



*"Pacific Auditors Working
Together"*

Charter of the Pacific Association of Supreme Audit Institutions

**July 2009
Republic of Palau**

www.pasai.org

Table of Contents

Preamble	
Article 1 – Objective and Mandate	1
Article 2 – Principles.....	3
Article 3 – Membership.....	4
Article 4 – Responsibilities of Members.....	5
Article 5 – Organisation.....	6
Article 6 – The Congress	7
Article 7 – The Chairperson.....	10
Article 8 – The Governing Board.....	11
Article 9 – The Secretary-General	15
Article 10 – The Secretariat	16
Article 11 – The Executive Director	18
Article 12 – Financial provisions and audit.....	19
Article 13 – Legal capacity and applicable law	21
Article 14 – Amendment and Dissolution.....	22



Preamble

The South Pacific Association of Supreme Audit Institutions (“SPASAI”) was formed in 1987 by a group of Supreme Audit Institutions (“SAIs”) in the Pacific, which had been meeting triennially since 1971.

SPASAI’s objective since its formation has been to promote understanding and co-operation among SAIs in the Pacific, to fortify and strengthen SAIs through training and continuing education, and to serve as a regional working group of the International Organisation of Supreme Audit Institutions (“INTOSAI”).

Developing the capacity and independence of Pacific SAIs through regional initiatives is essential to enhancing and stimulating economic growth, sustainable development, good governance, and security, and to combating corruption, in the Pacific.

The organisational structure and role of SPASAI need to be enhanced if it is to help achieve those ends and work effectively in conjunction with development organisations.

To better reflect the diversity and spread of its membership, it is also desirable to change the name of the organisation to the Pacific Association of Supreme Audit Institutions (“PASAI”).

The Congress of PASAI has accordingly resolved to adopt this Charter.

Article 1 – Objective and Mandate

Section 1

PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific.

Section 2

PASAI contributes to that goal by helping its member SAIs improve the quality of public sector auditing in the Pacific to uniformly high standards.

Section 3

To that objective, PASAI's mandate is to:

- (a) Strengthen understanding, co-operation, and co-ordination between its members.
- (b) Advocate the interests of good governance, including transparency, accountability, and the need for strong and independent SAIs, to governments and others in the Pacific region.
- (c) Build and sustain public auditing capacity across the Pacific by sharing knowledge with, and providing support to, its members.
- (d) Assist its members to perform their auditing functions, including through co-operative audits and similar activities.
- (e) Serve as a regional working group of INTOSAI, in the interests of all SAIs in the Pacific and beyond.

- (f) Encourage co-operation with other regional working groups and SAIs.



Article 2 – Principles

PASAI members agree and affirm the following principles, which underpin the functioning of PASAI and their interactions with each other:

- (a) The autonomy and independence of each member are to be respected and preserved.
- (b) Taking a regional approach to a common issue does not supplant a member's individual needs.
- (c) PASAI's resources are to be made available to all its members, irrespective of their geographical location or constitutional status.
- (d) The appropriate involvement of private sector auditors in public sector auditing, under the auspices of SAI heads, is to be supported and promoted.



Article 3 – Membership

Section 1

Participation as a member of PASAI is open to:

- (a) SAls; and
- (b) state, provincial or territorial government audit offices in Melanesia, Micronesia, Polynesia, and Australasia, together comprising the region of Oceania.

Section 2

The members of PASAI on the date of adopting this Charter continue as members, as of right.

Section 3

A new member may be admitted, with the Governing Board's agreement and the Congress's approval. Pending the Congress's approval, a new member may pay membership subscriptions and participate as a member but without voting rights at a meeting of the Congress.

Section 4

Membership ceases 6 months after a member gives notice of withdrawal to the Governing Board.



Article 4 – Responsibilities of Members

Each member:

- (a) Commits itself to the objective of improving public sector auditing in the Pacific to uniformly high standards, by pursuing technical excellence, effective management, and high standards of integrity and independence.
- (b) Participates in PASAI to the extent that its resources and capacity allow, and contributes constructively to its work and activities.
- (c) Pays membership fees.
- (d) Supports the work of the Governing Board, the Secretary-General, the Executive Director, and the Secretariat, and responds in a timely way to requests for information and assistance.
- (e) Makes its staff available, as far as is practicable, for PASAI's activities.
- (f) Shares information on subjects of common professional and technical interest, and makes constructive use of the support and assistance which PASAI provides.



Article 5 – Organisation

PASAI consists of the Congress, the Governing Board, and the Secretariat. Its office holders are the Chairperson, the Secretary-General, and the Executive Director.



Article 6 – The Congress

Section 1

The Congress is the supreme authority of PASAI, and consists of all PASAI's members.

Section 2

The Congress:

- (a) Endorses PASAI's long term strategies and direction, and guides the Governing Board in attaining PASAI's objective.
- (b) At each meeting, appoints members of the Governing Board in accordance with section 2 of article 8.
- (c) Decides which member of PASAI will host the next meeting of the Congress.
- (d) Nominates the head of a member SAI to be PASAI's representative on INTOSAI's Governing Board.
- (e) On the recommendation of the Governing Board:
 - i. Approves the admission of new members.
 - ii. Confirms the designation of the Secretary-General.
 - iii. Decides where the Secretariat is to be located.
 - iv. Fixes membership subscriptions.
- (f) Performs any other power or responsibility conferred upon it by this Charter.

Section 3

The Congress meets at least once every two years. All members and the Executive Director may attend a meeting, and the quorum is not less than one half of the members. A

member may be represented at a meeting by its head or by a duly authorised delegate.

Section 4

The head of the member hosting a forthcoming meeting of the Congress may, after consulting the Chairperson, invite individuals or organisations to attend as observers.

Section 5

The Congress seeks consensus in its decisions. In the absence of consensus, decisions must be made by a simple majority vote at a meeting (except as this Charter otherwise requires), with each member represented having one vote.

Section 6

The Chairperson must convene a special meeting of the Congress, if requested by the Governing Board (by a simple majority vote at a meeting of the Governing Board) or by not less than one half of the members of PASAI. The Chairperson must give every member at least one month's advance notice of a special meeting. At the Chairperson's discretion, a special meeting may take place at a venue or by telephone or video conference.

Section 7

The Congress need not perform the power under section 2(b) at a special meeting unless it decides otherwise.

Section 8

Should it be necessary between meetings of the Congress to perform a power reserved to the Congress (except a power in article 14), the Secretary-General may perform the power after consulting with the Governing Board. The Secretary-General must inform all members of PASAI promptly of such

action, once taken, and the action must be an item for consideration at the following meeting of the Congress.



Article 7 – The Chairperson

Section 1

The head of the member hosting a meeting of the Congress becomes the Chairperson of PASAI upon the opening of the meeting, and holds office as Chairperson until the opening of the following meeting of the Congress. However, a Chairperson who convenes a special meeting under section 6 of article 6 remains the Chairperson throughout that meeting and until the opening of the following regular meeting of the Congress.

Section 2

The Chairperson:

- (a) Chairs meetings of, and provides leadership to, the Congress and the Governing Board.
- (b) Represents PASAI in Oceania and internationally (except on INTOSAI's Governing Board).

Section 3

The Congress or the Governing Board may appoint an acting Chairperson to chair a meeting in the Chairperson's absence.



Article 8 – The Governing Board

Section 1

The Governing Board sets PASAI's direction under the Congress's guidance, and oversees and directs PASAI's activities.

Section 2

The Governing Board consists of:

- (a) The Chairperson.
- (b) The immediate past Chairperson.
- (c) The head of the member designated to host the next Congress.
- (d) Three representatives appointed by the Congress, one for each of the Melanesian, Micronesian, and Polynesian language and geographical groupings in Oceania, the representative in each case to be the head of a member belonging in the relevant grouping.
- (e) One representative appointed by the Congress for the other language or geographical groupings in Oceania, the representative to be the head of a member belonging in one of those groupings.
- (f) The Secretary-General.
- (g) The Executive Director (*ex officio*).

The Congress must appoint the representatives under paragraph (d) and paragraph (e) for terms of up to two years, so that at least one representative's term will expire at the following regular meeting of the Congress. A representative

whose term has expired may be reappointed, if that is the wish of the relevant grouping or groupings.

Section 3

The Governing Board may co-opt one or more additional members, for such term as the Governing Board considers appropriate. The power of co-option may be exercised only for a specific purpose identified by the Governing Board, and a co-opted person must at all times be the head of a member of PASAI. The Chairperson must notify all members of PASAI of the performance of the power, the name of the co-opted person, and the purpose of the co-option.

Section 4

The Governing Board:

- (a) Considers requests for membership of PASAI, and admits new members subject to approval by the Congress.
- (b) Formulates strategy and policy, and prepares long term strategic plans for endorsement by the Congress.
- (c) Approves PASAI's three-yearly work program, prepared annually by the Executive Director, and other programs prepared in co-operation with development organisations.
- (d) Supports and assists the Chairperson and the Secretary-General in the performance of their respective powers and responsibilities.
- (e) Designates the Secretary-General, subject to confirmation by the Congress.
- (f) Recommends to the Congress where the Secretariat should be located.
- (g) Appoints or removes the Executive Director.

- (h) Appoints auditors of PASAI's financial statements and, as necessary, any program administered by PASAI.
- (i) Performs its financial powers and responsibilities under article 12, and recommends the level of membership fees to the Congress.
- (j) Approves rules for the conduct of PASAI's activities, and other operational policies and procedures prepared by the Executive Director.
- (k) Appoints committees and, at its discretion, co-opts individuals (including individuals nominated by members) to serve on a committee.
- (l) Performs any other power or responsibility conferred upon it by this Charter.

Section 5

The Governing Board has power to enter legal obligations on behalf of PASAI, and may delegate that power or any of its other powers and responsibilities under this Charter (including those under article 12) to a committee of the Governing Board, the Chairperson, the Secretary-General, or the Executive Director.

Section 6

The Governing Board meets at least once every year, at a venue to be decided by the Chairperson after consulting the members of the Governing Board. The quorum for a meeting is not less than one half of the members of the Governing Board.

Section 7

The Chairperson may call a special meeting of the Governing Board, and must do so if a majority of members of the

Governing Board request. At the Chairperson's discretion, a special meeting may take place at a venue or by telephone or video conference.

Section 8

The Chairperson may, after consulting the Secretary-General and the Executive Director, invite individuals or organisations to attend a meeting of the Governing Board as observers.

Section 9

The Secretary-General must, in respect of every meeting of the Governing Board:

- (a) Notify the head of every member of PASAI, in advance, of the date and agenda for the meeting.
- (b) Send the minutes of the meeting to the head of every member of PASAI, as soon as practicable after the meeting, whether or not the minutes have been formally confirmed by the Governing Board.

Section 10

The Governing Board seeks consensus in its decisions. In the absence of consensus, decisions must be made by a simple majority vote at a meeting, with each member of the Governing Board present having one vote.



Article 9 – The Secretary-General

Section 1

The Secretary-General holds office as follows:

- (a) The Governing Board designates the member of PASAI whose head for the time being (including an acting head) is to be the Secretary-General.
- (b) The designated member must be a member of INTOSAI.
- (c) The designation is subject to confirmation by the Congress.
- (d) The term of a designation is no more than four years and is subject to renewal.
- (e) The Governing Board may review its designation at any time, and must do so if the head (or acting head) of the designated member so requests.

Section 2

The Secretary-General:

- (a) Is responsible to the Governing Board for PASAI's operations, as carried out by the Secretariat in accordance with PASAI's long term strategic plans and work programs.
- (b) Provides leadership and guidance to the Secretariat and advises the Congress, the Chairperson, and the Governing Board.
- (c) Supports the host in planning meetings of the Congress, and the Chairperson in planning meetings of the Governing Board.

- (d) Oversees the Executive Director's performance and facilitates the working relationship between the Executive Director and the Governing Board.
- (e) Manages PASAI's relationship and interactions with INTOSAI and other regional working groups, in conjunction with PASAI's representative on INTOSAI's Governing Board.
- (f) Performs any other power or responsibility conferred upon the Secretary-General by this Charter.

Section 3

The head or acting head of a designated member may perform the powers and responsibilities of the office of Secretary-General pending confirmation of the designation by the Congress, if authorised by the Governing Board to do so. The Chairperson may perform those powers and responsibilities if no member is willingly designated, or if the position of Secretary-General is otherwise vacant.

Section 4

The Secretary-General may delegate a power, including a power delegated by the Governing Board, to the Executive Director but must give written notice of the delegation to the Chairperson.



Article 10 – The Secretariat

Section 1

The Secretariat is PASAI's administrative organ, and is located in a place determined by the Congress on the

Governing Board's recommendation. The Governing Board must review the Secretariat's location at least once every four years.

Section 2

The Secretariat:

- (a) Keeps PASAI's records and files, and administers its financial affairs in accordance with article 12.
- (b) Disseminates information to members, encourages the sharing of knowledge and co-operation, and provides members with support and assistance as directed by the Governing Board.
- (c) Gives logistical support for meetings of the Congress and the Governing Board, and for the implementation of PASAI's work programs.
- (d) Assists the Chairperson, the Governing Board, and the Secretary-General to perform their powers and responsibilities.
- (e) Performs any other responsibility conferred upon it by the Governing Board.



Article 11 – The Executive Director

Section 1

The Executive Director is the chief executive officer of the Secretariat, and is responsible to the Secretary-General.

Section 2

The Executive Director:

- (a) Manages the Secretariat and its resources, appoints or removes staff, oversees staff performance, and performs any other designated responsibilities.
- (b) Supports the Chairperson, the Governing Board, and the Secretary-General in performing their respective powers and responsibilities.
- (c) Annually prepares a business plan and a three-yearly work program for approval by the Governing Board, and manages the plan's implementation once approved.
- (d) Works with development organisations and others, and seeks funding, to attain PASAI's objective.

Section 3

With the Secretary-General's written approval, the Executive Director may delegate a power or responsibility, including a power or responsibility delegated by the Governing Board or the Secretary-General, to another member of PASAI's staff.



Article 12 – Financial provisions and audit

Section 1

PASAI's funds consist of:

- (a) Membership subscriptions and other financial contributions paid by members.
- (b) Grants or donations received from governments, development organisations, public or private institutions, or individuals, for general or specified purposes.
- (c) Income from publications, conferences, and other activities.
- (d) The proceeds of sale of any assets.
- (e) Interest earned from the investment of surplus cash.
- (f) Any other income approved by the Governing Board.

Section 2

PASAI's funds must be held in one or more bank accounts, at least one of which must be at a bank located in the jurisdiction where the Secretariat is for the time being located, and may be applied for any purpose consistent with PASAI's objective and mandate.

Section 3

Financial authority (including approval of budgets, incurring of expenditure, and investment of surplus funds) rests in the Governing Board, subject to the Congress's power to fix membership subscriptions.

Section 4

The Secretariat is responsible to the Governing Board, through the Secretary-General, for managing PASAI's

resources (including its revenues, expenses, assets, liabilities, and investments) in a lawful, prudent, and sustainable manner consistent with PASAI's objective and mandate.

Section 5

The Executive Director is responsible to the Secretary-General for preparing PASAI's annual report, including financial statements which are to be:

- (a) Prepared in accordance with accounting standards adopted by the Governing Board with regard to the applicable law, PASAI's international status, and its accountability obligations, using a financial year fixed by the Governing Board.
- (b) Signed by the Chairperson (on behalf of the Governing Board), the Secretary-General, and the Executive Director.
- (c) Submitted for audit to the auditor appointed by the Governing Board, within three months of the balance date.

Section 6

The Secretary-General must send the annual report (including the audited financial statements), together with the auditor's report, to the Governing Board and present them to the next meeting of the Congress.

Section 7

Having sent the annual report to the Governing Board, the Secretary-General may place it on PASAI's website or make copies available to interested persons or organizations.



Article 13 – Legal capacity and applicable law

Section 1

The Governing Board may:

- (a) Enter an agreement with the government of the jurisdiction in which the Secretariat is located, by which legal status or capacity is conferred on PASAI.
- (b) Take such other steps it considers necessary to enable PASAI to function in the region of Oceania as, through, or with the powers of, a body corporate.

Section 2

The applicable law for PASAI's activities and everything done under this Charter is:

- (a) The law of the jurisdiction in which PASAI is conferred legal status or capacity by whatever means.
- (b) In the absence of such status or capacity, the law of the jurisdiction in which the Secretariat is for the time being located.



Article 14 – Amendment and Dissolution

Section 1

The Congress may amend this Charter or dissolve PASAI, on a vote at a meeting of the Congress by absolute majority of at least two thirds of all members (irrespective of how many members are represented).

Section 2

On dissolution, PASAI's residual funds will be distributed to the respective governments of each member at the date of dissolution, in such proportions as the Congress may determine.

