



*“Pacific Auditors Working  
Together”*

# **Pacific Association of Supreme Audit Institutions Incorporated**

**A society incorporated under the Incorporated Societies Act 1908 (New Zealand)**

## **Rules**

**As adopted by the Governing Board  
Pohnpei, FSM  
1 August 2016**



## **Note**

The Pacific Association of Supreme Audit Institutions (PASAI) is an association of the Supreme Audit Institutions and other state, provincial, and territorial government audit offices in the Pacific region. PASAI serves as a regional working group of the International Organisation of Supreme Audit Institutions (known as INTOSAI). It has a Charter, which was adopted in 2009 and revised in 2016.

As an international organisation, PASAI is unincorporated. However, it has its own governance structure (comprising the Congress of all members, a Governing Board, a Chairperson and Secretary-General, and a Chief Executive and Secretariat).

Article 13 of the Charter says:

### **Article 13 – Legal Capacity and Applicable Law**

#### **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.

#### **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.

Since 2009 the Secretariat has been located in Auckland, New Zealand. The Governing Board decided at that time to establish this Society as the means through which PASAI can function with the powers of a body corporate (including the entering of contracts, the engagement of staff, etc) under section 1(b) of Article 13.

These are the Rules of the Society, but are to be read in conjunction with PASAI's Charter (as annexed). The Rules establish a parallel governance structure to that established by the Charter. This enables PASAI to function, in practice, as a single organisation but through the Society in relation to all its actions which require the exercise of legal capacity.

This version of the Rules was adopted by the Governing Board under rule 13, altering the original rules, at its meeting on 1 August 2016 at Pohnpei, Federated States of Micronesia. The annexed Charter is the version that was subsequently adopted by the Congress on 3 August 2016, also at Pohnpei.

This note does not form part of the Rules as adopted.



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# 1 INTERPRETATION

## 1.1 Definitions: In these Rules:

<b>Definition</b>	<b>Meaning</b>
<b>Act</b>	Incorporated Societies Act 1908.
<b>Annual General Meeting</b>	the annual general meeting of the Society to be held in accordance with Rule 11.1.
<b>Balance Date</b>	30 June, or as otherwise determined by the Governing Board.
<b>Chairperson</b>	the chairperson appointed in accordance with Rule 5.
<b>Charter</b>	the Charter of the Pacific Association of Supreme Audit Institutions adopted by the Congress at Palau in July 2009, as amended from time to time, the current form of which is annexed to these Rules.
<b>Congress</b>	the congress of PASAI under the Charter consisting, for the purpose of these Rules, of all Members.
<b>Chief Executive</b>	the chief executive officer of the Society appointed by the governing board under article 8, section 4(g) of the Charter and employed or otherwise engaged by the Society in accordance with Rule 6.2ai.
<b>Governing Board</b>	the Governing Board under the Charter, serving as the governing body of the Society having the responsibilities set out in Rule 6.
<b>INTOSAI</b>	International Organisation of Supreme Audit Institutions.
<b>Meeting</b>	a meeting of the Members, including an Annual General Meeting.
<b>Member</b>	a member of the Society.
<b>Objects</b>	the objects of the Society described in Rule 2.3.
<b>PASAI</b>	Pacific Association of Supreme Audit Institutions.
<b>SAI</b>	Supreme Audit Institution.
<b>Secretariat</b>	the secretariat under the Charter, serving as the operational and administrative organ of the Society and having the role set out in Rule 7.
<b>Secretary-General</b>	the secretary-general of PASAI, as designated under the Charter.
<b>Society</b>	Pacific Association of Supreme Audit Institutions Incorporated.
<b>Special General Meeting</b>	a special Meeting as referred to in Rule 11.1 b.

1.2 **Interpretation:** In these Rules, unless the context requires otherwise:

- a Rule and other headings are for ease of reference only and do not affect the interpretation of these Rules;
- b words importing the singular include the plural and vice versa; and
- c a reference to:
  - i an **Annexure** is to an Annexure to these Rules;
  - ii a **person** includes a corporation sole and also a body of persons, whether corporate or unincorporate;
  - iii **including** and similar words do not imply any limitation; and
  - iv a statute includes references to regulations, orders or notices made under or in connection with the statute or regulations and all amendments, replacements or other changes to any of them.

## 2 THE SOCIETY

2.1 **Name:** The name of the society is Pacific Association of Supreme Audit Institutions Incorporated.

2.2 **Registered Office:** The registered office of the Society is the Office of the Auditor-General, Level 2, State Services Commission Building, 100 Molesworth Street, Thorndon, Wellington 6140.

2.3 **Objects of the Society:** The objects of the Society are:

- a to serve as a body corporate for PASAI to enable PASAI to give effect to PASAI's objects, mandate and obligations under the Charter;
- b without limiting paragraph 2.3a and subject always to acting in accordance with the objects and mandate of PASAI as set out in the Charter, to:
  - i receive and manage PASAI's funds;
  - ii function as the Secretariat for legal purposes;
  - iii administer programmes of PASAI in conjunction with development organisations (including governments) and other persons; and
  - iv carry out all PASAI's financial responsibilities under the Charterin each case, on behalf of PASAI; and
- c to carry out any other object that relates to the above.

To avoid doubt, pecuniary gain is not an object of the Society.

2.4 **Powers of the Society:** Except to the extent that they are lawfully negated or modified by these Rules, the Society will have the rights, powers, duties and obligations set out in the Act, including the power to:

- a lend, invest, raise or secure the payment of money;
- b raise funds by subscriptions, levies, donations and other means;
- c open and close bank accounts;
- d effect all forms of insurance;
- e enter into contracts with employees, Members and any other persons;
- f acquire by purchase, lease or grant, any real or personal property and to manage, let, sell, exchange or otherwise deal with the assets and property of the Society;
- g improve, alter or maintain any building or works necessary for the purposes of the Society;
- h disseminate private or other information about Members with their consent, provided that the purpose for dissemination of the information is in accordance with the Objects;
- i make, alter or rescind the regulations of the Society in accordance with Rule 13;
- j fix and charge subscription fees for Members in accordance with the Charter;
- k exercise any power a trustee might exercise;
- l invest in any investment that a trustee might invest in;
- m borrow money (including by means of a bank overdraft) to meet any shortfall in cash flow, and provide security for that if authorised by the Governing Board; and
- n do all such other things as are necessary for or incidental to the attainment of the Objects.

2.5 The Society and its Members are subject to, and must comply with, the provisions of the Act to the extent that they have not been lawfully modified or negated by these Rules.

### 3 **SOCIETY MEMBERSHIP**

#### 3.1 **Membership:**

- a The members of PASAI on the date of incorporation of the Society are Members, by right.
- b An SAI admitted as a member of PASAI under article 3 of the Charter becomes a member of the Society by right.

#### 3.2 **Obligations of Members:** Each Member will:

- a pay membership fees;
- b be subject to these Rules and any other regulations of the Society; and
- c do nothing to bring the Society into disrepute.



### 3.3 **No pecuniary gain by Members:**

- a Subject to Rule 3.3b, no Member may receive or obtain any income or capital of the Society.
- b Rule 3.3a does not prevent the Society from remunerating Members and officers of the Society, or office holders or employees of Members, as the Governing Board may decide for the discharge of duties to the Society by those Members officers and persons. All costs, losses and expenses which any officer of the Society may incur while discharging his or her duties as an officer of the Society may be reimbursed by the Society at the discretion of the Governing Board.

### 3.4 **Cessation of Membership:**

- a Any Member may resign from the Society by giving written notice to the Governing Board.
- b A Member ceases to be a Member upon the expiry of its notice of withdrawal from PASAI under article 3, section 4 of the Charter.
- c Any Member whose membership terminates under Rule 3.4a or 3.4b will pay all dues, levies, subscriptions (if applicable) and any other outstanding monies which are in arrears at the time of termination, due for the normal period of membership.
- d Any Member who has resigned or ceases to be a Member in accordance with these Rules will return to the Society all documents and property belonging to the Society that are in its possession on the date of resignation or termination.

## 4 **THE CONGRESS**

**Role of the Congress:** The role of the Congress under these Rules is to:

- a hold meetings of the Society for the purpose of the Objects;
- b appoint, in accordance with the Charter, members of the Governing Board to be the governing body of the Society;
- c fix membership subscriptions for the Society; and
- d perform any other power or responsibility conferred upon it by these Rules.

## 5 **THE CHAIRPERSON**

**Chairperson:** The chairperson or acting chairperson of PASAI for the time being under article 7 of the Charter is also the Chairperson or Acting Chairperson of the Society.

## 6 MANAGEMENT OF THE SOCIETY

6.1 **Governing Board:** The Society's governing body is the Governing Board, constituted by and appointed under Article 8 of the Charter. The members of the Governing Board at the date of adoption of these Rules are the members of the governing board of PASAI.

### 6.2 **Governing Board powers and duties:**

- a Subject to these Rules and the Act, and for the purpose of exercising all its responsibilities and powers under the Charter, the Governing Board may:
  - i employ or otherwise engage the Chief Executive and other persons to be members of the staff of PASAI or the Society;
  - ii engage persons to deliver services for or on behalf of PASAI or the Society;
  - iii suspend or remove any person employed or otherwise engaged under paragraph a i or ii;
  - iv perform its financial powers and responsibilities under Rule 9;
  - v appoint auditors of the Society's financial statements and, as necessary, any programme administered by the Society on PASAI's behalf;
  - vi alter these Rules consistent with the Objects and in accordance with Rule 13;
  - vii approve regulations for the conduct of the Society's activities including, without limitation, adoption of rules made under the Charter as regulations of the Society;
  - viii approve operational policies and procedures of the Society prepared by the Chief Executive;
  - ix appoint committees and, at its discretion, co-opt individuals (including individuals nominated by Members) to serve on a committee;
  - x administer, manage and control the affairs of the Society;
  - xi generally act in the name of the Society and exercise all the powers and functions of the Society;
  - xii perform any other power or responsibility conferred upon it by these Rules; and
  - xiii at all times act in good faith and in the best interests of the Society.
  
- b The Governing Board may:
  - i exercise all the powers of an incorporated society that are not required under the Act or these Rules to be exercised by the Congress (including those set out in Rule 6.2a); and

- ii subject to Rule 6.2bi, delegate any one or more of its powers to a committee of the Governing Board, the Chairperson, the Secretary-General or the Chief Executive in accordance with (and subject to the limitations of) the Charter.
- 6.3 **Meetings:** The Governing Board will meet, 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 of the Governing Board is not less than one half of the members of the Governing Board. The Chief Executive will attend each meeting of the Board, subject to the Board's power to consider matters in private. With the Board's agreement, other staff of PASAI (including consultants and contractors) may attend all or any part of a meeting.
- 6.4 **Special meetings:** The Chairperson may call a special meeting of the Governing Board and must do so at the request of a majority of members of the Governing Board.
- 6.5 **Resolution in lieu of meeting:** A resolution in writing of the Governing Board, 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, but subject to the requirement for a quorum, is as valid and effective as if it had been passed at a meeting of the Governing Board. Any such resolution may consist of one or more documents (including documents sent or returned by facsimile, electronic mail or other similar means of communication), each signed or assented to by one or more of the members. Within 5 working days of the resolution being passed, the Secretary-General must send a copy of the resolution to all members of the Governing Board. The resolution must be confirmed at the next meeting of the Government Board, but is valid and effective from the date on which it was made.
- 6.6 **Observers:** 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.
- 6.7 **Governing Board decisions:** The Governing Board will seek consensus in its decisions. In the absence of consensus, decisions made at a meeting (whether under clause 6.3 or clause 6.4) will be made by a simple majority vote at a meeting, with each member of the Governing Board present having one vote. Decisions must be made by resolution recorded in writing.
- 6.8 **Responsibilities of Secretary-General:** The Secretary-General at the date of adoption of these Rules is the person holding the position of the Secretary-General of PASAI. Any future Secretary-General will be appointed in accordance with article 9, section 1 of the Charter. For the purpose of these rules the Secretary-General will:
  - a have all the powers and responsibilities of the Secretary-General under the Charter; and
  - b perform any other power or responsibility conferred upon the Secretary-General by these Rules.
- 6.9 **Delegation:** The Secretary-General may delegate a power or responsibility under these Rules, 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.

## 7 THE SECRETARIAT

- 7.1 **Purpose of Secretariat:** The Secretariat is the Society's operational and administrative organ.
- 7.2 **Role of the Secretariat:** The role of the Secretariat under these Rules is as specified by Article 10 of the Charter, using the Society's legal capacity where necessary.

## 8 THE CHIEF EXECUTIVE

- 8.1 **Responsibilities of the Chief Executive:** The Chief Executive is the chief executive officer of the Society and is responsible to the Governing Board under the oversight of the Secretary-General. The Chief Executive must perform:
- a the responsibilities of the Chief Executive under Article 11 of the Charter;
  - b any other powers or responsibilities of PASAI or the Society designated or delegated to the Chief Executive under the Charter or these Rules; and
  - c any other power or responsibility of the Society conferred by the Governing Board.
- 8.2 **Delegation:** With the Secretary-General's written approval, the Chief Executive may delegate a power or responsibility under these Rules, including a power or responsibility delegated by the Governing Board or the Secretary-General, to another member of the Society's staff.

## 9 FINANCIAL PROVISIONS AND AUDIT

- 9.1 **Source of funds:** The Society's funds consist of:
- a Membership subscriptions and other financial contributions paid by Members;
  - b grants or donations received by PASAI from development organisations (including governments), public or private institutions, or individuals, for general or specified purposes;
  - c income from publications, conferences and other activities of the Society or PASAI;
  - d the proceeds of sale of any assets;
  - e interest earned from the investment of surplus cash;
  - f any other income or funds received by PASAI in accordance with the Charter; and
  - g any other income approved by the Governing Board.
- 9.2 **Bank accounts:** The Society's funds must be held in one or more bank accounts, at least one of which must be at a bank located in New Zealand, and may be applied for any purpose consistent with the Objects.
- 9.3 **Payments:** All payments must be authorised by one or more duly authorised officers of the Society, as specified in regulations made by the Governing Board under rule 6.2a vii or operational policies or procedures approved by the Governing Board under rule 6.2a viii.
- 9.4 **Governing Board responsible for finances:** 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. The Governing Board may authorise the Secretary-General or the Chief Executive to exercise financial powers by delegation, and may specify financial management requirements or processes under any rules, policies or procedures made or approved under the Charter or under these Rules.

9.5 **Secretariat manages finances:** The Secretariat is responsible to the Governing Board, subject to the Secretary-General's oversight between meetings of the Board, for managing the Society's resources (including its revenues, expenses, assets, liabilities and investments) on behalf of PASAI and in its interests, in accordance with the Objects and the objects and requirements of the Charter, and in a lawful, prudent and sustainable manner consistent with the Objects.

9.6 **Preparation of annual report:** PASAI's annual report under the Charter will serve as the Society's annual report, and must include the Society's financial statements which must be:

- a prepared in accordance with accounting standards adopted by the Governing Board with regard to New Zealand law, the Society's international status and its accountability obligations;
- b signed by the Chairperson (on behalf of the Governing Board), the Secretary-General and the Chief Executive; and
- c submitted for audit to the auditor appointed by the Governing Board, within three months of the Balance Date.

9.7 **Preparation and approval of annual report:** The Chief Executive is responsible to the Governing Board, through the Secretary-General, for preparing the annual report. The Secretary-General must send the annual report (including the audited financial statements of the Society and the auditor's report) to the Governing Board for approval at its next meeting. Following approval, the annual report must be presented to the next Annual General Meeting for approval by Members, which Meeting may, subject to Rule 11.1, be held immediately after the meeting of the Governing Board that approves the annual report.

9.8 **Publication of annual report:** Following approval of the annual report by the Governing Board and the Members, the Chief Executive must send the audited annual financial statements to the Registrar of Incorporated Societies, must place the annual report on PASAI's website, and may make copies available to interested persons or organisations.

## 10 OPERATION OF THE SOCIETY

**Use of assets of the Society:** The Society may only use the assets of the Society:

- a to further the Objects of the Society;
- b if it is not for the sole or individual benefit of any Member; and
- c if that use has been approved by the Governing Board or otherwise under these Rules or the Charter.

## 11 CONDUCT OF MEETINGS

### 11.1 Society meetings:

- a An Annual General Meeting will be held after the Balance Date and will be convened by the Chairperson in accordance with this Rule 11.1.
- b The Chairperson must convene a special general Meeting (a “**Special General Meeting**”), 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.
- c All Members, the Chief Executive, and (with the Chairperson’s agreement) all staff of PASAI may attend a Meeting.
- d The quorum for a Meeting is not less than four Members.
- e A Member may be represented at a Meeting by its head or by a duly authorised delegate.
- f The Chairperson or the Secretary-General must give every Member at least one month’s advance notice of a Meeting. Alternatively, but only in the case of an Annual General Meeting, written notification of the date and place of a regular meeting of the Congress under the Charter, sent to every member by the Chairperson, the Secretary-General or the Chief Executive, may serve as advance notice of the Meeting.
- g The notice of a Special General Meeting will be sent out by the Secretary-General and will include:
  - i an agenda specifying the nature of the business to be conducted at the Meeting;
  - ii an invitation to Members to attend the Meeting under Rule 11.2a or b;
  - iii an invitation to Members to request copies of any papers or other documents to be considered at the Meeting; and
  - iv a request that Members notify the Secretary-General if they wish to attend the Meeting under Rule 11.2a or b, as the case may be.
- h An Annual General Meeting may be held or completed immediately after a meeting of the Governing Board, if it is impracticable to hold or complete the Meeting at the same time as a regular meeting of the Congress held under the Charter. In that event, the Secretary-General must give every Member advance notice of the Meeting (or, as the case may be, the resumed Meeting) which must include:
  - i an agenda specifying the nature of the business to be conducted at the Meeting;
  - ii a request that Members notify the Secretary-General if they wish to attend the Meeting under Rule 11.2a or b, as the case may be; and
  - iii an invitation to Members to request copies of any papers or other documents to be considered at the Meeting.

- i Should it be necessary between Meetings to perform a power reserved to the Society (except a power in Rules 9.7 or 14), the Secretary-General may perform the power after consulting with the Governing Board. The Secretary-General must inform all Members promptly of such action, once taken, and the action must be an item for consideration at the following Meeting.
- j The Society will seek consensus in its decisions. In the absence of consensus, decisions will be by a majority vote (except as these Rules otherwise require), with each Member represented having one vote.

11.2 **Method of holding meetings:** A Meeting or a meeting of the Governing Board may be held, and a quorum constituted, by either or both of the following means:

- a a number of Members or Governing Board members (as the case may be) being assembled together at the place, date and time appointed for a meeting;
- b audio or visual communication by which all Members or Governing Board members (as the case may be) participating can simultaneously hear each other throughout the meeting.

11.3 **Minutes:** The Secretary-General will ensure that minutes are kept of all meetings of the Society and that a record is kept of all written resolutions of the Congress or Governing Board (as the case may be). Minutes that have been signed correct by the chairperson of a meeting are prima facie evidence of the proceedings at that meeting.

## 12 **SIGNING OF DOCUMENTS**

12.1 **Common seal:** The Society will have a common seal. Whenever the common seal of the Society is required to be affixed to any deed, document or other instrument, the seal will be affixed pursuant to a resolution of the Governing Board, or by the Secretary-General subject to later ratification by a resolution of the Governing Board.

12.2 **Signing of documents:** A document will be executed on behalf of the Society if:

- a the common seal is attached to the document in accordance with rule 12.1; or
- b where rules 12.1 does not apply, the document is signed by:
  - i the Secretary-General on behalf of the Governing Board;
  - ii the Chief Executive in the due exercise of his or her responsibilities under these Rules (including the Charter); or
  - iii the Chief Executive or any other person who is duly authorised by delegation made under these Rules.

## 13 **ALTERING THE RULES**

**Altering the Rules:** These Rules may be altered or replaced on a vote at a meeting of the Governing Board.

14 **WINDING UP**

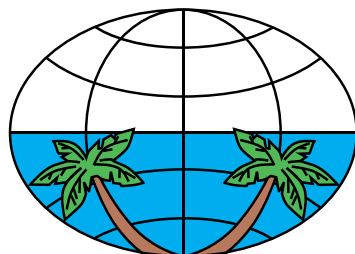
14.1 **Winding up:** The Society may be wound up on a vote at a meeting of the Governing Board, provided that:

- a the Secretary-General has given notice to all Members, at least 14 days before the meeting, of the intended resolution and the right of Members to object in writing to the dissolution; and
- b fewer than one half of members have given notice of objection to the Secretary-General before the date of the meeting.

14.2 On the passing of a resolution under Rule 14.1, the Society will be wound up and all surplus assets after payment of all debts, costs and liabilities of the Society will be held in such manner as the Governing Board may determine having regard to article 13 of the Charter.



ANNEXURE



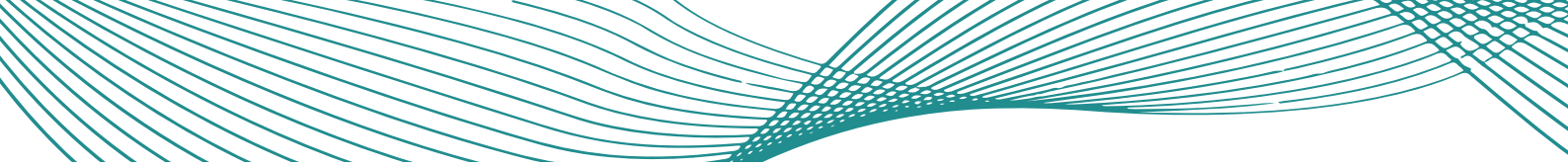
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**CHARTER**  
OF THE  
**PACIFIC ASSOCIATION**  
**OF SUPREME AUDIT**  
**INSTITUTIONS**

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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.

## 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.



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## 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.

## 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





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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.

# 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.



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## 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.

### 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.

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.

### 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.



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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.

## 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

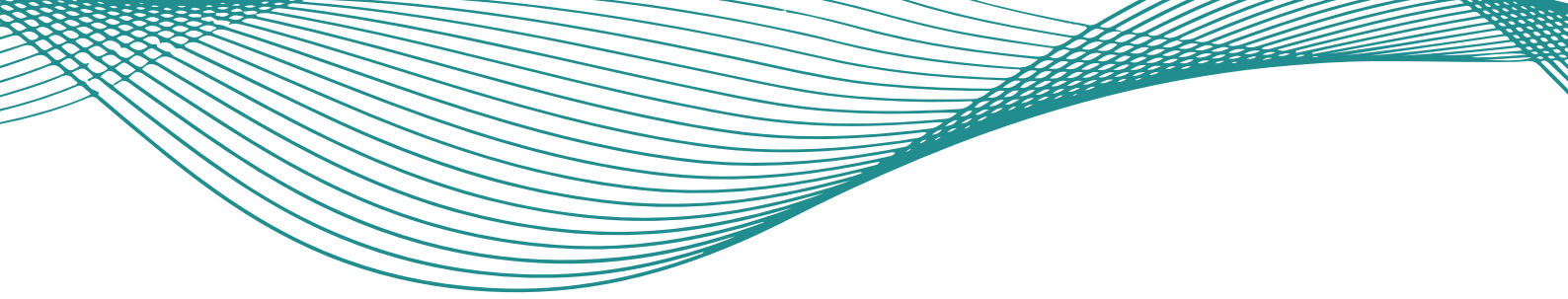
The Congress may amend this Charter or dissolve PASAI, on a vote at a meeting of the Congress by absolute majority of at least two thirds of all members (irrespective of how many members are represented).

### Section 2

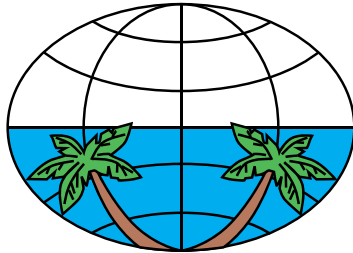
On dissolution, PASAI's residual funds will be distributed to the respective governments of each member at the date of dissolution, in such proportions as the Congress may determine.



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