



Auditor General's Office

PAPUA NEW GUINEA

Corporate Plan (2017 – 2021)



CONTENTS

CONTENTS.....	2
AUDITOR GENERAL'S FOREWORD	3
Audit Mandate	4
Our Vision	5
Our Mission	5
Our Core Functions.....	5
Our Core Values	5
Key Clients and Stakeholders.....	6
Our Environment.....	6
Key Focus Areas.....	6
Key Focus Area 1 - Products and Services	6
Key Focus Area 2 - Business Performance	7
Key Focus Area 3 - Clients and Stakeholders	7
Key Focus Area 4 - Capabilities.....	7
Key Focus Area 5 - Independence	8
Performance Measurement	8
Risk Management	8
Notes.....	9

AUDITOR GENERAL'S FOREWORD



AUDITOR-GENERAL - PHILIP NAUGA

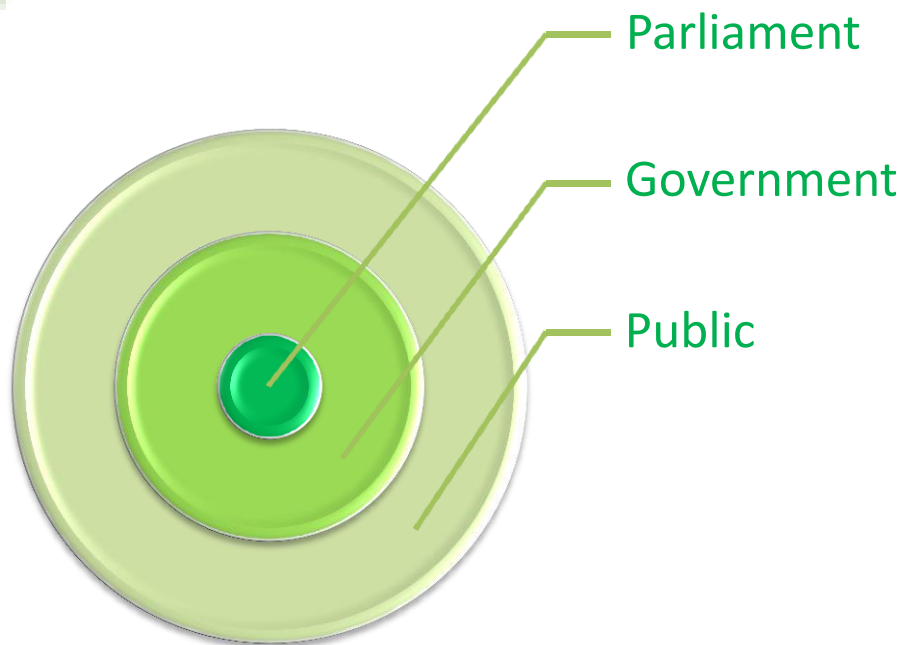
The public sector in PNG operates in a demanding and complex environment. One of the challenges for the Auditor General's Office (AGO) is that since the last corporate plan was issued, there has been an expansion of government and a fundamental change in the way government programs and services are provided. Public service delivery involves increasingly complex inter-relationships between government agencies, different levels of government and the private sector, including international donors and not-for-profit organisations.

At the same time, to meet demands for efficient and cost-effective service delivery by governments, the Parliament and policymakers need access to reliable financial and performance information that has been independently audited. The AGO's assurance and performance auditors provide that material, as well as commentary about the effectiveness of government programs and systems. The reliance on audited financial statements and audit reports enhances the need for clear plans, as well as professional standards, to guide auditors and allow others to rely on the work of the AGO.

Our corporate plan reflects the spirit of the PNG Vision statement; to create a wealthy, healthy, and educated society by 2050, derived from the Constitution's National Goals and the principles of the Millennium Development Goals. The Constitution of the Independent State of Papua New Guinea also sets out our mandate and requires the Auditor General to inspect and audit, and to report to the Parliament on the Public Accounts of Papua New Guinea and this plan sets out how we will achieve this.

The 2017 - 2021 AGO Corporate Plan is designed to inform the Parliament, the public and government sector entities of how we intend to deliver against our mandate. I thank my staff for the valuable contributions they have made in developing our new Corporate Plan, and I commend it to our stakeholders.

Auditor General's Office Mandate



Auditing for Impact

Our Vision

Our vision is to Audit to serve our country and communities professionally, and grow our people successfully.

Our Mission

Our Mission is to produce timely and relevant audit reports to Parliament that are valued by our stakeholders for the extent and usefulness of the insights they contain, and valued for the audit recommendations made, to improve the transparency and accountability of public sector resources. The discharge of our audit mandate will achieve our Mission.

Our Core Functions

The AGO is required 'to inspect and audit, and to report at least once in every fiscal year to the Parliament on the public accounts of PNG, and on the control of and on transactions with or concerning the public monies and property of Papua New Guinea, and such other functions as or prescribed by or under a law of Papua New Guinea'.

To fulfil our mandate, we undertake the following core functions, including but not limited to:

- Assurance Audit;
- Compliance Audit;
- Performance Audit;
- Special Projects Audit; and
- Gathering and sharing information and expertise through national and international engagement.

Our Core Values

Our Values are the beliefs that operate within the AGO to guide us in how we conduct ourselves in performing our constitutional role and responsibilities. They drive the AGO's work culture and priorities and provide a framework in which decisions are made:

- Respect
 - We will provide an environment which promotes respect for each other, our stakeholders, and our responsibilities under our mandate,
- Integrity and Ethical Behaviour
 - Our staff will foster the highest standard of morals and be forthright, honest and sincere in our approach to our work and report audit findings without bias.
- Leadership and Commitment
 - We are committed to delivering high quality audit services and promoting a leadership environment which is conducive to teamwork and the growth and development of AGO staff.

Key Clients and Stakeholders

The AGO's primary client and stakeholder is the Parliament of Papua New Guinea. Through our services to the Parliament, the people of Papua New Guinea can have confidence that we are reporting on whether public funds are being spent economically, efficiently and effectively.

Internationally, the AGO has close links with the Pacific Association of Supreme Audit Institutions and its International working groups. Through these organisations, the AGO assists with the development of auditing standards, professional practices and exchanges of experience to learn from and for the benefit of the international auditing community. As a member of the Australasian Council of Auditors-General, the AGO also participates and shares knowledge of public sector auditing with states and territories in Australia.

Through its strong international relationships, the AGO is an active participant in a Twinning program where AGO staff are attached to Commonwealth and State Audit Offices in Australia for periods of up to a year, to assist with capacity building and the transfer of skills.

The AGO also contributes to the work of the professional accounting and auditing bodies, in their roles of setting and maintaining professional and ethical standards for the accounting profession in Papua New Guinea.

Our Environment

Our ability to anticipate and respond to changes occurring in our environment, is important for the success of the AGO. Papua New Guinea is a developing country and its public sector is evolving and the delivery of government services is shaped by various external influences. These environmental factors will shape the focus of our work, including the development of the audit program and how we undertake our audits.

Key Focus Areas

Our purpose is to improve public sector accountability, transparency, and performance in Papua New Guinea through independent reporting to Parliament, and through it, the public. Five Key Focus Areas (KFAs) provide the framework for our strategies to deliver on our purpose

Key Focus Area 1 - Products and Services

The AGO's products are the Annual Audit Report and other Reports to the National Parliament. The final report is derived from effective planning and performance of the independent audit services with appropriate management reports, investigation reports and audit opinions as required. Our products and services include independent financial statements audits, performance audits, compliance audits, and other special audits and investigations. The products of AGO can also include newsletters, seminars and workshops.

Objective: Meet our audit mandate through the delivery of timely and high quality audit products and services, in accordance with professional standards.

The strategies we will undertake to achieve the objective include but are not limited to:

- Audit standards for the PNGAGO endorsed by the Auditor-General and adopted from ISSAI or from a recommended professional auditing standard.
- Undertake regular quality reviews to improve the quality and quantity of audits and ensure the quality and timely production of audit reports and services.
- Strengthen technical support capability.

Key Focus Area 2 - Business Performance

Our business performance is achieved through independent business planning and management processes, and through an organisational structure that will achieve efficiency and effectiveness.

Objective: Strive to establish effective administrative support, embrace new technology and procedures to achieve a high level of business output.

The strategies we will undertake to achieve the objective are:

- Improve management processes, accountability, and communicate effectively within the AGO;
- Establish an organisational structure that will effectively integrate all areas of the AGO core functions;
- Embrace new Information Technology that will enhance our business performance;
- Review our audit costing methods to ensure best practice;
- Ensure training is adequate for all members of the AGO workforce;
- Adopt best practice principles of doing business from recognized Supreme Audit Institutions such as ANAO in Australia to make AGO become competitive and seen to be doing what is acceptable elsewhere.

Key Focus Area 3 - Clients and Stakeholders

Our Clients and stakeholders are the Parliament and citizens of PNG, the Public Accounts Committee, public entities, and other Audit Institutions.

Objective: To understand our clients and stakeholder's needs and deliver timely and value-adding products and services to meet their expectations.

The Strategies we will undertake to achieve the objective are:

- Improve accessibility of audit reports and findings.
- Strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO.
- Develop and improve audit plans, files and programs to ensure sufficient audit coverage and fairness in reporting.

Key Focus Area 4 - Capabilities

Our people, who collectively represent the AGO, are our most valuable resource. A capable, competent and motivated workforce enables the efficient and effective delivery of quality audit reports and other audit products and services.

Objective: Develop the AGO workforce with the capability to undertake tasks with integrity and deliver high quality audit products and services.

The strategies we will undertake to achieve the objective are:

- Develop, strengthen and improve our Human Resource Management processes including appropriate inductions and internal and external training, and participate in staff exchanges where available;
- Within our budget limitations, improve the terms, conditions and welfare of the workforce;
- Determine the appropriate mix of audits to be conducted in house and others to be contracted out; and
- Invest in IT systems as appropriate and as funds become available, to improve audit and IT audit processes as well as administrative systems.

Key Focus Area 5 - Independence

Independence is a key concept underpinning the international auditing framework. The AGO must both be, and be seen to be, independent from all forms of influence and bias in performing its functions.

Objective: to ensure the AGO's core functions are free from being directed or influenced by external factors.

The strategies we will undertake to achieve the objective are:

- Continue our initiatives to consolidate the current existing constitutional laws and statutory powers and duties into one piece of legislation: The Organic Law on the Auditor-General.
- We will adhere to the professional accounting standards governing ethics and professional responsibility including;
 - Before commencing a new audit, our officers will determine whether there are any potential threats to integrity or professional behavior, which may be created from, for example, questionable issues associated with the entity being audited.
 - Develop and strengthen the culture of Independence and Integrity within and outside of the AGO.

Performance Measurement

The performance of the AGO is measured in terms of the audit services and significant activities undertaken over the period of the Corporate Plan. Performance measurement informs Parliament and key stakeholders about the performance of the AGO and whether we are fulfilling our mandate. Overall, the performance framework is also designed for our stakeholders, executive and staff to understand the impact of the activities they are responsible for, and to identify opportunities for improvement.

The performance measures convey a clear message about what we expect to achieve in the next four years. The measures will be reported annually and will be refined over the next four years. Items to be reported annually will be;

- Number of financial statement audit opinions issued:
- Number of other assurance reports produced:
- Number of financial statement related reports produced:
- Number of engagements that contribute to public sector auditing in our region:
- Number of performance audit reports presented:
- Number of other audit reports produced.

Risk Management

The AGO has established a Risk Management Framework that aims to strengthen management practices and decision making associated with the AGO's business operations. In addition to the strategic risks identified, a range of operational risks will be managed as part of our planning processes.

Notes

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