

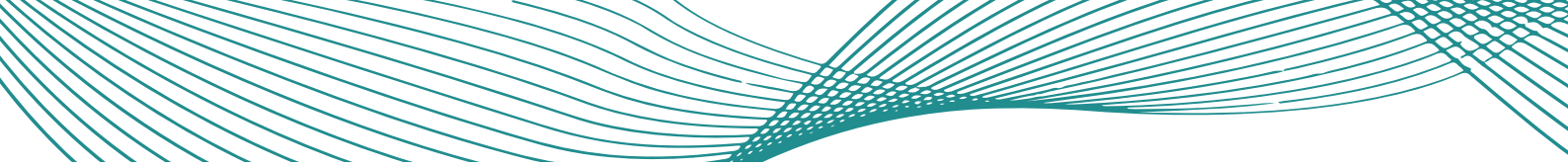
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# CHARTER OF THE PACIFIC ASSOCIATION OF SUPREME AUDIT INSTITUTIONS

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July 2009, Palau

August 2016, Pohnpei, Federated States of Micronesia



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## PREAMBLE

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The Pacific Association of Supreme Audit Institutions ("PASAI") grew from the South Pacific Association of Supreme Audit Institutions ("SPASAI"), which was formed in 1987 by a group of Supreme Audit Institutions ("SAIs") in the Pacific which had been meeting triennially since 1971.

SPASAI's objective since its formation had been to promote understanding and co-operation among SAIs in the Pacific, to fortify and strengthen SAIs through training and continuing education, and to serve as a regional working group of the International Organisation of Supreme Audit Institutions ("INTOSAI").

Developing the capacity and independence of Pacific SAIs through regional initiatives was, and continues to be, essential to enhancing and stimulating economic growth, sustainable development, good governance, and security, and to combating corruption, in the Pacific.

In 2009, it was recognised that the organisation's role and structure needed to be enhanced if it was to help achieve those ends and work effectively in conjunction with development organisations.

To better reflect the diversity and spread of its membership, it was also desirable to change the name of the organisation to the Pacific Association of Supreme Audit Institutions.

The Congress of PASAI accordingly resolved to adopt this Charter at its 12th meeting in Palau in July, 2009.

The Congress at its 19th meeting at Pohnpei, Federated States of Micronesia, in August 2016 has now resolved to reaffirm the Charter, with amendments to reflect changes to PASAI's mandate, structure, and operational context.



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# ARTICLE 1 – OBJECTIVE AND MANDATE

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## Section 1

PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific.

## Section 2

PASAI contributes to that goal by helping its member SAIs improve the quality of public sector auditing in the Pacific to recognised high standards.

## Section 3

To that objective, PASAI's mandate is to:

- (a) Strengthen understanding, co-operation, and co-ordination between its members.
- (b) Advocate the interests of good governance, including transparency, accountability, and the need for strong and independent SAIs, to governments and citizens in the Pacific region.
- (c) Build and sustain public auditing capacity and the completion of high quality, timely audits across the Pacific by sharing knowledge with, and providing support to, its members.
- (d) Assist its members to perform their auditing functions, including through co-operative audits and similar activities.
- (e) Serve as a regional working group of INTOSAI, in the interests of all SAIs in the Pacific and beyond.
- (f) Encourage co-operation with other SAIs, other regional working groups and organs of INTOSAI, and other organisations working to improve public sector governance outcomes in the Pacific.



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## ARTICLE 2 – PRINCIPLES

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PASAI members agree and affirm the following principles, which underpin the functioning of PASAI and their interactions with each other:

- (a) The autonomy and independence of each member are to be respected and preserved.
- (b) Taking a regional approach to a common issue should support the individual needs and approaches of members.
- (c) PASAI's resources are to be made available to all its members, irrespective of their geographical location or constitutional status.
- (d) The appropriate involvement of private sector auditors in public sector auditing, under the auspices of SAI heads, is to be supported and promoted.

These principles should be read together.

## ARTICLE 3 – MEMBERSHIP

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### Section 1

Participation as a member of PASAI is open to:

- (a) SAIs; and
- (b) state, provincial or territorial government audit offices in Melanesia, Micronesia, Polynesia, and Australasia, together comprising the region of Oceania.

### Section 2

The members of PASAI on the date of adopting this Charter continue as members, as of right.

### Section 3

A new member may be admitted, with the Governing Board's agreement and the Congress's approval. Pending the Congress's approval, a new member may pay membership subscriptions and participate as a member but without voting rights at a meeting of the Congress.

### Section 4

Membership ceases 6 months after a member gives notice of withdrawal to the Governing Board.



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## ARTICLE 4 – RESPONSIBILITIES OF MEMBERS

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Each member:

- (a) Commits itself to the objective of improving public sector auditing in the Pacific to recognised high standards, by pursuing technical excellence, effective management, and high standards of integrity and independence.
- (b) Participates in PASAI to the extent that its resources and capacity allow, and contributes constructively to its work and activities.
- (c) Pays membership fees.
- (d) Supports the work of the Governing Board, the Secretary-General, the Chief Executive, and the Secretariat, and responds in a timely way to requests for information and assistance.
- (e) Makes its staff available, as far as is practicable, for PASAI's activities.
- (f) Shares information on subjects of common professional and technical interest, and makes constructive use of the support and assistance which PASAI provides.

## ARTICLE 5 – ORGANISATION

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PASAI consists of the Congress, the Governing Board, and the Secretariat. Its office holders are the Chairperson, the Secretary-General, and the Chief Executive.



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## ARTICLE 6 – THE CONGRESS

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### Section 1

The Congress is the supreme authority of PASAI, and consists of all PASAI's members.

### Section 2

The Congress:

- (a) Endorses PASAI's long term strategies and direction, and guides the Governing Board in attaining PASAI's objective.
- (b) At each meeting, appoints members of the Governing Board in accordance with section 2 of article 8.
- (c) Decides which member of PASAI will host the next meeting of the Congress.
- (d) Nominates the head of a member SAI to be PASAI's representative on INTOSAI's Governing Board.
- (e) On the recommendation of the Governing Board:
  - i. Approves the admission of new members.
  - ii. Confirms the designation of the Secretary-General.
  - iii. Decides where the Secretariat is to be located.
  - iv. Fixes membership subscriptions.
- (f) Performs any other power or responsibility conferred upon it by this Charter.

### Section 3

The Congress meets at least once every two years. All members and the Chief Executive may attend a meeting, and the quorum is not less than one half of the members. A member may be represented at a meeting by its head or by a duly authorised delegate.

### Section 4

The head of the member hosting a forthcoming meeting of the Congress may, after consulting the Chairperson, invite individuals or organisations to attend as observers.





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## Section 5

The Congress seeks consensus in its decisions. In the absence of consensus, decisions must be made by a simple majority vote at a meeting (except as this Charter otherwise requires), with each member represented having one vote.

## Section 6

The Chairperson must convene a special meeting of the Congress, if requested by the Governing Board (by a simple majority vote at a meeting of the Governing Board) or by not less than one half of the members of PASAI. The Chairperson must give every member at least one month's advance notice of a special meeting. At the Chairperson's discretion, a special meeting may take place at a venue or by telephone, videoconference, or other means of electronic communication.

## Section 7

The Congress need not perform the power under section 2(b) at a special meeting unless it decides otherwise.

## Section 8

Should it be necessary between meetings of the Congress to perform a power reserved to the Congress (except a power in article 14), the Secretary-General may perform the power after consulting with the Governing Board. The Secretary-General must inform all members of PASAI promptly of such action, once taken, and the action must be an item for consideration at the following meeting of the Congress.



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## ARTICLE 7 – THE CHAIRPERSON

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### Section 1

The head of the member hosting a meeting of the Congress becomes the Chairperson of PASAI upon the opening of the meeting, and holds office as Chairperson until the opening of the following meeting of the Congress. However, a Chairperson who convenes a special meeting under section 6 of article 6 remains the Chairperson throughout that meeting and until the opening of the following regular meeting of the Congress.

### Section 2

The Chairperson:

- (a) Chairs meetings of, and provides leadership to, the Congress and the Governing Board.
- (b) Represents PASAI in Oceania and internationally (except on INTOSAI's Governing Board).

### Section 3

The Congress or the Governing Board may appoint an acting Chairperson to chair a meeting in the Chairperson's absence.

## ARTICLE 8 – THE GOVERNING BOARD

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### Section 1

The Governing Board sets PASAI's direction under the Congress's guidance, and oversees and directs PASAI's activities.



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## Section 2

The Governing Board consists of:

- (a) The Chairperson.
- (b) The immediate past Chairperson.
- (c) The head of the member designated to host the next Congress.
- (d) Three representatives appointed by the Congress, one for each of the Melanesian, Micronesian, and Polynesian language and geographical groupings in Oceania, the representative in each case to be the head of a member belonging in the relevant grouping.
- (e) One representative appointed by the Congress for the other language or geographical groupings in Oceania, the representative to be the head of a member belonging in one of those groupings.
- (f) The Secretary-General.
- (g) The head of a member of PASAI that has been elected by the Congress of INTOSAI, on PASAI's nomination, as a member of INTOSAI's Governing Board (unless the member is also a member of PASAI's Governing Board in another capacity).

The Congress must appoint the representatives under paragraph (d) and paragraph (e) for terms of up to three years, it being desirable that at least one representative's term will expire at each regular meeting of the Congress. A representative whose term has expired may be reappointed, if that is the wish of the relevant grouping or groupings.

In this section (but subject to sections 1 and 3 of article 9 in relation to the Secretary-General), the terms "head of the member" and "head of a member" mean a person who:

- (a) for the time being holds office as the duly appointed or elected head of the SAI; or
- (b) is in the position of acting head of the SAI, and has the prior written agreement of the Chairperson or the Secretary-General to represent the SAI at meetings of the Governing Board.

Note: Paragraph (g) was inserted by amendment passed at the 20th PASAI Congress at Tuvalu, August 2017.

## Section 3

The Governing Board may co-opt one or more additional members, for such term as the Governing Board considers appropriate. The power of co-option may be exercised only for a specific purpose identified by the Governing Board, and a co-opted member must at all times be represented by the member's duly appointed or elected head or, with the agreement of the Chairperson or the Secretary-General, by a person in the position of acting head.

The Chairperson must notify all members of PASAI of the performance of the power, the name of the co-opted member, and the purpose of the co-option.



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## Section 4

The Governing Board:

- (a) Considers requests for membership of PASAI, and admits new members subject to approval by the Congress.
- (b) Formulates strategy and policy, and approves long term strategic plans for endorsement by the Congress.
- (c) Approves PASAI's annual operational plans and budgets, approves work programs prepared in co-operation with development organisations, and enters arrangements for the funding of those programs.
- (d) Supports and assists the Chairperson and the Secretary-General in the performance of their respective powers and responsibilities.
- (e) Designates the Secretary-General, subject to confirmation by the Congress.
- (f) Recommends to the Congress where the Secretariat should be located.
- (g) Appoints or removes the Chief Executive.
- (h) Appoints auditors of PASAI's financial statements and, as necessary, any program administered by PASAI.
- (i) Performs its financial powers and responsibilities under article 12, and recommends the level of membership fees to the Congress.
- (j) Approves operational rules and policies for the conduct of PASAI's activities, prepared by the Chief Executive.
- (k) Appoints committees and, at its discretion, co-opts individuals (including individuals nominated by members) to serve on a committee.
- (l) Performs any other power or responsibility conferred upon it by this Charter.

## Section 5

The Governing Board may delegate any of its powers and responsibilities under paragraph (b), (c), (d), (g), (h), and (j) of section 4 to a committee of the Governing Board, the Chairperson, or the Secretary-General. Any decision made in the exercise of such powers or responsibilities must be confirmed at the next meeting of the Governing Board, but is effective from the date on which it was made.

The Governing Board may delegate any of its financial powers and responsibilities under article 12 to the Secretary-General or the Chief Executive.



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## Section 6

The Governing Board meets at least once every year, at a venue to be decided by the Chairperson after consulting the members of the Governing Board. The quorum for a meeting is not less than one half of the members of the Governing Board.

## Section 7

The Chairperson may call a special meeting of the Governing Board, and must do so if a majority of members of the Governing Board request. At the Chairperson's discretion, a special meeting may take place at a venue or by telephone, videoconference, or other form of electronic communication.

## Section 8

The Chief Executive is entitled to attend a meeting of the Governing Board. Members of the Secretariat and consultants of PASAI may attend all or part of a meeting, with the agreement of the Chairperson and the Chief Executive.

The Chairperson may, after consulting the Secretary-General and the Chief Executive, invite development organisations, individuals or other organisations to be represented at or attend a meeting of the Governing Board as observers.

## Section 9

The Secretary-General must, in respect of every meeting of the Governing Board:

- (a) Notify the head of every member of PASAI, in advance, of the date and agenda for the meeting.
- (b) Send the minutes of the meeting to the head of every member of PASAI, as soon as practicable after the meeting, whether or not the minutes have been formally confirmed by the Governing Board.

## Section 10

The Governing Board seeks consensus in its decisions, to be made in each case by a resolution recorded in writing.

In the absence of consensus at a meeting (by whichever means the meeting takes place), decisions must be made by a simple majority vote, with each member of the Governing Board present having one vote.

A decision may be made between meetings, by a resolution signed or assented to by all the members of the Governing Board who are available at the time (determined by the Chairperson) by which the decision must be made (subject to there being a quorum). Any such resolution must be confirmed at the next meeting of the Governing Board, but is effective from the date on which it is made.



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## ARTICLE 9 – THE SECRETARY-GENERAL

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### Section 1

The Secretary-General holds office as follows:

- (a) The Governing Board designates the member of PASAI whose head for the time being (including an acting head) is to be the Secretary-General.
- (b) The designated member must be a member of INTOSAI.
- (c) The designation is subject to confirmation by the Congress.
- (d) The term of a designation is no more than four years and is subject to renewal.
- (e) The Governing Board may review its designation at any time, and must do so if the head (or acting head) of the designated member so requests.

### Section 2

The Secretary-General:

- (a) Is responsible to the Governing Board for the oversight of PASAI's operations, as carried out by the Secretariat in accordance with PASAI's long term strategic plans, operational plans, and work programs, between meetings of the Governing Board.
- (b) Provides leadership and guidance to the Secretariat and advises the Congress, the Chairperson, and the Governing Board.
- (c) Supports the host in planning meetings of the Congress, and the Chairperson in planning meetings of the Governing Board.
- (d) Oversees the Chief Executive's performance and facilitates the working relationship between the Chief Executive and the Governing Board.
- (e) Manages PASAI's relationship and interactions with INTOSAI and other regional working groups, in conjunction with PASAI's representative on INTOSAI's Governing Board.
- (f) Performs any other power or responsibility conferred upon the Secretary-General by this Charter.

### Section 3

The head or acting head of a designated member may perform the powers and responsibilities of the office of Secretary-General pending confirmation of the designation by the Congress, if authorised by the Governing Board to do so. The Chairperson may perform those powers and responsibilities if no member is willingly designated, or if the position of Secretary-General is otherwise vacant.



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## Section 4

The Secretary-General may delegate a power, including a power delegated by the Governing Board, to the Chief Executive or an employee of the SAI headed by the Secretary-General, but must give written notice of the delegation to the Chairperson.

# ARTICLE 10 – THE SECRETARIAT

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## Section 1

The Secretariat is PASAI's operational and administrative organ, and is located in a place determined by the Congress on the Governing Board's recommendation. The Governing Board must review the Secretariat's location at least once every four years.

## Section 2

The Secretariat:

- (a) Develops, implements, monitors, reports on, and evaluates PASAI's long term strategies, annual operational plans, and work programs, under the direction of the Governing Board and in accordance with funding arrangements made with development organisations.
- (b) Keeps PASAI's records and files, and administers its financial affairs in accordance with article 12 using such legal capacity as is established under article 13.
- (c) Disseminates information to members, encourages the sharing of knowledge and co-operation, and provides members with support and assistance as directed by the Governing Board.
- (d) Gives logistical support for meetings of the Congress and the Governing Board.
- (e) Assists the Chairperson, the Governing Board, and the Secretary-General to perform their powers and responsibilities.
- (f) Performs any other responsibility conferred upon it by the Governing Board.



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## ARTICLE 11 – THE CHIEF EXECUTIVE

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### Section 1

The Chief Executive is the chief executive officer of the Secretariat, and is responsible to the Governing Board under the oversight of the Secretary-General.

### Section 2

The Chief Executive:

- (a) Leads and manages the Secretariat and its resources, appoints or removes staff, oversees staff performance, and performs any other designated responsibilities.
- (b) Supports the Chairperson, the Governing Board, and the Secretary-General in performing their respective powers and responsibilities.
- (c) Maintains PASAI's long term strategic focus, and ensures that PASAI communicates effectively with its members and other interested persons and organisations.
- (d) Works with development organisations and others, and seeks funding, to implement PASAI's strategies, operational plans, and work programs.

### Section 3

With the Secretary-General's written approval, the Chief Executive may delegate a power or responsibility, including a power or responsibility delegated by the Governing Board or the Secretary-General, to another member of the Secretariat.





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# ARTICLE 12 – FINANCIAL PROVISIONS AND AUDIT

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## Section 1

PASAI's funds consist of:

- (a) Membership subscriptions and other financial contributions paid by members.
- (b) Grants or donations received from development organisations (including governments), public or private institutions, or individuals, for general or specified purposes.
- (c) Income from publications, conferences, and other activities.
- (d) The proceeds of sale of any assets.
- (e) Interest earned from the investment of surplus cash.
- (f) Any other income approved by the Governing Board.

## Section 2

PASAI's funds must be held in one or more bank accounts, at least one of which must be at a bank located in the jurisdiction where the Secretariat is for the time being located, and may be applied for any purpose consistent with PASAI's objective and mandate.

## Section 3

Financial authority (including approval of budgets, incurring of expenditure, and investment of surplus funds) rests in the Governing Board, subject to the Congress's power to fix membership subscriptions.

## Section 4

The Chief Executive is responsible to the Governing Board, subject to the Secretary-General's oversight between meetings, for the Secretariat's management of PASAI's resources (including its revenues, expenses, assets, liabilities, and investments) in a lawful, prudent, and sustainable manner consistent with PASAI's objective and mandate.



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## Section 5

The Chief Executive is responsible to the Governing Board, through the Secretary-General, for preparing PASAI's annual report, including financial statements which are to be:

- (a) Prepared in accordance with accounting standards adopted by the Governing Board with regard to the applicable law, PASAI's international status, and its accountability obligations, using a financial year fixed by the Governing Board.
- (b) Signed by the Chairperson (on behalf of the Governing Board), the Secretary-General, and the Chief Executive.
- (c) Submitted for audit to the auditor appointed by the Governing Board, within three months of the balance date.

## Section 6

The Secretary-General must send the annual report (including the audited financial statements), together with the auditor's report, to the Governing Board and, following their approval by the Board, present them to the next meeting of the Congress for adoption.

## Section 7

Following the Congress's adoption of an annual report, the Chief Executive must publish the report on PASAI's website, and may make copies available to interested persons or organisations.



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## ARTICLE 13 – LEGAL CAPACITY AND APPLICABLE LAW

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### Section 1

The Governing Board may:

- (a) Enter an agreement with the government of the jurisdiction in which the Secretariat is located, by which legal status or capacity is conferred on PASAI.
- (b) Take such other steps it considers necessary to enable PASAI to function in the region of Oceania as, through, or with the powers of, a body corporate.

The power to enter legal obligations on behalf of PASAI rests with the Governing Board, subject to this Charter and any delegation made under it.

### Section 2

The applicable law for PASAI's activities and everything done under this Charter is:

- (a) The law of the jurisdiction in which PASAI is conferred legal status or capacity by whatever means.
- (b) In the absence of such status or capacity, the law of the jurisdiction in which the Secretariat is for the time being located.

## ARTICLE 14 – AMENDMENT AND DISSOLUTION

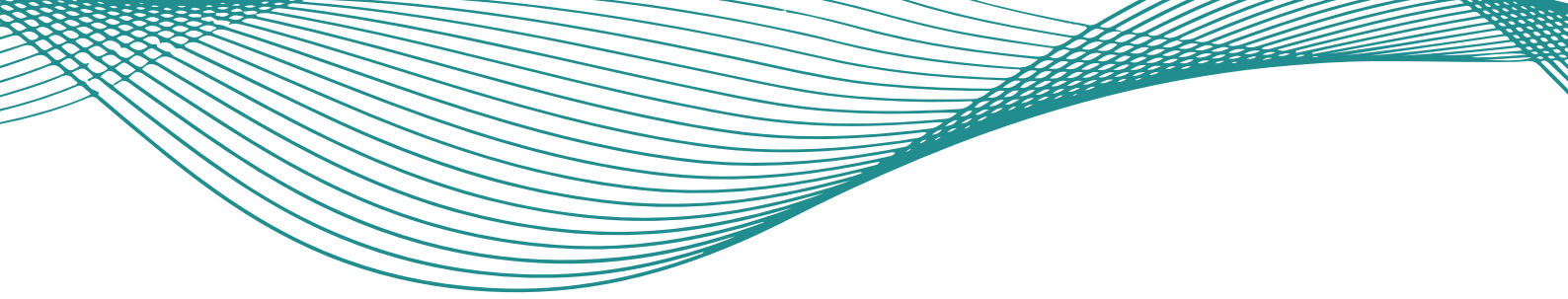
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### Section 1

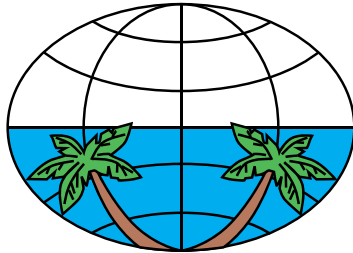
The Congress may amend this Charter or dissolve PASAI, on a vote at a meeting of the Congress by absolute majority of at least two thirds of all members (irrespective of how many members are represented).

### Section 2

On dissolution, PASAI's residual funds will be distributed to the respective governments of each member at the date of dissolution, in such proportions as the Congress may determine.



**PASAI**



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