



This Bulletin provides Audit Offices 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:

- Office of the Audit General – Cook Island
- Public Auditor – Guam
- Office of the Audit General – Fiji Islands
- Audit Office - Tuvalu

COOK ISLANDS

The following reports were tabled in Parliament from 1 January to 30 June 2007.

1. Financial Audits

- Ministry of Agriculture 30 June 2005
- Office of the Ombudsman 30 June 2005
- Office of the Ombudsman 30 June 2006
- Financial Intelligence Unit 30 June 2005
- Office of the Head of State 30 June 2005
- Department of National Human Resources 30 June 2005
- Department of National Human Resources 30 June 2006
- Ports Authority 30 June 2006
- Airport Authority 30 June 2006
- Parliamentary Services 30 June 2005
- Parliamentary Services 30 June 2006
- Crown Law Office 30 June 2005
- Crown Law Office 30 June 2006
- Office of the Minister of Health 30 June 2005
- Office of the Minister of Education 30 June 2005
- Ministry of Transport 30 June 2005
- Financial Supervisory Commission 30 June 2006
- Ministry of Cultural Development 30 June 2005
- Development Investment Board 30 June 2005
- Ministry of Marine Resources 30 June 2005
- Nassau Island Administration 30 June 2005
- Cook Islands Natural Heritage Trust 30 June 2005
- Office of the Minister Wilkie Rasmussen 30 June 2005
- Office of the Minister for Island Administration 30 June 2005
- Prime Minister Support Office 30 June 2005
- Police Department 30 June 2005
- Office of the Public Service Commissioner 30 June 2005
- Pukapuka Island Administration 30 June 2005
- Cook Islands Tourism Marketing Corporation 30 June 2005

Another 24 financial audits have been completed during the same period but have yet to be presented

to Parliament.

Furthermore as at the 30 June 2007 all Ministry, Ministerial Offices and Crown Agencies financial audits for the year ended 30 June 2005 were completed and efforts are currently underway to consolidate these figures into the completion of the Cook Islands Government Accounts for the 30 June 2005 audit.

2. Special Reviews and Investigation

During the period 1 January to 30 June 2007, a total of 20 special reviews and investigation were presented in Parliament.

- Financial Audit of the Cook Islands Creative Centre for the year ended 30 June 2006.
- Audit of the Cyclone Emergency Assistance Loan (CEAL) Projects Statement of cash receipts and disbursements for the year ended 30 June 2006.
- Audit review into the Financial Management of the Punanga Nui Market.
- Review of overspending by the Office of the Ombudsman, the Ministry of Justice and the Ministry of Cultural Development for the Financial Year 1 July 2005 to 30 June 2006.
- Financial Audit of the Cook Islands Women Counseling Centre – Punanga Tauturu Incorporated for the year ended 30 June 2005.
- Audit of the Bank of Cook Islands Branch in Mangaia.
- Review of Financial Mismanagement of Public Funds by the Penhryn Island Administration for the financial period ended 30 June 2003.
- Motor Vehicle Tender Review – Ministry of Agriculture
- International Water Program financial audit 31 December 2006
- Project Development Fund (PDF) managed by the Ministry of Marine Resources (MMR)
- Maritime Cook Islands Ltd (MCIL) 31 December 2003, 31 December 2004, 31 December 2005 – Financial Audit
- Water Works Capital Expenditure Review
- Ministry of Health – Review of the Purchasing and Payment of Essential Drugs
- Mauke Branch – BCI Review and Cash Count
- Leave Accountability by Government Ministries and Crown Agencies over the Christmas/New Year Period.
- Ministry of Education – Alleged Misuse and Misappropriation of Public Funds.
- Grievances of Jimmy Browne & Sons Builders Ltd (JBSBL) concerning the Ministry of Health (MOH) Rarotonga Hospital Project.
- Acquisition of the Sand Pump Report – Ports Authority
- Ministry of Justice – Alleged Misuse and Misappropriation of Public Funds
- Performance of the CEO of the Support Office of the Minister of OMIA

During the period 1 January to 30 June 2007 another 3 special audit reports were completed, however these are yet to be presented to Parliament. The special reviews and investigations were initiated as the result of the identification of a high-risk area, genuine and valid complaints, and matters arising from financial audits.

3. Staff Development and Training

SHORT TERM CONSULTANT – SYSTEM REVIEW

The Audit Office engaged Neil French, previously of KPMG Rarotonga, on a consultancy basis to assist the office for four weeks commencing 1 March 2007. In summary Neil's 'Terms of Reference' was to review and make enhancement recommendations in respect to the financial audit procedures, team structure and audit positions, quality assurance controls, audit inefficiencies, compliance checklists and to provide financial audit training as determined necessary.

Neil undertook a thorough review of our current audit plans and assisted in the provision of amended prescriptive planning documents to help enhance our performance and assist in completing audits in a more efficient manner. Additionally, he spent significant time identifying areas where improvements could be made to the way in which our Financial Audits are planned and reviewed to reduce the time involved in finalising client's Financial Statements and our Audit Opinion.

During his last week with the Office Neil focused on provision of training to all Financial Audit Team members to ensure the introduction of our new prescriptive plans and finalisation processes are implemented in a timely and effective manner. The Director of Audit has agreed and undertaken to incorporate the recommended changes after training has been carried out.

IN-HOUSE TRAINING FOR AUDITORS AND ASSISTANT AUDITORS

On 1 March 2007, training on auditing client's Cash Flow Statements was conducted in-house by Rosalie Fiel, Acting Audit Manager. The training, held at MFEM's Board Room, was attended by 13 members of the Financial Audit team. The 2 hour session focused on:

1. The importance of the Cash Flow Statement, as part of Crown Entities Financial Statements;
2. How it can be used as a tool in gauging the financial performance of Crown Entities; and
3. How to correctly utilize Audit's Cash Flow template.

The training included a number of practical exercises to ensure that the participants fully comprehended the various issues discussed.

TEAM LEADER TRAINING PROGRAMME

In February 2007, the Management staff attended a two-day "Team Leader" training workshop that was held at the Edgewater Resort. David Henton on behalf of Management Learning Associates Ltd presented the training workshop. Participants at the workshop included Managers and Supervisors from the public and private sector.

The training workshop covered topics such as:

- Qualities of a Team Leader

- Team Performance Potential Profile and Action Planning
- Practical Feedback and Coaching
- Conflict
- Effective Delegation
- Practical Performance Management
- How Teams Evolve
- Motivation and Rewards

The training workshop was an excellent professional development exercise and it gave our managers and supervisors the opportunity to acquire necessary leadership and management skills, which has added value to the overall management of our office. Our office also adopted a set of “Ground Rules”, a new initiative learnt from the training workshop.

PUBLIC SPEAKING AND PRESENTATION WORKSHOP

Our Audit Advisor, Louise Wittwer, attended the Cook Islands Business Professional Women's Association 'Public Speaking and Presentation Skills Workshop' in February 2007. This workshop, spanning two days at the CITV conference centre, was presented by Brett Oetgen of Presentation Success Series, a New Zealand company.

The workshop primarily addressed the fundamentals of enhancing individuals' public speaking skills and determining the best way to deal with nerves. It was a very interactive workshop with attendees presenting on several occasions during the two days training. Given the level of public speaking required of Audit Office management, particularly in respect to training and educating Finance Managers, HOM's and MP's, the skills gained by attendance at this course will be fully utilised.

NZ INSTITUTE OF MANAGEMENT-INTERPERSONAL COMMUNICATIONS SKILLS

The Director, P. Allsworth as a member of NZIM, attended a two-day course on, Interpersonal Communication Skills in Auckland from 22-23 February 2007. The Course was presented by Ms Robyn Walshe.

The core course subjects were centered on:

- Building the Essential Skills
- Behavior and Communication
- Building Understanding
- Resolving Conflict
- Workplace Tools and Realities

The Course delivery and presentation was excellent. This was notably due to the close interaction and feedback from a class of only 4. There was a lot of one on one individual training situation. The Course covered a key range of topics that extend one's skills, understanding and experience in this area – a foundation to success in both public and private sector.

Building one's communication tools and techniques, exploring different approaches, experimenting with new ways of behaving in various situations, and enhancing confidence in handling challenging situations.

19th UN/INTOSAI SYMPOSIUM, VIENNA, AUSTRIA, 28 – 30 MARCH 2007

The Cook Islands Audit Office (CIAO) was invited to attend the 19th UN/INTOSAI Symposium in Vienna, Austria. The CIAO was represented by Allen Parker, Audit Manager – Special Reviews Division at the 19th UN/INTOSAI Symposium. The content of the two-day symposium covered a wide range of audit topics, which centered on the key theme “Values and Benefits of Government Audit in a Globalize Environment”. These topics include the following:

- Auditing for social impact
- Key performance indicators (KPI) to measure input, products and impacts of Supreme Audit Institutions (SAIs)
- Recording the performance and the impact of SAIs.
- Measuring the performance of audit organizations.
- Measuring audit success (costs versus benefits)
- Recording the public value-adding of SAIs and its effect on society
- SAIs audit in a globalised environment (multilateral audits and coordinated audits).

CROWN ACCOUNTS UPDATE

Commencement of the 2005 Consolidated Crown Accounts Audit is dependent upon completion of the individual crown entity 2004/05 audits. Accordingly, the third quarter of 2006/07 saw the Financial Audit team focusing on finalising as many Ministry (2), Crown Entity (9) and Outer Island (2) audits for the year ended 30 June 2005 as possible.

Our Office is happy to announce that all outstanding Ministry, Crown Entity and Outer Island financial audits for the year ended 30 June 2005 were completed as at the 31 May 2007, allowing for the Crown Consolidated 2005 Accounts Audit to commence immediately thereafter.

We note that as at the 30 June 2007 our Office has already made significant progress on areas such as the:

- Crown Taxation Revenue review;
- Comprehensive review of the government payroll system;
- Significant POBOC items like Welfare Benefits, Grants and Transfer Payments, Social Responsibility Fund, Civil List, etc;
- Significant current assets balance;
- Material long-term liabilities i.e. Borrowings; and
- Partial review of State-owned Enterprises.

Staff Movement

Assistant Auditor, Maria Teaurima, resigned from the Audit Office in February 2007 to take up scholarship in completing a degree in Management/Law with the University of the South Pacific in Vanuatu.

The Audit Office was also unfortunate to loose Audit Supervisor Tunoa Araitia, who resigned from the Audit Office to take up a position as a Senior Finance Officer with the Ministry of Finance and Economic Management.

In January 2007 the Audit Office was fortunate enough to employ Mr. William Numanga as an Auditor in our ever growing Special Reviews Division. A graduate of Brigham Young University in Hawaii, William has an extensive range of work experience in both the private and public sector which will no doubt be a great contribution to the overall purpose of the Audit Office.

The Office was also fortunate in employing Roberta Dashwood as an Assistant Auditor in our financial audit division on a part time basis. Roberta was the Finance Officer for the Ministry of Cultural Development before joining the Audit Office.

If you have any queries regarding the above please feel free to contact me via our office email address (perca@auditoffice.gov.ck) or fax (+682)21-231).

GUAM PUBLIC AUDITOR

For any information about this Office, one can refer to the Guam OPA website: www.guamopa.org to review the 2006 Annual Report and the audit reports released from January 1, 2007 to the current date.

FIJI AUDIT OFFICE

Conferences/Meetings

Director of Audit Mr. Ajay Nand attended the ACAG Financial Reporting Accounting Group meeting in Sydney Australia on 30 March, 2007. After the meeting Mr. Nand undertook the audit of the Fiji Consulate General Office in Sydney.

The Auditor General Mr. Eroni Vatuloka attended the following conferences in Canberra, Australia in April 2007:

- ACAG Conference – 11/04/07
- ACPAC Biennial Conference – 12-13/04/07

The Auditor General also attended the RISC meeting in Suva from April 30 to 2 May 2007 to discuss Phase 2 of the Pacific Regional Audit Initiative (PRAI) - Country level SAI diagnosis with other Auditors General from SPASAI. He then traveled to Australia to interview the replacement Consultant Team Leader for the PRAI from 11-13/06/07.

Mr. Ajay Nand attended the INTOSAI Public Debt Committee meeting in Lisbon, Portugal from 21-22/06/07. On his return, he stopped over in London to undertake the audit of the Fiji Embassy.

Audit Updates

Fiji Audit Office has completed the audit of the following Government Commercial Companies and Commercial Statutory Authorities:

- Land Transport Authority
- Public Rental Board
- Pacific Fishing Company
- Fiji Electricity Authority
- Post Fiji company Limited
- Fiji Broadcasting Company Limited

- Fiji Island Revenue & Customs Authority

The audit of the Accounts and Finances of the Fiji Government is being undertaken and is expected to be completed in August 2007.

New Forensic Audit Unit

Our new Forensic Audit Section was established in March 2007 to assist in the investigation of corrupt activities in the public sector. The unit was set up with the assistance of an overseas consultant and comprised four teams of two with two team leaders at audit manager level and two other at senior auditor level. Training was conducted by the consultant which included classroom and on-the-job field work.

The four teams are currently conducting forensic audits on procurements of goods and services in four Departments.

The function of this unit has been reinforced by the enactment of legislations like the Financial Transaction Reporting Act which allow the OAG to gather and share information with other agencies to substantiate evidence of corrupt activities.

Public Accounts Committee

All works of the Public Accounts Committee were suspended after the Fiji Military Forces took over the Government on 5 December 2006. While the Interim Government had attempted to form an interim Public Accounts Committee to deliberate on the reports of the Auditor General, there have been some setbacks in the appointment of members of the committee.

Staff Movement

- Resignation

Two Audit Managers, a Senior Auditor and an Auditor have resigned. Audit Manager Ms Radhika Reddy has joined the NSW Audit Office in Australia, Audit Manager Ms Shobna Singh has migrated to New Zealand and Senior Auditor Mr. Vikash Chand is now the Manager Finance with the Capital Markets Development Authority in Suva. Auditor Ms Kushmir Kaur has given her intension to resign from the service with effect from 1/7/07.

- New Recruitment

The Fiji Audit Office is currently undertaking a recruitment drive to fill the vacant positions of Deputy Auditor General, Directors of Audit (2), Audit Managers (4), Senior Auditors (5), Auditors (4) and Assistant Auditors (4).

TUVALU AUDIT OFFICE

The Auditor General, Mr Isaako Kine, attended a two-weeks UK-based. 'Internal audit and Performance Management' course in London. The course was conducted by Public Administration International (PAI) from 19 Feb to March 2007. The AG's attendance was co-funded by British High Commission, ROC Taiwan, and the Government of Tuvalu.

The Auditor General also attended the RISC meeting in Suva from April 30 to 2 May 2007 to discuss

Phase 2 of the PRAI - Country level SAI diagnosis.

Mr. Steve Bonnor, our AusAID funded TA arrived on the 8 March 2007. Mr. Bonnor is from the NSW audit office and is accompanied by his wife and two little boys (twin). Mr. Bonnor will be with us for an initial term of 2 years.

Two staff, Ms Luasene Robert and Ms. Toligi Paeli, left for USP Suva to pursue their Diploma in Accounting. One staff, Ms. Sania Pelesia, left the office without notice to become a Tax Officer.

For enquiries, please contact:

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