



PASAI

DECEMBER 2022 NEWSLETTER

Pacific Auditors Working Together

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Pacific SAIs well represented at INCOSAI XXIV

Some 700 people gathered in Rio de Janeiro, Brazil from 7 to 11 November 2022 for the 24th International Congress of Supreme Audit Institutions (INCOSAI).

PASAI members who attended the Congress included:

- Australian National Audit Office: Grant Hehir, Auditor-General; and Jane Meade, Group Executive Director
- Office of the Controller and Auditor-General, New Zealand: John Ryan, Controller and Auditor-General; and Sarah Markley, Director of International Engagement
- Samoa Audit Office: Fuimaono Camillo Afele, Controller and Auditor General; and Muaausa Marshall Maua, Assistant Controller and Auditor General
- Tonga Office of the Auditor General: Sefita Tangi, Auditor General
- PASAI Secretariat: Esther Lameko-Poutoa, Chief Executive

At INTOSAI’s 76th Governing Board meeting, the Samoa Audit Office was officially re-appointed as the PASAI Representative to the Governing Board.

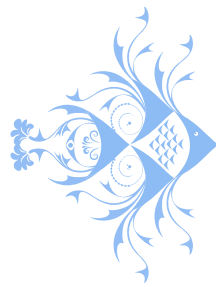
Keep an eye out for more details about PASAI’s involvement at the Congress in the next edition of our quarterly report.



John Ryan, Controller and Auditor-General and PASAI Secretary-General; Esther Lameko-Poutoa, PASAI Chief Executive; Fuimaono Camillo Afele, Controller and Auditor General; and Sarah Markley, Director of International Engagement and PASAI Deputy Secretary-General, at the PASAI booth



John Ryan speaking on a panel, centre – photo credit: International Journal of Government Auditing



Sefita Tangi, Auditor General, with a new [PASAI](#) video playing in the background

Webinar series on strengthening public sector integrity touches on corruption, cooperation and SAI independence

Nicole Ayo von Thun from the Office of the Secretary-General of PASAI (and Senior Advisor, Office of the Auditor-General, New Zealand) contributed the following article.

The Office of the Secretary-General has recently finished running a webinar series focused on building strong national integrity systems in the Pacific region. The series provided a forum for Pacific supreme audit institutions, public service commissions, ombudsmen, other interested public sector agencies and relevant stakeholders to share knowledge and expertise about building strong integrity systems.

Integrity is essential to public trust. Effective national integrity systems support good governance, transparency and accountability. Many public sector organisations play a part in this system.

To launch the series, John Ryan, Auditor-General of New Zealand; Peter Hughes, Public Service Commissioner of New Zealand; and Peter Boshier, Ombudsman of New Zealand, each spoke about the role of their organisations and provided insights on how they help to strengthen the integrity of the New Zealand public sector. They also touched on the importance of the system working together to maximise effectiveness while also respecting and protecting independence where this is fundamental to their role.



[Building strong national integrity systems – 19 July 2022](#)

In the second webinar we explored how three organisations in Tonga are enabling integrity systems to thrive in their public sector. The speakers were Sefita Tangi, Tongan Auditor-General; 'Alisi Taumoepeau, Chief Executive Officer of the Tongan Office of the Ombudsman; and Posesi Bloomfield, Commissioner of the Tongan Public Service Commission (PSC). They shared how they have responded to integrity challenges and provided examples of how goals were achieved when they worked together with other agencies.

Examples included the PSC holding chief executives to account to address audit recommendations and the audit office seeking to improve its governing legislation to enable independence.



[Enabling the integrity system to thrive – 19 October 2022](#)

Each speaker emphasised the importance of taking time to share goals across integrity agencies. Once each other’s goals are known and understood, they can give mutual support to achieve those goals. Great progress can be achieved when working together. The discussion highlighted that when agencies that should be independent from the Executive Government are supported to achieve independence it increases their ability to effectively influence integrity matters.

For the third webinar in this series, we focused on the role that Pacific integrity agencies play in combating corruption. Falling in anti-corruption week, the webinar focused on strengthening public sector integrity to combat corruption. Our speaker was the Right Honourable Helen Clark. Helen Clark is the former Prime Minister of New Zealand, former Administrator of the United Nations Development Programme and Patron of The Helen Clark Foundation. She currently also holds the role of INTOSAI-Donor Cooperation Goodwill Ambassador for Supreme Audit Institution Independence.



[Strengthening public sector integrity to combat corruption: A Q&A with the Right Honourable Helen Clark – 7 December 2022](#)

The series has also fed into the PASAI Leadership Programme Community of Practice. The webinar topics have provided a base for Pacific SAI leaders to talk about how the issues presented are relevant in their own context. The discussion has been rich and highlighted both opportunities and challenges for SAI leaders in progressing their integrity and independence programmes.

We were honoured to have such a high calibre of speakers and a high level of engagement across the region. Thank you to everyone who has joined us for the series this year – we hope it has sparked some useful ideas and conversations for you. The Office of the Secretary-General will continue to work closely with PASAI to advocate for integrity and SAI independence and we look forward to supporting many of you in your integrity and independence journeys in the new year.

Monitoring performance audit recommendations

The following is an edited excerpt from an article published by [Risk Insights](#). PASAI is not affiliated with Risk Insights but has its permission to share this content. The full article, [Monitoring the status of PA recommendations \(incl. follow-ups\)](#), expands on the below, and includes examples from PASAI members and other audit offices around the world.

We monitor the status of our recommendations for several reasons:

- We want to ensure that our work has impact.
- We may have a legislative requirement to follow-up.
- Our stakeholders have asked us to provide updates on progress against agreed actions.
- We want to check whether further work is required in areas that we have previously audited.

How we do this ranges in nature and scale, from ongoing monitoring that relies on auditee submissions to full-scale follow-up audits with significant levels of testing. Here are some of the ways in which audit offices monitor implementation of agreed actions:

1. Progressive series of audits

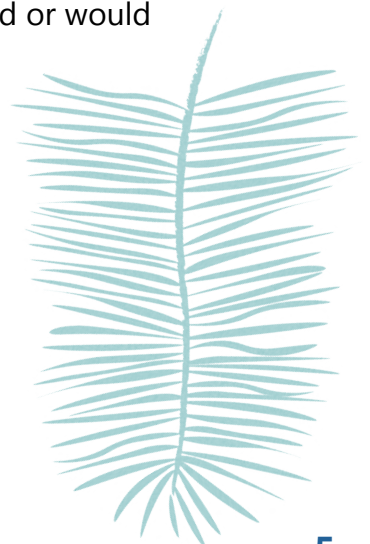
Where a programme or service is new or immature, an initial audit may not be able to evaluate aspects of the activity. Sometimes the audit office conducts an initial review, with a view to following up once more work has been done. This is different from the rest of the follow-ups; they may include both a follow-up of original findings and further work not included in the initial audit.

2. Reasonable assurance follow-up

When there is a need to conduct a reasonable assurance review. Sometimes called a “full audit”.

- A full follow-up audit may be required for several reasons, including one or more of:
- A perceived lack of improvement by the entity or in the activity since the original audit
- Public interest is so high in the activity that a full audit is required again e.g. where the activity relates to public safety or a particularly vulnerable or at risk group of people
- The original audit identified issues that were profound or would take some time to improve, and it is prudent to make sure that improvements are progressing as intended i.e. is the entity on the right track or do we need to alert the parliament / legislature about slower than expected progress.

Some audit offices conduct sunset reviews. These evaluate whether a programme or agency should continue to exist. The reviews are sometimes standalone, and sometimes form part of broader performance audits, and can include follow-up work. Sometimes sunset reviews may be included in the legislation that establishes an entity or a function with a government entity.



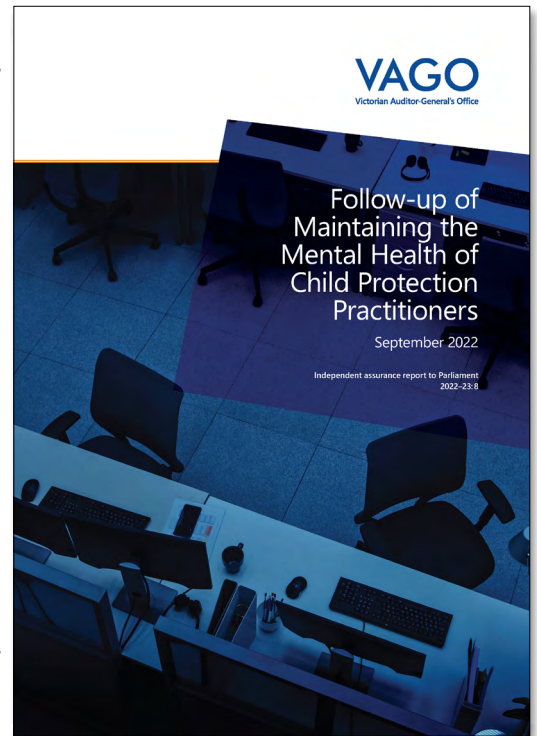
3. Limited assurance

Some audit offices conduct a selection of their audits as limited assurance reviews.

There are several factors that go into the decision about whether to conduct these as limited, rather than reasonable, assurance engagements. This includes legislation, standards in use, and other factors.

The conclusions to such reports can take several forms. This depends on the style that the audit office prefers and/or the relevant audit standards used. One type of conclusion takes the form “Nothing has come to our attention that” agency/department “has not implemented the recommendations.” There are some variations to this where, for example, implementation is ongoing or new actions were identified.

The Victorian Auditor-General’s Office’s [Follow-up of Maintaining the Mental Health of Child Protection Practitioners](#)



4. Other follow-up reviews (outside the categories above)

In some cases, the audit office decides not to conduct an “audit”, but still performs some procedures to confirm the status of implementation.

5. Financial auditors’ ongoing role

Audit offices may also rely on their financial auditors to monitor the implementation of performance audit recommendations from a specific report.

This is beneficial for several reasons:

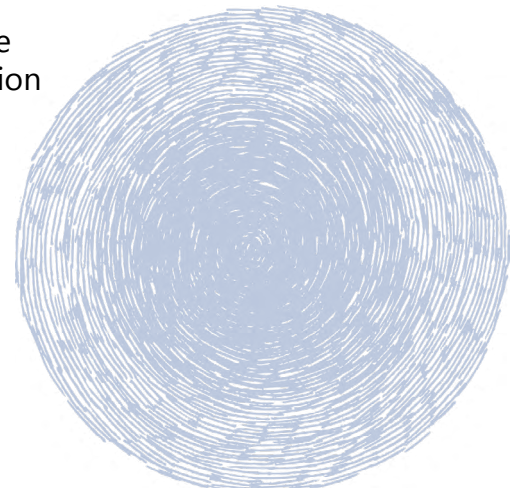
- It is efficient because the financial auditors are already on site for ongoing work.
- It creates a better experience for the client because they don’t have to deal with multiple teams.
- It may help the financial audit team better understand changes and improvements to the auditee that come from performance audit recommendations.

6. Internal audit follows up

Some audit offices rely on internal audit to take care of follow-ups and report the implementation status to the audit office.

In some cases, the audit office publishes the results as such – i.e. a report that clearly indicates that the follow-up was conducted by internal audit.

In other cases, the audit office does not produce a discrete report, but collates the information into a follow-up dashboard or repository.



7. Management submissions

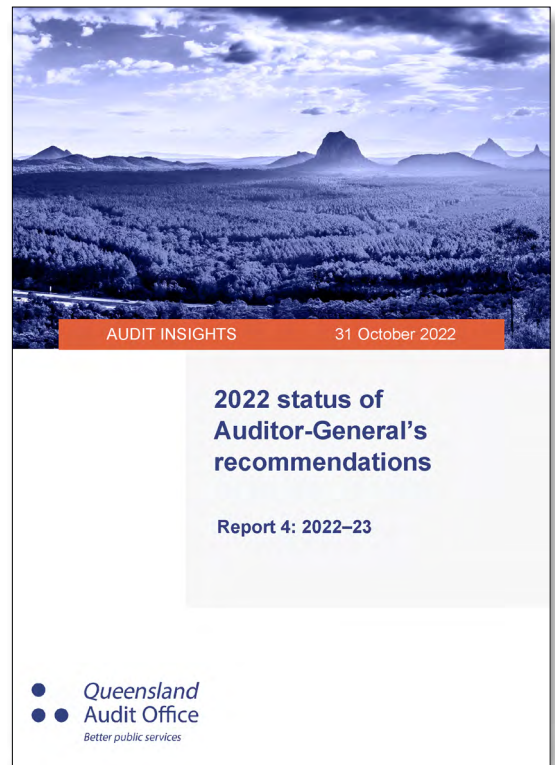
Similar to internal audit follow-up. But in this case, management reports directly to the audit office on the status of implementation.

In some cases, the audit office sets up a portal that departments can use to continuously record the status for individual recommendations.

In other cases, management provides status updates at regular intervals, for example twice a year, through other mechanisms like submissions via email or more formal documentation.

The audit office may then determine which of the items, if any, to conduct more detailed work on. It may also publish an annual report that collates information from auditees about the status of implementation of recommendations.

The Queensland Audit Office's annual [Status of Auditor-General's recommendations](#)



8. Publicly available dashboards and repositories

Not a separate category per se.

Through several of the mechanisms highlighted above, audit offices compile information about the status of implementation of recommendations across audits and make these publicly available, as covered in our [alternate forms of assurance/reporting](#) article.

SAI Papua New Guinea opens office in Bougainville

The Auditor-General of Papua New Guinea, Gordon Kega, and the President of the Autonomous Bougainville Government, the Honourable Ishmael Toroama, opened a regional branch of the Auditor-General's Office (AGO) in Bougainville on 11 November 2022.



Gordon Kega (left) and the Hon Ishmael Toroama (right) at the signing ceremony held at the Peace Park in Buka town, witnessed by the public

This followed the signing of a Memorandum of Agreement between them on 15 September 2022.

“This agreement outlines the co-operative arrangement between my office and the Autonomous Bougainville Government, and describes the roles and responsibilities of the parties to establish the mutually desired regional branch in Bougainville,” Mr Kega explained at the time.

The agreement and office opening is intended to ensure that the AGO properly executes its constitutional audit mandate to the satisfaction of the Bougainville Peace Agreement, until such time as Bougainville appoints its own Auditor-General. A focus of the regional office will be bringing the audits up to date.

AGO staff attending both ceremonies included the four Deputy Auditors-General. Notable attendees from the Bougainville Government and Administration included the Minister for Public Service, departmental heads and local community leaders.



SAI Guam scoring strategic goals since starting PMF journey

A weeklong workshop for north Pacific SAIs on the SAI Performance Measurement Framework (PMF) in early 2017 set Guam's Office of Public Accountability (OPA) on a course it is navigating to this day.

In May that year, staff from PASAI and SAI Marshall Islands independently assessed the OPA with the SAI PMF.

In March 2018, the INTOSAI Development Initiative (IDI) piloted the Strategy, Performance Measurement and Reporting (SPMR) initiative in the Pacific region. It supported SAIs to develop and maintain a strategic planning and management process, achieve strategic outcomes and deliver value and benefits to citizens. The SPMR initiative was a perfect match to the OPA's ambition to embark on a new and robust strategic management process.



Sinaroseta Palamo-Iosefo (Director – Practice Development, PASAI), centre, and staff from SAIs Guam and Marshall Islands at the time of the SAI PMF assessment, May 2017

The OPA participated in the full SPMR SAI strategic management cycle, which commenced with a strategic planning training in late April 2018 in Nuku'alofa, Tonga. Guided by the SPMR methodology, the SAI developed a new and streamlined Strategic Plan 2019–2023, anchored on an objective and comprehensive analysis of its environment and stakeholder consultations.

The SAI PMF assessment had revealed the absence of annual operational planning in the OPA's operations. This weakness was remedied at the operational planning phase of the strategic management cycle. The OPA has since adopted, as part of its routine organisational planning processes, the preparation of well-resourced annual operational plans that are clearly linked to its Strategic Plan.

The SAI PMF assessment was completed and submitted to the OPA in February 2019, mere months after Mr Benjamin JF Cruz was elected the new Guam Public Auditor. The results conveniently provided him with a status of the OPA's performance, serving as a solid base upon which he could steer the SAI to greater heights of excellency in the delivery of its mandate. In March 2019, Mr Cruz demonstrated his commitment to full transparency by publishing the results of the SAI PMF assessment online and providing copies to stakeholders.

Based on the SAI PMF results and other analysis, the OPA identified the following strategic goals in its Strategic Plan:

- independence of the SAI
- quality, timely and impactful audit reports
- timely decision making on procurement appeals, and
- effective engagement with stakeholders.

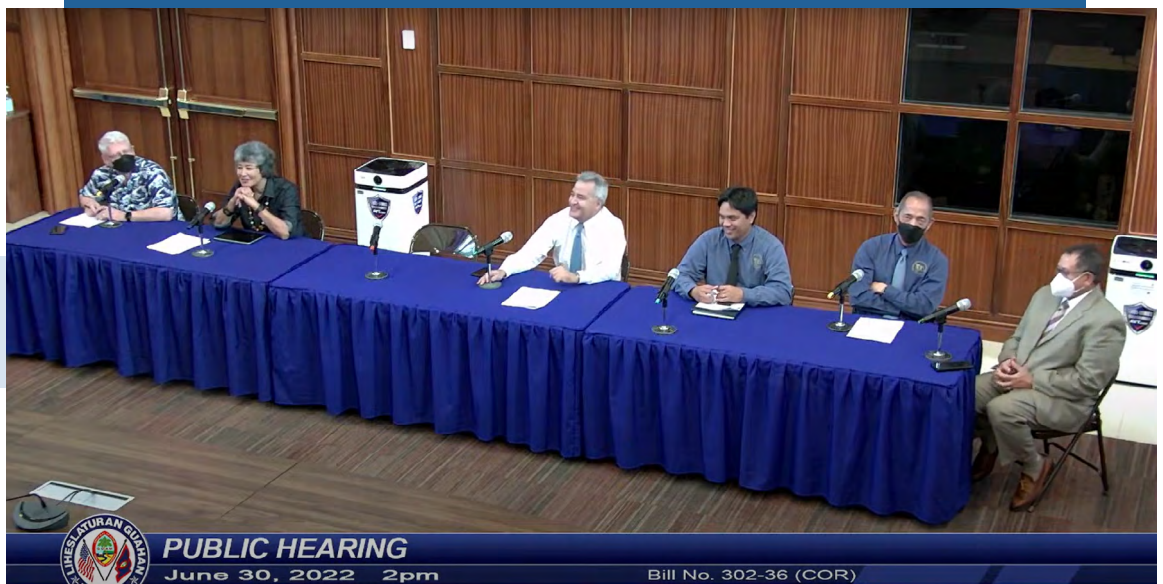
It is evident from the OPA's monitoring system that the pursuit of these strategic goals is contributing to strengthening the SAI's institutional, organisational and professional capacity. This has facilitated its ability to demonstrate the value and benefits it is contributing to the citizens through its services.



Major milestone met

The OPA earned the goodwill of the oversight chairperson in the Guam Legislature, as well as key majority and minority legislators, to propose legislation ensuring the SAI's independence.

In May 2022, Guam senators Joanne Brown and Telo Taitague sponsored Bill 302-36, which sought to enhance the independence of the OPA by dedicating a continuous appropriation of one quarter of one per cent (0.25%) of the Government of Guam's annual budget to the SAI. At a public hearing on the bill, several notable individuals testified in favour, including PASAI's Director (North) and former Guam Public Auditor, Doris Flores Brooks. Ms Brooks remarked, "A strong, independent SAI is essential for a country's good governance and public financial management."

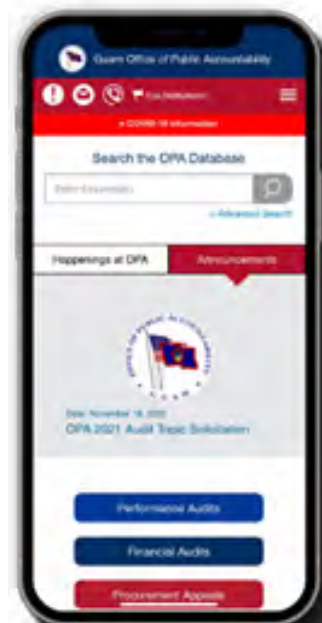


Doris Floris Brooks (Director – North, PASAI), second from left, and Benjamin Cruz, second from right, at the public hearing for Bill 302-36 in June 2022

In August 2022, and through the coordinated and bipartisan efforts of Vice-Speaker Tina Muna-Barnes and Senator Brown, provisions of Bill 302-36 were included in the annual budget of the Government of Guam, which later became Public Law 36-107. Other measures, including the adoption of a pay study conducted in 2014 were adopted, granting the OPA greater flexibility and independence in hiring and compensating staff. This was a key accomplishment addressing one of the major findings in its SAI PMF assessment.

Pandemic fast-tracks initiatives

The OPA fast-tracked several initiatives in the world of automation and engaging with stakeholders due to coronavirus concerns and social distancing. One such project was the introduction of the SAI's very own mobile app, Guam OPA, released in September 2020. The app gives users direct access to audits, financial reports, citizen-centric reports, procurement appeals and other SAI announcements on smartphones and tablets.



Leadership committed to improvement and experience sharing

The OPA achieved the above without development assistance under the Organization for Economic Co-operation Development – Development Assistance Committee (OECD-DAC) arrangements, as it is ineligible. It was only able to develop and implement a new evidence-based strategy by allocating sufficient staff time to the IDI/PASAI training activities.

The OPA has shared its experience in the SPMR initiative with other SAIs at a global level. SAI accountability auditor Jerrick Hernandez is providing technical support to the strategic management team of SAI Philippines, one of the largest SAIs in the ASOSAI region. He is also occasionally invited by the IDI to deliver regional SPMR training courses as a co-facilitator. In September 2022, Mr Hernandez participated in and was one of the co-facilitators of the IDI SPMR Knowledge Sharing Workshop in Jakarta, Indonesia.

The strategic management journey embarked on by the OPA through its participation in the SPMR initiative is a true demonstration of commitment to the principle of continuous improvement. Having established a baseline for its performance with a SAI PMF assessment, the OPA developed and implemented a streamlined strategic plan and focused on enhancing its ability to deliver value and benefits to the lives of citizens.

There is tangible evidence suggesting that the implementation of the its strategy is already yielding the desired results. And despite being a small SAI with a limited staff, the OPA has made significant contributions to the regional implementation of the SPMR initiative.

In officially opening that SAI PMF workshop way back in January 2017, the Honourable Speaker of the Guam Legislature acknowledged the necessary function SAIs play in maintaining accountable use of public funds. Within two years the same man released the OPA’s Strategic Plan, this time as the Public Auditor.

Mr Cruz sums it up so, “As a result of all the resources provided to us by IDI and PASAI and the hard work and dedication of my staff, we were able to create a sound, impactful Strategic Plan that really focuses on how best to make our office a model for good governance in the Pacific.”

Upcoming events / training

14 December	IT Policies workshop 3 of 3
28 December–6 January	PASAI Secretariat office shutdown period
23–27 January	In-country visit (Kiribati)
7–10 February	Communications and media training (Fiji)
20–24 February	Financial audit manual training for SMEs
27 February	33rd Governing Board meeting (Palau)
28 February–3 March	24th Congress (Palau)
6–10 March	Strategy, Performance, Measurement and Reporting workshop (Guam)

Dates may change. Find updated information on the [Events calendar](#).



Message from the Chief Executive

It has been great to experience some return to normality again this year. We celebrate all the milestone achievements across the SAIs. With countries prioritising economic recovery while coming out of the pandemic, offices of auditors general and public auditors have been vigilant in ensuring proper accountability.

We continue to work with SAIs and partners advocating for more robust and capable SAIs to audit public funds in a timely manner for a more accountable and transparent Pacific region.

We want to thank all of you: our members, the controllers and auditors general, public auditors, development partners and colleagues for your continuous support and patronage of our programmes and work.

We wish you good health and peace this Christmas. May you have a happy and prosperous new year!



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