



This Bulletin provides Auditor-Generals in the SPASAI region with:

- * updates on issues of interest*
- * recent developments affecting Audit Offices*
- * emerging matters*
- * generally "newsworthy" items.*

The SAIs are encouraged to contribute to this publication as it will be beneficial to all SAIs as a forum of information exchange and provide an understanding of the issues faced by SAIs in the region. Auditor Generals who are members of the INTOSAI committees and working groups should also use this Bulletin to highlight the progress of the work that they are involved in.

The SPASAI Bulletin is released twice a year, in June and December

Contents:

- Cook Islands
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COOK ISLANDS

Performance Auditing Training and Workshops

One member of the Audit Office staff participated in a Performance Audit Workshop planning seminar held in Tonga from the 17th to the 21st March 2003. The planning seminar was attended by 9 participants from 9 South Pacific Countries. In addition, Mr Thomas Lowry also participated as one of the trainers in the Performance Audit Workshop held from the 12th to the 23th May 2003 in Tonga. Three other officers, Mr Cedric Toru, Mr Ina Mokoroa and Ms Caroline Glassie also attended the workshop as participants.

Audit Reports Issued 3rd Quarter 2003 Financial Year

Financial Audits

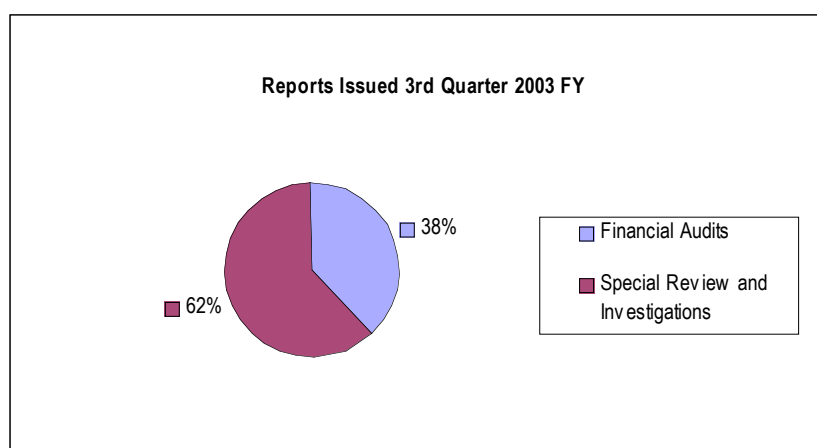
During the period 1 January 2003 to 31 March 2003, a total of 8 financial audit reports (with auditor's opinions) were issued.

This represents 18% of the 44 Ministry, Ministerial Support, Office, Outer Island Administrations and Government Agency's annual financial audits that the Cook Islands Audit Office (CIAO) is scheduled to undertake each financial year.

Special Reviews and investigations

During the period 1 January 2003 to 31 March 2003, a total of 13 special review and investigation reports were completed. Special reviews and investigations were initiated as the result of the identification of a high-risk area or a genuine and valid complaint from cabinet, a head of ministry/crown agency, or a member of the public.

Of these audits 31% are for clearance audits undertaken at the change of the Coalition Government on 31 January 2003. The remaining 67% of the audits were undertaken either because of a complaint or an area of concern identified by the Director of Audit.



Public Accounts Committee

The Speaker of the House of Representatives' appointment of the Chairman of the Public Accounts Committee may need to be reviewed following the judgment on the recent multi-party Cabinet case. The Committee has just tabled its first report in Parliament after a lapse of 3 years, and it is probable that the deliberations on the outstanding three years OAG's reports may be further delayed.

Audit Reports

The Auditor-General issued 4 reports to be tabled in Parliament during the first half of 2003. The reports covered the following areas:

- Financial Audits – Statutory Authorities
- Financial Audits – Municipal Councils
- Financial Audits – Provincial Councils
- Special Investigations – Hire of Plants and Vehicles and Illegal Guest Houses

Public Debt Committee of INTOSAI Meeting: 23-24 June 2003, Mexico City, Mexico

A meeting of the Public Debt Committee of INTOSAI was attended by the acting Director of Audit, Mr. Ajay Nand. The INTOSAI Public Debt Committee is responsible for sharing information and develop improvements in the audit of public debt.

The Office of the Auditor General of Fiji was included as a member of the Committee in 2002. This was Fiji's second attendance at the annual meeting of the committee. The meeting was also attended by members from Canada, Gabon, Jordan, Mexico, Republic of Korea, Portugal, Russian Federation, Sweden, United Kingdom, United States of America and Zambia, as well as representatives of the INTOSAI Development Initiative (IDI).

Mr Ajay Nand presented a report on the auditing of public debt in Fiji as there was little response on our request for information from the SPASAI region. In addition, the report highlighted one of the recent resolutions of SPASAI Regional Institutional Strengthening Committee (RISC) to include in its long-term plan the audit of public debt in the region with the use available IDI training materials.

In-country Workshop on Consolidated Accounts

The OAG organised a two one-week in-country training course on Consolidated Accounts from 24 February 2003 to 7 March 2003. The training was funded by AusAID and conducted by Dixon Associates of Australia. There were 25 participants in each of the two training courses. The aim was to develop skills in the preparation, audit and review of Consolidated Accounts.

SPASAI Performance Audit Workshop: 12th – 23rd May 2003

The OAG Fiji was represented in the SPASAI Performance Audit Workshop held in Tonga in May 2003. Mrs Angelina Pillay was one of the workshop trainers, and Mr Harik Raj and Ms Mere Waqanicagica attended as participants.

Audit of the Annual Account

The 2001 Annual Account has yet to be submitted for auditing which means that the 2002 Annual Account will probably not be submitted until next year, 2004. The hold-up is out of our control though it is still not quite clear why there is a hold-up. Our office has been auditing print-outs of various accounts from the General Ledger for 2001. However, these will have to be reviewed again once the 2001 Annual Account is finalized as amendments are still being done to the General Ledger. We have now started auditing print-outs of various accounts from the 2002 General Ledger. I hope one of these days we will be more current and up to date with the audit of the Government Annual Accounts.

Timeliness of reports remains a major issue. Out of the 27 Government owned companies and Statutory Corporations only 3 have submitted their 2002 accounts. One Corporation submitted its accounts for the years 1993 to 2001 recently and the audit on this Corporation is in its final stage. Other Government Owned Enterprises are not as bad however they are still behind by about 5 years or so. I guess better later than never is the current policy being used even though we have explained the usefulness of current and up-to-date financial information. Timeliness of reports and its usefulness was raised by our office during a symposium for all Government Owned Enterprises.

Staff Movement

Staff shortage is still a major problem; two of our Principal Auditors and one Senior Auditor with computer training have left the office. We have contracted a replacement for one of them and are still searching for qualified people to fill in the other vacancies. There are 4 vacancies for our Senior Auditor post out of 6 available posts and even then one of our Senior Auditors is on study leave for three years. Three of our Auditors are also on study leave for three years. It is quite a juggle to try and complete our reports on time with limited staff especially at the senior level.

Office Equipment

We are also still searching for funds to purchase more computers. At this stage we are working with 5 computers, one printer and one laptop. We require about 4 more to run the office efficiently. Our staffs are currently managing their time so that time on the computer is allocated evenly among the various divisions. Even then if reports are due on the same date for various Divisions it becomes rush hour to the computer room and a first come first serve basis. The problem is compounded with the short life span of the computers here in our country given the weather conditions. We have centralized all computers except for the ones used by the top senior officials in one room that is air-conditioned and relatively protected from the dust. However we still require further up-grading to the computer room in order to maintain a computer friendly environment.

New Audits

Performance auditing was only just implemented by this office last year and we are still working on improving it. It has added value to our reports and also to our auditing work as our staff are now required to do extensive research on Ministries or Government Owned Enterprises especially in the area which our performance audit is focused on.

As part of the performance auditing we are also just starting to do computer auditing though it is more on the security aspects of the computer. This will involve checking the access to computers, back-up systems, virus protection and the support service in place. Our main objective in doing this is to determine whether it would be viable to nationalize the support service given to all Information Technology equipment in Kiribati. This sector is growing at a fast pace and at this point in time. Government is riding along the wave without concern for the infrastructure required to maintain this sector. Computerized accounting packages are being introduced without the necessary user support system. This means that vital financial information is being automated without proper back-up and proper procedures to protect such information. In any event should anything happen to the Government computers, there might be a possibility that Government financial information would be wiped out and everything would have to be started all over again. An AESOP volunteer, Ms Judy Mikkelsen is assisting us with computer auditing.

NEW ZEALAND

Recent Reports Issued

The New Zealand Office of the Controller and Auditor-General has issued the following reports since the publication of the last SPASAI Bulletin:

- Central Government: Results of the 2001-02 Audits
- Annual Plan 2003-2004
- New Zealand Defence Force: Deployment to East Timor – Performance of the Health Support Services
- Department of Conservation: Administration of the Conservation Services Programme
- New Zealand Defence Force: Deployment to East Timor – Performance of the Helicopter Detachment
- Management of Biosecurity Risks: Case Studies
- Certain Matters Arising from Allegations of Impropriety at Transend Worldwide Limited
- Ministry of Agriculture and Forestry: Management of Biosecurity Risks

Copies of the above reports are available from the Office's web site at: www.oag.govt.nz

ACAG/SPASAI Regional Working Group on Environmental Auditing (RWGEA)

The RWGEA aims to assist audit offices in acquiring a better understanding of the specific issues involved in environmental auditing in the ACAG/SPASAI regions. It does this by facilitating exchange of information and experience in environmental auditing among member offices.

The 2nd meeting of this group is being hosted by the Queensland Audit Office in Brisbane on 28-29 August 2003. Topics that will be discussed include:

- the international year of freshwater;
- recent environmental audits completed by offices in our region;
- training in environmental auditing;
- an update on the work of the Global Working Group on Environmental Auditing (WGEA); and
- an update on sustainable development issues.

We also have a number of guest speakers including representatives from the Queensland Treasury, Queensland Environmental Protection Authority and the New Zealand Office of the Parliamentary Commissioner for the Environment. The Chair of the Global WGEA, Johanne Gelinas, (who is also Canada's Parliamentary Commissioner for the Environment) will also be at the meeting to learn more about activities in our region and to give us her perspective on environmental auditing issues.

If you wish to attend the meeting in Brisbane please contact:

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Further information about the global and regional groups can be found at:

www.environmental-auditing.org and www.oag.govt.nz

SPASAI Workshop on Performance Auditing, Nuku'alofa, Tonga, 12 to 23 May 2003

The SPASAI workshop on performance auditing concluded in Nuku'alofa, Tonga on 23 May 2003 with a closing ceremony and farewell function hosted by the Audit Department of Tonga.

The workshop was attended by 29 participants from 11 SPASAI member countries. The participants were trained by seven instructors from the Cook Islands, Fiji, Papua New Guinea, Saipan, Samoa, Tonga and Vanuatu.

The overall goal of the workshop was to train participants in performance auditing by taking participants through each of the stages of a performance audit with the help of a performance audit case study – the *Pasifika* Case Study. In the final two days of the workshop participants worked in country teams to develop a performance audit proposal that could be the beginning of a performance audit study that they could undertake for their own Office.

The workshop in Tonga was funded by the Asian Development Bank and the INTOSAI Development Initiative whose continuing support to the region is gratefully acknowledged.

The next SPASAI workshop will be on Certification of Financial Statements (financial auditing) in Fiji in November 2003. The SPASAI Secretariat will contact SPASAI members with further details about this workshop later in the year.

TONGA

SPASAI Performance Audit Workshop

The Tonga SAI was indeed honoured to host the Performance Audit Workshop that was held in Nuku'alofa, Tonga during the period 12th -23rd May 2003, and to receive 26 participants and 7 trainers from the various SAIs of the region to attend the workshop, and also to Mr Hayden Everett from the SPASAI Secretariat. We hope that everyone attended had enjoyed the workshop and achieved their learning objectives, and also their two weeks of stay in Tonga. The workshop was closed on Friday 23 May 2003 with the closing ceremony hosted by Tonga SAI.

New Appointment for Mr Sefita Tangi, Deputy Auditor General

Mr Sefita Tangi, Deputy Auditor General of the Tonga SAI, was approved by His Majesty's Cabinet to be appointed and promoted to the post of Commissioner of Revenue on the 12th March 2003. He is therefore the new head of department to the newly established Revenue Services Department (comprises of the Customs Department, the Inland Revenue Department, and the Post Office). Most, if not all, of Auditor Generals and their Deputies of SPASAI had met Mr Tangi in various regional and international congresses and/or trainings. It is indeed a well-deserve reward for Mr Tangi in his dedicated and hard working efforts, but it also showed the recognition by the Tonga Government of the good performances of the Tonga SAI staff.

TUVALU

The 2000 and 2001 audit reports will be tabled in the June 2003 session of Parliament. The audit of the national accounts for 2002 is being schedule to take place in September 2003 and the audit report will be tabled in the Budget Session in December 2003.

The Deputy Auditor General is currently pursuing a diploma in accounting at the University of the South Pacific and Ms Sania Teisini was appointed in January 2003 to the post of Assistant Auditor.

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