



## **Pacific Association of Supreme Audit Institutions**

### **Communiqué from the 15th Congress, Nouméa, New Caledonia**

**5 October, 2012**

The heads of supreme audit institutions (“SAIs”) in the Pacific have reaffirmed the principles of regional co-operation and individual leadership, which form the basis for the Pacific Regional Audit Initiative (“PRAI”); and have committed to a continuation of those principles through future initiatives.

The PRAI was developed to address the challenges posed by variable standards of public auditing in the Pacific. It provides support within a framework of regional co-operation under the Pacific Plan as endorsed by the Pacific Forum Leaders in 2005. Strong public auditing practices are central to achieving good governance outcomes which, in turn, can contribute to improved economic performance and growth outcomes for Pacific Island countries.

The 15<sup>th</sup> Congress of the Pacific Association of Supreme Audit Institutions (“PASAI”) was held at Nouméa, New Caledonia from 2 to 5 October 2012. The Congress brought together the heads and representatives of fifteen SAIs and regional audit offices from throughout the Oceania region. PASAI was honoured by the presence of the President and Secretary-General of the International Association of Supreme Audit Institutions (“INTOSAI”), Mr Terence Nombembe and Dr Josef Moser, together with representatives of the SAIs of China and France and the INTOSAI Development Initiative. PASAI’s other development partners and a number of key stakeholders were also in attendance.

In his addresses to the Congress, Mr Nombembe stressed the importance of individual leadership by SAI heads, focusing on the core role of the SAI within each country’s system of governance. He commended the PRAI as an example of mutual co-operation and capacity building, which places PASAI at the

forefront of global regional initiatives within the INTOSAI community. This reflects the motto of INTOSAI, "Mutual experience benefits all".

These themes were reflected in the reports presented to the Congress by each attending SAI, which showed that considerable progress is being made in the core work of clearing audit backlogs and enhancing the quality of reports to legislatures. SAIs also continue to benefit from the regional programs offered by PASAI including training and staff development, the availability of auditing manuals and guidelines, and the opportunity to participate in co-operative financial and performance audits.

Much remains to be done to realise PASAI's goal of helping its member SAIs to improve the quality of public auditing in the Pacific to uniformly high standards. The Congress stressed the need for SAIs to continue communicating their achievements, while being realistic about the capability challenges faced in many jurisdictions – which are often not only within the SAI itself but also in the wider system of public financial management. Problems such as shortages of professionally qualified staff and high staff turnover, combined with the unavailability of accounts for audit, pose major challenges for many SAIs in carrying out their mandates.

The Congress received reports on the completion of several major achievements under the PRAI in 2011 and 2012.

The first phase of PASAI's capacity building program is nearing a successful completion. Four auditing manuals (on human resource management, quality assurance, performance auditing, and reporting) have been published. These valuable resources are now available for use by all of PASAI's members, and continue to be in demand from other INTOSAI regional groups. A manual on financial auditing (drawn from that developed by another regional working group, AFROSAI-E), and guidelines on strategic management and operations, will soon be completed. The initial program of training courses under the PRAI has also been completed, resulting in the establishment of a cadre of instructors in SAIs throughout the region who will continue to lead training on a regional and national basis into the future.

The second round of the *Subregional Audit Support* program was completed in early 2012. The program involves a co-operative approach to the completion of financial audits in Kiribati, Nauru, and Tuvalu. The audits have had significant benefits for in-country public financial management and governance, and for the capacity development of the three SAIs and their staff. The Congress endorsed the intention to begin a third round of the program in 2013.

Significant progress has also been made in the work of co-operative regional performance auditing. PASAI's second co-operative regional audit, involving the management of safe drinking water, was

completed in 2012. A third audit, into sustainable fisheries management across the Pacific region, is now being finalised. These are major achievements, and the Congress heard of the significant take-up of the reports' recommendations in a number of the participating jurisdictions. The Congress also endorsed the commencement of a fourth co-operative audit, on the subject of *Climate change adaptation and disaster risk reduction*, which will commence in late 2012.

The Congress endorsed PASAI's most recent report on the state of accountability and transparency in the Pacific region, which was completed in early 2012 following a number of in-depth studies in selected jurisdictions. The study concluded that the picture of accountability and transparency across the region remains mixed, but identified a number of positive and emerging good practices. The Congress encouraged the use of the report in a concerted effort by PASAI and other international, regional and national institutions, to promote consistent approaches and the sharing of ideas to improve governance outcomes in the Pacific.

The PRAI, as originally developed and endorsed by the Congress in 2008 as a four year program, is soon to draw to a close. The program is to be formally evaluated by PASAI and its development partners, as the first step to developing a new strategy to sustain the work of PASAI on a long term basis, both regionally and in the work of individual SAIs in their respective country systems. The Congress mandated PASAI's Governing Board to progress these matters, in conjunction with its development partners and as a member of the international SAI community.

Participants in the Congress were most grateful for the extensive organizational work by staff of the New Caledonia SAI and PASAI's Secretariat, and the leadership and hospitality provided by M. François Monti, the President of the New Caledonia SAI, as the Congress host. With the encouragement of its international leaders and its development partners, PASAI now looks forward to continuing by collective and individual effort to improve public auditing, and its contribution to improved governance, in the Pacific.

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