

# *SPASAI BULLETIN*

Issue No 1

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*“Helping Pacific Nations”*

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. Auditors-General 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.

It is our intention to release the SPASAI Bulletin twice a year initially, in December and June. Further development of the publication will be discussed in the next SPASAI Congress in Rarotonga scheduled for May 2002.

**NEW ZEALAND – OFFICE OF THE AUDITOR-GENERAL**

## **Regional Working Group on Environmental Auditing**

### **Background**

Over the last twelve months, the New Zealand Office of the Controller and Auditor-General has been co-ordinating the establishment of an ACAG/SPASAI Regional Working Group on Environmental Auditing. The INTOSAI Working Group on Environmental Auditing has, in recent years, focussed on actively involving regions in developing environmental auditing by establishing regional working groups. INTOSAI feels that the exchange of experience and ideas on environmental auditing is most relevant and most likely to achieve concrete results at the regional, as opposed to global level.

### **Getting Started in our Region**

ACAG and SPASAI Audit Offices were given a questionnaire to gauge the degree of interest in the development of a regional working group. The results of this questionnaire were promising with a good level of interest shown in setting up the group and a high degree of consensus in the areas identified as being priorities.

At the ACAG Third Performance Audit Workshop held in Canberra in October 2001, the Regional Working Group on Environmental Auditing held its first meeting. Though not all ACAG nor SPASAI Offices were represented at this meeting, we thought it was a good opportunity of having a number of Offices come together, to get the ball rolling and plan for the future.

### **Role of the Regional Working Group on Environmental Auditing**

Most of the responses to the questionnaire identified the exchange of practical guidance on the scope for, and methodology used in environmental audits as being the most suitable role for the group. Other aims of the group would be to:

- ◆ assist Audit Offices in acquiring a better understanding of environmental auditing issues;
- ◆ facilitate the exchange of information and experience; and
- ◆ publish guidelines and other informative material.

### **INTOSAI CD ROM**

The INTOSAI Working Group on Environmental Auditing has produced a CD-ROM that contains training material on environmental auditing. The CD-ROM, a copy of which will be sent to members of the working group, is designed to be used by regional groups to promote and develop environmental auditing in the regions. The material on the CD-ROM gives a very good overview of the work that has already been undertaken on the issue and of the potential role of the regional groups.

### **Next Steps**

The group has identified two specific areas of work that it should focus on in the short term:

1. To produce an article for the INTOSAI bulletin, Greenlines, that outlines what the key environmental auditing issues are in our region.
2. For member offices to identify a common topic and work towards undertaking a joint or co-ordinated environmental audit. The CD-ROM outlines how this has been done in Europe and Africa.

### **A Regional Conference is planned**

To progress the work of the group, a two-day environmental auditing workshop is being held in the middle of next year. The aims of the workshop will be to:

- ◆ confirm the standing of the working group;
- ◆ formally endorse the objectives and the role of the group;
- ◆ give Audit Offices the opportunity to present the Environmental audit work they have undertaken;
- ◆ discuss potential areas for joint or co-ordinated Environmental audits;
- ◆ develop and consolidate networks between Offices; and

- ◆ develop experience and knowledge of environmental Auditing issues at a time when the profile of Environmental issues will be high due to the ongoing development of triple bottom line reporting and the Rio + 10 summit in South Africa in November 2002.

The dates and location of the workshop have yet to be confirmed but it is expected to be held in June/July 2002 in either Wellington or Sydney. The New Zealand Office of the Auditor-General will continue to co-ordinate this work.

### **What it can do for you?**

Between now and the workshop, Offices are invited to submit a short paper outlining what environmental auditing work they have undertaken, and any emerging issues from this work. These papers will be used to form the basis of the article for the INTOSAI bulletin, Greenlines, for the publication sometime next year.

In addition, it has been suggested that Offices share information about any audits with an environmental perspective that is planned for the forth-coming twelve months. This will enable members of the working group to identify a potential topic that might be jointly undertaken or co-ordinated between two or more offices.

This exchange of information could be done via the recently launched ACAG website. If you don't want this information made public, then details of potential audit topics could be forwarded in confidence to the New Zealand OAG.

The contacts for the ACAG/SPASAI Working Group on Environmental Auditing are: Martyn Pinckard (email: [martyn.pinckard@oag.govt.nz](mailto:martyn.pinckard@oag.govt.nz)) and Gareth Ellis (email: [gareth.ellis@oag.govt.nz](mailto:gareth.ellis@oag.govt.nz)). Please contact Martyn or Gareth if you have any questions about the group.

### **Regional Audit Workshop, Auckland, New Zealand, 19-30 November 2001**

The objective of the workshop was to provide participants with improved financial auditing skills. In addition, a two-day Fraud Awareness workshop was held which provided a useful introduction to this important aspect of their work. 25 participants attended the workshop. The eight Presenters were all graduates of the Long-Term Regional Training Programme held in Fiji in 1999. It is note-worthy that all the graduates of that programme are still available for training in the region.

The presenters and participants were very professional in their approach to training and learning and were a credit to their SAIs. This workshop was a further presentation of the successful workshop held in Rarotonga, Cook Islands in May 2000. The workshop in Auckland was fully funded by IDI, whose continuing support to the region is gratefully acknowledged.

**OFFICE OF PUBLIC EXPENDITURE REVIEW COMMITTEE AND  
AUDIT  
COOK ISLAND'S GOVERNMENT**

**Annual Report**

The Audit Office has completed its annual report for the financial year 30 June 2001. The annual report is very comprehensive and highlights all the audit activities undertaken by the Office in this financial year. It will be tabled in Parliament when Parliament resumes early in the New Year.

**Staff Training**

The Office is constantly encouraging staff professional development and training through USP extension services, short-term training with Massey University, in-house training and through SPASAI training courses.

The Office is also facilitating the process of affiliating staff members to the Australian CPA. One staff member has been accepted to undertake the Australian CPA in the next financial year.

**7<sup>th</sup> SPASAI Congress 13-17 May 2002**

The Office is also in the process of organising the next SPASAI Congress to be held in the Cook Islands in May 2002. This is marked as a historical event for the Office as this would be the first time the Cook Islands will host the SPASAI Congress. This is both a learning and a challenging experience.

**OFFICE OF THE POHNPEI STATE AUDITOR  
POHNPEI STATE GOVERNMENT**

The Pohnpei Governor has nominated a Pohnpeian to fill in the vacancy of State Auditor left vacant by Mr Alpino Kerman who resigned last year. However, the Pohnpei Legislature has yet to confirm the nominee. Presently, Ms Ursula S Abalos acts in this position.

The Pohnpei State Legislature Public Law No. SL-1L-10-79 created the Office of the Pohnpei State Auditor. On 19 July 2000, another Public Law No. SL-5L-08-00 was enacted to amend SL-1L-10-79 to include:

- ◆ requirement from the auditee to file monthly reports to the Office of the Pohnpei State Auditor indicating the progress in clearing deficiencies cited in the audit report, which period shall not exceed six months; and
- ◆ authorising the Office of the Attorney General to initiate investigation and prosecute, if appropriate, any violation of law.

A website is being designed for the Office and will be on line in January 2002. The address is [www.opsa.fm](http://www.opsa.fm).

The Office address is: P O Box 370, Kolonia Pohnpei, FM 69641.

Two employees of the Office attended training in New Zealand, which was held from November 19-30, 2001. Both employees received Certificate of Attendance on the course entitled Audit Programming and Documentation and Fraud Awareness. These employees are Mrs Nercy Edward and Cardinia Koel.

An Audit Plan for the fiscal year 2002 includes audits of the local governments that are situated in the outer islands of Pohnpei State.

<p style="text-align: center;"><b>TUVALU GOVERNMENT - OFFICE OF THE AUDITOR-GENERAL</b></p>
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#### **Course Participants Return Home**

Two of our officers have just returned from the course held in Auckland, New Zealand on Certification of Financial Statements and Audit Programming and Documentation. They are Mrs A Tehulu and Mrs Lupe Tavita. Mrs Tehulu attended the course as one of the instructors since she had been qualified as an Adult Training Specialist from the recent Long-Term Regional Training Programme. Mrs Tavita only attended the course as a participant.

#### **New Audit System**

Since the departure of the former Auditor-General, Mr Edward Williams in July this year, the Office is now operating on the new audit approach introduced into the system by him. The system is a version of the Queensland Audit Office system that was reviewed to suit with the situation of all the entities that fall under the Tuvalu Audit mandates. The system includes the documentation of Management Controls, Assessment of Risk of Frauds, Assessment of Computer Environment and Controls followed by the testing of the controls and substantive tests of transactions.

Mr Edward Williams was from Queensland Audit Office and was first appointed as Auditor-General of Tuvalu in February 2000 and worked with the Office for a year and a half. Now that he has left, the government is now having negotiations in finding a new Auditor-General from abroad until a suitable local candidate is designated.

The Tuvalu Audit Office would like to convey its most sincere gratitude to Mr Edward Williams for his support and for the efforts he had made for the development of this Office.

## **AUDITOR-GENERAL OF PAPUA NEW GUINEA**

The Auditor-General of Papua New Guinea regrets his inability to assist in the December 2001 issue of the Bulletin. This is due to the short space of time available and because the Office is busy with the preparation of annual reports to Parliament.

## **TONGA – OFFICE OF THE AUDITOR-GENERAL**

The Tonga Office of the Auditor-General conveys its regrets in not being able to contribute to this issue of the Bulletin. It is mainly due to the fact that it does not have any “news worthy” items to contribute.

## **FIJI – OFFICE OF THE AUDITOR-GENERAL**

### **Reports of the Auditor-General**

The following reports have been tabled in Parliament and are waiting the deliberations of the Public Accounts Committee scheduled for January 2002.

<b>Report</b>	<b>Title</b>
Parliamentary Paper No 4/2000	Audit Report of the Accounts and Finance of Government for 1999
Volume 1/2000	General Report of Ministries and Departments for 1999
Volume 2/2000	General Report of Ministries and Departments for 1999
Volume 3/2000	General Report of Municipal Councils and Statutory Bodies for 1999
Volume 1	Audit Report on the Accounts and Finance of Government for the year ended 31 December 2000
Volume 2	Part 1 - Report on the General Administration Sector
Volume	Part 11 - Report on the General Administration Sector
Volume 3	Report on the Social Services Sector
Volume 4	Report on the Economic Services Sector
Volume 5	Report on the Infrastructure Sector

The political impasse experienced in 2000 and the absence of Parliament for over a year delayed the release of these reports.

### **Staffing**

The OAG's current staff establishment totalled 72. Of this, 16 positions are vacant. 39 officers now hold professional qualifications either from the University of the South Pacific or from overseas institutions. The OAG, however, continues to experience high staff turnover. Professionally qualified staff members continue to leave OAG for employment in the private sector or on migration overseas.

**Environmental Audit**

The Office has been reorganised to include Environmental Audit. This is a new responsibility for the Auditor-General and is provided under the Sustainable Development Bill currently before Parliament. In preparation for this role, the Fiji Government has already approved additional human resources early this year to be recruited in 2002. Negotiations are underway for a senior officer to undertake a fellowship in environmental auditing for a period of nine months with the Office of the Auditor-General of Canada commencing in September 2002.

**Website**

The OAG is currently developing its website and hope to launch it in early 2002. Funds for this project have been provided under the 2002 budget. The website was designed by a group of Auditors in a project in a Management Information Systems course, which they pursued at the University of the South Pacific in 2001.

**Parliamentary Standing Committee**

The Fiji Parliamentary Standing Committee on Administrative Services paid a visit to the Audit Office in November for a briefing on the powers and responsibility of the Auditor-General and the general operation of the Office. The committee was particularly concerned with the lack of full independence of the Auditor-General especially in the determination and appropriation of its budget and the appointment of audit officers.

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