



PASAI Governing Board Meeting

As part of its commitment to governance, strategic direction and leadership for the work of PASAI in the region, the PASAI Governing Board held its 18th meeting on 22 – 23 February in Auckland NZ. They conducted discussions on governance issues, the progress of the implementation of PASAI's 2014 – 2024 Strategic Plan with its related programmes, activities, risks and challenges, and the proposed Five-Year Operational Plan 2018/19 – 2022/23 and the 2018/19 Budget. The Board was also informed about the result of the INTOSAI Global Survey 2017 as well as PASAI's participation in the INTOSAI Governing Board and its various INTOSAI committees.

Development Partners also provided updates on their existing and potential future engagements with PASAI. Representatives from the Department of Foreign Affairs and Trade Australia (DFAT), Ministry of Foreign Affairs and Trade NZ (MFAT), INTOSAI Development Initiative (IDI), World Bank, United Nations Development Programme (UNDP), European Union (EU), Papua New Guinea Auditor-General's office and PASAI Secretariat attended the meeting.

"This is EU's first time to attend a PASAI Governing Board meeting and it was good to be a part of it and to hear the discussions on the work that PASAI does. The EU is looking forward to working with PASAI in the region," said Ms. Marga Peeters, EU Programme Manager Budget Support, Fiji.

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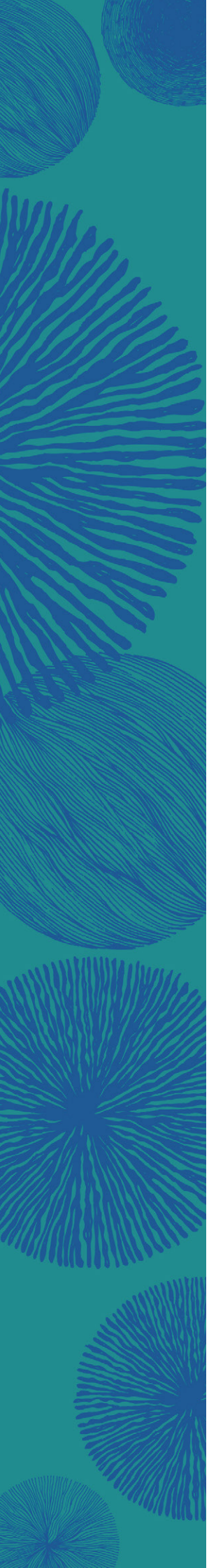


The incoming Congress Chairperson, Auditor-General of Papua New Guinea, Mr. Philip Nauga gave a short presentation on the preparations being made for this year's 21st PASAI Congress to be held in August, 2018 in Rabaul, Papua New Guinea. The theme "Embracing the Digital Future" for this year's Congress was presented to the Board, which was received with enthusiasm. "We are excited to host Congress this year and we look forward to welcoming you all to PNG," stated Mr. Philip Nauga.

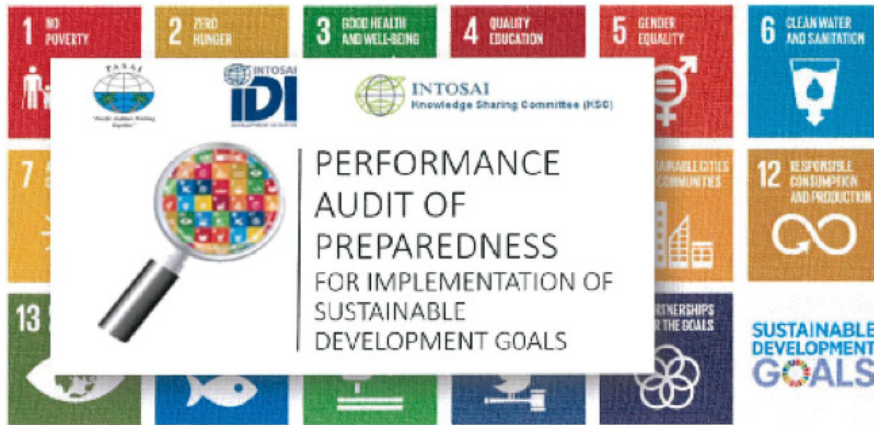
PASAI would like to acknowledge DFAT, MFAT, IDI, World Bank, Asia Development Bank (ADB), PFTAC, PIFS, UNDP and EU for their continued support of PASAI and its work in the region.

Details of PASAI Board and its past Board Meetings can be found on the PASAI website www.pasai.org





UPDATE - IDI/PASAI 6th Co-operative Performance Audit – Preparedness for Implementation of Sustainable Development Goals



The INTOSAI Development Initiative (IDI) and the Pacific Association of Supreme Audit Institutions (PASAI) conducted an audit-planning meeting for the 6th Co-operative Performance Audit (CPA) of Preparedness for Implementation of Sustainable Development Goals (SDGs). Twenty-seven Performance Auditors from 13 Pacific Supreme Audit Institutes (SAIs) attended this meeting from 27 November to 1 December, 2017 in Suva, Fiji.

This is an update for this programme and at the moment audit teams are finalising their audit plans so that they can commence the fieldwork during the period March-May 2018.

The timeframe for this global and regional programme is still as per the diagram depicted here:



The joint reporting meeting is scheduled to take place in Nadi, Fiji during the week of **11-15 June 2018**. It is expected that the fieldwork would be completed and audit teams will attend this meeting with draft audit reports.



From left to right: Elsie Willy, Acting Manager Investigation Audit, Caleb Sandy, Auditor-General, Henry McGregor, Consultant and Elsie Dick, Manager Compliance Audit & Team Leader: VAN 2017 Audit.

South Pacific Mini Games related Audit in Vanuatu

In December 2017, Vanuatu hosted the South Pacific Mini Games. As part of the working arrangements for hosting the games, the Government established a charitable organisation – the VAN 2017 Limited. VAN 2017 Limited was established to manage the affairs of the games. To assist itself in managing the games, VAN 2017 was given a government grant of over Vt. 700 million. The games were hosted successfully and for the purpose of transparency and accountability, VAN 2017 is to be audited.

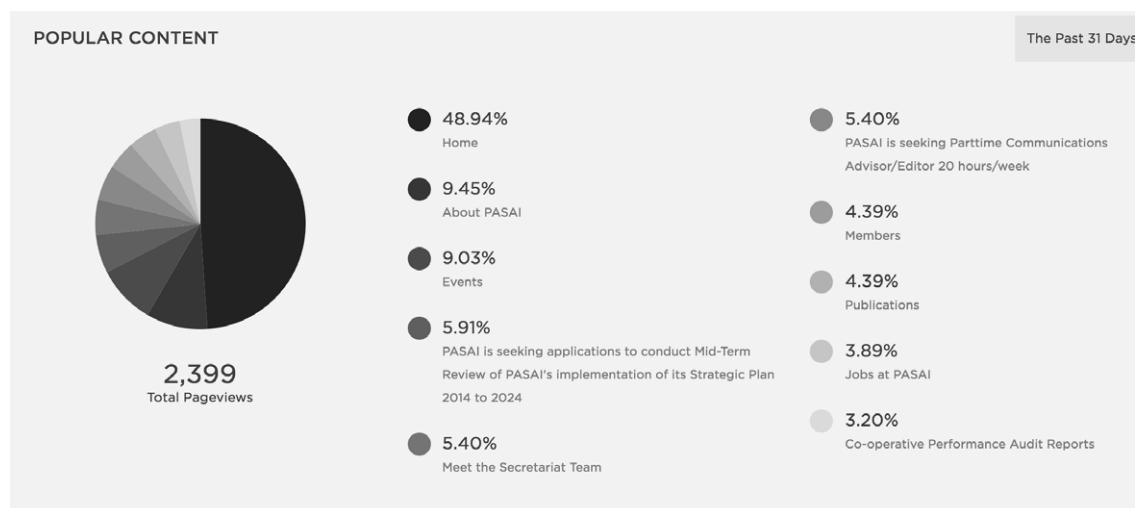
The Vanuatu National Audit Office is undertaking both the financial and compliance audit of VAN 2017. This exercise is expected to be completed soon and the audit opinion should be issued by 31 March 2018. In order to assure the public of the quality of the Audit, the Vanuatu National Audit Office (VNAO) engaged the services of a consultant – Henry McGregor from South Africa. Henry has previously assisted the VNAO with the Vanuatu Whole of Government Audit through the assistance of PASAI and was in Vanuatu this month to assist the VNAO to complete the VAN 2017 audit within the time frame stated.

PASAI Journey Video is online

The journey of PASAI has been captured in a video that is now available online on our website (pasai.org/pasai-video). We encourage our SAI members and stakeholders to feel free to use this video in any relevant presentations.



PASAI Website analytics - February 2018



Website Analysis

- The most popular content for the past 30 days were the *Home*, *About PASAI* and *Events* pages.
- There were 621 Unique visitors over the month of February, and 1940 page views.



TECHNICAL SUPPORT UPDATE #02/2018

Continuing from January's Technical Update on 'Root Cause Analysis', the following article is a step-by-step guide to Root Cause Analysis.

As mentioned previously, quality audits is one of PASAI's key strategic priorities. Last year some PASAI member countries attended a Global IDI Regional programme on Quality Assurance (QA) in Georgia where QA tools were used and QA principles taught. PASAI is planning a regional workshop on QA later in 2018 to utilise some of these QA tools used at this programme and to also develop and design a suitable QA mechanism for our small island developing states.

The following article taken from the IFAC website is an excellent write up on a step-by-step guide to Root Cause Analysis (RCA). Some SAIs already use RCA to an extent but perhaps this is something that PASAI may encourage more and might also include in its QA regional workshop later this year.

If any SAIs would like to provide some input in the use of RCA in their office, please email PASAI Secretariat at secretariat@pasa.org so that we can gather some of this important data and encourage sharing knowledge among our members. If you are interested in facilitating a session on RCA at our upcoming regional workshop in September 2018, please also contact us.

A'eau Agnes Aruwafu, PASAI Director Technical Support

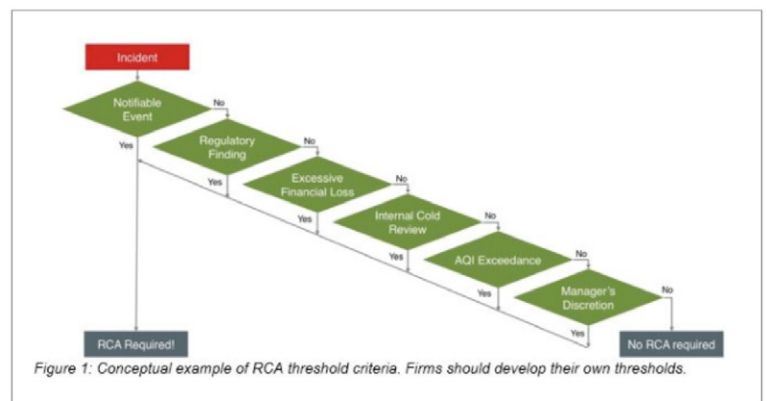
A Step-By-Step Guide to Root Cause Analysis

by Brian Hughes, Senior Vice President, Sologic | November 30, 2017

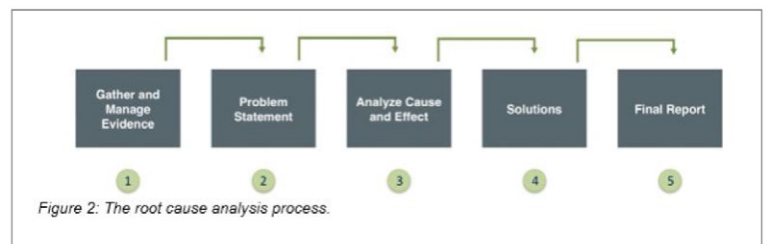
Efficient capital markets are built on trust, and trust is built on verification. Investors trust the published financial statements of the companies they invest in because they trust the audits verifying the accuracy of such statements. Therefore, when audit quality shortfalls are discovered, rigorous and thorough analysis is required to understand how and why the breakdown occurred, as well as how to ensure it does not happen again. Root cause analysis is the means by which this is accomplished and is, therefore, a crucial component of any audit quality assurance program.

Root cause analysis may be a new concept to many in the audit community. This step-by-step guide provides a way to quickly get up to speed.

A root cause analysis is initiated upon discovery of a significant audit quality issue. Whether the issue is "significant" or not can be based upon a defined set of threshold criteria, keeping in mind that each firm will likely have different thresholds. The following decision tree provides a conceptual example:



The root cause analysis process has five steps:



You can read the rest of this interesting article by accessing the following IFAC website and link provided below:

ifac.org/global-knowledge-gateway/audit-assurance/discussion/step-step-guide-root-cause-analysis

PASAI CALENDAR

- **5 – 9 March, 2018:** IDI Certification Planning Meeting, Oslo, Norway.
- **9 March - 10 April, 2018:** F.A.S.T.S Programme, Nauru - Fiji Secondee engaged.
- **19 – 23 March, 2018:** Tier 1 Training, Fundamentals of Public Sector Auditing, Nauru.
- **27 – 28 March, 2018:** PFTAC Steering Committee, Suva, Fiji.
- **30 March – 2 April, 2018:** Easter Weekend, Public Holiday, Auckland, NZ.
- **23 – 27 April, 2018:** IDI/PASAI Regional, Strategic, Performance Management and Reporting (SPMR) Workshop, Nuku'alofa, Tonga.
- **25 April, 2018:** ANZAC Day, Public Holiday, Auckland, NZ.
- **30 April – 4 May, 2018:** ISSAI Implementation 3i Programme for Tonga SAI, Nuku'alofa, Tonga.
- **15 – 17 May, 2018:** Regional 10th RWGEA Meeting, Brisbane, Australia.
- **4 June, 2018:** Queens Birthday Public Holiday, Auckland, NZ.
- **11 - 15 June, 2018:** IDI/PASAI 6th CPA on Preparedness for Implementation of SDGs, Joint Reporting Meeting, Nadi, Fiji.
- **21 – 22 June, 2018:** INTOSAI Peer Review Conference, Bratislava, Slovakia.
- **25 – 29 June, 2018:** INTOSAI Regions Co-ordination Meeting, Oslo, Norway.
- **25 June – 6 July, 2018:** SAI PMF Assessment, Nauru.
- **27 August, 2018:** 19th PASAI Governing Board meeting, Rabaul, Papua New Guinea.
- **28 – 31 August, 2018:** 21st PASAI Congress, Rabaul, Papua New Guinea.

**For further information, contact the PASAI Secretariat: Email: secretariat@pasai.org
Telephone: +64 9 304 1275 Fax: +64 9 307 9324**

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