



PASAI

DECEMBER 2020 NEWSLETTER
PACIFIC AUDITORS WORKING TOGETHER

Inside this Newsletter are highlights from:

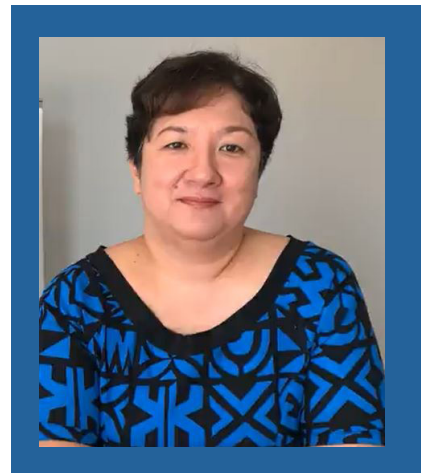
- [PASAI Secretariat](#)
- [Australian National Audit Office](#)
- [Northern Mariana Islands Office of the Public Auditor](#)
- [Fiji Office of the Auditor-General](#)
- [New Zealand Office of the Auditor-General](#)
- [Pohnpei Office of the Public Auditor](#)
- [Solomon Islands Office of the Auditor-General.](#)

Chief Executive’s message

As we come to the end of a most difficult year, we pause to remember and be thankful for all that was achieved and progressed despite the challenges. Hence, we want to thank all of you our members, the Controller & Auditor Generals, Public Auditors, development partners and colleagues for your continuous support and patronage.

May you find the peace & joy of Jesus this Christmas and may you achieve the very best in 2021.

Esther Lameko-Poutoa, Chief Executive PASAI

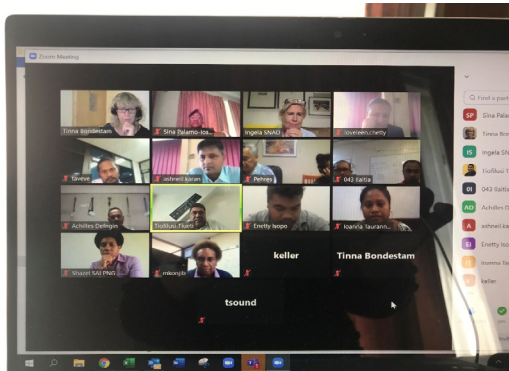


PASAI Secretariat COVID-19 response and digital transformation

During 2020, the PASAI Secretariat responded to the challenge of the COVID-19 pandemic by pivoting our delivery model from face-to-face training and workshops to the online delivery of our capability development programmes. This enabled us to respond quickly to the training needs of our member SAIs and to widen the scale and reach of our programmes during the response and recovery periods of the COVID-19 pandemic.

We delivered webinar-style training programmes 'packaged' with interactive discussion and supplementary material (such as templates, guides, articles, videos) to translate learning into action. We follow up our online workshops with 1:1 SAI-level coaching sessions to track progress and fully embed learning.

Our Human Resource Management (HRM) training programme commenced online in August, and was delivered in collaboration with the Swedish National Audit Office (SNAO) and AFROSAI-E. In September we conducted a six-day workshop on the Fundamentals of Public Sector Auditing attended by over 50 participants from eight SAIs across the Pacific region.



Human Resource Management programme (August 2020)



Fundamentals of Public Sector Auditing training (September 2020)

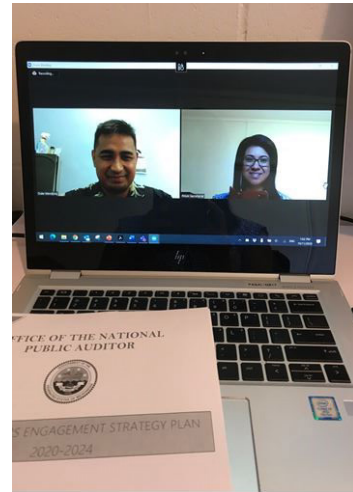
From October – December, we delivered a range of workshops and coaching sessions to strengthen the communications function of a SAI. This included training on (i) developing and implementing a Communications Strategy and (ii) Report Writing - delivered in collaboration with the Office of the Auditor-General, New Zealand. The Secretariat team has also virtually delivered a presentation on Quality Assurance during the 31st Association of Pacific Islands Public Auditors (APIPA) Virtual Conference in August 2020.



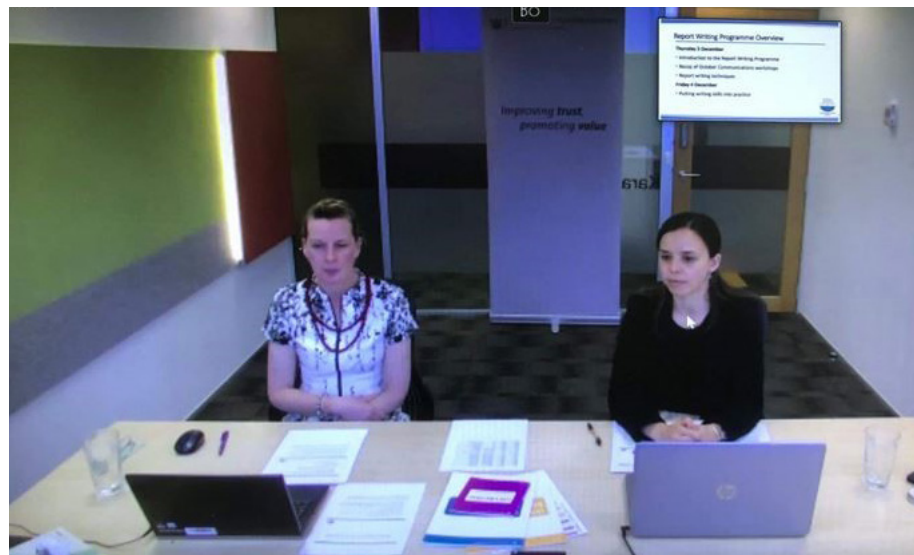
SAI Pohnpei participating in the Communications: Strategy and Implementation workshop – October 2020



Coaching session: SAI Samoa



Coaching session: SAI FSM National



Report Writing training (December 2020)

Our recently launched Learning Management System (LMS) is a centralized repository of our capability development material, and is a key part of our digital transformation. It provides us with a platform to host our online courses and supplementary material, including an integration of multimedia content, and also allows for an interactive element to be built into programme delivery. We are committed to improve on what we deliver and evaluate our programmes to build in a continuous improvement loop into our programme cycle.

During 2020, we also published monthly blogs on key topics of interest, such as procurement, the relevance of SAIs in an emergency situation, performance audits on environment and gender related topics, cybersecurity and building digital literacy and resilience. By keeping in regular contact with our member SAIs and regional and development partners, we were able to respond effectively in a climate of uncertainty.

We are in the process of converting our learning material into an e-format to offer through our LMS. The PASAI Secretariat looks forward to transitioning to a blended learning model (including online and face-to-face training) in the short to medium term and in response to the learning and development needs of our member SAIs and the gradual re-opening of border and travel restrictions.

ANAO highlights for 2020

The ANAO has had several highlights and achievements during 2020.

1. Tonga Mentoring Program Pilot

During 2020, the Australian National Audit Office (ANAO) volunteered to coordinate a six month mentoring pilot program under the auspices of the Australian Council of Auditors-General (ACAG) and the Pacific Association of Supreme Audit Institutions (PASAI) establishing a Mentoring Program (Program). The program aim was developing the capacity and independence of Supreme Audit Institutions (SAIs).

The goals for the Program were:

- Networking opportunities to broaden and expand networks and relationships.
- Knowledge and Skill Transfer to develop specific skills and abilities, increase knowledge of technical areas, pass on experiences and lessons-learned and gain perspective over recent developments in the field.
- Career Development by gaining insight to the best ways to begin careers, transition to new areas, and pursue rich experiences in order to enhance career progress.
- Professional Development by gaining “real-world knowledge” and how to apply academic education to real business issues in a value-added way.
- Situational Guidance through coaching, guidance, and advice on how to handle practitioner-related projects, duties, dilemmas and problems.

So how did it work?

The program commenced in June and finished in October. It included seven mentors who were nominated by the SES from across the ANAO. There was a later addition of two more mentees later in the program. Each mentee was nominated by the Tonga Office of the Auditor General. The program covered four topics:

- financial audit
- performance audit
- governance and corporate management
- leadership

The sessions were conducted via Webex. This included two preparatory workshops held so that mentors and mentees got the best out of the experience. Participants have been encouraged to keep these new relationships going beyond the program. The Program was evaluated via phone calls, emails and a short questionnaire and was very well received by mentors and mentees.



2. Integrity Framework and Integrity Advisor Role established

In June 2020 the ANAO established an Integrity Framework which provides an overarching structure to the existing ANAO integrity control system, supporting our institution's integrity, in response to recommendations from an IntoSAINT assessment. The Framework includes the ANAO Integrity Statement, which describes five key principles of integrity that we uphold at the ANAO - independence, honesty, accountability, openness and courage. The ANAO regards integrity as a core value — critical in sustaining the confidence of Parliament, strengthening public trust in government and delivering quality audit products. Within our organisation, integrity means more than simply complying with requirements – it is lived through the actions we make as auditors, public servants, officials and professionals.



As part of the adoption of the Integrity Framework Amelia Pomery, Senior Director – Quality, Professional Services and Relationship Group, is appointed as the ANAO's first Integrity Advisor. The Integrity Advisor role has responsibilities to increase integrity awareness across the ANAO and support the effective, ongoing application of the Integrity Framework.

3. Data analytics capability in the ANAO

Building the ANAO's data analytics capability is a particular priority as the entities the ANAO audits continue to collect, generate and share ever-increasing volumes of data and information. Increased capacity in this space will enable automation of some audit processes and assist in the development of new audit products. Data analytics is also enabling the ANAO to better identify financial reporting, fraud and operational business risks, and tailor our approaches to deliver more targeted risk-based audits. This use of technology assists the ANAO in continuing to deliver high quality audits in a changing environment.

The effective use of technology by the ANAO to support cooperation and communication with entities remains a key focus of the ANAO. We are working closely with public sector entities to increase opportunities for remote access to entity systems. This has been of vital importance in our ability to audit during the pandemic. The ANAO will continue to leverage technology to support the delivery of our work, maintain connection with entities, and increase the flexibility of our audit approach.

4. Launching a public facing Audit Quality Report 2019–20

The Audit Quality Report was published on our website and this is the first time the ANAO has provided transparency over audit quality results. The report assesses the implementation and operating effectiveness of the elements of the ANAO Quality Assurance Framework outlined in the ANAO Quality Assurance Framework and Plan published at the beginning of 2019–20. The publication of the Audit Quality Report provides transparency of our processes, policies and procedures to address or support each element of the framework, including reporting on Audit Quality Indicators against target benchmarks. The report also includes the achievement of the quality assurance strategy and deliverables set out in the ANAO Quality Assurance Framework and Plan 2019–20. It can be found here: www.anao.gov.au/work/corporate/audit-quality-report-2019-20.

CNMI OPA highlights for 2020

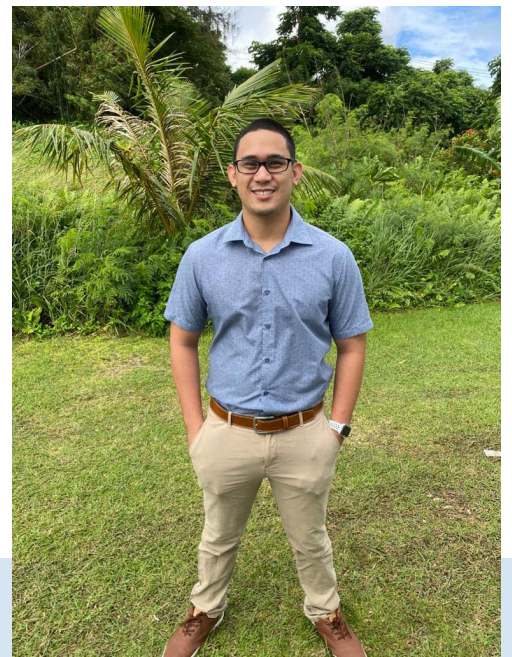
1. CNMI OPA hosts the 31st Annual APIPA Conference



CNMI Office of the Public Auditor (OPA) hosted the 31st Annual Association of the Pacific Island Public Auditors' Conference from August 3-14, 2020. This year, due to the ongoing worldwide pandemic, APIPA held its first virtual conference which offered courses to participants from insular areas spanning from Palau to the US Virgin Islands, covering 11 time zones. Despite the event being held virtually, there were a total of over 700 registered participants. OPA would like to thank the Department of Interior-Office of Insular Affairs, the Graduate School and all the participants for making this event a huge success.

2. CNMI OPA staff recognition

Auditor Joshua James Dela Cruz Diaz earned his Master of Public Administration in August 2020 and recently became a Certified Fraud Examiner (CFE) in November. Joshua's recent certification makes him the fourth CFE designee in the office. The training materials and exam were made available through the Department of the Interior's Technical Assistance Program grant. Additionally, Geraldine Tenorio, Audit Manager, will be completing her Master's of Accountancy in December of this year. OPA commends its staff for their hard work and proud of their professional achievements.



3. CNMI OPA bids farewell to Public Auditor Michael Pai and welcomes Acting Public Auditor Kina B. Peter

Michael Pai recently finished his second six-year term as Public Auditor of the CNMI OPA. OPA thanks Michael Pai for his twelve years of public service to the community and wishes him well in his next endeavor. Upon his exit, Governor Ralph Torres appointed Kina B. Peter to the position of Public Auditor. CNMI law requires the Public Auditor to be a Certified Public Accountant with a minimum five years of experience in accounting or government finance. Kina is a CPA with over twenty years of accounting and finance experience in public accounting and private industry. OPA welcomes Kina B. Peter as the Acting Public Auditor while she awaits confirmation from the CNMI House of Representatives and Senate.



OAG Fiji Celebrates 50 years of Independence

The Office of the Auditor-General, Republic of Fiji Islands celebrated its 50 years of Independence on 10 October 2020.

SAI Fiji has come a long way from its establishment during the colonial era. A Colonial Secretaries Office was established on 1st September 1875. The Audits then were undertaken under the British Audit Act.

After Fiji's independence there have been 5 local Auditors-General and one Australian national to take on the significant role. Each Auditor-General to take up its position has contributed towards the success and progress of the Office.

The past decade has seen a number of significant changes brought in for OAG such as the revision of the Financial Audit Manual in 2017 and the Performance Audit Manual in 2018. OAG Fiji has developed its Compliance Audit Manual which is in compliance with the International Standards of Supreme Audit Institutions.



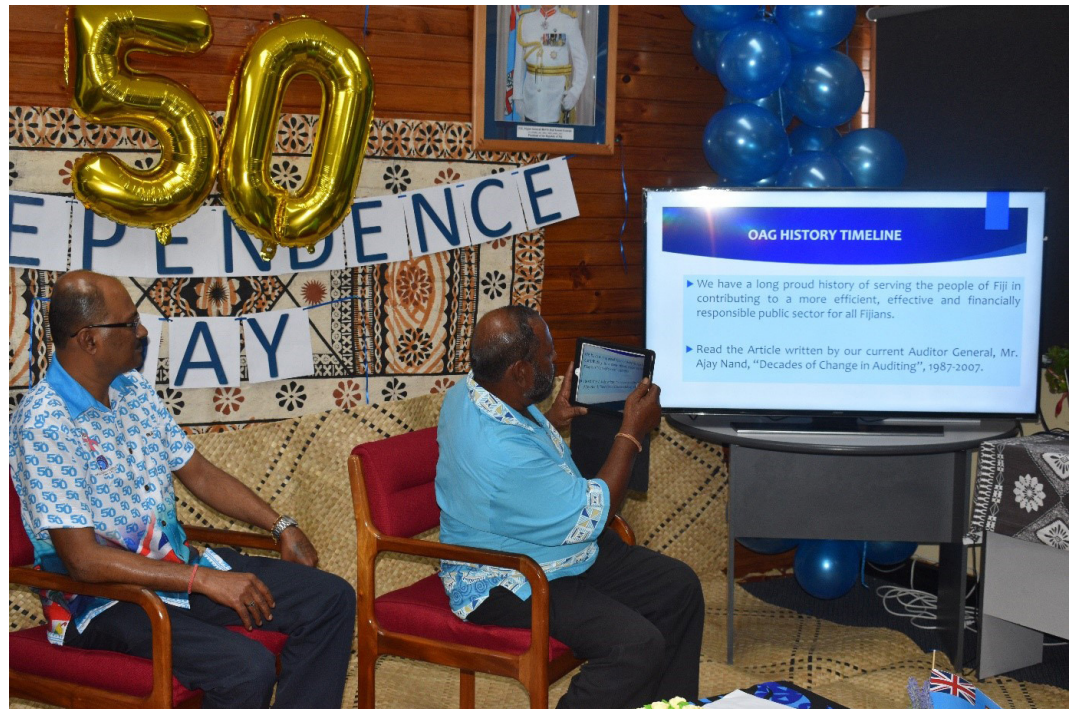
SAI Fiji has over the years established a Corporate Services Department, a Quality Assurance Unit, A Special Investigations Unit and a Risk and Compliance Unit along with many more developments to meet the demands of the modern public sector, Auditing world.

One of the strategic goals of the Office of the Auditor General is to increase its visibility and awareness of its roles and functions through strengthening client and stakeholder engagements. Hence a new Office has been commissioned in Nadi by the Auditor-General on 30th July 2020.

During the 50th Independence Anniversary celebrations, Officers from the Suva and Nadi offices participated in the “Mark Fiji 50” campaign by planting trees as an organizational team building activity.

The celebrations saw the coming together of former and current OAG staff for the celebrations. It was a unique occasion where old memories were exchanged together with storytelling and exchanging photographs and souvenirs from the past.

With so much new and exciting things yet to come in, SAI Fiji looks forward to celebrating its accomplishments during its 100 years or platinum anniversary.



New Zealand Office of the Auditor-General's 2020 in review



The year 2020 has seen a number of changes at the New Zealand Office of the Auditor-General. After nearly a decade of minimal new Crown investment in the Office, we received additional funding from Parliament to address the growth in demand for our services and to invest in our people and capability. We wanted to do more and to increase the impact of what we are doing.

The new investment has meant that we were able to form a dedicated International Team. The team is made up of Sarah Markley as Director International Engagement and Nicole Ayo von Thun as Advisor International Engagement. Our team are now able to provide more support, alongside our colleagues across SAI New Zealand, to contribute to the delivery of support to our Pacific neighbours.

A key focus of the International Team is to support the PASAI Secretariat to achieve the goals of the 2014-2024 Strategic Plan. By supporting PASAI's programmes, administration, and governance, our new team is able to better support the Secretariat to deliver quality programmes that meet Pacific SAI needs.

Historically SAI New Zealand contributions to PASAI's programmes have involved travel to PASAI events, visits to our twinning partners and hosting short-term secondment/visits of twinning partner SAI staff to Wellington. COVID-19 border closures and travel restrictions has had a significant impact on this operating model meaning that the delivery of programmes have had to change. While we have missed the opportunity to meet with our Pacific colleagues face-to-face this year, we have enjoyed meeting with colleagues virtually through remote learning approaches and numerous Zoom calls. This has included a presentation on audit quality at APIPA, calls with Pacific Heads of SAIs, and delivering an online communications training with the PASAI Secretariat. Our team have also contributed to the PASAI COVID-19 blog series, sharing information on the topics such as strengthening procurement practices, environmental auditing, cybersecurity, and gender performance audits.

Growth at SAI New Zealand has also meant an increase in our performance audit, inquiries and good practice guidance setting work. This has enabled us to influence improved performance across the public sector. This work goes beyond compliance with accounting and reporting rules and looks at broader questions concerning organisation performance, value for money, and probity. All of these are important elements of public trust in those charged with administering public money.

Audits and inquiries typically look at matters after they have occurred. While this remains core to our work, it is also important that we help public organisations and public sector staff to get things right from the outset. This has resulted in updated guidance on topics



such as [conflicts of interest](#) and [sensitive expenditure](#), both of which the International Team shared with our Pacific colleagues through PASAI. It has also meant that SAI New Zealand have focused on providing more real-time assurance on some major topics, such as providing an [independent review](#) of the Ministry of Health's management of personal protective equipment required for the COVID-19 response. The International Team shared our reflections of the 10 main matters for auditors to consider when carrying out similar work during an emergency through PASAI's communications channels.

We hope that 2021 will bring with it the ability to meet with our Pacific colleagues in person again. In the meantime, we wish you all a very Merry Christmas from the Office of the PASAI Secretary General and SAI New Zealand.

Pohnpei Office of the Public Auditor: Highlights from 2020

Despite the challenges related to the COVID-19 pandemic, the Pohnpei Office of the Public Auditor (POPA) auditors put forth their best to continue doing their work. A **commitment** to governance, accountability, transparency and the right thing to do.



Monthly staff meeting

1. Engagement with government agencies

In this unprecedented time, POPA found innovative ways to continue working and learning, at the same time, sharing knowledge with other government agencies. The first virtual APIPA principal's meeting was also held this month. The meeting was attended by Public Auditors of Marshall Island, Pohnpei State, Chuuk State, Yap State, Kosrae, National Public Auditor, Fiji, American Samoa, Guam, Palau, and Commonwealth of Northern Mariana Islands. During the meeting, the US Graduate School discussed the updates of peer review, US Graduate School Training for 2020 and the status of APIPA registration as a non-profit organization.

In May, the POPA conducted a workshop on government ethics and payroll processing and accountability for employees of the Department of Treasury and Administration (DoT&A) and the Administrative Officers of various departments, offices and agencies



APIPA's principal meeting



Workshop conducted by POPA

of the Pohnpei State Government. The workshop was delivered at the invitation of the new Director of DoT&A as part of POPA's ongoing public awareness and proactive efforts to promote and improve transparency, accountability and good governance in the Pohnpei State Government.

In summary, the basic principles of ethical conduct expected of each individual Pohnpei Government employee were stressed during the discussions in line with the guidelines provided in the Codes of Ethics law enshrined in the 9 PC 8-101 to 8-132 of the Code of the State of Pohnpei. POPA also

shared with the participants copies of its own Employees' Code of Conduct statement and encouraged those that do not have one yet to develop and implement something similar but in conformity with their mission statement, work ethics, integrity and core values.

Payroll is the largest single expenditure category item of the Pohnpei State Government. The government spends an average of approximately \$17.5 million or nearly 50% of its budget annually to compensate for the services of its employees or workforce members in recent years. Participants were encouraged to improve monitoring and strengthening of the payroll processing system to ensure compliance with all payroll relevant laws and procedures. Those who facilitated the workshop from the Pohnpei Office of the Public Auditor (POPA) included Ms. Alice Etse, Audit Manager, Ms. Sophia Pretrick, CID Advisor and Mr. Pehres Pedrus, Staff Auditor III.



Exit conference at Department of Land

2. Fraud awareness and prevention: collaborating with civil societies on anti-corruption and fraud detection

In June, POPA continued to build strong relationship with different stakeholders through entrance and exit conferences and collaboration with the youth sector.

POPA held an exit conference with the Department of Land, attended by the following: all POPA employees, Director, staff and employees of the Department of Land, and the Speaker of the Pohnpei Legislature.

On June 26, 2020 Youth 4 Change, Inc (Y4C) held the closing ceremony for the 1st phase of their Anti-Corruption project at the Youth Center in Kolonia. POPA was invited as the partner in the project. The project turned out to be a great success among the community and the youth. POPA's role is to collaborate and join with civil societies on anti-corruption measures and on their Fraud Awareness and Prevention program.

It started out when Y4C received their grants to implement their Anti-Corruption project. Y4C Director Sylvia Elias approached POPA's Investigative Advisor, Sophia Pretrick to assist in their project. POPA's part was mainly focusing on training and awareness activities, mentoring and advocacy work on anti-corruption. It includes training and bringing awareness to the youth on the impacts of corruption and POPA's role in fighting and reducing corruption in government. During the 1st phase, the following are some of their joint activities:

1. Advisory work on training the trainers
2. Education against corruption-visiting all the public schools including the private schools to



conduct advocacy and anti-corruption awareness. This is also part of building ethics and integrity in the next generation.

3. Team up at the FSM Government Conferences- this is part of empowering youth participation in Government
4. Join other youth groups in commemorating the International Anti-Corruption Day, where they raised awareness through talent competitions i.e. songs, skits, video clips, etc.
5. Promotional materials- Y4C assisted POPA in updating their hotline flyer- POPA has an existing Fraud Hotline where citizens can call suspicious activities of fraud, waste and mismanagement in the Pohnpei State Government.

The world needs young leaders. The passion in their hearts to continue the fight against corruption is very evident on how they speak.

Engaging youth's awareness on corruption issues create community responsibility among the young people. As stated by Sophia Pretrick, "Partnering with Y4C was a great experience working with the leaders of tomorrow. The greatest impact of the joint work was being able to observe the members implement what they learned in real life. The moral attitudes and capabilities they acquire from the program will enable them to succeed." Majority of the Anti-Corruption Champions are now pursuing higher education abroad.



The ceremony was graced by Senator Shelten Neth, the Chairman of Health focusing on youth affairs, Tadasy Shelten, (Iso Nahlaim of Madolenihmw), Y4C Board Member, George Isom, SPC Country Focal Officer, Diaz Joseph, President of the Y4C Board, and Sophia Pretrick, POPA Investigative Advisor, along with two other POPA staff.

3. Workshops on Integrity, Fraud and Corruption

In September, the POPA Compliance Investigation Division (CID) conducted workshops on integrity, fraud and corruption for the 2020 Pohnpei Police Academy at the Pohnpei State Department of Public Safety (DPS). The Director of DPS, Patrick Carl requested POPA to conduct a class instruction on corruption and fraud to the police academy trainees so they may have a better understanding and knowledge in the subject when they are conducting their duties on a daily basis.

Since majority of the police officers are entry level trainees, the workshop was geared in two phases: The first part was for them to learn the impacts of fraud and how to prevent it by leading and instilling integrity, accountability and ethical conduct in their daily work activities. The other phase was focusing on how to detect and investigate fraud.

The law enforcement and police agencies had been commonly viewed as one of the most vulnerable and exposed public agencies to the risk of fraud and corruption. Police Officers are the first responders to crimes occurring in the Pohnpei State jurisdiction. They should be upholding the law and ensuring that they strive to do the right thing in all situations to keep the public a safer place which also include discouragement of fraud. They should be leading by example to increase the public confidence and trust in their work. The training went well with active participation from the attendees.

POPA and DPS along with the Office of the Attorney General currently has a signed Memorandum of Understanding (MOU) in place to collaborate and join forces in combating fraud and corruption. POPA Investigative Advisor, Sophia Pretrick and staff investigators Trinia Eliou and Derek Dainard of the CID conducted the workshop.



Solomon Islands Office of the Auditor-General 2020 in review

1. SAI Solomon Islands implemented its new methodology (SIM)

As with any other SAI, 2020 has been a very challenging year indeed. The journey has been tough given the impact of the COVID-19, but as a team, we have managed to end the year successfully. By looking back during the year given we see we have managed to achieve our key goals. One of them was the implementation of the Solomon Island Methodology (SIM). With the help of PASAI we tailored our financial audit methodology to better comply with ISSAI standards.

In April 2020 the Office of the Auditor General of Solomon Islands implemented a new audit methodology. Solomon Islands Methodology (SIM) was developed in collaboration with the PASAI during a workshop facilitated by Agnes Aruwafu from PASAI.

Prior to using the SIM, SAI Solomon Islands had adopted the PASAI Methodology, however, to ensure the methodology is fit for purpose in the Solomons, the SIM has been created to align with the requirements for all Solomon Islands Government audits.

“It is a very big achievement for SAI Solomon to have such an important document that is guiding all the audits that are carried out” said one of the auditors now using the methodology. “The SIM is very helpful as it supplements our previous working papers and includes templates which are tailored to our needs”. These new template working papers are helping to ensure a strengthened approach to ISSAI compliance.

SAI Solomon will continue to implement and develop the SIM as further improvements are identified.

2. SAI Solomon farewells their two well dedicated officers

SAI Solomon Islands farewelled two of their dedicated officers on 25th of November 2020.

Joyce Mesepitu and Vincent Tapidaka are two long serving staff of the Office of the Auditor General of Solomon Islands serving the office for a number of years.

Joyce Mesepitu commenced with the Office in 1984 and has served the citizens of the Solomon Islands for 35 years before retiring at the end of November. Joyce has had a significant contribution to the work of the Office having worked in most parts of the organisation over the years. Most recently in 2019 she represented our Office at the United Nations.



Auditor General of Solomon Islands (Peter Lokay) presenting the gifts to the two outgoing officers

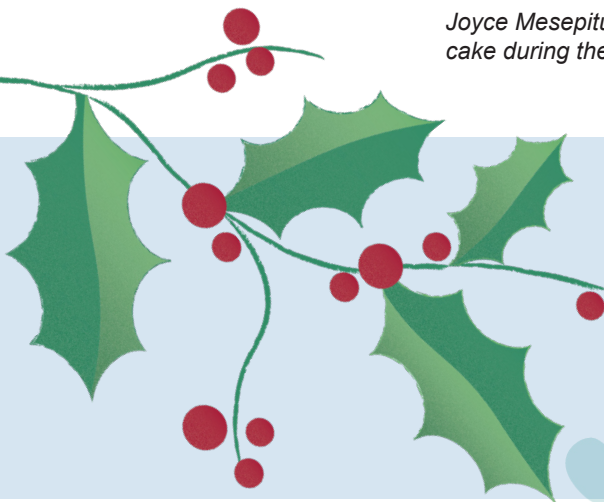
Vincent Tapidaka commenced with the Office in 2005 and has served for 15 years. Vincent has been the Office's TeamMate champion and has been instrumental in ensuring TeamMate is embedded in all the Office's activities.

Both officers are widely known across PASAI so will be greatly missed by both the Office and across the wider PASAI community.

On 25th of November 2020 SAI Solomon hosted a memorable party for both officers farewelling them as they commence their future endeavours. "Thank you for your contribution towards the office, we will miss you" said Peter Lokay (Auditor General of Solomon Islands) during his farewell speech. Peter Lokay also recognised their valued input over the years and that the Office may need to call on their assistance in the future.



Joyce Mesepitu and Vincent Tapidaka cutting their farewell cake during the farewell party





Seasons greetings and best wishes for 2021

Note: The PASAI Secretariat Office will close for the Christmas holidays from Friday 25 December 2020 until Monday 4 January 2021. The office will resume on Tuesday 5 January 2021.

For further information, please contact us:

Email: secretariat@pasai.org Telephone: +64 9 304 1893

Fax: +64 9 307 9324



*Empowered lives.
Resilient nations.*



(If you no longer wish to receive this newsletter,
please email secretariat@pasai.org)