



Tuvalu Audit Office to enhance audit quality of Governments' financial statements

Funafuti, Tuvalu (30 January 2020) – A first in the Pacific, the Tuvalu Office of the Auditor-General or Supreme Audit Institution (SAI) Tuvalu, will receive joint support from the Pacific Association of Supreme Audit Institution and the INTOSAI Development Initiative (IDI) to build the capacity of auditors in conducting the audit of the Financial Statements of Government (FSGs), in accordance with International Standards of Supreme Audit Institutions.

A Memorandum of Understanding was initially agreed between SAI Tuvalu, PASAI and IDI which requires commitment from all parties to support one another in conducting high-quality financial audits according to International Standards of Supreme Audit Institutions (ISSAIs). The programme included two weeks of in-country support which the facilitators assessed existing audit practice and used the iCAT-FA¹ tool to identify gaps and suggested improvements to the SAI Tuvalu Audit methodology.

Tuvalu's assessment was made possible through the Strengthening of Public Finance Management and Governance in the Pacific Project, funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP). PASAI is a responsible party to the project and delivers the SAI component and contributes to the strengthening of the budget oversight capacities of PAC from the perspectives of SAIs.

The assessment was based on the results of the completed audits of 2017 and 2018 FSGs, which called for the development of a more refined and enhanced audit methodology to apply to the 2019 FSG audit that is due to commence in early 2020.

Facilitated by PASAI's Director Technical Support, A'eau Agnes Aruwafu and INTOSAI Development Initiative's (IDI) Senior Manager, Karma Tenzin, a workshop for SAI Tuvalu staff was conducted from 13 – 16 and 20 January 2020 on the practical application of the refined audit methodology.

In his opening remarks the Auditor-General of Tuvalu, Mr. Eli Lopati, stated: "I expect that this joint mission of PASAI and IDI would enable me to (1) building audit capacity in the conduct of financial auditing of FSGS (2) achieve uniformly high-quality audits by complying with ISSAIs (3) promote value and benefits of SAIs in achieving SDG16 by completing audits in a timely manner and (4) contribute to governments' informed policy decision by ensuring FSGs are up to date and of high quality".

In addition, the Auditor-General has committed SAI Tuvalu to adopt ISSAIs as the authoritative auditing standards and gradually move towards complying with ISSAIs in its audits. The public notification on ISSAI adoption by SAI Tuvalu will be issued to this effect.

This is the first Pacific SAI to receive such support. The experience and lessons learned will inform the approach for a similar programme for the SAIs of Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands,

¹ ISSAI Compliance Assessment Tool for Financial Audit (iCAT-FA)

Tonga, and Vanuatu – all of whom are dedicated to working towards high-quality audits in compliance with ISSAIs.

Following this, a quality assurance peer review will be conducted by participating SAIs which will indicate whether the learnings from the workshop have been applied to the FSG audit and the objective of this programme has been achieved.

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PASAI also acknowledges the continuous support of the Australia Department of Foreign Affairs and Trade (DFAT) and New Zealand Ministry of Foreign Affairs and Trade (MFAT).

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Background:

The 'Strengthening of Public Finance Management and Governance in the Pacific Project' aims to strengthen oversight over public financial management in the Pacific region through improving the budgetary scrutiny, public financial oversight and accountability capacities of parliaments, supreme audit institutions and civil society within the region, aligning with international public financial oversight and accountability standards, and fostering citizen engagement and oversight. The Pacific Project is funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP) in partnership with the Pacific Association of Supreme Audit Institutions (PASAI).

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Above Photos: Workshop facilitators, Tuvalu Auditor General & Staff of TOAG (top) & Signing of MOU



Photo: L to R: Mr Eli Lopati Auditor General TOAG Opening Remarks

IDI Facilitator Mr Karma Tenzin during the workshop



Website: www.pasai.org