CORPORATE PLAN
2019/20 – 2023/24
(April 2019)

Tupou College Old Boys Building, Maamaloa
Vaha'akolo Rd, Kolomotu'a
P.O. Box 50, Nuku'alofa, TONGA
Phone: (676) 21-600/24-288
Fax: (676) 23-749
Website: www.audit.gov.to
Email: **toaginfo@audit.gov.to**

Contents

List of Abbreviations

CP&B	Corporate Plan and Budget
FY	Fiscal Year
KPI	Key Performance Indicator
MDAs	Ministries, Departments and Agencies
NIIP	National Infrastructure Investment Plan
TSDF	Tonga Sustainable Development Framework
MoFNP	Ministry of Finance & National Planning
TOAG	Tonga Office of the Auditor General
INTOSAI	International Organization of Supreme Audit Institute
IDI	International Development Initiative
PASAI	Pacific Association of Supreme Audit Institution

Foreword

I am glad to present the Tonga Office of the Auditor General (TOAG) Corporate Plan for the period 2019/20 to 2023/24. The TOAG mandate is derived from the Public Audit Act 2007 (as amended). The CP sets out the outcomes we strive to achieve from the outputs we are mandated to produce. This plan is link to the Tonga Strategic Development Framework (TSDF) II, 2015 -2025 and the Government Priority Agenda (GPA) 2018-2021.

The plan states our vision, mission, and core values for the planned period. Our focus in the next five (5) years is to build our current capacities to the required capacities needed to deliver our outputs to the required level of quality and to fulfill our mandate to our stakeholder. We will reaffirm our relationship with the Tonga Legislative Assembly, our primary client by delivering to Parliament and its Committees audit reports and related services which will be timely, objective, technically excellent and value-adding.

We will continue to maintain the confidence of developing partners in ensuring our audit have to be carried out to an uniformly high quality standards and on timely manner. At the same time we will engage professionally with integrity with the entities we audit, and promote continuous improvements in their performance.

By doing this, we will fulfill our overriding purpose of providing independent assurance to Parliament and the people of Tonga on the integrity, accountability, transparency, and performance of the Government of Tonga public sector.

I wish you all the best for the next five (5) years.

Sefita Tangi
AUDITOR GENERAL

Date: 24. 04. 2019.

1   Executive Summary

The Auditor General is the head of Tonga SAI and the principal auditor of government. He is responsible for conducting of financial, compliance, and performance audit of public funds and public resources. This includes the audit and reporting of results to the Legislature through the Speaker.

The reported results are the accumulation of our audits of ministries, departments, agencies, public enterprises, development projects; and the review and approval of audited accounts of public enterprises that are audited by private firms.

As mentioned, this corporate plan sets out our vision, mission, our desired outcomes and the outputs we will produce in the next five years. It also shows how our desired outcomes will contribute to the TSDF II, 2015-2025, the GPA 2018 – 2021 and the Sustainable Development Goals (SDGs).

SAI Performance Measurement Framework
Our international counterpart, the International Organization of Supreme Audit Institutions (INTOSAI) have developed a framework to measure the performance of SAIs (auditor general's office) against ISSAIs and other professional standards. The framework is the SAI Performance Measurement Framework (SAI PMF). SAIs around the world have used the framework to improve the institutional capacities of their office in accordance with international standards.

The TOAG was assessed against the SAI PMF in 2017. The assessment was an independent peer review carried out by the Tuvalu Auditor General Office and a consultant with the Pacific Association of Supreme Audit Institution (PASAI).

The peer review highlight key important issues in respect of the performance of TOAG against international standards. These highlighted areas mainly focused on our institutional capacities required to be in place in order to comply with international standards. These capacity issues have been incorporated into our corporate plan in section 3.5, *Summary of planned major reforms.*

Measuring the performance of our corporate plan

In this corporate plan, we have set performance measures in place to ensure we measure the success of our corporate plan. We will report our progress against our corporate plan on an annual basis.

1.1   Our Mandate

The *Public Audit Act 2007*(*as amended*) provide the mandate for the responsibilities of the Auditor General and the TOAG. The responsibilities provided the direction for the output of the Office.

Other key acts and legislations that have an impact in our operation which have also been fostered into this plan where appropriate are;

- Constitution of Tonga
- Appropriation Act
- Public Finance Management Act 2002
- Public Service Commission Act
- Appropriation Act

1.1.1   Our Auditing Standards

Our audit practice is conducted in accordance with the ISSAI standards issued by INTOSAI. TOAG has taken the initiative to adopt the ISSAI standards in 2017. The last phase of successfully adopting the standard is currently in progress and we expect to complete this in the first half of this corporate plan period.

1.1.2 Our Framework

VISION

"Through our audit we drive improvements in integrity, accountability, and transparency of public services in the management and use of public resources"

MISSION

"TOAG audit and report to Parliament of the Kingdom of Tonga the management and use of public funds and resources and performance of Government Ministries, Departments and Agencies, Public Enterprises, and Development Projects."

CORE VALUES

Integrity

We adhere to high standards of behavior and always observe the principles of independence and objectivity and apply absolute honesty in carrying out our work and in handling the resources of TOAG. We will treat people honestly, consistently and with respect.

Accountability

We will be answerable and honest to the Legislature and people of Tonga on the probity, economy, efficiency and effectiveness of Government resources management

Transparency

We will be open and truthful in our reports, and consult where appropriate with others and consider their issues.

Professionalism

We will conduct our work in accordance with the International Standards for Supreme Audit Institutions. We will be exercising due professional care and obligated for continuous improvement of skills and competencies.

Credibility

We work to build and maintain trust in our work from the public sector and the people of Tonga.

1.2 Our Stakeholders

Stakeholder are the parties that have an interest in the work we and/or is affected by our audit services. Based on our priority matrix, we classified each stakeholders into four categories:

1. Keep engaged
2. Keep informed
3. Monitor

Stakeholder Engagement is vital to corporate planning and we have incorporated the expectation of our stakeholders into this plan where appropriate.

Table 1: **TOAG Stakeholders and their Relationships**

Stakeholder	Keep engaged	Keep informed	Monitor
Parliament	x	X	
Public Accounts Committee	x	X	
Cabinet	x	X	
Audit Clients	x	X	x
Donors		X	x
Media		X	
Citizens		X	
Employees	x	X	
INTOSAI	x	X	
IDI		X	
PASAI		**X**	

1.3 Result Map

Result Map Framework

TSDF 2015-2025
- National Impact
- National Outcomes
- Organisational Outcomes (3.1)

- TOAG Outcomes
- TOAG Outputs
- Performance Measures

"A more progressive Tonga supporting higher quality of life for all"

"A more inclusive, sustainable and responsive good-governance with law and order"

"A more efficient, effective, affordable, honest and transparent Public Service, with a strong commitment to improved performance and better able to deliver the required outputs of government to all people."

| Improved level of compliance. | Improved public financial management. | Public confidence in the TOAG. |

TOAG Outputs:

Special Audit Report | Compliance Audit Report | Performance Audit Report | Financial Audit Report

Corporate Support Services;
Providing assurance and advices to Parliament, Executives, and the people of Tonga through; annual report, special audit reports, annual budget, annual plans, and member of the PAC and CADC.

Compliance Audit;
Of all government's Ministries, Departments, and Agencies through; audit management reports, and audit certifications.

Development Projects;
Audit of development project's financial statements and performance review through; audit opinions and audit management letters.

Performance Audit;
Of selected topics chosen from the financial activities of government which covered across ministries, departments, public enterprises, and agencies.

Public Enterprises;
Audit of public enterprise's financial statements and reviews of financial statements audited by other accounting firms through; audit opinions, review conclusions; and audit management letters.

Public Accounts and Quarterly Summaries;
Audit of the Government's financial statements, quarterly statements, and assessment of the performance of government ministries and department through; audit opinions, audit certifications, audit management letters and performance assessment reports.

Performance Measures:

- Be effective through timely and well coordinate communication and proactive identification of audit issues and emerging development
- Present Annual Report to Speaker/PM by 31st of March.
- Draft Annual Plan to Speaker by 1st May and Finl Annual Plan by 30th June each financial year.

- All audits are ISSAI compliance.
- All audit results are reported in timely and transparent manner.
- Number of audit reviews on public sector completed by 30th June each financial year.

- All audits are ISSAI compliance.
- All audits results are reported in timely and transparent manner
- Number of audit on development project completed by 30th June each financial year.
- Total value of development project completed

- All audits are ISSAI compliance.
- All audits results are reported in timely and transparent manner
- Performance audit topic has to be relevant and necessary

- All audits are ISSAI compliance.
- All audits are completed and signed by Dec 31
- Number of reviews and approval on public Enterprises completed within one months from issue of audit opinion by private firms of auditors.
- Number of reviews by 30th June each financial year
- INTOSAI standards maintained at all times.

- All audits are ISSAI compliance.
- Public Account is audited on time and present to Parliament on time.

TOAG Outcomes

| Improved level of Compliance with the laws governing the management and control of public money and public resources. | Improved public financial management through improvement of accountability and transparency of the public service. | Public Confidence in the TOAG | Audit Advisory Committee to be establish |

Timely and effective internal planning & financial management system

Effective placement of the "right people in the right place at the right time" within a well managed organization able to handle change effectively

Efficient logistic support services

Reliable IT systems

Auditor General provides effective leadership oversight of development, management and implementation of outputs & effective

Auditor General provide appropriate advice and guidance to Cabinet, Parliament, Public Accounts Committee and other stakeholder

Well established systems, aligned with standard government procedures, operating for:
- corporate planning, budgeting
- accounting and budget control
- procurement
- sector /district plans
- monitoring & evaluation
- regular reports, including Annual Ministry reports

Well established HR management systems, aligned with standard government procedures, providing:
- accurate up to date staff records
- clear job descriptions and staff management plans, aligned to the corporate plan
- efficient management of acting roles and recruitment
- sensitive, fair and responsive staff management encouraging good performance/addressing poor

Effective systems for delivering transport, record keeping, maintenance of office and equipment, cleaning etc with:
- clear division of roles between staff and external contractors
- performance based contracts for external services providers

Well designed IT systems with the hardware and software to provide the services required by ministry staff to perform their functions including:
- email, internet
- storage
- specialist software etc

Clear demarcation of Speaker and CEO roles and responsibilities based on government procedures, allowing for:
- clear organizational structure and delegation of responsibilities
- regular senior management coordination
- effective briefing of CEO and Minister
- well prepared Cabinet papers, press release and other documents
- effective cooperation and engagement with relevant cross government committees and other stakeholders

1.4 TSDF II impact and outcomes supported by our outputs

1.4.1 TSDF II National Outcomes supported by TOAG

There are seven (7) national outcomes set out in the TSDF II. TOAG directly contributes to outcome 4: "*A more inclusive, sustainable and responsive good governance with law and order*".

1.4.2 TSDF II Organizational Outcomes supported by TOAG

As per TSDF II, TOAG directly contribute to organizational outcome 3.1: "*A more efficient, effective, affordable, honest and transparent Public Service, with a clear focus on priority needs, working both in capital and across the rest of the country, with strong commitment to improved performance and better able to deliver the required outputs of government to all people*".

TOAG aims to promote integrity, accountability and transparency of the public sector. To achieve this, TOAG aim to achieve three (3) outcomes:
- Improved compliance with laws and regulations
- Improved public financial management
- Public confidence in our work

1.4.3 TOAG Organizational Outcomes supported by our Outputs

There are three outcomes we are seeking in the next five years:

a) *Improved compliance with the laws:* – Through our audit, we drive compliance with the laws and regulations. Under section 10 of the Public Audit Act, the Auditor General is to monitor compliance with the requirements of any Act governing the management and control of public money and public resources. Through our compliance audit, we aim to improve public sector performance by ensuring they comply with the laws and regulations

b) *Improved public financial management* – Through all the different audits we conducted, we expect to see improvement in level of accountability and transparency of the public service on how they manage the financial resources to achieving their goals and objectives.

c) *Public Confidence in the SAI* – Public Confidence in our work is of paramount importance to us, especially from all our stakeholders. This means we aim to uphold professionalism, ethics and integrity to a high standards and to ensure that our independence are not to be compromised at any time. This will ensure our Audit Reports are not only trustworthy but also credible in the eye of the Tongan public as well as our stakeholders.

To achieve the outcome stated above, there are different outputs in which the TOAG is to produce. *Section 10* of the *Public Audit Act 2007(as Amended)* provides the basis for these outputs. They are as follows:

1.4.3.1 Output 1:   Special audit report

Assurance and advice to Parliament, the Executive, and the general public through the TOAG annual report, annual budget, annual plan, and special audit reports.

1.4.3.2 Output 2: Financial Audit Report

All financial audit reports; Government annual financial statements, quarterly summaries and trust funds, and public enterprises.

1.4.3.3 Output 3: Performance Audit Report

Selected topics for performance audit are timely carried out and reported.

1.4.3.4 Output 4: Compliance Audit Report

Audit of line Ministries and Departments and development projects.

1.5   The Government Priority Agenda, GPA, 2018-2021

In respect of the GPA 2018-2021, TOAG supports the following priority area:

1.5.1   Government Reform Projects and Public Sector Reforms

As part of Public Sector Reform Projects, TOAG plays essential roles with the external oversight functions in Public Finance Management, (PFM), a major financial reform project by Government which is still in progress. TOAG supports the accounting system reforms of Government, moving from IPSAS Cash Basis Accounting to IPSAS Accrual Accounting. Through our audit, we significantly contributes to ensuring integrity, accountability and transparency of the public sector. This in turn ensures an effective and successful PFM reform project of Government.

1.6   Our strategic goals and objectives

We set out below the strategic goals we aimed to achieve, which in turn contribute to the outputs and outcomes we are seeking to achieve. Our strategic goals relates to the product of our core business and the assessed risks as summarized in item 8 below, both audit and non-audit functions.

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Strategic Goal 1 – CONDUCT ISSAI- BASED AUDITS

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Our fundamental focus for the next five years is to ensure our audit activities are conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). This applies to our three core audit activities (compliance, financial and performance audits).

Complying with the ISSAIs standards, required the audit methodology to adopt the Risk based Approach (RBA) to auditing. Traditionally, TOAG audit methodology was the system based audit approach. In mid-2017, TOAG agree to transition from the system base approach to the risk based approach. The transition process commenced and in May 2018, TOAG had its first pilot audit conducted using the risk based approach for compliance, financial and performance audit.

In the next five years we plan to successfully move to full implementation of the risk based approach and roll out the methodology to all three audit activities.

STRATEGIC OBJECTIVES FOR GOAL 1

1.   Successfully implement the ISSAIs standards and adopt it as TOAG's auditing standards.
2.   Keep up to date of any future changes/amendment made to the ISSAI standards and feed or update these changes into TOAG's audit practice where relevant
3.   Effectively monitor TOAG's compliance with ISSAIs over time.
4.   Ensure we introduce and successfully implement risk based methodology in all facets of our audit process, at both the SAI and engagement level.

KEY STRATEGIES TO ACHIEVE GOAL 1

1.1   Strengthen our Quality Control Process
1.2   Design and implement a Quality Assurance Process
1.3   Maximum Utilization of our TeamMate Software
1.4   Strengthen our Follow Up system
1.5   Develop and adopt a Risk Based Management Framework

Strategy 1.1 – Strengthen our Quality Control Processes

TOAG quality control process involved a quality review applied at all level of our audit and non-audit process. The purpose of the quality review is to ensure the work we carried out is of high quality and in accordance with international standards. Responsibilities for quality control is with the Auditor General and senior management.

In the next five years, we plan to fine tune our quality control process to be more effective and efficient. This fine tune is a review of the current process to ensure it has encompassed all the elements specified by ISSAI 40.

ISSAI 40 is the auditing standards on Quality Control in the SAI. We plan to review our quality control process to ensure it has all the quality control elements prescribed by the standard. Further, we also plan to ensure our quality control process is documented into our office policies so that it is accessible for use by our staff any time.

Strategy 1.2 – Design and Implement a Quality Assurance System to ensure audits are ISSAI-based

A quality assurance system is a critical control mechanism in ensuring audit was conducted to an acceptable level of quality. A high quality audit is an audit that was done in accordance with the ISSAI standards.

The TOAG current quality management system has a quality control system which was previously described in strategy 1.1

For the next five years, we planned to strengthen the quality management system, by also introducing a quality assurance system. to further improve the quality of our work. The quality assurance system will give assurance that the quality control system is working as intended and ultimately, ensuring our audit are conducted in accordance with the ISSAI standards.

Strategy 1.3 – Maximum Utilization of our Team Mate Software

We used the TeamMate software as our audit management software system to carry out our audit. At present, transition is still underway from manual working papers to electronic work papers. By 2025 we envisage, all our audits will be conducted using the software.

Further, we also target to utilize all the modules of TeamMate during the strategic plan period. There are five modules of TeamMate. At the moment, TOAG is using only one module, the Team Electronic Work Paper (EWP). By 2025, we target to utilize the other four modules of TeamMate (TeamRisk, TeamCentral, TeamTeC, and TeamSchedule).

Strategy 1.4 – Strengthen our follow up system

Follow-up of audit recommendations is a crucial aspect of TOAG's audit. Audit recommendations are effective only if they are implemented by the audited entity. TOAG has a system in place for following up audit recommendations for all compliance, financial and performance audits conducted.

In strengthening our follow up system we plan to build closer relationship and partner up with the Public Accounts Committee (PAC). The PAC is tasked with the scrutiny role of audit reports. We would very much hope that the PAC has a legal mandate in place, which gives them authority to call in Chief Executive Officers (CEO) of a government agency to clarify any issue raised by the Auditor General and action taken in regards to audit recommendations.

We consider our relationship with PAC of paramount importance in ensuring we have an effective follow up system. We believe a strong and effective scrutiny carried out by PAC combined with our own follow up system result in a stronger and more robust follow up system overall.

By successfully implementing our recommendations, we believe we will contribute to the strategic outcomes we seek of, improved public financial management and compliance with laws and regulations.

Strategy 1.5 – Risk Management Framework

Risk Management is fundamental to the success of organizations worldwide. At TOAG, we believe risk management is crucial in ensuring we achieve our strategic objectives. Our current risk assessments is assessed risks at the engagement level. That is; we assessed and identified risks relevant to each particular audit.

In the next five years, we plan to take risk assessment up to the entity level. Risk assessment at the engagement level will identify risks that are facing TOAG's operation, as well prioritizing our audits according to their risk ratings.

To achieve our strategic objectives, we know we must robustly assess the risks we face and develop measures to mitigate them. It is therefore crucial that there is a systematic process and procedures in place to guide this process. This will also be documented into TOAG's policy.

By 2025, we plan to develop and implement a risk management framework for use. The framework will assist TOAG and its senior management in conducting risk assessment at all facets of our audit process.

Strategic Goal 2 – Improve Capabilities of our Auditors

It is critical to have a highly skilled and competent staffs in order to deliver ISSAI based audits. While, we have opted to adopt the ISSAI standards it is of paramount important to have the capacity to enable successful adoption. This capacity comes from our auditors.

It is our intention for the next five years to continuously build and enhance the capacity of our auditors on all our different audit divisions to deliver audits that are ISSAI based. To make this happen, we must ensure that we have in place long term professional training and development plans, succession planning for maintain and retaining professional staffs and seek opportunities for capacity developments from our partner SAIs, PASAI and INTOSAI.

STRATEGIC OBJECTIVES FOR GOAL 2

1. Identify competency and skills gap for professional development
2. Provide training and development program to bridge gap between actual and required competency and skills
3. Utilize regional trainings conducted by PASAI and IDI as a capacity development opportunities for auditors
4. Advocate for twinning arrangements for capacity development purpose
5. Monitor the successful implementation of professional training and development plan over time

KEY STRATEGIES FOR GOAL 2

2.1   Adopt the INTOSAI Competency Framework
2.2   Draft and implement a Professional Training and Development Program to address competency gap
2.3   Utilize twinning arrangements with our partner SAIs

Strategy 2.1 – Adopt the INTOSAI Competency Framework

A competency framework, is a conceptual model that details and defines the ideal competencies required/expected of an individual's professional capacity for a specific audit stream (financial, compliance or performance) that contributes to success/high performance.[1]

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[1] INTOSAI Competency Framework,

A competency framework explicitly set out the competencies required to be possessed by the auditors of the SAI, to enable the SAI to effectively deliver its audit function. One of our strategic focus, to build the capacity needed of our staff to be able to conduct audits according to ISSAI standards. To successfully achieve this strategic goal, we believe we must first identify the competencies required of our staff, what is the staff competencies now and the amount of capacity building required to lift staff competencies to the require the level.

The INTOSAI has already designed a competency framework to assist SAI in their capacity building process. TOAG will adopt this framework to assist us in pursuing our Goal 2.

Strategy 2.3 – Draft and Implement a Professional Development and Training Plan

Identifying the competencies gap required to conduct our audits is one of the first strategic step in pursuing our Goal 2. At present, TOAG has a competency matrix templates for each of our financial, compliance and performance audit division.

ISSAI 30 required TOAG to assess before the commencement of every audit, whether the team assigned to the audit has the required skills and competencies to perform the audit. To satisfy this criteria, we have established a competency matrix templates for financial, compliance and performance. The template assessed the skills of the audit team against the required skills to do the audit. Any gaps are identified to be addressed.

We plan to accumulate all competency gap we identified from each audits. We will use this to design a professional training and development plan to address competency gap. We will also identify areas where training and development is needed and include this also in the plan.

Strategy 2.3 – Utilize twinning arrangements with our Partner SAI

As part of our capacity development initiative we plan to benefit from the twinning arrangements set with our partner SAIs. We see this as an opportunity to develop and learn from other bigger SAIs who are more advanced in the implementation of international auditing standards.

Our twinning partner is with the South Australian Audit Office. During the early stage of the planned period, we will try to obtain the resources to start up the twining program. The area we are looking forward to from this program is the independent quality assessment function and staff development through short term work attachments and exposure to audit methodologies at a developed SAI.

Our performance audit unit is still at very early stage and is the most recent unit set up in the office. We hope to utilize this opportunity to build and develop the capacity of this unit by sending them on attachment program to the Australia National Audit Office and the South Australia Audit Office.

Strategic Goal 3 – Build Capacity of our Support Services

Support Services play a key role in an organization in ensuring its strategic objectives are achieved. The support services provided the essential support to enable an organization to successfully deliver its roles and responsibilities. ISSAI 40 emphasizes that SAIs should have human resource policies and procedures that adequately deals with qualifications and ethics.

At TOAG, our support services consist of our Human Resources (HR) and Corporate Services (Admin). They are very important unit as they assist our audit units in delivering our core outputs (audit results and reports).

Similar to our auditors, our third strategic goal is to build the capacities of our support services and to better align their work to our vision, mission and other strategic objectives

STRATEGIC OBJECTIVES FOR GOAL 3
1.   Identify competency and skills gap for professional development
2.   Provide training and development program for Support Services staff
3.   Foster a healthy work environment which encourage high performance and excellence
4.   Improve the documentation of our HR processes and procedures

STRATEGIES FOR GOAL 3 AND STRATEGIC OBJECTIVES
3.1   Develop and implement a Human Resource Strategy
3.2   Strengthen our Recruitment process
3.3   Improve staff welfare

Strategy 3.1 – Develop and Implement a Human Resource Strategy

Our first priority in building our HR capacity is to develop a human resource strategy. We are yet to have a HR strategy and it is one area picked up by our peer review assessment for improvement.

We visualize HR strategy as our long term plan that will be created to achieve the strategic objectives of our human resources. The strategy should guide the human resource capital management and development in our SAI.

We will make sure our HR strategy is aligned with all our HR management activities which should include at a minimum our performance appraisal, recruitment, remuneration and professional development and training.

We plant to develop, adopt and implement our HR strategy in the next five years.

Strategy 3.2 – Strengthen our Recruitment process

Recruitment of staff is one of the strategic function of our HR division. In the next five years we plan to strengthen the recruitment process by addressing some of the weak areas from our peer review which were;

- improve documentation of recruitment procedures; and
- made public the description of skills and knowledge we require for each job advertised

At current, we already have a Human Resource Management Manual which provide guidance on all human resource management matters. This also includes our recruitment process. Our focus will be directed at addressing the strategic issues identified above.

Strategy 3.3 – Improve Staff Welfare

Staff welfare is critical for ensuring high performance and success. We considered the welfare of our staff very important at it has direct impact on how they perform both in the office and at our clients.

Similar to our recruitment, there is guidance on our HR manual that address staff welfare, however we plan to further strengthen the policy around our staff welfare

Strategic Goal 4 – Effective Stakeholder Engagement

Our stakeholders is central to our work. Our purpose is to serve the public sector and the citizens through ensuring that the public sector is accountable to the citizens in its use of public resources. We know it is important that we understand what our stakeholders expect of us and how we can better our services to meet them.

We plan to strengthen our engagement with our stakeholders to better understand their expectations and plan our work to meet them.

STRATEGIC OBJECTIVES FOR GOAL 4

1.   To effective engagement with our stakeholders, to identify their expectation, to be included in our work as appropriate.

STRATEGIES FOR GOAL 4 AND STRATEGIC OBJECTIVES

4.1   Successfully adopt our Communication Strategy

4.2   Establish feedback mechanism

4.3   Periodically evaluate and monitor our Stakeholder Engagement

Strategy 4.1 – Successfully adopt our Communication Strategy

Our Communication Strategy has been approved for use and it is our intention in the next five years to successfully adopt our Communication Strategy to ensure effective communication with our stakeholders. To effectively communicate with our stakeholders, we must establish a mechanism to ensure our communication with our stakeholders is both timely and efficient. With our communication strategy already approved, we put all aspects of this strategy into practice.

Strategy 4.2 – Establish stakeholder feedback mechanisms

We see feedback as a critical elements in achieving our Goal 4, to effectively engage with our stakeholders. Feedback from our stakeholders will provide crucial information on how we communicate and interact with them. It will also provide useful insights on areas where we need to improve in our communication process.

In the next five years we seek to not only successfully implement our communication strategy but also to seek feedback from our stakeholders.

Strategy 4.2 – Periodically evaluate and monitor our Stakeholder engagement

The last part of our Stakeholder Engagement process is to monitor and periodically evaluate the process. The process can only be effective if we continue to periodically evaluate and monitor its implementation and progress.

We plan to not only monitor the implementation of our communication strategy but to also periodically evaluate the whole process whether it did achieve the intended objective of effectively engage with stakeholders.

2   TOAG Overview

2.1   Outputs Grouped into Divisions/Sub-Programs and Programs

Output 1: Special Audit Report

Key attest functions

The main products under this output are the:

- manuals, policies and standards, maintain web-sites, accounts, staffs developments and trainings;
- budget, corporate plan, annual plan and annual report;
- annual audited financial statements of the Audit Office;
- financial and compliance audit report;
- provide support services to the Office; and
- other advisory services such as:
  - advice and assistances to Parliament including PAG, members, executive, other public sector agencies, and the general public.

Resources

Corporate Management Division is responsible for Output 1: Special Audit Report which consists of ten (10) staff, headed by an Audit Manager. One (1) of the 10 staff is currently on scholarship. Show in *Table 2* below, the Division budget expenditure by sub-programs for 2019-20.

Table 2:   Division budget expenditure (*refer Total Program 01, which as 2 sub-programs details in Chapter 5. pages 34-35*)

Sub-program	Amount
Established Staff (10xx)	328,600
Daily Paids (11xx)	3,500
Travel & Communications (12xx)	105,100
Maintenance & Operations (13xx)	28,000
Purchased of goods and services (14xx)	322,000
Capital expenses (20xx)	20,000
Total	**$807,200**

Performance measures

The main measurement of the team performance is expected to be assessed according to the followings:

- Achieving target outputs
- Meeting deadline, all reports are to be completed within statutory requirement and always meet the time set by the Auditor General.
- Individual team hours vs productive hours
- Accountable for all asset, stationery, printing records manage by the Office are updated at all times.
- Output within budget hours allocated.

Output 2: Financial Audit Reports

All Public Enterprises are audited timely as well as reviewing and approving audit conducted by outside firm. Also audit of Public Accounts is on a timely manner.

Key attest functions

The main products under this output are the:

- Issue of audit opinion on superannuation of Legislative Assembly, Public Accounts & Trust Fund
- Provision of audit opinions on the financial statements of public enterprises.
- Approval of audited financial statements of public enterprises audited by private firms
- Issuing of management reports to audited public enterprises conveying the findings of audits and management reports on audit of Public Accounts & Trust Fund
- Certificates issued on Quarterly Statements
- Advisory services relating to public enterprises and public accounts

Resources

Financial Audit Division is responsible for Output 2, which consists of eight (8) staff. This 8 staff has further divided into two (2) teams, both headed by an Audit Manager's. *Table 3 shows* the Division budget expenditure by sub-programs for 2019-20.

Table 3: Division budget expenditure *(refer Program 02, sub-program 01 details in Chapter 5, page 36)*

Sub-programs	Amount
Established Staff (10xx)	448,600
Purchased of goods and services (14xx)	2,900
Total	**451,500**

Performance measures

The performance of the staff in the team is expected to be assessed according to the followings:

- Able to conduct audit in accordance with ISSAI standard
- 95% of audit is completed inside budget hours allocated
- 95% of audit is completed within timeframe agree with client.
- Able to understand International Financial Reporting Standards (IFRS)
- Build and maintain client relationship.
- Complete allocated tasks within the time allocated.
- Know and able to apply relevant accounting standards in performing allocated task.

Output 3: Performance Audit

Selected topics for performance audit are timely carried out and reported.

Key attest functions

The main products under this output are the:

- Reports on performance audits
- Reports on performance reviews of MDAs

Resources

Performance Audit Division is responsible for Output 3, which consists of six (6) staff. One (1) of the 6 staff is currently on scholarship. *Table 4 shows* the Division's budget expenditure by sub-programs for 2019-20.

Table 4:   Division budget expenditure (*refer to program 02, sub-program 02, Chapter 5, page 37*)

Sub-program	Amount
Established Staff (10xx)	302,600
Purchased of goods and services (14xx)	1,000
Total	**$303,600**

Performance measures

The main measurement of the team performance is expected to be assessed according to the followings:

- Able to carry out and produce the Audit within the budget hours
- Achieving the target output
- Able to perform the audit according to the assigned and allocated tasks

Output 4: Compliance Audit

MDAs and Government Grants audited annually as well as audit of development projects.

Key attest functions

The main products under this output are the:

- Issuing of management letters to audited MDAs conveying the findings of audits
- Audit opinion and management letters issued on the audit of financial statements of development project
- Certification of school grants.
- Advisory services relating to system of financial controls and compliance issues

Resources

Compliance Audit Division is responsible for Output 4, which consists of seventeen (17) staff. This 17 staff has further divided into two (2) teams, both headed by an Audit Manager's. Team 1 responsible for auditing of all the Government Ministries, Departments and Agencies (MDAs) and Team 2 responsible for auditing of the Development Project. *Table 5 shows* the Division budget expenditure by sub-programs for 2019-20.

Table 5:   Division budget expenditure (*refer to program 02, sub-program 03, Appendix D, Chapter 5,page 38*)

Sub-programs	Amount
Established Staff (10xx)	447,700
Daily Paids (11xx)	4,700
Purchased of goods and services (14xx)	3,000
Total	**$455,400**

Performance measures

The main measurement of the compliance team is expected to be assessed according to the followings:

- Actual number of audit management reports issues
- Actual time realized is within the approved budget
- Achieving target output. That is number of management letters and opinion issued
- Meeting deadlines. Budgeted hours of each clients audited against timetable schedule
- Staff hours on individual account areas as compared to budget hours.
- High level of compliance with ISSAI standards.

3   Our corporate profiles and structure
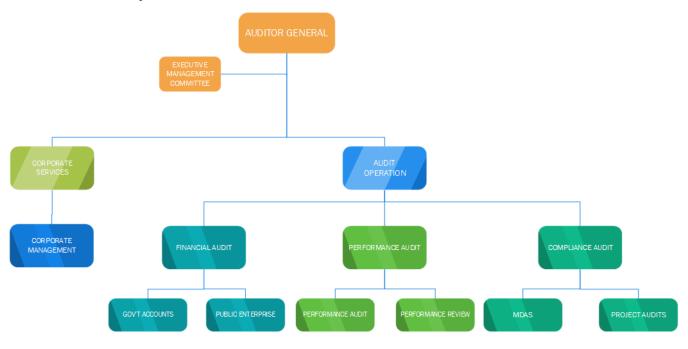
3.1   Our people

The Auditor General is supported by 50 staff, who plan and conduct audits, and report to the auditees and for submission to the Speaker of the House. The Hon. Speaker tables the reports to Parliament.

The Office is continued to recruit university graduates with qualifications in accounting, financial management, and other relevant disciplines. Also, our staff professional development program is continuous agenda to the next planning period.

3.2   Our structure

The Office is currently structured under two (2) main branches:
- Corporate: which is the supporting arm of the Office consists of the;
  - Corporate Division

- Audit Operations: which is the heart of the Office consists of the;
  - Financial Audit Unit
  - Performance Audit Unit
  - Compliance Audit Unit

3.3   Summary of Planned Major Reforms for the first two (2) years

We have already linked our three outcomes to the organizational and national outcomes set out in the TSDF II. We have also explained our contributions to the GPA 2018 – 2021. We have set out the outputs we want to achieve in section 3.1 and our result map. These outputs in our view if achieved, will contribute to our three outcomes and ultimately to the other higher level outcome we have talked about.

We set out below the major reforms we planned to undergo in the next five years, throughout the duration of this strategic plan. Most of our reforms are directed to improving our current capacities to the required capacities we need to effectively and efficiently deliver our planned outputs.

3.3.1   Improve our Audit Methodology

Our fundamental focus for the next two (2) years is to ensure our audit activities are conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). This applies to our three core audit activities (compliance, financial and performance audits).

Complying with the ISSAIs standards, required the audit methodology to adopt the Risk based Approach (RBA) to auditing. Traditionally, TOAG audit methodology was the system based audit approach. In mid-2017, TOAG agree to transition from the system based approach to the risk based approach. The transition process commenced in July 2017, with phase 1 of the process. This was completed in December 2017. Phase 2 commenced in March 2018 which involved a pilot audits of all three audit activities. These pilot audits are ongoing and we aim to complete all audits by the end of 2018/19 financial year.

In the next five years we plan to successfully move to full implementation of the risk based approach and roll out the methodology to all audits we conduct.

3.3.2   Strengthen our Quality Management System

Audit Quality Control
TOAG quality management system involved a quality review applied at all level of our audit and non-audit process. The purpose of the quality review is to ensure the work we carried out is of high quality and in accordance with international standards. Responsibilities for quality control is with the Auditor General and senior management.

ISSAI 40 is the auditing standards on Quality Control in the SAI. We plan to review our quality control process to ensure it has all the quality control elements prescribed by the standard. Further, we also plan to ensure our quality control process is documented into our office policies so that it is accessible for use by our staff any time. We will review the current process to ensure it has encompassed all the elements specified by ISSAI 40.

Audit Quality Assurance

We also plan to introduce a quality assurance system to further strengthen the quality management system. The quality assurance system will give assurance that the quality control system is working as intended and ultimately, ensuring our audit are conducted in accordance with the ISSAI standards.

3.3.3   Ensure our performance audit division is fully functional

Our Performance Audit division is still at its early stage of audit. Performance audit is the most recent type of audit introduced into TOAG's mandate. Performance audit looks at whether government resources has been used efficiently, economically and effectively. It is the most interesting and critical area of auditing.

Our Performance Audit division currently has five (5) staff, one audit manager and four (4) field staff. Skills and knowledge in conducting performance audit has been a significant challenge we continuously faced throughout the years. We have participated in some of PASAI and INTOSAI cooperative performance audits and trainings to enhance the skills and competencies of our performance auditors.

Twinning Arrangement

As part of our capacity development initiative we plan to benefit from the twinning arrangements set with our partner SAIs. We see this as an opportunity to develop and learn from other bigger SAIs who are more advanced in the implementation of international auditing standards.

Our twinning partner is with Australia National Audit Office (ANAO). Our performance audit unit is still at very early stage and is the most recent unit set up in the office. We hope to utilize this opportunity to build and develop the capacity of this unit by sending them on attachment program to ANAO.

We have include this initiative in our budget 2019/2020 budget proposal.

3.3.4   Strengthen our follow-up system

Follow-up of audit recommendations is a crucial aspect of TOAG's audit. Audit recommendation is effective only if they are implemented by our audited entity. TOAG has a system in place for following up audit recommendations for all compliance, financial and performance audits conducted.

For the next five years we plan to further refine and strengthen our follow up system to ensure our recommendations are implemented by our audited agencies. This refinement include considering recommendations to be followed up in terms of materiality and significance. This means we will give priority for follow up of risk issues which we ranked as high risk.

Our relationship with the Public Accounts Committee

In strengthening our follow up system we plan to build closer relationship and partner up with the Public Accounts Committee (PAC). The PAC is the Parliamentary committee tasked with the scrutiny role of audit reports. The PAC has a strong legal mandate in place, which gives them authority to call in Chief Executive Officer (CEO) of a government agency to clarify any issue raised by the Auditor General.

We consider our relationship with PAC of paramount importance in ensuring we have an effective follow up system. We believe a strong and effective scrutiny carried out by PAC combined with our own follow up system result in a stronger and more robust follow up system overall.

By successfully implementing our recommendations, we believe we will contribute to the strategic outcomes we seek of, improved public financial management and compliance with laws and regulations.

3.3.5   Establish stakeholder engagement mechanism

Getting to know the need and expectation of our stakeholders is a significant step in ensuring we have the trust and confidence of the Tongan public in the work we do. We plan to further strengthen and monitor our engagement with our stakeholder by establishing clear mechanism for communication. This mechanism includes having in place a communication plan to successfully implement our communication strategy and also setting up stakeholder feedback to ensure we are aware of the effectiveness of our stakeholder engagement.

In Annex 1 of our strategic plan, we set out the result of our 2017/18 stakeholder consultation. Based on our consultation, we have selected the priority areas of focus for our audits in the next five years.

4   Gaps Analysis

4.1   Program 1: Corporate Management Unit

Output:1 Special Audit Report.	• **Assurance and advice to Parliament, the Executive, and the general public through the TOAG annual report, annual budget, annual plan, and special audit reports.**
Situation 2018/19 (current)	• As an autonomous body on its own as according to *Public Audit (amendment) Act 2012*, the staff, the auditor general and the staff will operates on its own. • However, performance assessment of staff and annual awards are still under the Public Service Commission. • Lack of public awareness of audit office roles and responsibility • Financial independence is still yet to be fully obtained. • Completing of special reports by the statutory due dates base on the capacity available at the time. • Increased amount of time required for explanation and clarification on aspects of the special reports.
Planned 2019/20 to 2023/24	• Timely release of special reports in the Official website. • Awareness program for all stakeholders and the general public. • To build the capacity up to the level required to prepare and issue special reports meeting the statutory due dates. • To amend the Public Service Act to delete the Audit Office employees from Schedule 1 and include in Schedule 2.
Performance Gaps	• Raise public awareness; public relation officer function • Establishment of audit Advisory Committee as in *Public Audit Act 2007 (as amended)* • TOAG budget is still approved by MoFNP. • PSC still control staff performance assessment and awards.
Consequences of Gap between current and planned	• Public have different understanding of the role of TOAG. • Not enough resources for capacity training. • Staff dissatisfaction from performance reassessment and amended award by the PSC.
Problem diagnosis; why we have the gap	*Problems*: • Public have different views on TOAG and its role • Untimeliness of submitting of special reports due to limited capacity of staff. • Staff dissatisfactions with the performance management systems, PMS. *Diagnosis*: • To fully implement the TOAG Communication Strategy. • Capacity building of senior management and corporate management staff, an additional position for communication officer is appropriate to establish. • To push for the amendment to the Public Service Act.

4.2   Program 2: Operations

4.2.1   Sub-program 1: Financial Audit Unit

Output 2: Financial Audit Report		Audit of the financial statements of Government, quarterly summaries, trust funds, public enterprises, and development projects by development partners.
Situation 2018/19 (current)	●	- Reviewed and approved only about 60 - 70% of planned Public Enterprise accounts audited by private auditors. - Financial statements of public enterprises audited by TOAG were completed.
Planned 2016/17 to 2018/19	●	- To complete review and approval of all Public Enterprises audited accounts subject for review from 2012/13 to current. - To ensure audits is completed within the due dates on-going negotiations with public enterprises for timely submission of draft financial statements.
Performance Gaps	●	40% of Public Enterprise subject for review to be reviewed.
Consequences of Gap between current and planned	●	- Financial statements of public enterprises are submitted on a timely manner. Currently all financial statements are all submitted within three months within due dates giving TOAG very little time to complete the audit. - Parliament is not receiving update accountability reports on financial performances of public enterprises and government as a whole.
Problem diagnosis; why we have the gap		*Problems*: - Private auditors delay in providing working files/papers or not agreed to grant us access to these documents. Follow-up procedures may not be effective. Public Enterprise executives not consider audit review of their audited accounts as being valuable/priority. - Public Enterprises not compiling their financial statements on a timely manner. Finalizing the account takes longer than expected.

		• Lack of effective supervision of fieldwork to ensure it is completed timely and in accordance with the auditing standards. *Diagnosis*: • To audit and approve long overdue accounts • Established a close working relationship with public enterprise to ensure their accounts are reviewed and approved (such as audit Office staffs join the external auditors during the time they carry out audit) • Trained staff includes work attachment • Trained staff on audit computer software program
Potential Solution Themes	•	• Establish and maintain a good working relationship with Public Enterprises executives and their private auditors to encourage cooperation from their end. • Deliver an oral presentation to Public Enterprise Executives/CEO regarding audit review of their audited accounts. • Provide training both external and in-house training for staff on quality review assurance • Lap-tops for all members of the team.

4.2.2 Sub-program 2: Performance Audits

Output 3: Performance Audit Report	• **Audit of selected topics for performance audit are timely carried out and reported**
Situation 2018/19 (current)	• Four (4) regional co-operative performance audits, all on environmental issues, assisted through PASAI have been completed but the report, both English and Tongan is in progress and two (2) are expected to be ready for submission by June 2018. • Yet to complete a performance audit on topic entirely on its own choice of public interest. • Performance review for performance information framework of all MDAs have been started.
Planned 2019/20 to 2023/24	• Expected to complete at least two (2) regional cooperative performance audits by the end of the current financial year (2018/19) • The remaining two (2) regional cooperative performance audits to be completed in the first early part of the next financial year – 2019/20 • Two (2) selected topics to be completed in 2019/20

	• To complete the performance information framework review of all MDAs during the planned period.
Performance Gaps	• Very limited capacity on performance audit skills and background. • Untimeliness of completing the performance audit as from the commencement of this audit. • Translation of report into Tongan add on to the problem of untimeliness of performance audits. • Delay in progressing of review of performance information framework from limited appropriate capacities in performance audit skills and experience.
Consequences of Gap between current and planned	• Delay in finalizing the PA report within the required time. • Delay with performance information review.
Problem diagnosis; why we have the gap	*Problems*: • Limited knowledge, skills and experience on performance audit • Availability of resources • Delay and overlook with the follow-up to produce the required information on time from the auditees. *Diagnosis*: • Staff training on techniques and methodologies of doing performance audit • To obtain the skills in carrying out research and surveys and interpretation of data information. • Collaborate with the required auditee to produce the information and complete information on a timely manner.

4.2.3   Sub-program 3: Compliance Audit

Output 2: Compliance Audit Report	• **Audit of all Government ministries, departments and agencies, (MDAs), and Government development projects funded by development partners.**
All major compliance and financial audit clients are audited annually	• No remedial action made by management of MDAs to recommendations provided in the management letters • Audit of certain MDAs are deferred for more than two (2) years • Total audit units are 175 • More than 50% audit is completed within a year
Planned 2019/20 to 2023/24	• Strengthen follow-up procedures • Hope to complete audit of allocated clients in every 3 years. • Updated auditing of MDAs within two (2) years • Ensure that annual audit cover expenditure of more than 90% of annual budget
Performance Gaps	• Time consuming on following up the issues raised in previous managements letters • Unable to audit all audit entities due to staff constraints
Consequences of Gap between current and planned	• Unable to complete audit within budget time as more time is spend on follow up issues.

	- Unable to follow up the non-compliance issues raised in the letter of MDAs which are deferred. - Irregularities and frauds may not be discovered in timely manners or prevented.
Problem diagnosis; why we have the gap	*Problems*: 1. Limited staff in this division 2. Lack of follow-up procedures in place to those MDAs who does not provide corrective actions to recommendations. *Diagnosis*: - Prioritize audit client in terms of number of staff available for audit - Implement well structure and highly effective strategic audit planning processes across all elements of our public sector audit responsibilities - Target out audits to areas offering our greatest potential for us to contribute to improve performance and enhanced accountability in the public sector.
Potential Solution Themes	- Prioritize audit client based on set criteria - Entry levels for audit staffs should be upgrade to Auditor's level only: the graduate level. Trained staffs so that individual staff can complete the whole audit processes of any issues within a minimal time possible. - All MDAs should prepare statement of receipts and payments annually.

5 Budget and Staffing

5.1 Programs and sub-programs

03 'Ofisi 'o e 'Atita Seniale (Office of the Auditor General)

	'Esitimeti Estimate 2017/2018	'Esitimeti Fakatonutonu Revised Budget 2017/2018	'Esitimeti Estimate 2018/2019	'Esitimeti Estimate 2019/2020
PA'ANGA HU ATU (EXPENDITURE)				
Kaungāue tu'uma'u (Established Staff) (10xx)	1,493,500	1,122,413	1,531,900	1,527,500
Kaungāue lau'aho (Unestablished Staff) (11xx)	23,000	6,130	24,700	8,200
Fefononga'aki mo Fetu'utaki (Travel & Communications) (12xx)	85,100	74,655	85,100	105,100
Tauhi mo fakalelei me'angāue (Maintenance & Operations) (13xx)	32,000	13,557	28,000	28,000
Totongi koloa mo e ngāue (Purchased of goods and services) (14xx)	262,300	184,656	262,300	328,900
Ngaahi Koloa (Assets) (20xx)	100	88,999	100	20,000
Pa'anga Fakakātoa Hū Atu (Total Expenditure)	**1,896,000**	**1,490,410**	**1,932,100**	**2,017,700**
MA'U'ANGA PA'ANGA (SOURCE OF FUNDS)				
Pa'anga mei he Pule'anga Tonga (Government of Tonga Fund) Cash	1,896,000	1,490,410.00	1,932,100.00	2,017,700.00
Pa'anga tokoni mei muli (Confirm Budget Support) Cash				
Fefolau'aki ki Tu'apue'anga (Overseas Travel)				
Pa'anga Fakakātoa (Total Funding)	1,896,000	1,490,410.00	1,932,100.00	2,017,700.00

5.1.1 Program [01].1: Leadership and Policy Advice

Fakamole Fakapolokalama (Expenditure by Program)
Polokalama 01 (Program 01): Pule'i mo Fale'i (Leadership and Policy Advice)
Polokalama si'i 01 (*sub-program 01*): 'Ofisi 'ulu 'o e potungāue (*Office of the Auditor General)*

	'Esitimeti Estimate 2017/2018	*'Esitimeti Fakatonutonu Revised Budget 2017/2018*	*'Esitimeti Estimate 2018/2019*	*'Esitimeti Estimate 2019/2020*
Kaungāue tu'uma'u (Established Staff) (10xx)	148,200	120,285	148,600	125,200
Totongi kau Ngāue lau'aho (Unestablished Staff) (11xx)	-	-	-	-
Fefononga'aki mo Fetu'utaki (Travel & Communications) (12xx)	-	-	-	-
Tauhi mo e fakalelei me'angāue (Maintenance & Operations) (13xx)	-	-	-	-
Totongi koloa mo e ngāue (Purchased of goods and services) (14xx)	-	-	-	-
Fakamole ki he ngaahi ngāue lalahi (Capital expenses) (20xx)	-		-	-
Fakakātoa (Total)	**148,200**	**120,285**	**148,600**	**125,200**

Notes:

10   Vahenga (*Salaries*),**93,800,** 'Inasi 'o e Pule'anga ki he Vāhenga Malōlō **(***Government contributions to retirement Fund*) **9,400**
Ngaahi Monū'ia Makehe (*Other Allowances*) **10,000,** Ngaahi Monu'ia ki he 'Atita Seniale (*Auditor General Benefit*) **12,000**

5.1.2   Program [01].2: Corporate Management Division

Polokalama 01 (Program 01): Pule'i mo Fale'i (Leadership and Policy Advice)
Polokalama si'i 02 (*sub-program 02*): Lipooti 'Atita Makehe (*Special Audit Report*)

	'Esitimeti Estimate 2017/2018	'Esitimeti Fakatonutonu Revised Budget 2017/2018	'Esitimeti Estimate 2018/2019	'Esitimeti Estimate 2019/2020
Kaungāue tu'uma'u (Established Staff) (10xx)	209,500	150,526	206,100	203,400
Kau Ngāue lau'aho (Daily paids) (11xx)	8,300	6,130	8,300	3,500
Fefononga'aki mo Fetu'utaki (Travel & Communications) (12xx)	85,100	74,655	85,100	105,100
Tauhi mo e fakalelei me'angāue (Maintenance & Operations) (13xx)	32,000	13,557	28,000	28,000
Totongi koloa mo e ngāue (Purchased of goods and services) (14xx)	255,400	184,656	255,400	322,000
Fakamole ki he ngaahi ngāue lalahi (Capital expenses) (20xx)	100	88,999	100	20,000
Fakakātoa (Total)	**590,400**	**518,523**	**583,000**	**682,000**

Notes:

10   Vahenga *(Salaries)*, **178,500** 'Inasi 'o e Pule'anga ki he Vāhenga Malōlō **(***Government contributions to retirement Fund)* **17,900**
Le'ole'o ki he lakanga 'oku 'atā *(Acting Allowance)* **7,000**

11   Totongi kau Ngāue lau'aho *(Wages)* **3,500**

12   Fefolau'aki Fakalotofonua *(Domestic Travel)* **25,100** Fefolau'aki ki Tu'apule'anga *(overseas travel)* **80,000**

13   Totongi 'Utu 'o e me'alele *(Fuel)* **10,000**, Fakalelei'i 'o e me'angāue *(Maintennance Equipments)* **10,000**,
Fakalelei'i 'o e me'alele *(Maintenance Vehicles)* **8,000**

14   Tohi moe ngaahi Makasini *(Books Periodical & Publications)* **1,000**, 'Uhila *(Electricity)* **45,000**; Vai (Water) **1,500**;
Naunau Faka'ofisi *(Office supplies)***9,100;** Paaki mo fakatau naunau *(Printing & Stationery)* **9,000;**
Totongi Tukuhau (Subscriptions) **13,000***;* Totongi ngāue'aki *(Rental)* **125,400.00,**
 Ako Ngāue *(Training & Conference)* **10,000**, Talitali kakai (Hospitality) **2,000.00** Ngaahi Totongi Fale'i mo e
Tokoni Fakatekinikale Fakapalofesinale*(Consultant &Technical Assistants Professional Fees)* **45,000;** Laiseni *(Licences)* ***61,000***

20   Ngaahi Naunau Fo'ou, (*New Equipment*), **20,000**

5.1.3 Program [02).1: Financial Audit Division

Polokalama 02 (Program 02): Ngaahi Ngāue Faka'atita ke fakahoko (Audit Operation)

Polokalama si'i 01 (*sub-program 01*): Sivi faka'atita 'o e ngaahi ngāue fakapa'anga (*Financial Audit*)

	'Esitimeti Estimate 2017/2018	'Esitimeti Fakatonutonu Revised Budget 2017/2018	'Esitimeti Estimate 2018/2019	'Esitimeti Estimate 2019/2020
Kaungāue tu'uma'u (Established Staff) (10xx)	368,700	293,654	483,200	448,600
Kau Ngāue lau'aho (Daily paids) (11xx)	8,200	-	8,200	
Fefononga'aki mo Fetu'utaki (Travel & Communications) (12xx)	-		-	-
Tauhi mo e fakalelei me'angāue (Maintenance & Operations) (13xx)			-	-
Totongi koloa mo e ngāue (Purchased of goods and services) (14xx)	- 2,900	-	3,000	2,900
Fakamole ki he ngaahi ngāue lalahi (Capital expenses) (20xx)			-	-
Fakakātoa (Total)	**379,800**	**293,654**	**494,400**	**451,500**

Notes:

10 Vahenga (*Salaries*),**403,800** 'Inasi 'o e Pule'anga ki he Vāhenga Malōlō (*Government contributions to retirement Fund*)**44,800**

14   Naunau Faka'ofisi (*Office Supplies*) **2,900**

5.1.4 Program [02].2: Performance Audit Division

Polokalama 02 (Program 02): Ngaahi Ngāue Faka'atita ke fakahoko (Audit Operation)

Polokalama si'i 02 (*sub-program 02*): Sivi faka'atita 'o e Maa'usia 'o e Ola (*Performance Audit)*

	'Esitimeti *Estimate* *2017/2018*	*'Esitimeti* *Fakatonutonu* *Revised Budget* *2017/2018*	*'Esitimeti* *Estimate* *2018/2019*	*'Esitimeti* *Estimate* *2019/2020*
Kaungāue tu'uma'u (*Established Staff*) (10xx)	342,000	252,786	321,400	302,600
Kau Ngāue lau'aho (*Daily paids*) (11xx)	-	-	-	-
Fefononga'aki mo Fetu'utaki (*Travel & Communications*) (12xx)	-	-	-	-
Tauhi mo e fakalelei me'angāue (*Maintenance & Operations*) (13xx)	-	-	-	-
Totongi koloa mo e ngāue (*Purchased of goods and services*) (14xx)	1,000	-	1,000	1,000
Fakamole ki he ngaahi ngāue lalahi (*Capital expenses*) (20xx)	-	-	-	-
Fakakātoa (Total)	**343,000**	**252,786**	**322,400**	**303,600**

Notes:

10   Vahenga *(Salaries)*,**275,100,** 'Inasi 'o e Pule'anga ki he Vāhenga Malōlō **(***Government contributions to retirement Fund)***27,500**

14   Naunau Faka'ofisi (*Office Supplies*)*,* **1,000**

5.1.5   Program [02].3: Compliance Audit Division

Polokalama 02 (Program 02): Ngaahi Ngāue Faka'atita ke fakahoko (Audit Operation)

Polokalama si'i 03 (*sub-program 03*): Sivi faka'atita 'o e faipau ki he lao (*Compliance Audit*)

	'Esitimeti Estimate 2017/2018	'Esitimeti Fakatonutonu Revised Budget 2017/2018	'Esitimeti Estimate 2018/2019	'Esitimeti Estimate 2019/2020
Kaungāue tu'uma'u (Established Staff) (10xx)	519,200	418,630	372,600	447,700
Kau Ngāue lau'aho (Daily paids) (11xx)	8,200	-	8,200	4,700
Fefononga'aki mo Fetu'utaki (Travel & Communications) (12xx)	-	-	-	-
Tauhi mo e fakalelei me'angāue (Maintenance & Operations) (13xx)	-	-	-	-
Totongi koloa mo e ngāue (Purchased of goods and services) (14xx)	2000	-	2,900	3,000
Fakamole ki he ngaahi ngāue lalahi (Capital expenses) (20xx)	-	-	-	-
Fakakātoa (Total)	**529,400**	**418,630**	**383,700**	**455,400**
GRAND TOTAL	**1,850,000**	**1,764,486**	**1,932,100**	**2,017,700**

Notes:

10	Vahenga *(Salaries)*,**407,000,** 'Inasi 'o e Pule'anga ki he Vāhenga Malōlō **(***Government contributions to retirement Fund)***40,700**
11	Totongi kau Ngāue lau'aho *(W*ages) **4,700**
14	Naunau Faka'ofisi (*Office Supplies*) **3,000**

Our Key Output with its Performance Measures

Table 6: Performance Measures

Output: Increased compliance audit coverage						
Indicator Definition:	**2018/19 (baseline)**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**
Number of compliance audit completed over number of audit mandated to cover.	**60%**	65%	75%	85%	95%	100%
Output: Quality Compliance Audit Report						
Percentage of compliance audit that has been completed and have undergo quality assurance review (QA) and received a "compliance" conclusion.	**55%**	60%	70%	80%	90%	100%
Output: Increased performance audit conducted						
Number of performance audit conducted during the year	**2**	2	3	3	3	4
Output: Quality Performance Audit Report						
Number of performance audit that has been completed and have undergo quality assurance review (QA) and received a "compliance" conclusion.	-	1	2	3	3	4
Output: Quality Financial Audit Report						
Percentage of financial audit that has been completed and have undergo quality assurance review (QA) and received a "compliance" conclusion.	**60%**	70%	80%	90%	100%	100%
Output: Stronger SAI Internal Governance and Ethics						
Publicly published code of ethics	not yet published	code to be made available in the website				

Output: Published Annual and Audit Report						
Audit Reports are published timely when permitted by law	few months after presenting	after it is presented to Parliament	after it is presented to Parliament	after it is presented to Parliament	after it is presented to Parliament	after it is presented to Parliament
Annual Reports are presented to parliament in a timely manner	before 31st March as required by the PA act	before 31st march of every year	before 31st march of every year	before 31st march of every year	before 31st march of every year	before 31st march of every year
Annual Reports are published timely after presentation to parliament	few months after presenting	after it is presented to parliament	after it is presented to parliament	after it is presented to parliament	after it is presented to parliament	after it is presented to parliament
Output: Stronger Engagement with stakeholders						
Number of stakeholders engagement carried out	10	12	14	16	18	20

5.2   Proposed budget revenue & expenditure for 2019/20; 2020/21 & 2021/22

Min	Revised Code	Names	Budget 19/20	Budget 20/21	Budget 21/22	Remarks
3	03-102000-0410-0000	Audit Fees	$ 100,000.00	$100,000.00	$100,000.00	
3	03-101111-1001-0000	Salaries	$ 93,800.00	$98,490.00	$103,414.50	
	03-101211-1003-0000	Other Allowance	$ 10,000.00	$10,500.00	$11,025.00	
	03-101111-1005-0000	Government Contribution	$ 9,400.00	$9,870.00	$10,363.50	
	03-101111-1030-0000	CEO/Minister Benefits	$ 12,000.00	$12,600.00	$13,230.00	
3	03-102111-1001-0000	Salaries	$ 178,500.00	$187,425.00	$196,796.25	
	03-102111-1005-0000	Government Contribution	$ 17,900.00	$18,795.00	$19,734.75	
	03-102111-1026-0000	Acting Allowance	$ 7,000.00	$7,350.00	$3,000.00	
	03-102111-1101-0000	Wages	$ 3,500.00	$3,675.00	$3,675.00	
	03-102111-1201-0000	Domestic Travel	$ 25,100.00	$26,355.00	$26,355.00	
	03-102111-1202-0000	Overseas Travel	$ 80,000.00	$60,000.00	$60,000.00	- INCOSAI 2019, Sept 19 in Moscow, Russia - Also audit visit to all overseas mission offices in 2019/20
	03-102111-1203-0000	Telecommunication		$0.00	$0.00	
	03-102111-1301-0000	Fuel	$ 10,000.00	$10,000.00	$10,000.00	
	03-102111-1304-0000	Maintenance of Computer System				
	03-102111-1308-0000	Maintenance of O/E	$ 10,000.00	$ 10,000.00	$ 10,000.00	
	03-102111-1309-0000	Maintenance of Vehicle	$ 8,000.00	$ 8,000.00	$ 8,000.00	
	03-102111-1401-0000	Books, Periodical & Publication	$ 1,000.00	$ 1,000.00	$ 1,000.00	
	03-102111-1402-0000	Electricity	$ 45,000.00	$47,250.00	$47,250.00	
	03-102111-1405-0000	Water	$ 1,500.00	$ 1,500.00	$ 1,500.00	
	03-102111-1406-0000	Office Supplies	$ 9,100.00	$9,555.00	$10,032.75	
	03-102111-1407-0000	Printing & Stationery	$ 9,000.00	$ 9,000.00	$ 9,000.00	
	03-102111-1411-0000	Subscription	$ 13,000.00	$13,650.00	$14,332.50	staff members: CPA Aust & ANZCA - S.Tangi; K.Makakaufaki; F.Taumoha'apai; S.Lutui: P.Tongilava; S.Tonga
	03-102111-1413-0000	Rental	$ 125,400.00	$ 125,400.00	$ 125,400.00	
	03-102111-1422-0000	Training and Conference	$ 10,000.00	$10,000.00	$10,000.00	staff attached to twinning program in Australia
	03-102111-1422-0000	Hospitality	$ 2,000.00	$ 2,000.00	$ 2,000.00	
	03-102111-1435-0000	Licenses	$ 61,000.00	$64,050.00	$67,252.50	
	03-102111-1480-0000	Consultant & Technical Assistant Professional Fees	$ 45,000.00	45,000.00	45,000.00	
	03-102111-1480-0000	Renovation				
	03102111-2003-0000	New Equipments	$ 20,000.00	$ 20,000.00	$ 20,000.00	
	03102111-2005-0000	New Vehicles	$ -			
3	03-201111-1001-0000	Salaries	$ 403,800.00	$423,990.00	$445,189.50	
	03-201111-1005-0000	Government Contribution	$ 44,800.00	$47,040.00	$49,392.00	
	03-201111-1101-0000	Wages		$0.00	$0.00	
	03-201111-1406-0000	Office Supplies	$ 2,900.00	$ 2,900.00	$ 2,900.00	

Min	Revised Code	Names	Budget 19/20	Budget 20/21	Budget 21/22	Remarks
3	03-202111-1001-0000	Salaries	$ 275,100.00	$288,855.00	$303,297.75	
	03-202111-1005-0000	Government Contribution	$ 27,500.00	$28,875.00	$30,318.75	
	03-202111-1406-0000	Office Supplies	$ 1,000.00	$ 1,000.00	$ 1,000.00	
3	03-203111-1001-0000	Salaries	$ 407,000.00	$427,350.00	$448,717.50	
	03-203111-1005-0000	Government Contribution	$ 40,700.00	$42,735.00	$44,871.75	
	03-203111-1101-0000	Wages	$ 4,700.00	$ 4,700.00	$ 4,700.00	
	03-203111-1406-0000	Office Supplies	$ 3,000.00	$ 3,000.00	$ 3,000.00	
	03-203111-1408-0000	Uniform				
			$ 2,017,700.00	$2,081,910.00	$2,161,749.00	

__Note__: Audit of Public Enterprises is charged with audit fees. Audit of government MDAs are free of charge.