



**PACIFIC ISLANDS FORUM SECRETARIAT**

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**FORUM ECONOMIC OFFICIALS MEETING**

4 – 5 August 2020

**FORUM ECONOMIC MINISTERS MEETING**

11 – 12 August 2020

Virtual

**INFORMATION PAPER NO. 6:  
PACIFIC REGIONAL AUDIT INITIATIVES**

**Purpose and Summary of Issue**

**Purpose**

This paper provides an update on the work that the Pacific Association of Supreme Audit Institutions (PASAI) is undertaking in the region to strengthen Forum Island Countries (FICs) public sector auditing services in support of their public financial management (PFM) reform efforts.

**Summary of Issue**

PASAI continues to progress towards strengthening public sector auditing services in FICs, in order to improve their PFM reform efforts.

**A. Overview**

PASAI is the official association of public sector audit offices (known internationally as Supreme Audit Institutions (SAIs)) in the Pacific region. A Supreme Audit Institution (SAI) is an independent institution established under a country's Constitution or other laws and is normally headed by an Auditor-General, Public Auditor or Magistrate (depending on the system of country governance).

2. PASAI's 27 members include the SAIs of all FICs, as well as some state or territorial audit offices. FIC members include Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand (also responsible for Niue), Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. State-based audit offices include the Australian states of New South Wales, Queensland, and Victoria and also the four states of the Federated States of Micronesia - Chuuk, Kosrae, Pohnpei, and Yap. The territorial offices of American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam and the two French territories of French Polynesia and New Caledonia are also PASAI members.

3. PASAI is supported by a secretariat, based in Auckland, New Zealand.
4. Under its Charter, PASAI's overall goal is to promote transparent, accountable, effective, economical and efficient use of public sector resources in the Pacific. To achieve this goal, PASAI works across the Pacific region to deliver capacity development programmes and activities for its member SAIs, to improve the quality of public sector auditing in the Pacific to recognised high standards. On behalf of its members, PASAI also advocates the interests of good governance, effective PFM, and the need for strong and independent SAIs - in accordance with international principles.
5. A strong and independent SAI is a key element of all country governance systems. This is recognized by two resolutions of the UN General Assembly in 2011 and 2014. PASAI has, with the support of the PIFS Secretariat, been engaged in capacity development activities with its members since 2008. PASAI's work supports the high-level strategic objective of 'strengthened governance' as set out in the Framework for Pacific Regionalism (2014), and prior to - the Pacific Plan (2005).
6. PASAI's ongoing work will continue to have a strong affinity with, and commitment to, the purposes and work of the FEMM and more broadly the concept of the '*Blue Pacific*' and its narrative. PASAI has engaged and will continue to engage with Forum Island Countries in implementing the proposed actions and activities in their respective PFM Roadmaps and accounting and auditing reforms. This has involved collaborative engagement with Ministries of Finance and other related central government ministries across the region, Public Accounts Committees, and related regional institutions.

## **B. Discussion**

7. This section provides a brief summary of PASAI's key achievements/activities/milestones during the reporting period. More details on these achievements are provided in [Annex I](#).

### ***Enhanced SAI independence (SP1)***

8. PASAI has now assisted more than 80% of its members in reviewing their current state of independence against international best practice. Many are currently working to advocate with their respective governments and legislatures for modernised audit legislation, in order to strengthen their ability to contribute to improved governance outcomes in their jurisdictions. During the period, assistance was provided to the SAIs of: Fiji, FSM National and States (Kosrae, Pohnpei and Yap) and Marshall Islands.
9. The review of the PASAI Independence Resource Kit was completed in January 2020. The Kit can be used as a comprehensive resource for SAIs to self-assess their independence and develop and implement an Independence Strategy aligned with their overall independence goals and strategic plans. PASAI will continue to enhance this resource over-time to ensure its content remains relevant and fit-for-purpose.

### ***Advocacy to strengthen governance (SP2)***

10. PASAI advocates strengthening transparency and accountability in all Pacific Island Countries (including FICs) by contributing to and promoting an integrated approach to PFM based on strong partnerships with other regional organisations and with organisations at the SAI jurisdictional level. More than 50% (as against 0% in 2014) of SAIs have actively engaged with their PACs by delivering workshops to strengthen the Committees' financial oversight and external scrutiny role. Two (2) PAC workshops were delivered during the period to Fiji PAC and other stakeholders in June 2019, and a regional workshop in concert with UNDP was held in November 2019.

### ***Strengthen PFM, high-quality audits and effective legislative scrutiny (SP3)***

11. At 31 January 2020 about 68% of SAIs were achieving the timely audit of their country's FSG, as compared to an average of 60% in previous years. PASAI is working closely with those SAIs which still have audit backlogs.

12. Various technical support actions were provided at SAI-level to SAIs during the period, including for:

- Kiribati (October 2019) - to help improve audit methodology for financial audits and this included providing on the job training and refining audit methodology
- Tuvalu (January 2020) – to develop and refine SAI Tuvalu's audit methodology and capability to implement ISSAIs thus enable the completion of efficient and timely Financial Statements of Government (FSG) audits.
- Solomon Islands (March 2020) - to develop and refine its audit methodology in the conduct of FSG Audits.

13. PASAI's Regional Audit manuals for Financial, Compliance, and Performance Audit were developed and will be customised to suit each SAI's context.

### ***SAI capacity and capability enhanced (SP4)***

14. PASAI continues to strengthen the capacity and capability of its member SAIs to perform their mandated responsibilities effectively.

15. About 70% of member SAIs have completed a SAI PMF assessment (2019 - 56% ). During the period June – October 2019, five SAI PMF assessments were carried out for SAIs of Chuuk, Fiji, Kiribati, Commonwealth of the Northern Marianas, and Vanuatu. Reports on the results of these assessments will be completed and provided to the respective SAIs who have sole discretion on how their reports are to be disseminated.

### ***Strong PASAI governance structure (SP5)***

16. The 2019 PASAI Congress was held in Natadola, Fiji from 12 – 16 August 2019, with PASAI's Governing Board met holding their meetings in August 2019 and February 2020.

17. An independent review of the implementation of the PASAI *Long-term Strategic Plan 2014-2024* was completed in March 2019 and reported to the PASAI Congress in August 2019. The report suggested improvements in monitoring, evaluation and reporting of programmes. As a result, a new Director – Monitoring, Evaluation, and Reporting (MER) was recruited in November 2019 to review and improve PASAI’s MER framework and related mechanisms.

18. A grant agreement was signed with UNDP through the the 11<sup>th</sup> EDF Pacific Regional Indicative Programme (PRIP), in March 2019 for the period to May 2021. New funding agreements were also signed with Australia DFAT and New Zealand MFAT for the period up to June 2024. These funding agreements ensure the sustainability of PASAI through to the end of the current Strategic Plan.

19. PASAI continued to communicate and inform its members and other stakeholders through its website and social network platforms. Information on programmes and activities undertaken are provided to members through regular newsletters, blogs, and social media channels.

### **C. Next Steps**

20. PASAI has made significant achievements in improving PFM in the region. Going forward, PASAI will continue to encourage and support its member SAIs to make a difference to the quality of public sector management and service delivery for the benefit of Pacific countries and their peoples. With its various programmes and knowledge bases, PASAI has expertise in advocating good governance, capacity building in government financial systems and enhancing PFM.

21. Under its *Long-term Strategic Plan 2014-2024*, PASAI will continue to:

- enhance good governance, accountability and transparency in the Pacific region through high quality public audit contributions to PFM systems;
- support and empower SAIs to increase their relevance and credibility in-country through engaging with all relevant stakeholders and leading by example in promoting strong, effective and accountable public institutions;
- support SAIs to self-assess their progress using the SAI PMF diagnostic tool, and develop strategic and operational plans to address short-falls and gaps identified;
- foster the support of development partners to fund its programmes and operations;
- harness the good relationships with other partners in the region by conducting more regional programmes to build capacity and increase the capabilities of SAIs and other PFM institutions in the region; and
- promote and support SAIs’ role in the implementation of programmes to achieve the SDGs in the Pacific region, including through the co-operative audit approach.

22. PASAI is seeking to develop alternative delivery approaches to ensure that the most significant capacity-building needs continue to be progressed at a time when staff and consultants cannot travel due to the impacts of the COVID-19 pandemic. PASAI is also developing resources to assist Auditors-General to respond to the increased risks presented through government spending in response to the economic impacts of COVID-19 on FICs economies.

23. PASAI's work will continue to have a strong affinity and alignment with, as well as commitment to the purposes and work of the FEMM and, more broadly, to the intent of Pacific regionalism. PASAI has engaged and will continue to engage with FICs in implementing the proposed actions and activities in their respective PFM roadmaps and accounting and auditing reforms. Collaborative engagement with Ministries of Finance and other related central government ministries across the region will continue to be key actors and partners.

24. PASAI trusts that its attendance in future annual FEMM, as a 'special technical observer', will be of value in improving understanding and increasing awareness of the critical economic, social, and developmental issues pertinent to FICs. Such understanding and awareness will assist in determining the scope of audits and provide added value in strengthening controls, improving safeguards, and contributing to robust PFM systems, while promoting effective governance, accountability, and transparency.

25. In response to the travel restrictions as a result of the COVID-19 pandemic, PASAI is working to transition the delivery of some of its programmes to online or e-learning platforms and formats. PASAI is partnering with IDI to establish a Learning Management System (LMS) as an online platform to deliver its online programmes. The design and production of e-learning material are now underway.

PASAI Secretariat, Auckland

16 June 2020

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### Acknowledgement

PASAI acknowledges the support of its development partners, the Australia Department of Foreign Affairs and Trade (DFAT), the New Zealand Ministry of Foreign Affairs and Trade (MFAT), the Asian Development Bank (ADB), the European Union (EU), the United Nations Development Programme (UNDP), the World Bank (WB). PASAI also appreciates the partnership with its international and regional partners, the INTOSAI Development Initiative (IDI), Pacific Islands Forum Secretariat (PIFS), Pacific Financial Technical Assistance Centre (PFTAC), and the University of the South Pacific (USP).

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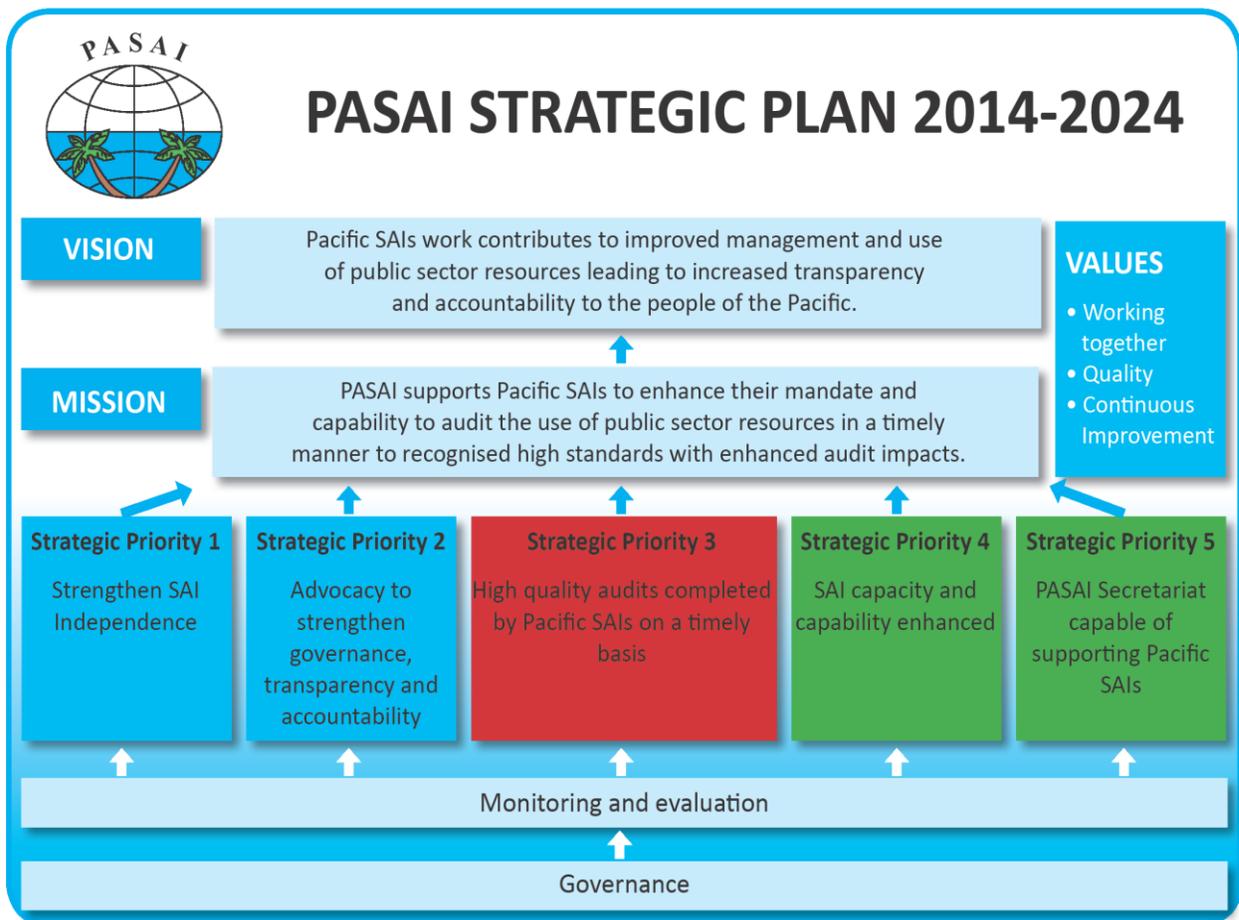
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### Annex I: Supplementary Information

1. PASAI's Long Term Strategic Plan 2014-2024 is founded on the concept that the work of Pacific SAIs will contribute to improved management and use of public sector resources in the Pacific through timely audits of a recognised high standard, and will lead to increased transparency and accountability for citizens.
2. To realize this long term objective, PASAI supports its members to enhance their capacity to audit the use of public sector resources in a timely manner to recognized high standards with enhanced audit impacts.
3. Essentially, the Strategic Plan is a roadmap for PASAI's work over the 10 years from 2014. It seeks to achieve its long term objective by establishing five strategic priorities (SPs) with set objectives, targets, and expected outputs, which can be monitored.
  - SP1 - assisting its members to enhance their independence and providing resources to do so, recognizing that independence enhances an SAI's effectiveness and ability to report to their legislatures and communicate with elected representatives and citizens.
  - SP2 - advocating strong partnerships with regional organizations with an interest in governance, transparency, and accountability and, where appropriate, entering strategic partnership agreements with jointly agreed results-oriented frameworks.

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- SP3 - supporting the completion of high-quality audits on a timely basis. This strategic priority is at the core of our Strategic Plan and PASAI continues to pursue this goal vigorously.
  - SP4 - enhanced SAI capacity and capability by targeting SAIs for improvements in their management processes, supported by staff with up-to-date skills and auditing capabilities.
  - SP5 - PASAI's Secretariat is resourced with professional staff, providing effective and efficient leadership to facilitate the implementation of the above priorities.
4. The SPs are all highly interdependent and mutually reinforce and coalesce around SP3 so that an improvement in enhancing SAI independence and resourcing has the flow-on effect of supporting the completion of high-quality audits. These strategies are depicted in the following diagram:



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### PASAI's Recent Achievements

5. Over the years, PASAI has made significant progress towards achieving its vision and mission in the region.
6. The implementation of the PASAI strategic plan is supported by the oversight and direction of its Governing Board and a sound performance measurement framework, although the measurement of long-term outcome goals remains challenging. Recent highlights include:
  - a) governing legislation of some SAIs has been modernized to enhance the SAI's independence;
  - b) SAIs have improved their auditing skills and these have resulted in up-to-date quality audits;
  - c) SAIs have assessed their performance against an international measurement framework and good practices, to determine and address their weaknesses.

### *Enhanced SAI independence (SP1)*

7. International norms and standards recognize the importance of a country's SAI being independent. There is a growing consensus in the international community on the need to recognise the importance of and strengthen, the independence of a country's SAI. It is increasingly accepted that an independent, effective, and credible SAI is an essential component of a democratic system where accountability, transparency, and integrity are indispensable.
8. In 2011, the UN General Assembly passed resolution 66/209 which recognised the need to strengthen SAIs to promote the efficiency, accountability, effectiveness, and transparency of public administration. The resolution recognised that SAIs can accomplish their tasks objectively and effectively only if they are independent of the audited entity and are protected against outside influence. A further resolution in 2014 (A/RES/69/228) encouraged member states to give due consideration to the independence and capacity building of their SAIs, in a manner consistent with their national institutional structures and the improvement of PFM systems in accordance with national development plans in the context of the post-2015 development agenda.
9. In November 2013, the Commonwealth Heads of Government issued a communiqué in which they:

*recognised the contribution that strong, properly resourced and independent supreme audit institutions play in improving transparency, accountability, and value for money to ensure that public funds are appropriately spent.<sup>1</sup>*

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<sup>1</sup> Colombo Communiqué, The Commonwealth Heads of Government Meeting (CHOGM), Colombo, Sri Lanka, 15 – 17 November, 2013, para. 45.

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10. The legal framework for the SAI in many FICs is out of step with international standards.<sup>2</sup> For example, while many FICs' Constitutions establish and recognize the status and independence of the country's Auditor-General as a constitutional office holder, there is often no similar provision for a separate Auditor-General's office, to ensure its independence from the country's civil service, or to provide a satisfactory basis for its funding and accountability. PASAI recognizes the importance of all FICs' public audit laws reflecting both the modern reality of public sector auditing and being consistent with the international standards and the UN General Assembly resolutions.

PASAI has now assisted more than 80% of its members to review their current state of independence against international best practice. Many are now working to advocate with their governments and legislatures for modernized audit legislation, to strengthen their ability to contribute to improved governance outcomes in their jurisdictions.

Recent progress includes:

- Technical assistance provided to SAI Fiji in August 2019 related to the proposed modernisation of the Audit Act 1969 (the Act). The mission built on an earlier review of the Act and associated constitutional and legislative provisions including that relating to the funding of the SAI;
- A day-long workshop with the Auditor-General of Fiji and senior leaders led to the development of a set of proposed amendments to the Act with supporting explanations. This was discussed with the Office of the Solicitor-General, and at the PASAI Congress with the Chair of the Public Accounts Committee of the Fiji Parliament;
- A legislative reform proposal has been progressed in the Solomon Islands, to the point where a reforming Bill is now ready for an introduction to the Parliament;
- In October 2019, the Public Auditors of FSM National and the states of Kosrae, Pohnpei, and Yap were supported with a workshop, review, and comparison of key legislative provisions in the national and state legislation. Proposed amendments were prepared for each jurisdiction with explanatory material and "talking points" as a resource for Public Auditors to advance discussions with their respective government and congress.
- PASAI provided renewed assistance to the Auditor-General of the Republic of Marshall Islands (RMI) concerning the modernisation of the Auditor-General Act 1986. This followed the unsuccessful attempt by the SAI in 2018 to achieve an amendment to the RMI Constitution about the staffing and resourcing of the SAI. The October 2019 mission picked up on previous assistance and comprised a full review of the Act about the Auditor-General's

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<sup>2</sup> INTOSAI's Lima and Mexico Declarations define the prerequisites for the independent and effective functioning of a SAI. In the Lima Declaration of Fundamental Auditing Precepts in 1977, INTOSAI set the goal to determine the principle of independence and the precepts of external government audit in methodological and professional terms. The Mexico Declaration on SAI Independence in 2007 defined these precepts in more concrete terms and identified eight pillars for the independence of SAIs. See link

[http://www.intosai.org/fileadmin/downloads/downloads/4\\_documents/publications/eng\\_publications/E\\_Lima\\_Mexico\\_2013.pdf](http://www.intosai.org/fileadmin/downloads/downloads/4_documents/publications/eng_publications/E_Lima_Mexico_2013.pdf)

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independence, mandate, and powers. A set of proposed amendments and a draft policy paper was prepared and discussed with the SAI's leadership team.

- The review of the PASAI Independence Resource Kit was completed in January 2020. The Kit can be used as a comprehensive resource for SAIs to self-assess their independence and develop and implement an independence strategy aligned with their overall independence goals and strategic plans. PASAI will continue to enhance this resource over time to ensure its content remains relevant and fit-for-purpose.

11. Forum Ministers are encouraged to support legislative reform initiatives wherever there is a demonstrable need to modernize their SAI's legal framework. Modernized legislation and enhanced independence are strongly connected with PASAI's other work of strengthening the capacity of Pacific SAIs and supporting the achievement of high-quality audits.

### *Advocacy to strengthen governance (SP2)*

12. PASAI advocates strengthening transparency and accountability in all Pacific Island Countries (including FICs) by contributing to and promoting an integrated approach to PFM based on strong partnerships with other regional organisations and with organisations at the SAI jurisdictional level. There are two programme components for SP2. The first is to increase the capability of PACs (or similar legislative committees) of their financial oversight roles and improve their effectiveness in carrying out such an important role. The second concerns promoting good governance in the region through regular Accountability and Transparency (A&T) Reports.
13. More than 50% (0% in 2014) of SAIs have actively engaged with their PACs by delivering workshops to strengthen the Committees' financial oversight and external scrutiny role.

- A collaborative capability building workshop for the Fiji Public Accounts Committee (PAC) and SAI Fiji strengthened public financial accountability was held from 4 -5 June 2019. Facilitated by joint efforts of PASAI partners (PASAI, SAI Fiji, PFTAC and UNDP), the workshop aimed to develop a greater understanding of the parties' joint role in enhancing transparency and accountability in Fiji. Positive feedback received from PAC and SAI delegates on the workshop content, relevance, and timeliness.. A key output was a series of recommendations for actions proposed to the Parliament of Fiji to enable an annual cycle of public financial accountability – including the development of PAC strategic and capability building plans and essential manuals and operating procedures.
- The UNDP-PASAI Regional Workshop on Public Financial Management held in November 2019 was attended by parliamentarians and SAI staff. This was an impactful platform for parliamentarians and public auditors to network and discuss their joint role and shared issues in the public financial management system within their respective jurisdictions.

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- The fourth Accountability and Transparency study was deferred from 2018 and was planned for the 2019-20 year. This has however been further delayed due to the disruption caused by the COVID-19 crisis. Continuation of this work will be reassessed when the ability to travel is more certain.

### *Strengthen PFM, high-quality audits and effective legislative scrutiny (SP3)*

14. PASAI promotes and enhances effective accountability and financial management in FICs through strengthened public financial reporting, public audit, and legislative oversight.
15. PASAI has conducted a series of programmes and activities to deliver assistance and training to SAIs, strengthening their capacity to produce quality and timely audits of the Financial Statements of Government (FSG).
16. The focus of PASAI's capacity building activity has shifted from public auditors simply attending training or workshops to knowledge transfer and embedding learning within the SAI.
17. Specific assistance has been given to those SAIs with audit backlogs and to the smaller and most vulnerable SAIs through: PASAI's initiative for a south-south cooperation program called the Financial Audit Secondment Technical Support (F.A.S.T.S); regional co-operative auditing programmes, and on-site support to individual SAIs.<sup>3</sup> Fundamental to this work is the recognition of the importance of the SAI and the Ministry of Finance working together to achieve strengthened PFM.
18. The resulting improvements in capacity have contributed to some countries reducing their backlogs of FSG audits.

### *Timeliness of FSG audits*

- At 31 January 2020 about 68% of SAIs were achieving the timely audit of their country's FSG compared to an average of 60% in previous years. This is an impressive achievement that PASAI's members can build on in the future.
- For about 32% of SAIs, the backlog is due to other factors, such as the delay in preparation of accounts by the Ministries of Finance. PASAI has formed a partnership with PFTAC to help address this issue by sharing of data and in conducting joint programmes and workshops with Ministry and SAI personnel.
- PASAI is working closely with those SAIs which still have audit backlogs and is working collaboratively with UNDP to support a Technical Advisor to provide specific technical support to help reduce the backlog.

<sup>3</sup> The F.A.S.T.S. programme follows the successful Sub regional Audit Support program delivered to the SAIs of Kiribati, Nauru, Solomon Islands and Tuvalu between 2009 and 2016.

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- Technical support has been provided to SAI Kiribati in October 2019 to help improve audit methodology for financial audits and this included providing on the job training and refining audit methodology.
- The Tuvalu Office of the Auditor-General (SAI Tuvalu) was provided with SAI-level support to enable the completion of efficient and timely Financial Statements of Government (FSG) audits. From 6 - 20 January 2020, a workshop was held in Funafuti, Tuvalu to build SAI capability to complete audits in compliance with international auditing standards. PASAI delivered a pilot intervention to develop and refine SAI Tuvalu's audit methodology and capability to implement ISSAIs<sup>4</sup>. This program was delivered jointly with IDI as a supporting partner.
- Solomon Islands Office of the Auditor General also received SAI Level support from 9-20 March 2020 to develop and refine its audit methodology in the conduct of FSG Audits and resulted in the Solomon Islands Methodology which has been developed with the audit team responsible to carry out the FSG audit.
- Over the years PASAI has engaged closely with DFAT in Honiara to continue the robust partnership between the DFAT, PASAI and the Auditor General which has involved monthly discussions with DFAT on the progress of support to the office. A positive outcome from this collaboration is on 2 September 2019 a senior officer from OAG NZ started her secondment at the Office of the Auditor General in the Solomon Islands. The Auditor General of Solomon Islands, together with PASAI and New Zealand and Australian Governments have worked closely together to fill this critical strategic position for the SI-OAG. New Zealand MFAT is funding the secondees' deployment while DFAT Australia supports other logistical arrangements. PASAI's recent visit to the Solomon Islands to conduct a FSG workshop (See next point) evaluated the secondment engagement and the positive results were quite visible. The Secondee has been working to mentor and coach the Office's Audit Managers so that one of them will take over the DAG position. This has included developing an effective quality control system for the SIOAG and liaising with other Partners as they collectively seek to embed strengthening audit practices.
- PASAI continues to provide online support to the SAIs that have been provided SAI Level support until finalization of the audit report, to ensure the learnings are embedded and the audit methodology is improved and understood. This ongoing support will assist PASAI to evaluate learnings and help design the guidance materials for the SAI and inform programs for the region and other Pacific SAIs. The support is in the form of online communications and with the assistance of IDI, the development of an online platform to encourage Communities of Practice for the FSG workshops program.
- A Consultant was engaged to draft PASAI's Regional Audit manuals for Financial, Compliance and Performance Audit. The idea behind developing these Regional Manuals is part of an overall program towards achieving timeliness and quality. SAIs will be

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<sup>4</sup> ISSAIs – International Standards of Supreme Audit Institutions

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encouraged to customize their own audit manuals using PASAI's Regional Manuals as a reference and guide, then PASAI will provide SAI Level support to assist with this to ensure the audit manuals are written to match their audit practice.

### *SAI capacity and capability enhanced (SP4)*

25. PASAI continues to strengthen the capacity and capability of its member SAIs to perform their mandated responsibilities effectively. The ongoing capacity building of SAIs as institutions and of their staff as professionals is crucial to achieving transparent, accountable, effective, economical and efficient use of public sector resources in the Pacific region. Programme elements include: regional training on organizational management and technical skills; the production of manuals to guide audit practice, and the implementation of the international SAI Performance Measurement Framework (SAI PMF).

- Regional training has been conducted in organizational management (specifically in strategic planning and audit management), technical skills (accounting and auditing standards) and communication (effective communication and report writing), with compelling results. For example, about 75% of SAIs now have strategic plans, and SAIs and their auditors have completed skills-based training adopting international best practices.
- As noted under SP3, some of the regional training has been carried out jointly with other regional bodies such as PFTAC, and also the University of the South Pacific and the United Nations Development Programme. PASAI has also developed a suite of manuals and guidelines to guide SAIs' auditing practices.

26. The SAI PMF is an INTOSAI (International Organization of Supreme Audit Institutions) framework that has been developed to support SAIs in their endeavours to reach the objectives of ISSAI (INTOSAI Standard for Supreme Audit Institutions) 12: *The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens*, which lays out how SAIs should work to: strengthen the accountability, transparency and integrity of government and public sector entities; demonstrate ongoing relevance to citizens, Parliament and other stakeholders; and being a model organization through leading by example.

- Under the INTOSAI SAI Performance Measurement Framework (PMF) program, key achievements include the provision of five in-country SAI assessments and two regional workshops – the first on training the assessors and planning the five assessments and the second workshop on the analysis and reporting of assessment

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results. The program is designed to provide end-to-end training and ongoing wrap-around support to SAIs on using the PMF assessment tool to enable SAIs to adopt this tool with confidence to measure their own performance periodically in the future. Since the commencement of the SAI PMF pilot program in 2016, 70% of SAIs in the Pacific region have completed an assessment – an 18 percentage point increase from 56% noted in the 2019 reporting period.

- During the period June – October 2019, five SAI PMF assessments were carried out for SAIs Chuuk, Fiji, Kiribati, Commonwealth of the Northern Marianas, and Vanuatu. Reports on the results of these assessments will be completed soon and provided to the respective SAIs who have sole discretions in how their reports are to be disseminated.
- The program is on track to achieve a 100% completion rate by 2024. Participants of the Reporting and Analysis Workshop in November 2019, rated the workshop as being highly effective (90%) in developing an understanding of key concepts of the tool and their application. Participants greatly valued the regional and knowledge-sharing approach used and reported that the cross-assessment aspect of the SAI PMF program enabled a greater understanding of similarities, differences, and challenges of audit practice across the Pacific region. The value of this approach is that it enables the SAIs to draw on their peers as they plan how to advance in addressing their own areas of challenge following the assessment.

### *Strong PASAI governance structure (SP5)*

27. PASAI has established sound governance arrangements to guide its core business of ensuring that Pacific SAIs play their role in holding individual PIC governments to account for the management of public finances.

- PASAI Congresses are held annually and are attended by all PASAI members. Congress is the supreme authority and provides guidance to the Governing Board on achieving PASAI's objective. The 2019 PASAI Congress was held in Natadola, Fiji from 12 – 16 August 2019.
- PASAI's Governing Board meets biannually. Under the guidance of the Congress, the Governing Board sets PASAI's direction and oversees the activities of its Secretariat. It is responsible for formulating strategies and policies for the organisation. The Board also approves the 3-year Operational plan and budget and the rules for the conduct of PASAI activities.
- An independent review of the implementation of the PASAI Long-term strategic plan 2014-2024 was finalised in March 2019 (reported to the PASAI Congress in August

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2019) suggested improvements in monitoring, evaluation and reporting of programmes. As a result, a new Director – Monitoring, Evaluation, and Reporting (MER) was recruited in November 2019 to review and improve PASAI’s MER framework and related mechanisms

- The PASAI Monitoring, Evaluation, and Reporting (MER) framework monitors progress against PASAI’s Strategic Plan 2014-24. MER activity is being embedded into the different stages of the programme life cycle. A fixed-term Data Specialist has been recruited to work with the Director MER to design effective data flow and data capture mechanisms, including a database linked to an interactive reporting dashboard.
- An open recruitment process was undertaken through November and December 2019 to fill the Chief Executive role at the PASAI Secretariat which was recruited in 2015 for a 5 year period. The new Chief Executive will commence duties on 2 June 2020 after some delays due to COVID-19 travel restrictions. The services of the previous Chief Executive have been retained to assist to meet the programme delivery resource needs in coming months, including a handover period throughout June 2020.
- PASAI has a regional communication strategy and an informative website and social network platforms. Information on programmes and activities undertaken during the month is provided to members through regular newsletters, blogs, and social media channels.
- PASAI’s funding strategy was used to negotiate to fund for PASAI’s strategy for the five-year period (2019- 2024). A grant agreement was signed with UNDP through the EDF 11 in March 2019 for the period to May 2021. New funding agreements were also signed with Australia DFAT and New Zealand MFAT for the period up to June 2024. These fund agreements ensure the sustainability of the organization through to the end of the current Strategic Plan and evidence that good relationships with development partners have been maintained.
- Collaborative partnerships in the global arena and within the region are achieved through active participation in INTOSAI Congress, Governing Board, working groups and committee forums. PASAI continues to share international resources, guidance, and training materials with SAIs, which are global public goods and made available for use by all of the INTOSAI community including PASAI.