, risks and good practice. Its findings are based on an assessment of survey responses from 21 of our member SAIs and integrates relevant information from other regional reports and data we hold of SAI operations and performance. The report also provides high level analysis of the areas for focused improvement in how SAIs work with other players in their national integrity systems.

In May 2023, our Secretary-General (and Controller and Auditor-General of New Zealand), John Ryan, launched the report in a webinar exploring the key findings from the study followed by a panel discussion. Panellists were Arianne Kassman, Chief Executive, Transparency International, Papua New Guinea; Emeline Siale Ilolahia, Executive Director, Pacific Islands Association of Non-Governmental Organisations (PIANGO); and Satrunino Tewid, PASAI Chair and Public Auditor of Palau. They discussed the value civil society organisations (CSOs) bring to the effective function of the public financial management system, and particularly, to the work of SAIs in the Pacific.

The latest report provides insights into the impact Pacific SAIs are having with their work addressing a range of issues from anti-corruption to climate action. Case examples show how SAIs collaborate with other agencies, tackle integrity threats and make a tangible difference to the lives of Pacific peoples. The report also makes clear the challenges our members face which inform how we prioritise our support to them and our work to strengthen the public financial management system of the region.

We have since explored ways SAIs can use the report to influence change in the first of seven planned Community of Practice sessions, in which emerging and current SAI leaders can participate.

We also encourage our members and various stakeholders to use their influence and the findings of this report to take action that will improve governance, transparency, accountability and integrity wherever possible in the Pacific.

Public sector integrity webinar series

We highlight good practice and learnings through SAI New Zealand's webinar series on integrity in the public sector. Panellists for the first of the series, 'Building strong national integrity systems', were John Ryan, Auditor-General of New Zealand; Peter Hughes, Public Service Commissioner of New Zealand; and Peter Boshier, Ombudsman of New Zealand. They spoke about the role of their organisations and provided insights on how they help to strengthen the integrity of the New Zealand public sector. They also touched on the importance of the system working together to maximise effectiveness while respecting and protecting independence where this is fundamental to their role.

In the second webinar, 'Enabling the integrity system to thrive', panellists from Tonga shared how they have responded to integrity challenges and provided examples of how goals were achieved when they worked together with other agencies. The speakers were Sefita Tangi, Tongan Auditor-General; 'Alisi Taumoepeau, Chief Executive Officer of the Tongan Office of the Ombudsman; and Posesi Bloomfield, Commissioner of the Tongan Public Service Commission (PSC). The discussion highlighted that when agencies that should be independent from the Executive Government are supported to achieve independence, it increases their ability to effectively influence integrity matters. Examples included the PSC holding chief executives to account to address audit recommendations.

The third webinar took the form of a Q&A with the Right Honourable Helen Clark on 'Strengthening public sector integrity to combat corruption'. This focused on the role that Pacific integrity agencies play in combating corruption. In her capacity as the INTOSAI-Donor Cooperation Goodwill Ambassador for Supreme Audit Institution Independence, Ms Clark made time to share her thoughts during this webinar run during anti-corruption week.



▲ Controller and Auditor-General of New Zealand, John Ryan, with INTOSAI-Donor Cooperation Goodwill Ambassador for Supreme Audit Institution Independence, the Right Honourable Helen Clark

Strategic Priority 3: High quality audits completed by Pacific SAIs on a timely basis

We build the capability of our member SAIs to audit and report on public accounts in a timely manner to international standards, including FSG/Whole of Government audits and other financial, performance and compliance audits. We do this by providing technical support for FSG audit backlogs as well as technical support for performance audits and by providing technical training to build SAI capability in these areas.

Technical support to achieve timely and high quality audits

We are assisting SAIs Papua New Guinea and Solomon Islands to progress a three-year audit backlog. Their audits are being completed in line with international standards. We also provided in-person technical support to lift the quality of SAI Vanuatu's audits by assisting the audit team to complete a financial audit in line with international standards. SAI New Zealand is supporting SAI Cook Islands with its three-year FSG audit backlog through its existing twinning arrangement.

Training to improve audit quality and coverage

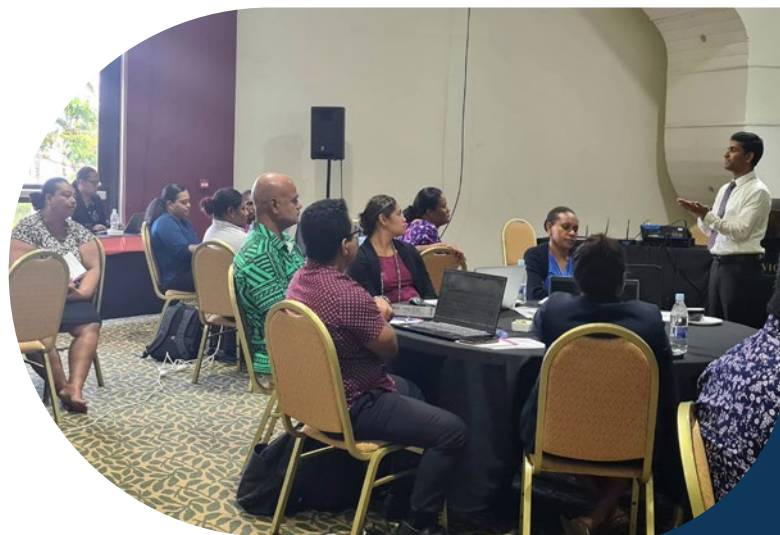
We delivered a range of workshops focusing on improving audit quality and coverage. In our **Strategic Audit Planning** workshop participants learnt about the audit planning process, different methods and criteria used when selecting and prioritising audit topics. Attended by 34 SAI staff (18 female, 16 male) from 10 SAIs,⁶ the workshop achieved a 100 per cent overall satisfaction rating for meeting participant learning needs and improving their current/future job performance. A summary of SAIs' prioritised audit topics was compiled and will be used to determine future targeted support upon SAI request.

In collaboration with the University of the South Pacific, we delivered a series of online workshops on the **International Public Sector Accounting Standards (IPSAS)** and the **International Financial Reporting Standards (IFRS)**. This training aimed to equip public auditors with updated knowledge of applicable IPSAS/IAS/IFRS and an understanding of how financial transactions should be recognised and disclosed in government financial statements.

Webinar-style workshops included group discussions, practical exercises and case studies. We made online coaching sessions of up to two hours available to each participating audit office throughout the training. Twenty participants (16 female, 4 male) from seven SAIs⁷ participated in a series of seven online workshops that

started in late October 2022. The workshop achieved a 100 per cent overall satisfaction rating for meeting participant learning needs and improving their current/future job performance.

In March 2023, we delivered **Financial Audit Manual** training. The Institute of Chartered Accountants in England and Wales (ICAEW) developed the manual for SAIs to carry out efficient and effective audits of small- to medium-sized state-owned enterprises that comply with international standards. The training focused on assessing risk, linking audit procedures to the risk assessment and collecting appropriate and relevant audit evidence to substantiate audit opinions. We used case studies, group activities and practical content to make the workshop more interactive. Attended by 24 participants (17 female, 7 male) from nine SAIs,⁸ the workshop achieved an overall satisfaction rating of 100 per cent for meeting participant learning needs and improving their current/future job performance.



▲ Interim Programme Director, Sagar Adhau, facilitating a session at the Financial Audit Manual training

In collaboration with IDI, we delivered the final workshop of the **Financial Statements of Government (FSG) audit training in accordance with the International Standards of Supreme Audit Institutions (ISSAIs)** to build SAI capability to effectively plan, execute and report on their government audits in accordance with international standards. The programme required participants to conduct FSG audits and perform quality assurance (QA) reviews on each other's work. Attended by 21 participants (15 female, 6 male) from nine SAIs,⁹ this workshop achieved an overall satisfaction rating of 100 per cent for meeting participant learning needs and improving their current/future job performance.

6 Federated States of Micronesia (FSM) National, FSM Chuuk, FSM Kosrae, FSM Yap, Fiji, Kiribati, the Marshall Islands, Papua New Guinea, Samoa and Tuvalu.

7 Cook Islands, Fiji, Kiribati, Samoa, Solomon Islands, Tonga and Tuvalu.

8 Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

9 Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

Audit issues regional report

In December 2022 we published a regional report on the analysis of audit issues and recommendations for our 20 developing members. The report examines the main issues raised by SAIs in their three most recent years of financial statements of government audit reports.

It also examines management letters or internal control recommendations, and is supported by reference to SAI PMF and PEFA reports where available.

The report includes eight proposals and a reporting model developed by taking into account the impact of the issues on government operations and public sector financial management. We are using these findings to inform our programme and to provide targeted support on SAI request.



Strategic Priority 4: SAI capacity and capability enhanced

We build SAI organisational capacity and capability to enable SAIs to effectively deliver their mandate. We do this by providing technical support, training and coaching on key areas such as leadership, strategic management, information technology and human resource management.

Building SAI leadership capability

We delivered our flagship Leadership programme to support SAI heads in a role that is inherently isolated. We also established a cohort of senior leaders to benefit from experience sharing and support across the region.

Phase 1 of this programme consisted of 10 workshops and coaching sessions for SAI heads and executive managers. We concluded this in July 2022. In our final workshop attendees participated in a reflective process on the leadership development journey through a *tok stori*, *storian* or *talanoa* process.¹⁰

In Phase 2, we ran three Community of Practice sessions between September and December 2022. Each session was sequenced to follow the three webinars the Office of our Secretary-General led on integrity in the public sector, and provided an opportunity for 15 participants (3 female, 12 male) to discuss the issues arising and actions needed by SAIs relating to those webinars.

For Phase 3, we held the first two of seven Leadership Community of Practice sessions in June 2023, exploring ways SAIs can use our latest Accountability and Transparency report to influence change and also provide feedback on our development of a new strategic plan. We have expanded the scope of our leadership programme to include emerging leaders with a separate Community of Practice forum established to facilitate in-depth discussion on the same topics.

Strategic planning and management to set the strategic direction of our SAIs

We arranged in-country strategic planning workshops for SAI Northern Mariana Islands, during which it completed a new strategic plan 2022–2026, an operational plan for 2022–23 and a monitoring and evaluation framework to track progress against the strategic plan. Through its twinning relationship with SAI New Zealand, SAI Cook Islands was also able to develop and implement a five-year strategic plan and annual operational plan.

As part of our Enhancing Strategic Management Capabilities programme, we are supporting the six SAIs of FSM Chuuk, FSM Kosrae, FSM Pohnpei, Guam, Palau and Tuvalu to develop strategic plans, first year operational plans and frameworks to monitor and report on the implementation of their strategies. We facilitated a series of online and in-person workshops to build knowledge of strategic management concepts and processes. Participants also learnt facilitation skills to lead and manage their own strategic plan development processes. Attended by 14 staff (10 female, 4 male), both workshops achieved an overall satisfaction rating of 100 per cent. This work will continue into FY 2023–24.



▲ PASAI consultant, Pritom Phookun, facilitating a strategic management workshop

¹⁰ These are Pacific Island concepts of group-based oral information sharing.

Strengthening IT systems and policies to build cyber resilience

Our IT Policy programme aimed to strengthen IT policies, processes and standards to support existing IT infrastructure and ensure the security of their information against potential cyber risks. We provided 14 SAIs¹¹ with a comprehensive package of IT policies and delivered a series of workshops to facilitate their understanding and implementation. Attended by 27 participants (13 female, 14 male), the workshops achieved an overall satisfaction rating of 95 per cent. At the end of the reporting period, seven SAIs — Fiji, FSM Pohnpei, FSM Yap, Kiribati, Marshall Islands, Papua New Guinea and Tuvalu — were drafting and implementing improvements to their information systems, policies, processes and standards.

HR Champions programme to build and retain a skilled and professional workforce

SAIs need to have the autonomy and ability to recruit, retain and train professional and highly skilled staff to effectively deliver on their mandate. In collaboration with SAI Sweden, we are delivering our HR Champions programme to build the human resource function of our SAIs and to improve SAI capability management. Our team is working with SAIs to develop a human resource strategy and policies and processes to support its effective implementation. We are delivering a series of in-person and online workshops covering topics that include recruitment, appraisal, professional development and training and staff well-being, with an aim of building a cohort of HR Champions in the region to continuously share good practice and lessons. Attended by 13 participants (10 female and 3 male) from nine SAIs,¹² the initial in-person workshop achieved an overall satisfaction rating of 100 per cent. This work is in progress with expected completion in FY 2023–24.

Strategic Priority 5: PASAI Secretariat capable of supporting Pacific SAIs

To inform the development of our new strategic plan, we commissioned an **independent evaluation** of our delivery against our 2014–2024 Strategic Plan. The independent evaluators conducted interviews with 18 of our member SAIs. They also obtained insights from our development partners, regional stakeholders, national government representatives and representatives of civil society organisations.

A facilitator guided comprehensive discussions about strategy development at our Congress in late February 2023 during which the findings of the evaluators' Emerging Themes paper were shared. We have now received the final evaluation report presenting findings and recommendations to inform the development of our next Strategic Plan and future programme activities.

11 Cook Islands, Fiji, FSM National, FSM Pohnpei, FSM Yap, Guam, Kiribati, Palau, Papua New Guinea, Marshall Islands, Samoa, Tonga, Tuvalu and Vanuatu.

12 Fiji, FSM National, FSM Pohnpei, Guam, Kiribati, Marshall Islands, Tonga, Tuvalu and Vanuatu.

Our representatives regularly participate in regional and international meetings and forums. Some notable achievements include our participation at the **International Congress of Supreme Audit Institutions (INCOSAI)**. In November, our Secretary-General, Deputy Secretary-General and Chief Executive participated in the XXIV INCOSAI in Rio de Janeiro, Brazil. Our Secretary-General spoke as a panel member on 'Fighting corruption to build public sector confidence' and presented the PASAI SAI PMF Regional Report at the First General Plenary Session. At a peer-to-peer side event, our Deputy Secretary-General discussed the benefits and our regional twinning partnerships. As PASAI representative to the INTOSAI Governing Board, the SAI head of Samoa presented a report on our progress. Members of our delegation also attended meetings of INTOSAI's Capacity Building Committee and Knowledge Sharing Committee.



▲ Controller and Auditor-General of New Zealand, John Ryan (centre), providing the regional report on behalf of PASAI to INCOSAI (image source: International Journal of Government Auditing)

At **IDI's Strategy, Performance Measurement and Reporting (SPMR) workshop** (September 2022), our Director Practice Development, along with representatives from all INTOSAI regions, attended **IDI's Strategy, Performance Measurement and Reporting workshop**. The workshop aimed to capture reflections and shared experiences on strategic management practices both at the regional and SAI levels. Workshop discussions informed the development of a Regional Guidance Note used to benchmark and improve SAIs' own governance.



▲ Director Practice Development, Sinaroseta Palamo-Iosefo, presenting on strategy implementation at the Strategy, Performance Measurement and Reporting workshop

We also participated in the **INTOSAI-Donor Cooperation Annual Meeting** in June 2023. We spoke at a steering committee meeting about our SAIs' challenges. We shared our Independence Resource Kit and conveyed the long journey for some SAIs to improve their independence. We presented on how we support our members to improve audit quality and the challenges they face in implementing and complying with international standards.

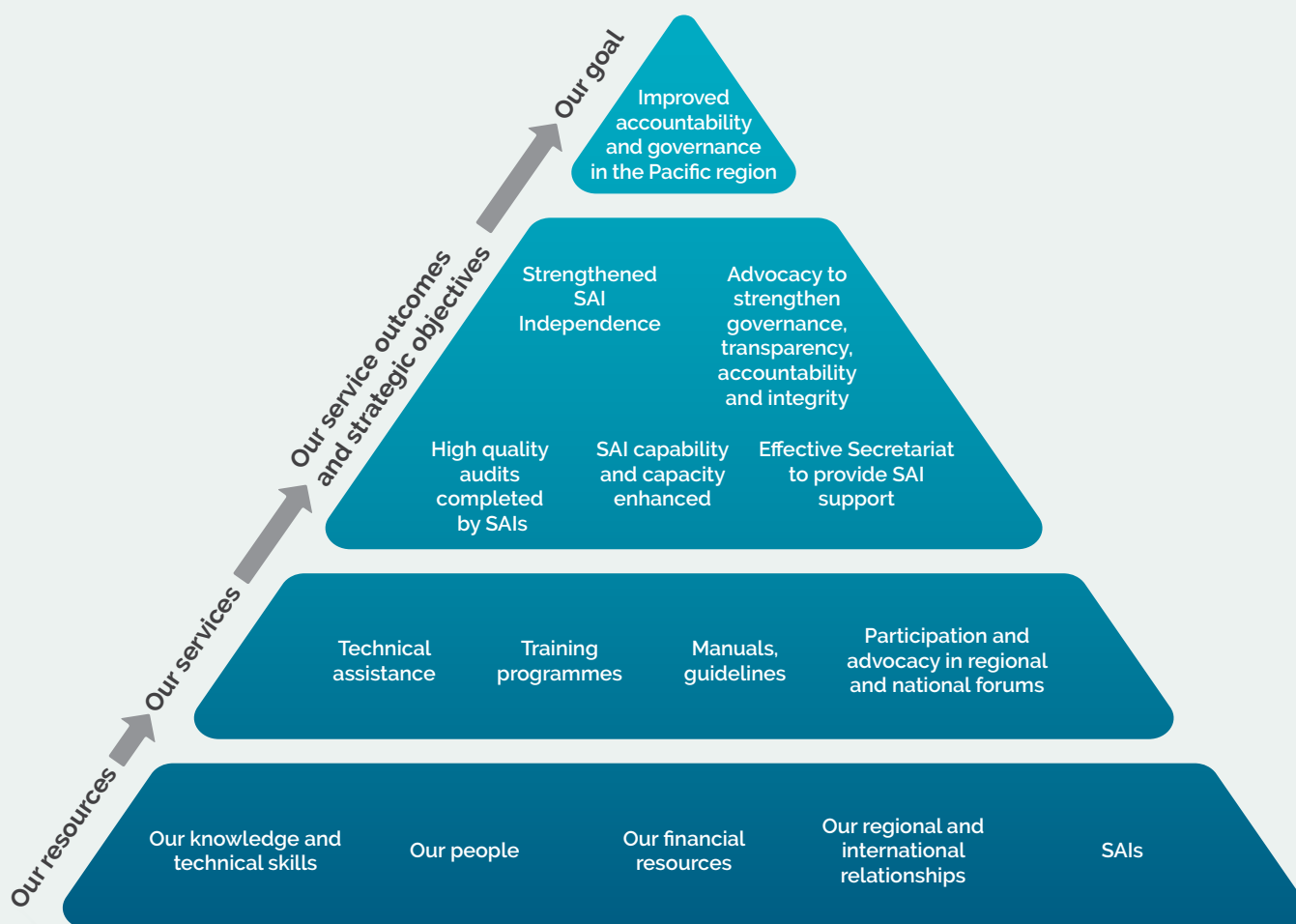
We established new networks and deepened existing relationships with relevant partners who share the goals of developing SAI capabilities and strengthening government accountability. We heard the different perspectives of donors, INTOSAI, other regions and the International Federation of Accountants, increased our knowledge of emerging issues – such as auditing climate change and sustainability reporting – and learnt about tools and resources available to SAIs. We will use what we have learnt to identify, design and deliver appropriate support for our members.

Our performance

In this section, we report on our performance for the 2022–23 financial year, including our progress against our strategic objectives, our service outcomes and the services that we deliver.

Our reporting is based on our performance framework below. Our work is directed by our strategic priorities towards achieving our service outcomes shown in this framework.

This framework outlines our high-level goal, the outcomes we intend to achieve, the service we are funded to deliver and the resources we apply to achieve our goals. The topmost layer represents our ultimate goal of improved accountability and governance in the Pacific region. The second layer is our strategic priorities and the outcomes we aim to achieve. The third layer represents the services we deliver to achieve our outcomes and the fourth layer outlines our resources.






Our performance indicators demonstrate the outputs and outcomes of our work. We report on 27 performance indicators in our Annual Report. Of these 27 reported performance indicators, we have a *direct* influence on the implementation of 11 indicators and have an *indirect* influence on 16 indicators.

PASAI has a total of 29 SAI members. We support with our programme of work the 20 developing Pacific Island audit offices spread across the three sub-regions of Melanesia, Micronesia and Polynesia. The remaining nine SAIs are audit offices from French Polynesia, New Caledonia, New Zealand and Australia, at federal, state and territory level, who work with us to deliver our programme of work.




With our performance measures, we report on our progress in providing support to our 20 developing SAIs who benefit from PASAI's programme of work. The data and commentary in this section describes our performance and progress under each of our strategic priority areas for this financial year.

We use the following symbols and criteria to display performance measure results compared to targets and prior-year results for each of our five strategic priority areas.

Performance

-  Achieved – Target has been met or exceeded
-  Partially achieved – Target has not been met by a slim margin (5%)
-  Not achieved – Target not met

Year-on-year change

-  Improvement in performance from previous year
-  Deterioration in performance from previous year
-  No change from previous year results

Performance measures for which PASAI has direct accountability

Performance measures for which SAIs are accountable; PASAI has indirect/influence role

We achieved (or partially achieved) **63 per cent** (17) of our performance measure targets in 2022–23, as compared to 74 per cent (20) in the previous financial year. We did not achieve **37 per cent** (10) compared to 26 per cent (7) last year. Of the 10 performance measures not achieved, nine are measures that we only have indirect influence on.

Our service outcomes

Strategic Priority 1: Strengthen SAI independence

PASAI will encourage and support 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.

Assumptions:

- The Parliaments of Pacific Island Countries and other agencies working in the Pacific support effective and transparent public financial management, and as part of this, support the need for Pacific SAIs to have an effective independent mandate and a level of resourcing sufficient to implement their mandate.

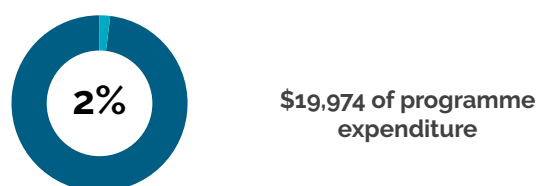
Risks:

- Improvements to SAI governing legislation enabling individual SAIs to operate independently are hindered by lack of recognition of the importance of an independent and resourced SAI in the public accountability framework.
- Parliament addresses constraints on SAI effectiveness through legislative changes to SAI mandate but does not resource the legislative mandate to support effective operation.
- Lack of capacity and capability of Pacific SAIs limits their ability to operate to the full extent of their mandates, resulting in communication to Parliament and to citizens being less than that required under the Lima and Mexico Declarations.



How well we performed on this set of measures





Portion of programme costs




Performance measure	2021-22 result	2022-23 result	2022-23 target	Number of SAIs that achieved change in 2022-23	How we performed
Percentage of SAIs that have assessed their legal frameworks against international best practice (e.g. by a SAI Performance Measurement Framework (PMF) assessment or consultant-assisted review).	100%	100%	100%	No change from previous year, target achieved in 2021-22	Achieved We achieved this target in 2021-22 and the result for FY 2022-23 remains unchanged. We have assessed the legal frameworks of all 20 developing SAIs against international best practice using the SAI Performance Measurement Framework (SAI-1 and SAI-2), covering the legal mandate of the SAI and its independence. We also completed a review of relevant audit legislation of all 20 developing SAIs, and provided the related legal opinions and advice to the SAIs.

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
<p>Percentage of SAIs whose constitutional legal framework</p> <ul style="list-style-type: none"> - meets the standard of 'full independence' as measured by IDI's Global Survey Methodology OR - can be assessed with a score of 3 or 4 for each dimension under indicator SAI-1 (Independence of the SAI) Domain A of the SAI-PMF. 	20% ¹³	25% 	50%	1	<p>Not achieved</p> <p>PASAI did not meet this target, despite progress achieved in this area. We saw an increase in the total number of SAIs whose constitutional legal framework is scored as 3 or 4 under SAI-1.</p> <p>In FY 2022–23 we made progress by providing support to SAIs Kiribati, Marshall Islands and Nauru to develop proposed amendments to their legislation to enable full independence. We supported SAI Kiribati with the development of an independence strategy, reviewed the Kiribati Audit Act and drafted the Kiribati Audit Amendment Bill 2022. We also supported them in the public consultation of the Amendment Bill with the stakeholders. Individual SAIs will determine the timing of their submission to their legislatures based on the local political environment and other external factors.</p> <p>SAI Tuvalu achieved a SAI-1 score of 3 in FY 2022–23, and is working with key stakeholders to implement the legislative amendments passed in 2016. We provided technical support to SAI Tuvalu to advance productive relationships with the Legislature and other key stakeholders.</p> <p>SAIs Fiji, FSM Yap, Palau and Tonga achieved a SAI-1 score of 3 in FY 2021–22. The remaining SAIs are at different stages of their independence journey. Progress varies across SAIs and is dependent on the legislative review process within each jurisdiction, which is outside the control of SAIs.</p>
<p>Percentage of SAIs that have developed an independence strategy according to INTOSAI Development Initiative (IDI) guidance and/or PASAI's Independence Resource Kit.</p>	5%	15% 	50%	2	<p>Not achieved</p> <p>The FY 2022–23 result was below target.</p> <p>During the year we made progress by supporting SAIs Kiribati and Nauru to develop a SAI independence strategy according to IDI guidance and using PASAI's Independence Resource Kit. SAI Chuuk's independence strategy was developed in the year prior.</p> <p>Member SAIs who have achieved full independence do not require an independence strategy. This includes SAIs FSM Yap, Tonga and Palau who have achieved independence scores of 3 or 4 for SAI-1. We continue to liaise with and provide support to our members in this area. Progress in this area remains slow due to competing SAI work priorities and resourcing constraints.</p>

¹³ The baseline was reported as 15% in the Annual Report 2021–22. This was an error and has been corrected as above.

Performance measure	2021-22 result	2022-23 result	2022-23 target	Number of SAIs that achieved change in 2022-23	How we performed
<p>Percentage of SAIs that confirmed they have taken action* based on PASAI advice to strengthen their independence according to IDI guidance and/or PASAI's Independence Resource Kit.</p> <p><i>* 'Action' defined as action to improve any one of the SAI independence criteria (SAI PMF - SAI-1) and/or start process to revise legislation.</i></p>	65%	30% 	50%	6	<p>Not achieved</p> <p>This target was not achieved, despite significant progress made by 6 SAIs, representing 30% of our members, that acted on our advice to strengthen their independence – SAIs Guam, Kiribati, Marshall Islands, Nauru, Samoa and Tuvalu.</p> <p>We supported SAIs Kiribati, Marshall Islands and Nauru to draft proposed amendments to their legislation. This work will enable full independence if passed. The timing of submission of these amendments to Parliament are determined by SAIs based on their local socio-political environment.</p> <p>SAI Tuvalu is working with the government to implement the legislative amendment passed in 2016 to achieve change. Legislative amendments to SAI Guam's enabling Act strengthened financial independence to allow for a provision of 0.25% of General Fund Revenues for its minimum budget from 1 October 2023. SAIs Cook Islands and Samoa have requested support to review their legislation in FY 2023-24.</p> <p>The percentage of SAIs that confirmed they took action to strengthen their independence based on PASAI advice has decreased from FY 2021-22, reflecting that some of our member SAIs who have reached full independence no longer require further action or support in this area. This includes SAIs FSM Yap, Tonga and Palau who have achieved independence scores of 3 or 4 for SAI-1.</p>
Percentage of SAIs required to produce annual reports do so on a yearly basis.	30%	30% 	50%	6	<p>Not achieved</p> <p>This target was not met, with no change from the previous year. SAIs Cook Islands FSM National, FSM Chuuk, FSM Pohnpei, Guam and Tonga have published annual reports for their most recent financial year. The remaining SAIs have experienced delays in the preparation of their annual reports due to limited resourcing, competing work priorities and a strong focus on the completion of government audits. Some SAIs have also experienced delays in the tabling of their annual reports in their legislatures due to the flow on effects of COVID-19 which continue to impact work priorities across governments.</p>

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Percentage of SAIs who confirmed that they met with the Public Accounts Committee (PAC), legislature or equivalent in their country at least once a year.	80%	85% 	75%	17	Achieved During this financial year, 17 of our member SAIs confirmed that they met with their PACs, legislature representatives or equivalent at least once a year to discuss audit reports, budget issues and other matters. American Samoa, Marshall Islands and Nauru did not engage with their PACs in FY 2022–23. We continue to support our SAIs to improve engagement with their legislatures through our in-country advocacy visits and through our communications programme.

Strategic Priority 2: Advocacy to strengthen governance, transparency, accountability and integrity

Improved governance, transparency and accountability 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 and accountability and, where appropriate, strategic partnership agreements with joint results-oriented frameworks agreed.

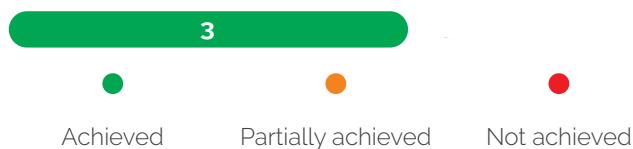
Assumptions:

- The work of PASAI to advocate across the region and in individual Pacific Island Countries will respect and preserve the sovereign and democratic rights of each SAI and national jurisdiction.
- Other agencies working in the Pacific to improve public financial management support PASAI initiatives and are prepared to work with PASAI to advocate for improvement.

Risks:

- PASAI advocacy work is regarded by legislatures and other parties in the public financial management cycle as exceeding individual SAI's mandate.
- PASAI is unable to develop effective working relationships with other agencies in the Pacific in order to achieve broader support for its advocacy efforts.



How well we performed on this set of measures



Portion of programme costs



Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
The Accountability and Transparency studies are conducted and reported on by PASAI.	Report in progress	Report published	PASAI conducts and reports on A&T studies on a triennial basis	Not applicable	Achieved Our fourth Accountability and Transparency Report was published in May 2023 and launched by our Secretary-General in a webinar. Insights from this report continue to inform our work in the region, including our advocacy work to strengthen SAI independence. We continue to discuss and embed the good practice identified in this report through SAI New Zealand's webinar series and our Community of Practice forums for leaders and emerging leaders.

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Improvements in the effectiveness of Public Finance Management (PFM) systems are evidenced through improved results in the next Public Expenditure and Financial Accountability (PEFA) assessment and progress against PFM roadmaps.	46%	46% 	40%	No change from previous year, target achieved in 2021–22	<p>Achieved</p> <p>We met this target with no change from previous year results, as no new PEFA assessments were published during the reporting period. Of the thirteen¹⁴ SAIs who have completed a PEFA Assessment, six SAIs achieved scores of C or above for Performance Indicator 30.1, indicating that financial reports of central government entities representing the majority of total expenditure and revenue have been audited using international standards during the last three completed fiscal years, and that the audits have highlighted any relevant significant issues. This includes SAIs Cook Islands, Fiji, Marshall Islands, Papua New Guinea, Solomon Islands and Tuvalu.</p> <p>We are supporting our member SAIs to improve their audit coverage. Our workshop on Strategic Audit Planning was delivered to enhance their coverage of issues that have significant risk relative to government operations.</p> <p>SAI follow-up contributes to a strengthened PFM system by ensuring audited entities implement audit recommendations to improve their performance. This has improved in FY 2022–23, with SAI Chuuk developing an internal system to follow-up on audit recommendations.</p> <p>Fifty-five per cent¹⁵ of our member SAIs now maintain an internal follow-up system and the remaining SAIs either follow-up at the next audit or have processes to follow-up on high-risk findings.</p> <p>We are working to influence system-level improvements in the PFM through our in-country advocacy work to strengthen SAI collaboration with Legislature and other key government agencies to ensure audit recommendation uptake and implementation by audited entities.</p>
PASAI communication products and channels are used to share SAI best practice examples on strengthening transparency and accountability.	34 examples shared	23 examples shared 	At least four examples a year	Not applicable	<p>Achieved</p> <p>We met this target with a decrease in the number of SAI best practice examples shared through our communications channels. We regularly share SAI good practice examples of strengthening transparency and accountability. We share up to six examples each month, primarily through our social media channels, quarterly newsletters and reports. Our recently published Accountability and Transparency Report also identified and shared good practice to support SAIs in their work.</p>

14 SAIs American Samoa, Guam and Northern Mariana Islands are not able to conduct a PEFA Assessment as they are American territories. The PEFA Assessment for Micronesia covers the FSM states of Chuuk, Kosrae, Pohnpei and Yap.

15 SAIs Fiji, FSM Chuuk, FSM Kosrae, FSM National, FSM Pohnpei, Guam, the Northern Mariana Islands, Samoa, Solomon Islands, Tonga and Tuvalu.

Strategic Priority 3: High quality audits completed by Pacific SAIs on a timely basis

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 partnerships 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) audits¹⁶ annually by trained and qualified SAI staff and increase in numbers of performance audits undertaken by SAIs with audit impacts reported annually.

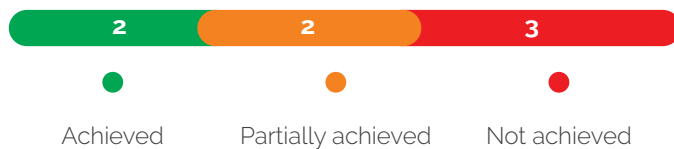
Assumptions:

- In the context of the Pacific Plan, all parties involved in the PFM cycle are committed to raising the standard of accountability and transparency and therefore support and respond to PASAI and Pacific SAI advocacy for improvements.
- Other parties to the PFM cycle are provided with sufficient resources to enable them to appropriately undertake their function in the PFM cycle.

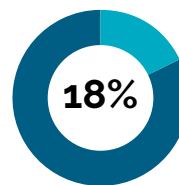
Risks:

- Due to lack of capability and capacity within the public financial management system generally, financial statements are not able to be audited in a timely manner.
- Pacific SAIs do not have sufficient staff or those with the capacity and capability to conduct financial statement audits.

How well we performed on this set of measures






Portion of programme costs






\$189,707 of programme expenditure

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Percentage of SAIs scoring C or better on PEFA PI-30.1 (i) 'Audit coverage and standards'.	46%	46%	50%	No change from previous year	Partially achieved There has been no change in scores achieved since the last financial year as no new PEFA assessments were published during the reporting period. Forty-six per cent of our member SAIs achieved scores of C or better for the PEFA PI-30.1 (i) 'Audit coverage and standards', in their last PEFA assessment. These are Cook Islands, Fiji, Marshall Islands, Papua New Guinea, Solomon Island and Tuvalu.

¹⁶ 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.

Performance measure	2021-22 result	2022-23 result	2022-23 target	Number of SAIs that achieved change in 2022-23	How we performed
Percentage of SAIs that issued the latest FSGs audit report to Parliament/ Congress (or other recipients as determined by law) within the stipulated timeframe.	50%	10% 	90%	2	<p>Not achieved</p> <p>The FY 2022-23 result was significantly below target. SAIs Guam and Tonga issued their latest FSG audit reports within the stipulated timeframe.</p> <p>The remaining SAIs continue to face delays in FSG audit completion due to competing work priorities, resourcing constraints and capability gaps. SAIs also face external challenges including upstream preparer issues and delays in the completion and submission of FSG accounts to SAIs by ministries of finance.</p> <p>PASAI continues to support SAIs to respond to these challenges, including using advocacy to address upstream preparer issues related to the importance of the preparation of FSG accounts to an adequate standard and their timely submission to SAIs for auditing.</p>
Percentage of SAIs that receive PASAI support to assist them to complete outstanding* FSG audits. <i>* SAIs who do not have up-to-date FSG audit within the statutory audit timeframe.</i>	30%	30% 	70%	No change from previous year	<p>Not achieved</p> <p>We did not meet this target, and the result remains unchanged from last year.</p> <p>In FY 2022-23, 18 of our member SAIs did not issue the latest FSG audits within the statutory audit timeframe. However, 15 of them did not require our assistance as the upstream preparer delays they experienced are temporary in nature and are expected to resolve over time.</p> <p>We are assisting SAIs Papua New Guinea and Solomon Islands with a three-year FSG audit backlog. SAI New Zealand is providing support to SAI Cook Islands through its twinning arrangement to address a three-year FSG audit backlog.</p>
Percentage of SAIs with an internal system to follow-up on the observations and recommendations made to the audited entities, including the actions taken by the auditees' relevant authorities.	50%	55% 	60%	1	<p>Partially achieved</p> <p>In FY 2022-23, a modest improvement in results has been achieved with SAI FSM Chuuk using an internal follow-up system to identify and carry out follow-up audits.</p> <p>More than half of our SAIs maintain a formalized follow-up system for the observations and recommendations made to audited entities, including SAIs Fiji, FSM Chuuk, FSM Kosrae, FSM National, FSM Pohnpei, Guam, Northern Mariana Islands, Samoa, Solomon Islands, Tonga and Tuvalu.</p> <p>The remaining SAIs have follow-up processes in place for high-risk findings or carry out follow-up at the next audit.</p>

Performance measure	2021-22 result	2022-23 result	2022-23 target	Number of SAIs that achieved change in 2022-23	How we performed
Percentage of SAIs with an independent Quality Assurance/Quality Control review a minimum of every three years.	65%	85% 	75%	7	<p>Achieved</p> <p>In FY 2022-23, we provided support to seven SAIs to complete an independent quality assurance review to ascertain and enhance ISSAI compliance, including SAIs Fiji, Kiribati, Samoa, Solomon Islands, Papua New Guinea, Tonga and Tuvalu.</p> <p>As a result, a total of 17 of our member SAIs have an independent review process in place to assess their quality assurance and control systems within a three-year period. SAIs Cook Islands, FSM Kosrae and Nauru do not have an independent quality assurance and control review process in place.</p>
Percentage of SAIs who have Quality Control process for three audit streams. ¹⁷	50% ¹⁸	50% 	75%	No change from previous year	<p>Not achieved</p> <p>We did not achieve this target, with no change in results from last year. In FY 2022-23 SAIs Fiji, Marshall Islands, Papua New Guinea and Samoa have QC processes in place for all three audit streams. Four other SAIs have QC processes in place for all audit streams they conduct, for a total of 10 SAIs.</p> <p>SAIs FSM Kosrae, FSM Pohnpei and Marshall Islands have QC processes in place for financial and performance audits only, as they do not conduct compliance audits.</p> <p>SAI FSM Yap has QC processes for financial audits, as it does not conduct performance or compliance audits. SAI Guam conducts performance audits only and has QC processes in place for this.</p> <p>The other 10 of our member SAIs have QC processes in place for some, but not all, of their audit streams.</p>
Percentage of SAIs with audit manuals for audit streams (FA, CA and PA) compliant with ISSAIs.	75%	75% 	50%	No change from previous year	<p>Achieved</p> <p>We achieved this target, with no change in results from last year. Fifteen of our member SAIs have audit manuals that are compliant with international standards, including SAIs American Samoa, Fiji, FSM Chuuk, FSM Kosrae, FSM National, FSM Pohnpei, Guam, Marshall Islands, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.</p>

17 The three audit streams include financial, performance and compliance audits.

18 The baseline was reported as 40% in the Annual Report 2021-22. This was an error and has been corrected as above.

Strategic Priority 4: SAI capacity and capability enhanced

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.

Assumptions:

- All Pacific SAIs commit to developing comprehensive strategic plans at the commencement of this strategy so that PASAI can develop tailored programs to address identified SAI weaknesses.
- Pacific SAIs commit to using the INTOSAI PMF to monitor achievements against their strategic plans.
- Commitment from SAIs in the PASAI region to achieving the vision and mission of PASAI results in increased participation in the training delivered through the PASAI capacity development program.
- PASAI's capacity development program results in Pacific SAI staff capable of carrying out the SAI's mandated activities.

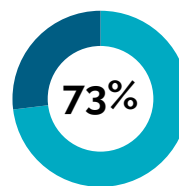
Risks:

- Pacific SAIs lack capability to develop a comprehensive strategic plan and as a result are unable to identify and monitor their development needs.
- PASAI's capacity development program increases the skills base of individual SAI staff leading to higher attrition rates and a reduced ability of Pacific SAIs to complete mandated audits.

How well we performed on this set of measures






Portion of programme costs






\$792,875 of programme expenditure


Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Number of SAIs that have developed and implemented* strategic plans. <i>*"implemented" defined as strategic plans put into action through the development of an annual operational plan.</i>	12 ¹⁹	10 	18	4	Not achieved In FY 2022–23, 10 of our 20 member SAIs have current strategic and operational plans in place – SAIs Fiji, FSM National, FSM Yap, Marshall Islands, Northern Mariana Islands, Papua New Guinea, Samoa, Tonga, Tuvalu and Vanuatu. SAIs, Guam, Kiribati and Nauru have strategic plans in place, but do not have a formal annual operational plan for FY 2022–23 to implement their strategic plans. SAI FSM Kosrae uses performance-based budgets to guide its operations. The change in result from previous year is due to the expiration of FSM Pohnpei's strategic plan in 2022. We are currently providing strategic management training to support the SAI to develop a new strategic plan. Also, although SAI Kiribati has a current strategic plan, it does not have a detailed annual operational plan for FY 2022–23 to implement its strategy.

19 The baseline was reported as 16 SAIs in the Annual Report 2021–22. This was an error and has been corrected as above.

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
					In addition to SAI Pohnpei, we are providing strategic management training to SAIs FSM Chuuk, FSM Kosrae, Guam, Palau and Tuvalu to facilitate strategy development and implementation in their SAIs. This work is in progress and is expected to be completed in FY 2023–24.
Number of SAIs that have developed and implemented* strategic plans with PASAI support. <i>* 'implemented' defined as strategic plans put into action through the development of an annual operational plan.</i>	1 ²⁰	4 	2	4	Achieved Of the 10 SAIs who requested support in this area, we assisted SAIs Cook Islands, Kiribati, Northern Mariana Islands and Papua New Guinea to develop and implement a five-year strategic plan and annual operational plan in FY 2022–23. Our project to provide strategic management support to the remaining six SAIs is in progress, with expected completion in FY 2023–24. This includes FSM Chuuk, FSM Kosrae, FSM Pohnpei, Guam, Palau and Tuvalu. Our proposed support to American Samoa is on hold due to SAI capacity issues.
Percentage of SAIs who have been assessed on their performance using the SAI-PMF framework.	95%	100% 	100%	1	Achieved We have assessed the performance of all 20 developing member SAIs using the SAI-PMF framework. In 2022–23, we completed the assessment for SAI Palau.
Percentage of SAIs whose senior and middle management* have been trained by PASAI for leadership positions. <i>* 'senior and middle management' defined as SAI Heads and established second tier leaders nominated by SAI Heads.</i>	80%	60% 	60%	12	Achieved We achieved this target; however, the number of SAIs participating in our leadership programme decreased from 16 to 12 as compared to the previous year, due to a lack of SAI availability resulting from competing work priorities and resourcing constraints. Our leadership workshops and Community of Practice discussions were attended by SAI representatives from the Cook Islands, Fiji, FSM Chuuk, FSM National, FSM Kosrae, FSM Yap, Guam, the Marshall Islands, Papua New Guinea, Samoa, Solomon Islands and Tonga. We have extended our leadership programme to include emerging leaders, creating a separate Community of Practice for them to discuss topical issues.

20 The baseline was reported as 2 SAIs in the Annual Report 2021–22. This was an error and has been corrected as above.

Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Percentage of SAIs that have adopted or developed audit standards based on or consistent with relevant ISSAIs or other international standards across the three audit streams.	75%	75% 	60%	No change from previous year	Achieved We achieved this target, with no change from the previous year. Fifteen SAIs have adopted audit standards that are consistent with international standards. This is reflected in their audit manuals which comply with ISSAIs and/or other international standards. This includes SAIs American Samoa, Fiji, FSM Chuuk, FSM Kosrae, FSM National, FSM Pohnpei, Guam, Marshall Islands, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.
Within the next three years, there are improvements in SAI capability management.* <i>*‘capability management’ is defined as and includes HR strategy, policies and procedures.</i>	20%	25% 	55%	1	Not achieved We did not meet this target in FY 2022–23 but have made some progress in this area. We supported SAI Tuvalu to finalise its HR Strategy. The remaining SAIs are currently using HR policies and documentation provided by their Public Services Commission. Our HR Champions programme is training staff from nine SAIs to develop and implement a SAI HR strategy, policies and procedures to strengthen the capability management requirements of individual SAIs – this work is currently in progress. The programme launched in May 2023 with an expected completion date of December 2024. This programme includes SAIs Fiji, FSM National, FSM Pohnpei, Guam, Kiribati, Marshall Islands, Tonga, Tuvalu and Vanuatu and is expected to conclude in 2024.
Percentage of SAIs that have confirmed they have information systems, policies and processes in place.	55%	75% 	55%	4	Achieved In FY 2022–23, our IT Policy programme made available a comprehensive package of IT policies to 14 SAIs -Cook Islands, Fiji, FSM National, FSM Pohnpei, FSM Yap, Guam, Kiribati, Palau, Papua New Guinea, Marshall Islands, Samoa, Tonga, Tuvalu and Vanuatu. Seven SAIs are in the process of drafting and implementing improvements to their information systems, policies, processes and standards, with the most significant improvement being the implementation of the Acceptable Use and Information Management policies. This includes SAIs Fiji, FSM Pohnpei, FSM Yap, Kiribati, Marshall Islands, Papua New Guinea and Tuvalu. Improvements in information systems and supporting policies and processes have been achieved by SAIs FSM Pohnpei, FSM Yap, Marshall Islands and Tuvalu in FY 2022–23. While these SAIs had a basic information technology infrastructure in place, they did not have the policies and processes to support effective internal governance and administration of these systems.

Performance measure	2021-22 result	2022-23 result	2022-23 target	Number of SAIs that achieved change in 2022-23	How we performed
					SAIs Fiji, Papua New Guinea and Tuvalu will continue to participate in the programme until September 2023.
Percentage of SAIs that have developed a gender policy.	0%	0% 	30%	None	<p>Not achieved</p> <p>We support the development and implementation of a SAI gender policy to promote equal opportunities for females and males in SAIs. More than half of SAI staff are female, indicating SAI staff composition reflects an equal gender balance.</p> <p>None of our member SAIs currently have a gender policy. There is minimal capacity to engage in this area due to limited resourcing and competing work priorities.</p> <p>Data collection for our Regional Gender Assessment is in progress and will provide us with insights on how to better engage with SAIs in this area.</p>

Strategic Priority 5: PASAI Secretariat capable of supporting Pacific SAIs

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.

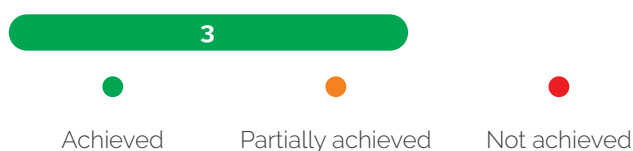
Assumptions:

- Funding for the strategic priority objectives and actions will be obtained.
- PASAI Secretariat retains an appropriately skilled staff to lead Pacific SAIs to achieve the vision of PASAI.

Risks:

- Funding for the activities identified to achieve the strategic priorities cannot be obtained or is not sufficient.
- PASAI is unable to attract and/or retain appropriately qualified staff to lead Pacific SAIs to achieve the vision of PASAI.
- Mid-term evaluation of this strategy identifies that there are fundamental flaws in the operational plan designed to deliver against these priority areas.

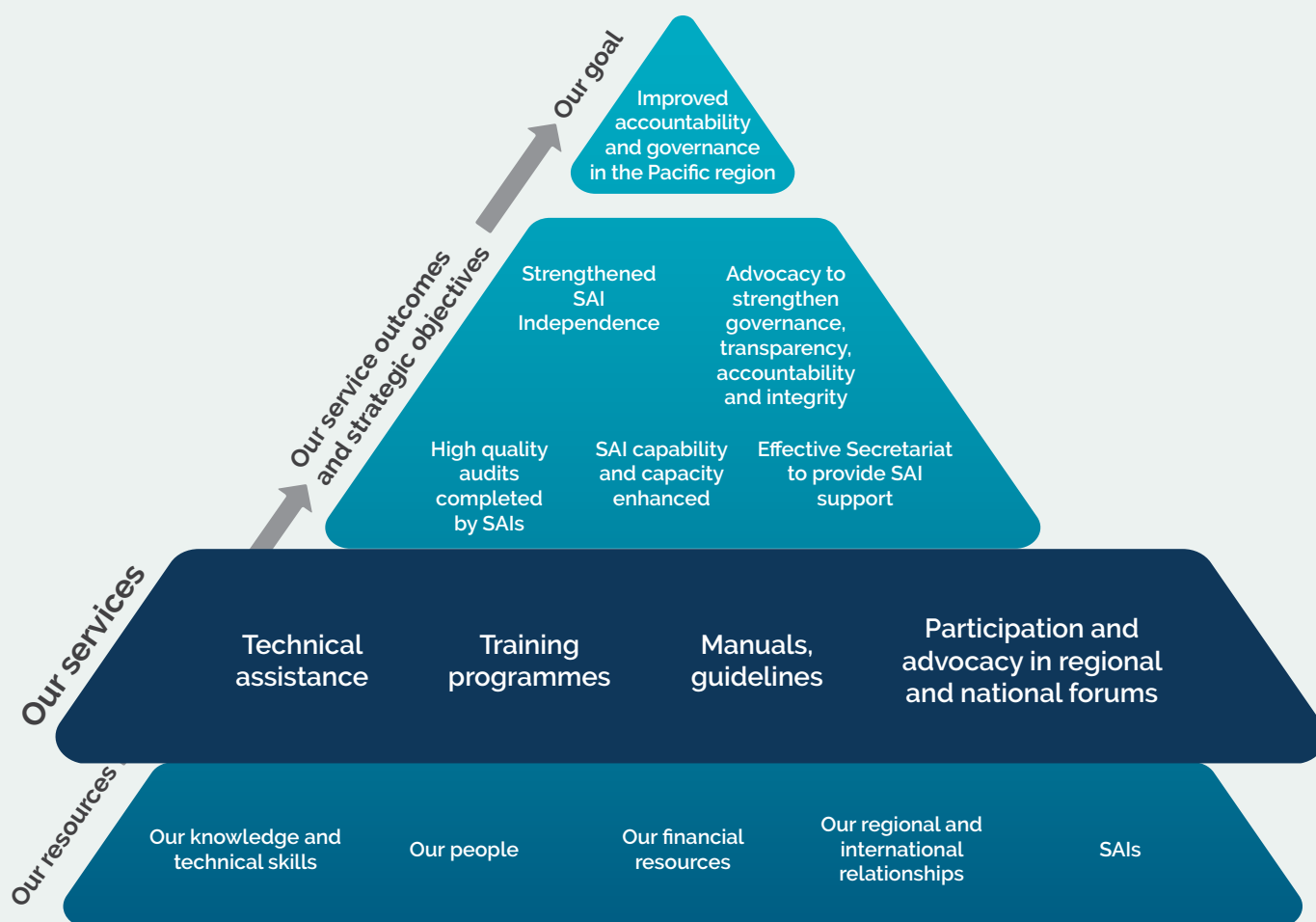
How well we performed on this set of measures



Performance measure	2021–22 result	2022–23 result	2022–23 target	Number of SAIs that achieved change in 2022–23	How we performed
Percentage of participants that report PASAI training effectively meets their learning and development needs.	94%	100%	At least 70% effective	Not applicable	Achieved All* the workshop participants who participated in our post-workshop evaluation surveys reported that the training they attended effectively met their learning and development needs. We have achieved a six per cent increase from last year.
Percentage of participants that report PASAI training effectively improved their job performance.	95%	98%	At least 70% effective	Not applicable	Achieved Ninety-eight per cent* of participants who attended our workshops reported that their training effectively improved their job performance – an increase of three per cent from last year.
Percentage of participants that report PASAI training is effective in improving their understanding of key concepts.	91%	94%	At least 70% effective	Not applicable	Achieved Ninety-four per cent* of our workshop participants reported that the training was effective in improving their understanding of key concepts – an increase of three per cent from last year.

*These results are an aggregate from internal evaluation survey results for all training workshops held during FY 2022–23. We achieved an average survey response rate of 79% across our workshops.

Our services

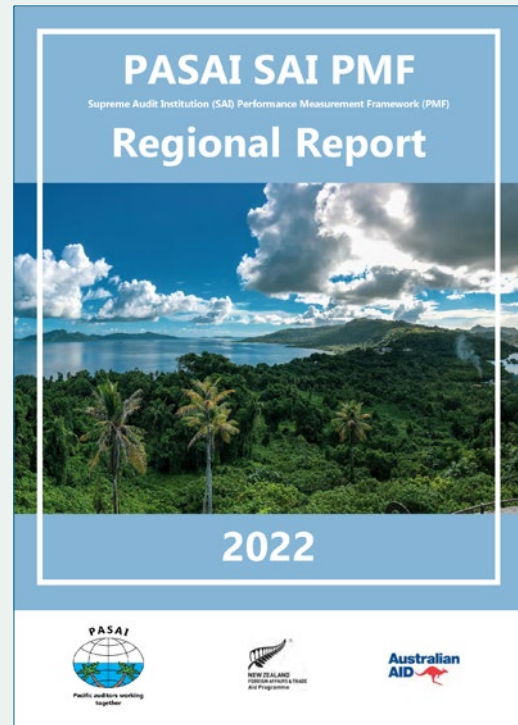


Technical assistance

We:

- assisted SAIs Fiji, Kiribati, Samoa, Solomon Islands, Papua New Guinea, Tonga and Tuvalu to complete an independent quality assurance review to enhance ISSAI compliance;
- provided additional support to SAI Solomon Islands to review financial audit quality, and to complete a performance audit on the government's response to the COVID-19 funding policy, the Economic Stimulus Package (ESP);
- assisted SAIs Papua New Guinea and Solomon Islands complete FSG audits;
- provided legal support to SAIs Kiribati, Marshall Islands and Nauru to review and propose legislative amendments to strengthen the financial and organisational independence, and provisions related to the appointment and removal of the Auditor-General;
- continued to deliver a Leadership Programme for SAI heads and senior management, which, this year included launching a Community of Practice for emerging leaders;
- supported SAIs Cook Islands, Kiribati, Northern Mariana Islands and Papua New Guinea to draft new strategic and operational plans and processes for monitoring and reporting of performance;
- supported SAIs FSM National and FSM Pohnpei to develop and implement a performance measurement reporting framework;
- revised the communications strategies and implementation plans of the SAIs in the Cook Islands, FSM National, Kiribati, Papua New Guinea and Solomon Islands;
- developed a package of IT policies as a resource available to all SAIs, presented the policies and advice on implementation to SAIs through a series of three workshops and supported seven SAIs to implement selected policies from the resource package;




















- published the fourth report in our Transparency and Accountability series with the theme, 'How effective are Pacific SAIs in supporting good governance, transparency, accountability and integrity in a fast changing and unpredictable world?;
- published a report identifying common audit issues underlying audit recommendations and suggesting possible regional solutions to improve action on audit recommendations; and
- published a regional report documenting the results of the SAI PMF project from 2016 to 2022.



▲ Director (South), Meresimani Vosawale-Katuba, speaking at Congress

Training programmes

We provided the following training during the reporting period:

Date(s)	Strategic Priority	Topic	Online/in-person	Participants ²¹
6 July 2022	4	Leadership workshop		29 (8F/21M)
19–20, 22 July 2022	2	Effective Stakeholder Engagement		40 (24F/16M)
6 September 2022	4	Leadership Community of Practice session 1		15 (3F/12M)
5–6, 12 October 2022	3	Performance and compliance audit strategic planning		34 (18F/16M)
26 October 2022	3	IPSAS/IFRS Workshop Module 1		20 (16F/4M)
26 October 2022	4	Leadership Community of Practice session 2		
1 November 2022	3	Performance and compliance audit strategic planning		
2 November 2022	3	IPSAS/IFRS Workshop Module 2		
9 November 2022	3	IPSAS/IFRS Workshop Module 3		
16 November 2022	3	IPSAS/IFRS Workshop Modules 4, 5, 6		
16 November 2022	4	IT Policy Workshop 1		27 (13F/14M)
23 November 2022	3	IPSAS/IFRS Workshop Module 7		
30 November 2022	3	IPSAS/IFRS Workshop Module 8		
30 November 2022	4	IT Policy Workshop 2		
7 December 2022	3	IPSAS/IFRS Workshop – country presentations		
14 December 2022	4	IT Policy Workshop 3		
15 December 2022	4	Leadership Community of Practice session 3		
7–10 February 2023	2	Communications and Media		24 (16F/8M)
13–17 February 2023	4	Enhancing Strategic Management Capabilities		14 (10F/4M)

²¹ For programmes we delivered over multiple weeks to the same participants, we have provided the participant numbers only in the row of the programme's first workshop. This gives us an accurate total number of our programme participants and is the reason why some cells appear blank.

Date(s)	Strategic Priority	Topic	Online/in-person	Participants ²¹
6–10 March 2023	4	Enhancing Strategic Management Capabilities		
13–17 March 2023	3	Financial Audit Manual		24 (17F/7M)
26–28 April 2023	3	IFRS Refresher Training – SAI Fiji		26 (13F/13M)
2–11 May 2023	4	HR Champions workshop		13 (10F/3M)
5–9 June 2023	3	Financial Statements of Government workshop		21 (15F/6M)
8 June 2023	4	Leadership Programme Community of Practice: Actioning A&T report findings		7 (2F/5M)
9 June 2023	4	Emerging Leaders Community of Practice: Actioning A&T report findings		21 (15F/6M)
29 June 2023	4	Leadership Programme Community of Practice: Strategy development (Part A)		
30 June 2023	4	Emerging Leaders Community of Practice: Strategy development (Part A)		
Totals				315 staff (180F/135M)

Our training is designed to meet the learning requirements of our member SAIs. We deliver our training using a hybrid approach, consisting of a mix of virtual and face-to-face training. Our virtual workshops and associated learning resources and supplementary training material can be accessed using our Learning Platform, which has achieved an overall satisfaction rating of more than 80% for ease of use and navigation.

We developed a Competency Framework to meet the specific requirements of our region, which is going through an internal review and approval process. The framework caters to the different roles within a SAI and includes tiers for financial auditors, performance auditors, compliance auditors, and staff focused on HR, communications and IT.



▲ eLearning Specialist, Danial Sadeqi, presenting on the Competency Framework at Congress

We continue to convert existing learning resources into self-paced courses and learning material that can be accessed at the *right time* and in the *right way* by SAI staff, and are exploring pedagogical approaches and training modalities to identify the most effective modes of delivery. We evaluate our workshops to refine our programme design and delivery and report on the results internally to continuously improve on our service offering. We continue to strengthen the design and delivery of our training with increasing use of applied learning, including the use of case studies, practical exercises, online assessments and coaching to embed learning and change at the SAI level.

Manuals and guidelines

In collaboration with human resource experts from SAI Sweden, we drafted a Human Resources Guide specific to our region. It is being reviewed by an advisory group comprising the SAI heads of FSM National, Solomon Islands and Tuvalu (one member from each Pacific Island sub-region). This resource will be used in our HR Champions programme and will be available to our member SAIs once published.

We developed a Stakeholder Engagement Toolkit, which includes customisable templates and procedures for communicating audit findings and recommendations to the legislature, executive, judiciary, civil society organisations and citizens, used in our virtual Effective Stakeholder Engagement workshop in July 2022.

We also published and used an inclusive language factsheet in our Effective Stakeholder Engagement workshop in July 2022 and in-person Communications and Media training in February 2023.

SAIs that participated in our IT Policies Programme got access to and were trained how to implement the following policies:

- Acceptable Use Policy
- Access Control Policy
- Asset Management Policy
- Data Management Policy
- Personnel Security Policy
- Change Management Policy
- Operational Security Policy
- Physical and Environmental Security
- Business Continuity Plan and Data Recovery Plan
- Incident Response Policy
- Third Party Management Policy
- Vulnerability Management Policy
- Network and Communication Policy
- Cloud Use and Management Policy

Participation in regional and national forums

We attend and participate in regional and international meetings and forums and are committed to working with our partners to strengthen the PFM systems in Pacific Island nations.

Date(s)	Meeting/ forum attended by staff
21–22 July 2022	Australian Council of Public Accounts Committee Conference
11–12 August 2022	Forum Economic Ministers Meeting
28–30 September 2022	IDI SPMR Regional Guidance Workshop
1 November 2022	AFROSAI-E Gender, Diversity and Inclusion Forum
7–11 November 2022	XXIV INCOSAI Governing Board, Capacity Building Committee, Knowledge Sharing committee, plenary session and peer-to-peer side event
18 November 2022	AFROSAI-E Monitoring, Evaluation, Reporting and Learning Working Group meeting
5 December 2022	Association of Pacific Islands Public Auditors (APIPA) principals meeting
5–9 December 2022	IDI SAI PMF Resource Persons Product Development Workshop
18 January 2023	IDI meeting on the Women's Deliver Conference
9–11 May 2023	11th Regional Working Group on Environmental Auditing meeting
24 May 2023	PFTAC Steering Committee meeting
20 June 2023	INTOSAI Donor Cooperation Steering Committee meeting
20–23 June 2023	INTOSAI Capability Building Committee (CBC) annual meeting

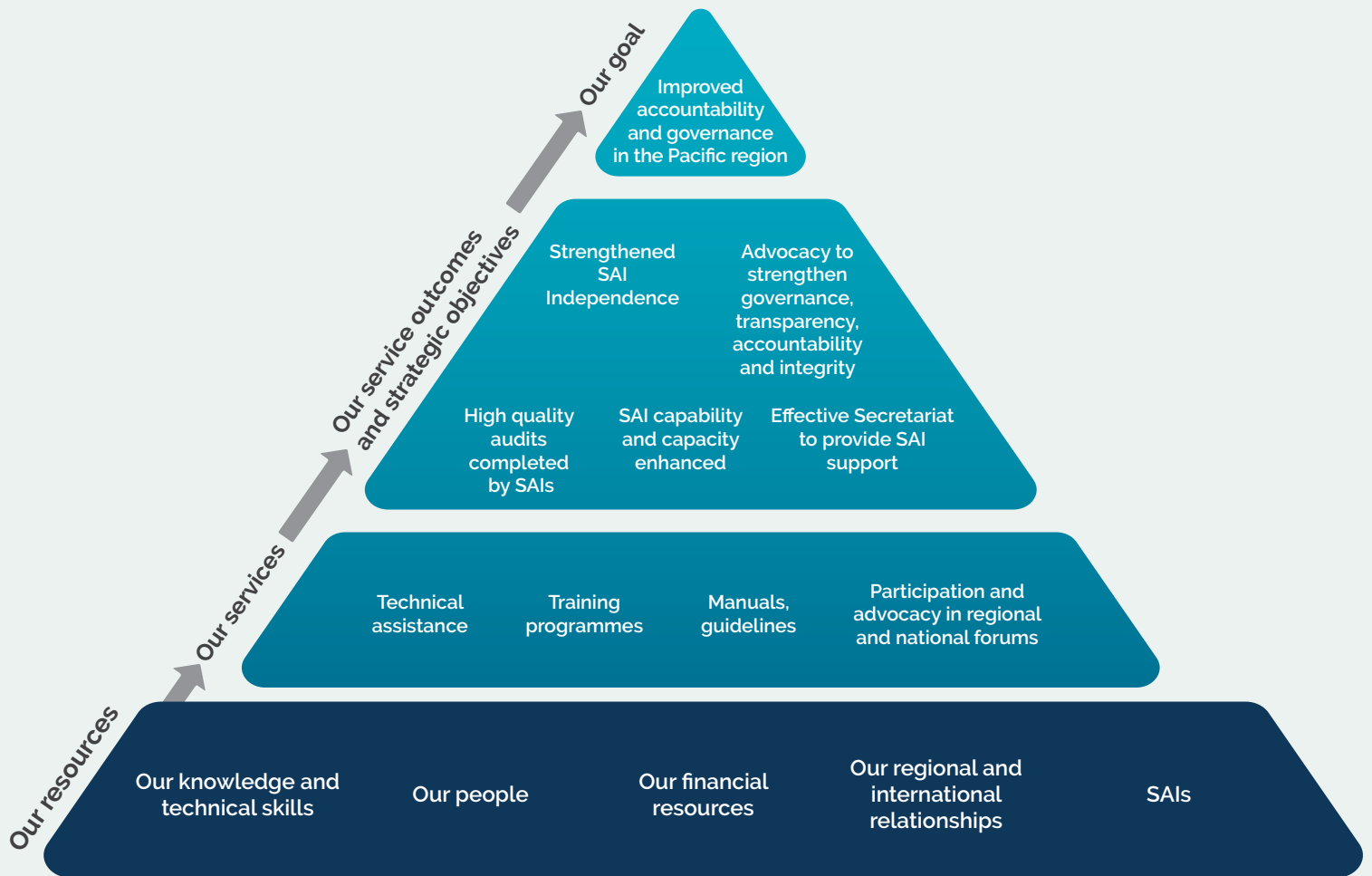
Date	Presentations delivered by PASAI
19 July 2022	Hosted a Pacific regional webinar on 'Building strong national integrity systems'
21 July 2022	Delivered a presentation on 'The importance of SAI audit independence in Pacific Island countries' at the Australasian Council of Public Accounts Committee Conference
29 September 2022	Delivered a presentation on PASAI's strategic priorities and performance reporting at the IDI SPMR Regional Guidance Workshop
19 October 2022	Hosted a Pacific regional webinar on 'Enabling the integrity system to thrive'
1 November 2022	Delivered a presentation on 'The impact of SAI culture on diversity, gender and inclusion initiatives' at the AFROSAI-E Gender, Diversity and Inclusion Forum
9 November 2022	Presented the PASAI SAI-PMF Regional Report at the XXIV INCOSAI plenary session
9 November 2022	Participated as a panel member at XXIV INCOSAI session on 'Fighting corruption to build public sector confidence'
7 December 2022	Hosted a Pacific regional webinar Q&A with the Right Honourable Helen Clark on 'Strengthening public sector integrity to combat corruption'
18 May 2023	Launched the Accountability and Transparency report in a webinar and hosted a panel discussion
21 June 2023	Co-facilitated a session focusing on quality and high-impact audits, and delivered a presentation on 'Quality and relevant audits as the foundation of high impact SAIs' at the CBC's annual meeting



▲ Attendees of the 33rd Governing Board meeting in Palau

Our resources

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 academic and public sector backgrounds from across the Pacific. We bring insights from former professional roles in auditing, accounting, education, communications and stakeholder engagement, research, evaluation and programme management.

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

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

Monitoring, Evaluation and Reporting (MER)

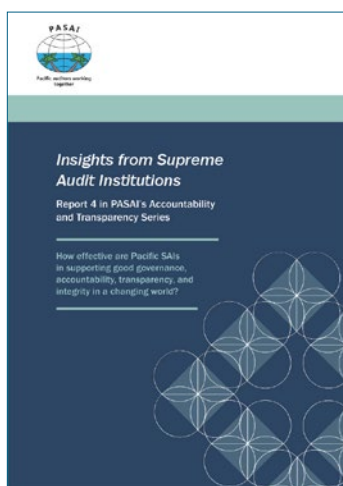
We report on our performance and progress towards achieving our strategic priorities in our Annual Report, and to meet our reporting obligations under the new External Reporting Board's service performance reporting standard PBE FRS 48.

Our reporting products include our quarterly narrative reports outlining work and progress at the SAI level. In conjunction with our annual reporting on our performance targets, our quarterly reports provide a fuller picture of our work and our achievements to our stakeholders.

We report on our progress to our development partners regularly and in a timely manner. We have submitted six progress reports to our regional and development partners in the past financial year.

We also report on the state of the region – to do this we published our Accountability and Transparency report and two regional reports this year.

We have embedded MER activity into all stages of the programme life cycle, including developing an intervention logic while designing a programme. We invite all programme participants to evaluate our training using an online survey tool. These results are reported on internally and provide useful feedback on programme design and delivery that we analyse to improve future programmes. In FY 2022–23, we completed 11 internal workshop evaluation reports.



Our people

PASAI Governing Board

PASAI is governed by a Charter, which sets out the roles and responsibilities of the PASAI Congress, Governing Board, Secretary-General and Chief Executive. The Governing Board represents members from across the three sub-regions of the Pacific (Melanesia, Micronesia and Polynesia) as well as the members from supporting countries in the region (Australia and New Zealand) and the French-supported SAIs of New Caledonia and French Polynesia. The Secretary-General's role is currently held by the Auditor-General of New Zealand, who provides oversight of the activities of the Secretariat on behalf of the Governing Board and Congress in between meetings.

During this financial year, there were sub-regional representative changes for Micronesia and Polynesia, for which the board welcomed the SAI heads of the Marshall Islands, Junior Patrick, and Tuvalu, Imase Taai Kaunatu, respectively. Following Congress in March 2023, the SAI head of the Cook Islands, Desmond Wildin, also joined the board as Incoming Chairperson.

Due to COVID-19 travel restrictions delaying Palau from hosting a Congress in-person, the board benefited from the SAI head of Australia, Grant Hehir, occupying the role of Outgoing Chairperson for the last three years. The board also farewelled the SAI head of Tonga, Sefita Tangi, who had served as Polynesia Representative for six years.



▲ Acting Auditor-General of Fiji and Outgoing Chair of PASAI, Sairusi Dukuno (left), handing over the ceremonial gavel to Public Auditor of Palau and Chair of PASAI, Satrunino Tewid (image source: International Journal of Government Auditing)

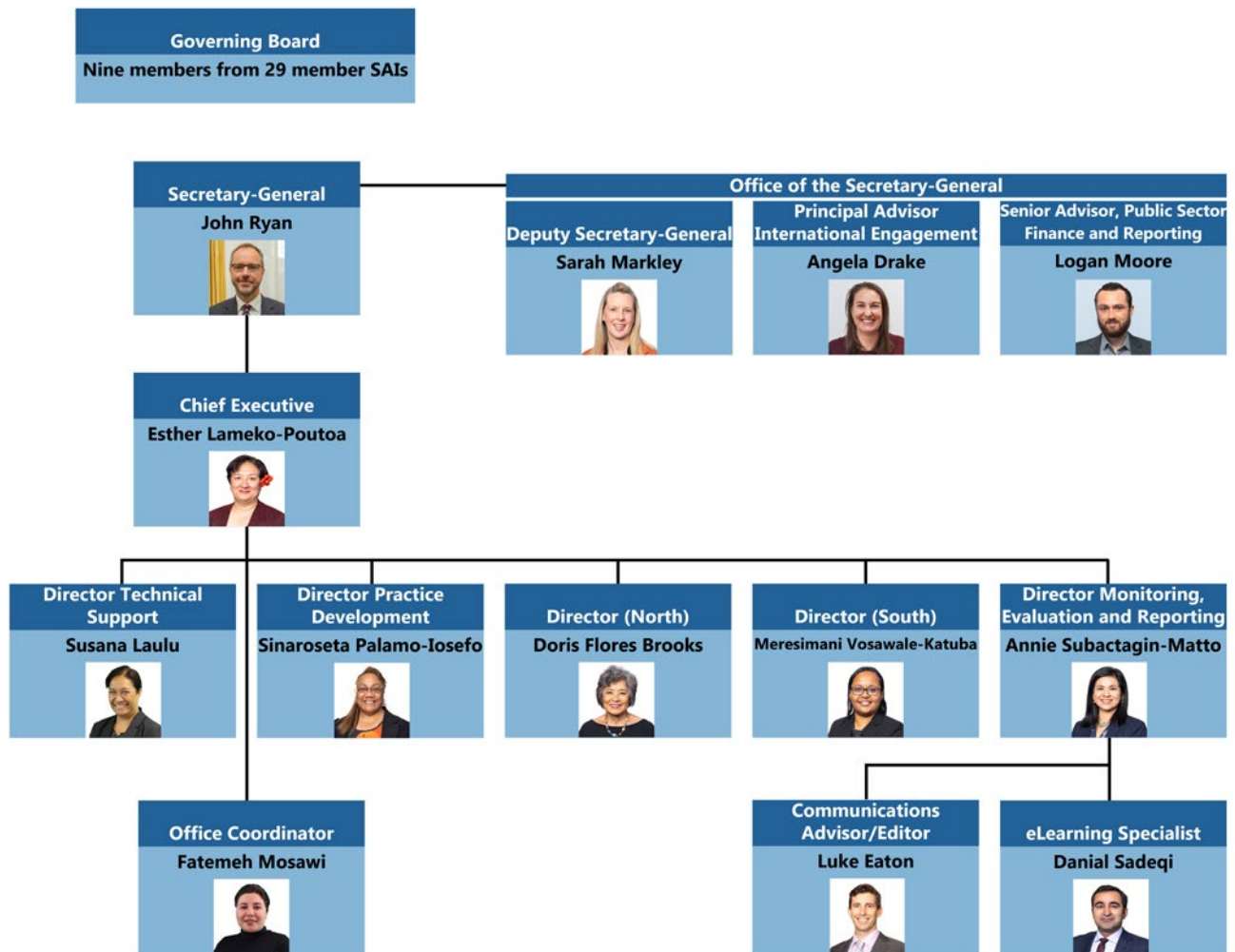
PASAI Secretariat

With the Office of the Secretary-General based in Wellington, three programme directors based in various Pacific Islands and other staff based in Auckland, the Secretariat is well accustomed to working flexibly and remotely.

In September 2022, our Director – Technical Support, Tiofilusi Tiueti, left the Secretariat to become the Minister of Finance for the Government of Tonga. He had been a driving force within the office since joining it in 2015, initially as its Chief Executive.

Our Samoa-based programme director, Susana Laulu, joined the Secretariat in April 2023, having spent the previous nine years as the CEO of the Development Bank of Samoa. We also welcomed a new Office Coordinator, Fatemeh Mosawi, to the Auckland office this year.

The Secretariat team consists of seven women and two men.

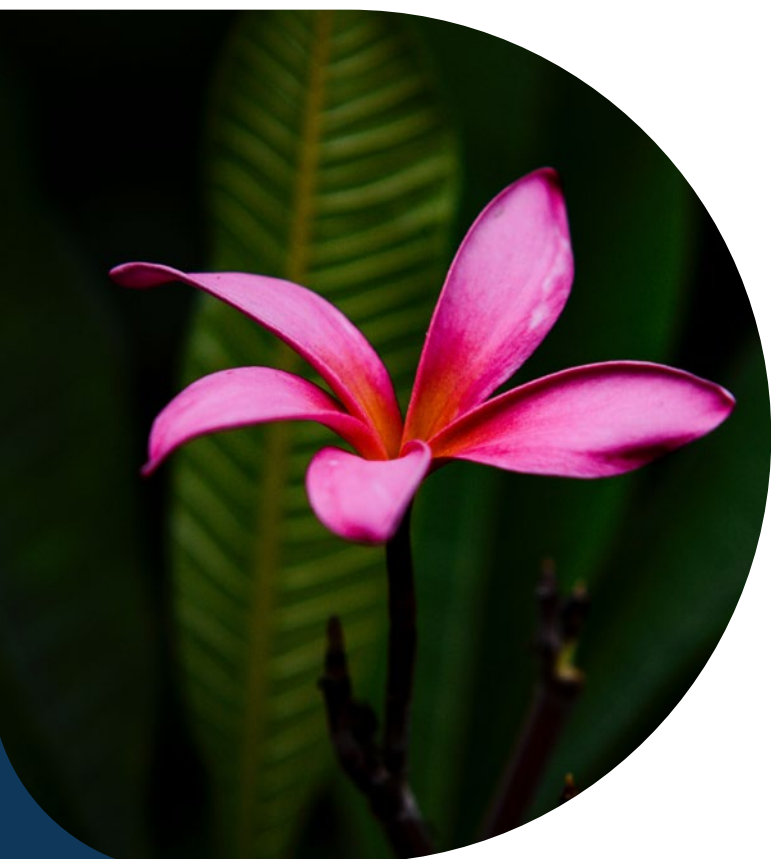


Our financial resources

The budget approved for the year was \$4.2 million (NZD). In line with the agreements, the development partners provided \$2.36 million in the current financial year. Total expenditure during the year was \$3.5 million with spending at 83 per cent of the budget. Total expenditure of \$3.5 million was 31 per cent higher than the total expenditure of the previous year at \$2.6 million.

Thirty-five per cent (35%) was funded by DFAT, and sixty-five per cent (65%) was funded by MFAT. Unspent funds (largely as a result of COVID-19 restrictions on travel and programme delivery) carried forward from the previous year 2021–22 amounted to \$2.33 million. Subsequently, total unspent development partner funds were \$1.17 million at year-end, reduced by fifty per cent (50%). We have budgeted these funds to be used for the programmes and activities of the new financial year.

Details of our financial statements for the financial year ending 30 June 2023 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 New Zealand **Ministry of Foreign Affairs and Trade** (MFAT) and the **Australian Department of Foreign Affairs and Trade** (DFAT) that will support the continuation of our programmes through to the completion of the 2014–2024 strategy.



We collaborate with regional and international organisations and SAIs to deliver capability development initiatives to the Pacific region.

Our Director Practice Development worked with the **INTOSAI Development Initiative (IDI)** as an expert advisor and mentor on its Transparency, Accountability and Inclusiveness of Use of Emergency Funding for COVID-19 (TAI Audits) initiative. SAI Solomon Islands audited 'emergency public procurement' and SAI Tuvalu audited 'socio-economic packages' under this programme. An auditor from SAI Samoa also supported the above SAIs as a mentor.

We worked with the **IDI** to deliver its Professional Education for SAI Auditors (PESA) programme to 77 participants in 12 Pacific Island SAIs. The programme requires mentors but some local SAIs had insufficient senior staff to enable all eligible staff to participate. Three of our directors provided coaching support to assist 11 participants complete modules in the financial, performance and compliance audit streams. We also supported 53 participants by paying their exam fees.

We continued to partner with the **IDI** on an ISSAI-compliant FSG audit programme covering eight SAIs. This programme focuses on building SAI capacity to conduct FSG audits using ISSAI-compliant audit methodology to ensure an effective, efficient and timely audit process. It involves refining a SAI's methodology and developing a Quality Assurance peer review process.

One of our directors was involved in the **IDI TOGETHER** Initiative as a resource person. With a focus on human resources, ethics and gender for SAIs, IDI piloted this initiative in other English-speaking regions.

We also worked with the **IDI** to draft an Auditing for Impact Playbook. This guide is designed to assist smaller as well as larger SAI offices reach their strategic audit goals by using different 'plays' or strategies of what has

worked well for other SAIs globally. It will complement handbooks which are more process-oriented with templates and illustrations.

Our workshops on accounting and reporting standards were delivered in collaboration with the **University of the South Pacific**.

We continue to engage with the **INTOSAI Working Group on Environmental Auditing (WGEA)** to deliver training on environmental performance auditing and participated in workshops to scope potential audits on environmental or climate change topics.

This financial year SAIs Fiji, FSM National, FSM Pohnpei, Guam, Kiribati, Marshall Islands, Tonga, Tuvalu and Vanuatu joined our HR Champions programme, co-delivered with **SAI Sweden**.

We worked with the **Pacific Financial Technical Assistance Centre (PFTAC)** to assess Pillar 7 (external scrutiny and audit) for the Public Expenditure and Financial Accountability (PEFA) assessment of Palau.

SAIs

We demonstrate commitment to our motto, "Pacific auditors working together", by drawing on the expertise of our SAI colleagues to support the Secretariat in delivering regional initiatives.

We collaborated with SAI New Zealand to deliver our IT Policies training and our Leadership programme, including the development of a Community of Practice for SAI leaders and another for emerging leaders in the Pacific region.

The online leadership workshops and communities of practice discussions are examples of the opportunities our training provides for participants to share experiences with others, providing insights into challenges, solutions and what did not work well.

We draw on the expertise existing within the region to design programmes and initiatives that meet the needs of our member SAIs. We designed our HR Champions programme with the support of HR experts from SAI Sweden and staff from SAIs Kiribati and Samoa. We invited a regional Advisory Group to provide feedback on our Human Resources Guide, involving the heads of SAIs FSM National, Solomon Islands and Tuvalu to ensure our resources meet the requirements of our region.



▲ Designing the HR Champions programme in November 2022

For our Communications Programme, SAI Victoria delivered a key component of our Stakeholder Engagement training – which achieved a 100 per cent satisfaction rating.

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

- New Zealand and the Cook Islands;
- New Zealand and Samoa;
- Australian National Audit Office and Papua New Guinea;
- New South Wales and Solomon Islands;
- Queensland and Vanuatu;
- Australian Capital Territory, Victoria and Tasmania with Kiribati;
- Australian Capital Territory, Victoria and Tasmania with Tuvalu;
- Australian Capital Territory, Victoria and Tasmania with Nauru; and
- Victoria and Western Australia with Fiji.

Peer-to-peer arrangements between SAIs enhance our efforts to improve governance in the Pacific. Thanks to DFAT's Institutional Partnership Program, SAI Australia continued to deploy a Senior Advisor to SAI Papua New Guinea.

At Congress in March 2023, SAI heads approved the admission of SAIs Australian Capital Territory and Western Australia as members. Our member SAIs are:



Our commitment to cross-cutting issues

Gender equality

We continue our commitment to promoting gender equality in our own programmes and to raise the awareness of gender equality, diversity and inclusion and its benefits to SAIs in the Pacific region.

Awareness creation using our communications channels and products

We work to create an increased awareness of the benefits of gender equality, diversity and inclusion through our communications channels. In the lead up to International Women's Day in March 2023, we published a blog on the power of language to create a culture of equity and inclusion, we explained the impact of the use of inclusive language on organisational culture.

Our work to mainstream gender in our work programme

We are working to mainstream gender in our human resources and communications course content, and have included a chapter on this topic in the PASAI HR Guide. We published and used an inclusive language factsheet in our Effective Stakeholder Engagement workshop in July 2022 and in-person Communications and Media training in February 2023.

Monitoring and reporting

We continue to collect and report on gender disaggregated data and our Performance Reporting Framework includes a gender indicator and targets, which we report against on an annual basis. Data collection for our regional gender assessment is in progress, and we will use these results to inform discussion on the development of a future programme of work in this area.

Our participation in regional forums

As PASAI's Gender and Inclusion Focal point, our Director Monitoring, Reporting and Evaluation presented on 'The impact of organisational culture on Gender, Diversity and Inclusion (GDI) initiatives' at an AFROSAI-E GDI Forum. Her presentation covered organisational culture as an enabler and vehicle for change, and the need to take a systems-thinking approach to improve diversity and inclusion outcomes in an organisation.



▲ Director Monitoring, Reporting and Evaluation, Annie Subactagin-Matto, presenting during the AFROSAI-E GDI online forum in November 2022

Our international collaboration and thought leadership

We collaborated with SAI Sweden to develop material for a chapter on 'Diversity, Gender and Inclusion' for the PASAI HR Guide.

Our policies and procedures

The PASAI Gender Policy outlines PASAI's commitment to gender equality and equal opportunities. We observe the policy during recruitment, procurement, programme design, delivery and other business-as-usual activities. We give workshop participants equal and reasonable opportunities to contribute and participate during programme activities without limitations based on gender, ethnicity, physical ability or sexual orientation.

We have a zero-tolerance policy on gender discrimination and a code of conduct that promotes gender equality and equal opportunity. We capture gender disaggregated data to reflect the participation of women and men in all our activities. We actively promote the participation of women and have an average of 50 per cent female participants attending our programmes during this reporting period. We also maintain equal opportunity in all recruitment – including that of consultants.

Environmental issues

Environmental auditing

We gathered SAI heads from across Australasia and the Pacific Islands for the 11th meeting of the Regional Working Group on Environmental Auditing (RWGEA) from 9 to 11 May 2023. The event programme was shaped around the themes from the INTOSAI WGEA work plan on climate, biodiversity and the green economy.

Hosted by SAI New South Wales, the working group discussed themes related to the United Nations' Sustainable Development Goals (SDGs) 13 to 15, summarised as Climate Action, Life Below Water and Life On Land. Topics discussed included auditing threats to biodiversity, government responses to climate risk and using Indigenous knowledge to inform an understanding of climate and biodiversity.

During practical workshops, participants scoped and planned potential environmental/climate change audits. They developed lists of environmental audit topics linked to at least one SDG. Groups then selected an audit topic to further develop their audit scope by identifying an objective and, if feasible, criteria. Groups identified a range of potential environmental audits, including topics such as energy transition, disposal of contaminated material, disaster recovery and water regulation.

In another workshop, participants reviewed their potential/planned climate adaptation audits and mapped these against the IDI thematic (content) areas of disaster risk reduction, water resource management, sea level rise and coastal erosion and implementation of climate change adaptation plans or actions. They selected two topics from the list and considered how they could scope these in a way that has regard to the IDIs thematic (approach) areas of governance, effectiveness and inclusiveness. Across the jurisdictions there were common interests in disaster risk reduction, the implementation of climate adaptation actions and strategies to embed inclusiveness in audit scopes.



▲ Attendees of the RWGEA meeting (image source: Audit Office of New South Wales)

Secretariat processes that support sustainability

Given the success of our online learning in the short- to medium-term, we have transitioned towards a blended learning approach, comprising of a mix of self-paced, in-person and online delivery. We anticipate a reduction in our travel-related carbon footprint over time with the adoption of a hybrid delivery model.

We also consider the environment in our business-as-usual operations – for example, focusing on the electronic distribution of documents to minimise printing.

We are considering our approach to measuring our carbon footprint, and will address this in our next strategic plan.

Child protection

In compliance with PASAI's Child Protection Policy, we support the prevention of and response to child protection-related risks.

Health and safety

The PASAI Health and Safety Policy follows the New Zealand Health and Safety at Work Act 2015 and is endorsed by DFAT and MFAT. We take a proactive approach to identify and manage health and safety hazards in the workplace and during workshops and other events. Health and safety risks are considered for each participant during travel or when in-country.

The health and safety of staff during the COVID-19 pandemic were overseen with advice provided by SAI New Zealand/Office of the Secretary-General with reference to New Zealand Government advice and best practice.

Annex I – Financial statements for the year ended 30 June 2023

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▲ SAI FSM National delegate, Franny P Johnny, holding a model canoe at Congress

Directory for the year ended 30 June 2023

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 2023

Office Holders	<u>Chairperson:</u> Satrunino Tewid, Public Auditor, Palau - Appointed February 2023
	<u>Secretary - General:</u> John Ryan, Controller & Auditor-General, New Zealand
	<u>Governing Board:</u> Sairusi Dukuno, Acting Auditor-General, Fiji - Appointed March 2023 Caleb Sandy, Auditor-General, Vanuatu Junior Patrick, Auditor-General, Marshall Islands Imase Taai Kaunatu, Auditor General, Tuvalu - Appointed March 2023 Florence Bonnafoux, Territorial Chamber of Accounts, New Caledonia Fuimaono Camillo Afele, Controller and Auditor-General, Samoa Desmond Wildin, Director of Audit, Cook Islands - Appointed March 2023
	<u>Chief Executive:</u> Esther Lameko-Poutoa, PASAI Secretariat, New Zealand

PASAI Members	American Samoa Australia – ANAO - National Office Australia - Australian Capital Territory Australia – NSW State Australia – QLD State Australia – VIC State Australia - Western Australia 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 Northern Mariana Islands Palau Papua New Guinea Samoa Solomon Islands Tonga Tuvalu Vanuatu
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Auditor	RSM Hayes Audit Chartered Accountants 1 Broadway, Newmarket, Auckland
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Bankers	Westpac New Zealand Limited
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Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

	Notes	2023 NZD	2022 NZD
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Development Partner Contributions	5	3,547,359	2,690,119
Total revenue from non-exchange transactions		3,547,359	2,690,119
REVENUE FROM EXCHANGE TRANSACTIONS			
Dividend Income		360	374
Membership Subscriptions		150,110	139,814
Total revenue from exchange transactions		150,470	140,188
TOTAL REVENUE		3,697,829	2,830,307
EXPENSES			
Personnel Expenses	6	1,141,678	1,247,347
Consultancy Expenses	6	1,202,493	1,069,216
Depreciation	10	15,540	15,629
Programme Expenses	6	634,406	12,728
Secretariat Travel Expenses	6	5,605	12,089
Secretariat Operational Expenses	6	320,084	288,859
Governance Expenses	6	227,426	-
TOTAL EXPENSES		3,547,232	2,645,868
Interest Income		37,493	4,344
NET FINANCE INCOME		37,493	4,344
OPERATING SURPLUS/ (DEFICIT)		188,090	188,783
OTHER GAINS/ (LOSSES)			
Gain/ (Loss) on foreign exchange transactions		(37,303)	(51,543)
SURPLUS/ (DEFICIT) FOR THE YEAR BEFORE TAX		150,787	137,240
Income Tax Expense	11	10,285	1,008
SURPLUS/ (DEFICIT) FOR THE YEAR AFTER TAX		140,502	136,232
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		140,502	136,232


These financial statements should be read in conjunction with the notes to the financial statements and the Auditor's Report.



Statement of Financial Position as at 30 June 2023

	Notes	2023 NZD	2022 NZD
ASSETS			
Current			
Cash and cash equivalents	7	1,854,736	2,906,146
Term Deposits		187,542	182,380
Receivables from exchange transactions	8	15,128	526
Prepayments	9	4,048	4,003
Income tax receivable		290	186
Total current assets		2,061,744	3,093,241
Non-current			
Property, plant and equipment	10	16,993	32,533
Total non-current assets		16,993	32,533
TOTAL ASSETS		2,078,737	3,125,774
LIABILITIES			
Current			
Payables from exchange transactions	12	217,920	213,257
Employee benefits	13	34,119	40,500
Grants Received in Advance	14	1,152,553	2,338,374
Total current liabilities		1,404,592	2,592,131
TOTAL LIABILITIES		1,404,592	2,592,131
NET ASSETS		674,145	533,643
EQUITY			
Retained Earnings		674,145	533,643
TOTAL EQUITY		674,145	533,643


The financial statements on pages 53 to 69 and the performance report on pages 22 to 37 are approved on behalf of the governing board.



 Satrunino Tewid
 Public Auditor, Palau
 Chairman, PASAI

19/09/2023

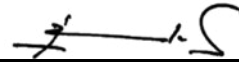
 Date



 John Ryan,
 Controller & Auditor-General, New Zealand
 Secretary-General

19/09/2023

 Date



 Esther Lameko-Poutoa
 Chief Executive

19/09/2023

 Date

These financial statements should be read in conjunction with the notes to the financial statements and the Auditor's Report.

Statement of Changes in Net Assets/Equity for the year ended 30 June 2023

	Retained earnings	Total equity
	NZD	NZD
Balance 1 July 2022	533,643	533,643
Surplus/ (Deficit) for the year	140,502	140,502
Total comprehensive revenue and expense	140,502	140,502
Balance 30 June 2023	674,145	674,145
Balance 1 July 2021	397,411	397,411
Surplus/ (Deficit) for the year	136,232	136,232
Total comprehensive revenue and expense	136,232	136,232
Balance 30 June 2022	533,643	533,643

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 2023

	Notes	2023 NZD	2022 NZD
Cash flow from operating activities			
<i>Cash was provided from/(applied to):</i>			
Membership subscriptions		135,179	140,536
Receipts from Development Partners		2,324,236	3,153,906
Payments to suppliers & employees		(3,543,515)	(2,503,764)
Net cash from/(used in) operating activities		(1,084,100)	790,678
Cash flow from investing activities			
<i>Cash was provided from/(applied to):</i>			
Proceeds from/(funds for) term deposits		(5,162)	(1,456)
Purchase of property, plant and equipment		0	(20,301)
Interest and dividends received		37,852	4,308
Net cash from/(used in) investing activities		32,690	(17,449)
Net increase/(decrease) in cash and cash equivalents		(1,051,410)	773,229
Cash and cash equivalents, beginning of the year		2,906,146	2,132,917
Cash and cash equivalents at end of the year	7	1,854,736	2,906,146

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 2023

1 Reporting entity

These financial statements comprise the financial statements of Pacific Association of Supreme Audit Institutions for the year ended 30 June 2023.

The financial statements have been authorised for issue by the Governing Board on the date indicated on page 4.

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 \$33 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 2023

(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:

Computer and Technology	17.5% - 40% (2-6 years)
Office Equipment	10% - 25% (4-10 years)

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) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment based on expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Notes to the Financial Statements for the year ended 30 June 2023

(f) Financial assets

PASAI classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- measured at amortised cost

The classification depends on the Entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through surplus or deficit

Financial assets that do not meet the criteria for amortised cost are measured at fair value through surplus or deficit.

The Entity's derivatives are recognised in this category. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non current.

Amortised cost

The Entity classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method.

Initial recognition

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

Impairment of financial assets

The Entity assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Entity applies the simplified approach to providing for expected credit losses prescribed by PBE IPSAS 41, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

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.

(g) 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 2023

(h) 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.

(i) 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.

(j) Goods and Services Tax (GST)

All amounts in these financial statements are shown inclusive of GST, as PASAI is not registered for GST.

(k) Changes in account policies

Adoption of PBE IPSAS 41

PASAI has adopted PBE IPSAS 41 Financial Instruments in the current financial year. This standard replaces the provisions of PBE IPSAS 29 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in PBE IPSAS 41 comparative information for the 30 June 2023 period have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with PASAI's previous accounting policies.

There have been no other changes in accounting policies. All other policies have been applied on a basis consistent with those from previous financial statements.



Notes to the Financial Statements for the year ended 30 June 2023

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.
- Trade receivables - PASAI assesses expected credit losses arising from its trade receivables at the end of each reporting period. The level of provision recognised is based on assumptions about risk of default and expected loss rates. The entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on PASAI's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The majority of property, plant and equipment held by PASAI is classified as cash generating assets.

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 2023

5 Development Partner Contributions

	2023	2022
	NZD	NZD
The Department of Foreign Affairs and Trade	1,247,184	1,179,266
The Ministry of Foreign Affairs and Trade	2,300,175	1,434,194
United Nations Development Programme	-	76,659
Total Development Partner Contributions	3,547,359	2,690,119

6 Expenses

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

	2023	2022
	NZD	NZD
Personnel Expenses		
ACC Levies	1,800	2,390
Employer Kiwisaver Contributions	23,078	22,132
Payroll Processing Fees	1,108	1,088
Recruitment Expenses	13,800	-
Staff Training	3,759	3,718
Salaries	1,098,133	1,218,019
Total Personnel Expenses	1,141,678	1,247,347
Consultancy Expenses		
Consultancy - Fees	1,075,792	1,044,067
Consultancy - Airfares	60,534	16,385
Consultancy - Accommodation	27,256	5,191
Consultancy - Per Diem	38,911	3,573
Total Consultancy Expenses	1,202,493	1,069,216
Programme Expenses		
Programme - Airfares	310,528	7,724
Programme - Accommodation	206,387	2,873
Programme - Per Diem	26,235	2,131
Programme - Venue Hire	24,379	-
Programme - Event Catering	45,354	-
Facilitator - Fees	21,523	-
	634,406	12,728
Secretariat Travel Expenses		
Secretariat - Travel	2,950	7,294
Secretariat - Accommodation	1,549	2,524
Secretariat - Per Diem	1,106	2,271
Total Secretariat Travel Expenses	5,605	12,089
Secretariat Operational Expenses		
Audit Fee	15,991	22,180
Accounting Fees	69,195	70,317
Bank Fees	7,023	3,217
Cleaning	7,563	3,906
Communication	27,735	22,117
Electricity	2,169	2,119
Health and Safety	166	-

Notes to the Financial Statements for the year ended 30 June 2023

Secretariat Operational Expenses (contd.)	2023	2022
	NZD	NZD
Insurance	9,468	4,792
Information Technology Expenses	28,837	9,567
Equipment Lease	8,511	8,266
Office Expenses	3,674	5,332
Postage, Printing & Stationery	1,783	1,463
Rent	100,738	101,287
Subscriptions	37,231	34,296
Total Secretariat Operational Expenses	320,084	288,859

Governance Expenses		
Governance - Accommodation	37,644	-
Governance - Event Catering	55,915	-
Governance - Other Expense	4,432	-
Governance - Per Diem	16,099	-
Governance - Travel	111,539	-
Governance - Venue Hire	1,797	-
Total Governance Expenses	227,426	-

7 Cash and cash equivalents	2023	2022
	NZD	NZD
Westpac New Zealand Limited Cheque	189,408	930,964
Westpac New Zealand Limited MFAT	814,351	1,040,989
Westpac New Zealand Limited DFAT	850,977	934,193
Total cash and cash equivalents	1,854,736	2,906,146

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	2023	2022
	NZD	NZD
Accounts Receivable	14,567	-
Interest Income Receivable	561	526
Total receivables from exchange transactions	15,128	526

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 2022 and 2023, all overdue receivables have been assessed for impairment and no allowances were made.

9 Prepayments	2023	2022
	NZD	NZD
Insurance Prepaid	4,048	3,021
Travel Expenses Prepaid	-	982
Total prepayments	4,048	4,003

Notes to the Financial Statements for the year ended 30 June 2023

10 Property, plant and equipment

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

2023

Cost

	Computer Equipment NZD	Office Equipment NZD	Total NZD
Balance as at 1 July 2022	58,911	36,614	95,525
Additions	-	-	-
Disposals	-	-	-
Balance as at 30 June 2023	58,911	36,614	95,525

Accumulated depreciation

Balance as at 1 July 2022	36,531	26,461	62,992
Depreciation	14,318	1,222	15,540
Disposals	-	-	-
Balance as at 30 June 2023	50,849	27,683	78,532

Net Book Value as at 30 June 2023

8,062	8,931	16,993
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2022

Cost

	Computer Equipment NZD	Office Equipment NZD	Total NZD
Balance as at 1 July 2021	38,610	36,614	75,224
Additions	20,301	-	20,301
Disposals	-	-	-
Balance as at 30 June 2022	58,911	36,614	95,525

Accumulated depreciation

Balance as at 1 July 2021	22,124	25,239	47,363
Depreciation	14,407	1,222	15,629
Disposals	-	-	-
Balance as at 30 June 2022	36,531	26,461	62,992

Net Book Value as at 30 June 2022

22,380	10,153	32,533
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11 Income tax expense

Current tax expense

Current year	10,285	1,008
	10,285	1,008

Deferred tax expense

Origination and reversal of temporary differences	-	-
	-	-

Total tax expense

10,285	1,008
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Notes to the Financial Statements for the year ended 30 June 2023

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

	2023 NZD	2022 NZD
Operating surplus / (deficit) before income tax	150,787	137,240
Non taxable income	(3,660,166)	(2,762,389)
Tax exempt income	(1,000)	(1,000)
Non taxable dividend	(15)	(13)
	<u>(3,510,394)</u>	<u>(2,626,162)</u>
Net Increase / (Decrease) in employee entitlements	(9,702)	10,811
Add Back		
ICA credits attached to dividends received	40	42
Non deductible expenses	3,556,936	2,619,058
	<u>36,880</u>	<u>3,749</u>
At statutory tax rate of 28%	10,325	1,050
ICA credits attached to dividends received	(40)	(42)
	<u>10,285</u>	<u>1,008</u>

Deferred Tax

There is no deferred tax asset/liability.

12 Payables under exchange transactions

	2023 NZD	2022 NZD
Current		
Accounts Payable	194,554	191,737
Westpac MasterCard	2,672	298
Audit Fee Payable	20,000	20,000
Sundry Payables	694	1,222
Total current	<u>217,920</u>	<u>213,257</u>
Total payables under exchange transactions	<u>217,920</u>	<u>213,257</u>

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 \$694 resulting from foreign exchange movement on member contributions. The credit will offset member contributions in the following financial year.

13 Employee benefits

	2023 NZD	2022 NZD
Current		
Annual leave entitlements	34,119	43,820
Salaries payable	-	(3,320)
Total employee benefits	<u>34,119</u>	<u>40,500</u>

14 Grants Received in Advance

	2023 NZD	2022 NZD
Current		
The Ministry of Foreign Affairs and Trade	781,156	1,581,331
The Department of Foreign Affairs and Trade	371,397	757,043
	<u>1,152,553</u>	<u>2,338,374</u>

During the year, PASAI received a grant totalling \$1,500,000 from the Ministry of Foreign Affairs and Trade to fund Programmes for Pacific SAIs to improve independence and sustainability. \$1,581,331 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 \$861,538 from the Department of Foreign Affairs and Trade to fund Programmes for Pacific SAIs to improve independence and sustainability. \$757,043 of grant funding was carried over from the previous financial year which was partly utilised in the current financial year.

Notes to the Financial Statements for the year ended 30 June 2023

15 Commitments

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

Non-cancellable operating leases are payable as follows:

Less than one year
Between one and five years

Total operating leases

2023	2022
NZD	NZD
89,466	79,063
-	76,307
89,466	155,370

Lease of Land & Buildings

Property: Suite 2, Level 1, "Heards Building", 168 Parnell Road, Parnell, Auckland, New Zealand

Annual Rent: \$80,954

Rent payments: Monthly

Rent Reviews: 2 yearly

Right of Renewal: 1 July 2024

Lease of Assets

Asset: Fuji Xerox Copier

Monthly Rent: \$709

Term: Rolling monthly from 14 October 2021 (Prior 12 months contract)

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 "Amortised cost" 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.

2023	Amortised cost
	NZD
Financial assets	
Cash and cash equivalents	1,854,736
Accounts receivable and other receivables	15,128
Total	1,869,864

	Amortised cost
	NZD
Accounts payable and other payables	217,920
Total	217,920

2022	Amortised cost
	NZD
Financial assets	
Cash and cash equivalents	2,906,146
Accounts receivable and other receivables	526
Total	2,906,672

	Amortised cost
	NZD
Accounts payable and other payables	213,257
Total	213,257

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Notes to the Financial Statements for the year ended 30 June 2023

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.

19 Key management compensation

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

Key management personnel compensation includes the following expenses:

	2023 NZD	2022 NZD
Salaries and other short-term employee benefits	581,286	666,179
Total remuneration	581,286	666,179
Number of persons recognised as key management personnel determined on a full time basis	3.42	4.00

The number of key management personnel reduced during the period as one New Zealand based Director was replaced with a role located in the region.

Independent Auditor's Report

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

Opinion

We have audited the general purpose financial report (hereinafter referred to as 'financial report') of the Pacific Association of Supreme Audit Institutions Incorporated (the Association), which comprises the financial statements on pages 55 to 69 and the service performance information on pages 22 to 37. The complete set of financial statements comprises the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial report presents fairly, in all material respects:

- the financial position of the Association as at 30 June 2023, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2023 in accordance with the entity's service performance criteria;

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 of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Association in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 Association.

Other matter

The corresponding service performance information for the year ended 30 June 2022 is unaudited.

Other information

The governing board is responsible for the other information. The other information are on pages 1 to 21 and 38 to 54 (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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In connection with our audit of the financial report, 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 report 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 report

The governing board is responsible, on behalf of the Pacific Association of Supreme Audit Institutions Incorporated, for:

- the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- such internal control as the governing board determine is necessary to enable the preparation of financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the governing board is responsible for assessing the Association'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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the service performance information, 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) and NZ AS 1 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>

Who we report to

This report is made solely to the members, as a body. Our audit work 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 Pacific Association of Supreme Audit Institutions Incorporated and the members as a body, for our audit work, for this report, or for the opinions we have formed.

A stylized, handwritten-style logo of the letters 'RSM' in blue ink.



**Pacific auditors working
together**

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