



*"Pacific Auditors Working
Together"*

Pacific Association of Supreme Audit Institutions (PASAI)

**Minutes of the business session meeting of the 12th PASAI Congress held 20 to 24 July 2009, Sea
Passion Hotel, Koror, Palau.**

In attendance:

PASAI members

American Samoa	Faumuina Francis Sefo
Australia, National Office	David Crossley
Cook Islands	Paul Allsworth
FSM, National Office	Haser Hainrick and Moses Russell
FSM, State of Kosrae	Stoney Taulung
FSM, State of Pohnpei	Annes Leben, Alice Etse and Elaine Carl
FSM, State of Yap	Wilfred Oliver Dolosa
Fiji	Tevita Bolanavanua
Guam	Doris Flores Brooks
Kiribati	Raimon Taake and Eric Fleming
Marshall Islands	Atmita Jonathan
Nauru	Rowan Detenamo
New Zealand	Bruce Robertson and Sarah Lineham
Palau	Satrunino (Nino) Tewid and staff of the Palau Office of the Public Auditor
Papua New Guinea	George Sulliman and John Hawley
Solomon Islands	Edward Ronia and Eric Muir
Tonga	Pohiva Tuionetoa
Tuvalu	Isaako Kine and Eli Lopati
Vanuatu	Hamilton Moli

Stakeholders/Other

Asian Development Bank	Hayden Everett
Cooperative Environmental Performance Audit Coordinator ADB	Claire Kelly
Cooperative Environmental Performance Audit support	Jonathan Keate, OAG New Zealand
INTOSAI Development Initiative	Pritom Phookun
Pacific Financial Technical Assistance Centre	Suhas Joshi
Pacific Islands Forum Secretariat	Sanjesh Naidu
PASAI Executive Director	Eroni Vatuloka
SAS Audit Expert, ADB	Beulah Danuakamakama
SAS Program Coordinator ADB	Alexander George
Stantons International	Robert Buchanan, Legal Consultant
The World Bank	Iraj Talai

Chairperson, Satrunino (Nino) Tewid, welcomed members to the Business Session, he thanked Paul Allsworth, the outgoing Chair, and formally opened proceedings.

Nino Tewid handed over to Bruce Robertson, attending on behalf of Secretary-General, Kevin Brady, to Chair the meeting.

1) Apologies

Apologies were received from:

PASAI members

Ian McPhee	Australian Auditor-General
Steve Chapman	Australian Deputy Auditor-General
Peter Achterstraat	Auditor-General New South Wales, Australia
Glenn Poole	Auditor-General, Queensland, Australia
Michael Pai	Public Auditor, Commonwealth of the Northern Mariana Islands
Bivash Mondal	Auditor-General, Nauru
Francois Monti	Auditor-General, New Caledonia
Thierry Moutard	Premier Conseiller, New Caledonia
Jaques Basset	Président de la chambre territoriale des comptes de la Polynésie Française
Tamaseu L Warren	Controller and Chief Auditor, Samoa.

Stakeholders/Others

Josef Moser	Secretary-General, INTOSAI
Michael Upton	Development Program Manager, New Zealand Agency for International Development (NZAID)
James Sweeting	Counsellor – Development Cooperation, AusAID
Filipe Koro	Program Manager – Regional Governance, AusAID
Chris Fabling	Senior Financial Management Specialist, The World Bank

2) Admission of new members

Nino Tewid put the motion that the State of Kosrae, Federated States of Micronesia be admitted as a member of PASAI, Haser Hainrick, Federated States of Micronesia seconded the motion.

The PASAI Congress welcomed as a member of PASAI the State of Kosrae, Federated States of Micronesia, represented by Stoney S Taulung, Kosrae State Public Auditor.

Stoney S Taulung offered some words of thanks and noted the commitment of the State of Kosrae to build up the capacity of the Kosrae Audit Office through membership of PASAI and involvement in the PRAI initiatives.

3) Minutes of the business session from the PASAI Congress in Rarotonga, Cook Islands, 14 to 18 April 2008

The minutes of the PASAI Congress in Rarotonga, Cook Islands, 14 to 18 April 2008, were tabled and adopted.

4) Financial Statements and Secretary-General's report on activity since the last PASAI Congress

The audited financial statements for year ended 30 June 2008 were tabled and adopted.

Memorandum/draft accounts for the year ended 30 June 2009 were tabled for the information of members. The financial statements for the year ended 30 June 2009 will be completed and audited by CST Nexia (the auditor of the New Zealand Audit Office) shortly and provided for adoption at the next Congress.

It was agreed that a contribution from the PASAI membership fees account of NZD \$2,000 be provided to the Palau Office of the Public Auditor to help offset the costs of running the Congress. The motion was put by the Secretary-General and seconded by Paul Allsworth.

The Secretary General did not table a report on activity since the last Congress as recent activity has focused on the Pacific Regional Audit Initiative (PRAI). Activity occurring under the PRAI is to be covered as a separate item during the Congress.

5) Minutes of the Transitional Working Group (TWG) meeting held in Auckland in September 2008 and in Wellington in March 2009

The minutes of the TWG meeting held in Auckland in September 2008, and Wellington in March 2009 were tabled and adopted.

6) Minutes of the Subregional Audit Support (SAS) Program meeting held in Suva in November 2008, and in Wellington in March 2009

The minutes of the SAS Program meeting held in Suva in November 2008, and in Wellington in March 2009, were tabled and adopted.

7) Reports by PASAI representatives on the INTOSAI Governing Board and INTOSAI Committees

The following reports were tabled:

Report on INTOSAI Professional Standards Committee (PSC) Steering Committee, 21-22 October 2008, by Greg Schollum, Office of the Auditor-General, New Zealand.

Report on INTOSAI PSC Steering Committee, Brasil, 17-19 June 2009, by Greg Schollum, Office of the Auditor-General, New Zealand.

Report to the PASAI Congress by the PASAI Representative, Paul Allsworth, to INTOSAI Governing Board.

Report from the Australian National Audit Office on attendance of INTOSAI conferences.

Paul Allsworth raised the need to stocktake the membership of INTOSAI sub-committees and encouraged PASAI members to consider membership of INTOSAI committees for the purpose of

building up the capacity and knowledge of PASAI membership. Paul Allsworth offered to assist any PASAI members by providing, on request, information on INTOSAI committees.

8) Fix membership fees

The Congress resolved to retain annual PASAI membership fees at \$US50 at this time. The motion was put by the Secretary-General and seconded by Nino Tewid.

9) Next meeting of the Congress

The Secretary-General called for offers to host the next Congress. Discussion followed regarding the desired interval between Congress meetings. It was noted that Congress members would prefer to meet annually rather than biannually.

The following initial offers to host future Congresses were received:

Pohiva Tuionetoa noted that Tonga would like to host a future Congress but due to local issues would not be able to do so until 2011.

Doris Flores Brooks noted that Guam would be available to host the Congress in 2010.

The item was held over until the second session of the Business Session on Friday to allow further consideration of the issue of location and timing of the Congress.

10) Adoption of new PASAI Charter

Paul Allsworth made some introductory remarks and noted that the TWG had meet twice since the last Congress and these meetings had led to the further development of the draft Charter that has been tabled today. It was noted that the TWG recommend to the PASAI Congress the adoption of the new Charter. Paul underlined the importance of each member understanding each clause of the new Charter.

Robert Buchanan completed a brief presentation on the new Charter, including the linkage to the PRAI and the importance of the new Charter to provide a clearer governance structure.

Robert Buchanan also noted a key aspect of the new Charter is the change to the role of the Congress with additional focus on the Governing Board as the decision-making body of PASAI. Congress retains the ultimate power however the decision-making mechanism will now be via the Governing Body who will make recommendations to the Congress.

Robert Buchanan noted one change had been made to the Charter post the Rarotonga Congress to record that it is more appropriate for the Governing Board to accept responsibility for setting PASAI's strategic direction rather than the Chairperson.

Robert Buchanan identified one other suggested change to the Charter in Article 12 section 5, 6 and 7, (pages 16 and 17) to change the phrase "financial statements" to "annual report including financial statements".

The Congress then considered the Charter in detail. The following changes to the Charter were agreed by all members of PASAI:

- 1 Page 3 – Some alterations to the Preamble to more accurately reflect the history of the development of PASAI
- 2 Page 4, Article 1, Section 3(c) – removal of the word "uniformly" as this concept is more appropriately included in section 2 reflecting the goal of PASAI and need not be repeated in section 3.
- 3 Page 10, Article 8, Section 2(d) and (e) – additional specification that regional representatives be appointed for a term of up to 2 years with a right of renewal.
- 4 Page 15, Article 11, Section 2(d) – Additional wording to be added to specifically include seeking funding as a key role of the Executive Director.
- 5 Page 16, 17, Article 12, sections 5, 6, and 7 - change the phrase "financial statements" to "annual report including financial statements" as noted above and some wording to clarify the intent of the current phrase "GAAP" included in section 5(a).

Annes Leben, State of Pophei, FSM put the motion to adopt the Charter (including the above changes) and Paul Allsworth seconded the motion, subject to approval of final wording changes to be provided later in the week for review of the Congress.

11) Appointment of Governing Board members

The following appointments were made to the Governing Board:

PASAI Chairperson	Palau, Nino Tewid
Immediate past Chairperson	Cook Islands, Paul Allsworth

Designated host of next Congress	TBA
Melanesian representative	Papua New Guinea, George Sulliman
Micronesian representative	FSM National, Haser Hainrick
Polynesian representative	Tonga, Pohiva Tuionetoa
Other representative and Secretary-General	Bruce Robertson, on behalf of the AG of New Zealand
Executive Director (ex-officio)	Eroni Vatuloka

It was agreed, on the advice of Robert Buchanan, that the staggering of regional representative membership be achieved by Micronesia (as the largest region) and New Zealand rolling over at the next Congress (assuming Congress is held in 2010). This approach was agreed by the PASAI members.

12) Secretariat location

Robert Buchanan provided an overview of the paper regarding the location of the Secretariat. He noted that the location decision needs to be made by the Congress on the recommendation of the Governing Board.

Paul Allsworth provided further background on the Secretariat location, particularly the position of the Australian and New Zealand government development agencies that has led to option C (enhanced Secretariat be based in NZ on a temporary basis) in the paper provided by Robert Buchanan being the recommended option.

The decision was held over until the Governing Board has met to enable a recommendation to the Congress to be finalised.

The Business session adjourned at 2.30pm.

The Business session re-convened at 11am Friday 24 July 2009.

13) Notification of decisions made by the Governing Board

The Secretary-General provided a summary of the issues discussed by the Governing Board in meetings held on Tuesday 21 July and Thursday 23 July, as follows:

The Secretary-General noted with confidence the momentum gained in the overall PRAI, particularly the commencement of the SAS program and the planning underway for the cooperative environmental performance audit. Appreciation was expressed on behalf of the

Governing Board to Isaako Kine and the SAS committee and to Alexander George and Beulah Daunakamakama on the SAS program and to Claire Kelly and Jonathian Keate on the cooperative audit.

The Governing Board noted the importance of building greater momentum with the Capacity Building initiative.

The Secretary-General noted the significance of these initiatives now being supported by the Charter the Congress adopted on Monday, and noted that reworded copies had been distributed. Some further discussion occurred to finalised the wording revisions. The Charter will be formally published and distributed to all members. The Governing Board recognises the need to develop quickly to provide the leadership expected of it and its individual members.

The Secretary-General noted the intention to report to INTOSAI on the significant progress made by the Congress this week with the overall PRAI and the adoption of the Charter.

The location of the Secretariat has been an unwanted distraction and diversion from fully cementing in suitable governance and secretarial arrangements supporting the work of PASAI and the PRAI program.

Much of the discussion of the Governing Board this week has been to put in place steps needed to affect setting up the Secretariat and establishing appropriate lines of communication, monitoring and accountability. Particular appreciation was noted for the knowledgeable and helpful support of Robert Buchanan as our legal expert and Linda Weeks on capacity building.

The following decisions were made by the Governing Board during the meetings this week:

- 1) Acknowledgement of the completion of the work of the TWG under its Chair, Paul Allsworth, and agreement that it be dissolved
- 2) Confirmed the SAS program becomes a sub-committee of the Governing Board and that as and when it is relevant its Chair report to and/or attend the Governing Board
- 3) It agreed on the appointment of Eroni Vatuloka as its Executive Director
- 4) The Governing Board received a set of interim rules (based in AFROSAI – E) for its operations. While these will be refined into operating policies, job descriptions and delegations, they will guide the Secretariat in the immediate future
- 5) The next meeting of the Governing Board has been set for Port Moresby, Papua New Guinea in the first week of November 2009.

The Secretary-General asked that the Congress to consider the following recommendations of the Governing Board:

- 1) The interim location of the Secretariat is Auckland, New Zealand (Option C)
- 2) The Congress confirm the designation of New Zealand as the SAI whose head will be the Secretary-General subject to the incoming head of the New Zealand SAI confirming (when appointed) the willingness of New Zealand to continue in this role.
- 3) The host of the 2010 PASAI Congress to be Kiribati (self funded) and the host of the 2011 Congress to be Tonga.
As a consequence of this recommendation it was noted that Kiribati, as the 2010 host, becomes a member of the Governing Board.
- 4) The member to represent PASAI on the INTOSAI Governing Board continues to be Paul Allsworth, Cook Islands.

All of the recommendations of the Governing Board, as set out above, were agreed to by the Congress.

14) Other Business

The following resolution was passed by the Congress on Tuesday 22 July 2009 and forwarded to Kevin Brady on the day before his retirement:

On behalf of the SAIs of the Pacific and his many friends and colleagues in the region, the Congress of PASAI expressed its heartfelt thanks and appreciation to Kevin Brady, Controller and Auditor-General of New Zealand and Secretary-General of PASAI, for his contribution to auditing in the Pacific over many years. Kevin's legacy as PASAI's Secretary-General will be seen in an organisation of strength and purpose, which is now well positioned to contribute to improved governance and accountability across the region. We wish Kevin and his family the very best for his retirement.

15) Expressions of appreciation

The Secretary-General, on behalf of members, expressed his appreciation to:

Paul Allsworth, Outgoing PASAI Chairperson

Nino Tewid, Incoming PASAI Chairperson

Members of the TWG for guiding PASAI this far

Isaako Kine and his committee for overseeing the SAS program

Hayden Everett, Asian Development Bank and their financing from the Japan Special Fund

Pritom Phookun, INTOSAI Development Initiative

AusAid

Sanjesh Naidu, Pacific Islands Forum

Suhas Joshi, Pacific Financial Technical Assistance Centre

Iraj Talai, The World Bank

Eroni Vatuloka, Executive Director

Nino Tewid and the staff of the Palau Office of the Public Auditor

Zeneida Ribano, Asian Development Bank

Isaako Kine also thanked the SAS team Alexander George and Beulah Daunakamakama and the AG's of the SAS countries.

Close of meeting

The meeting closed at 12pm Friday 24 July 2009.