

Pacific Association of Supreme Audit Institutions (PASAI)

DFAT Management Response to Partner-led Independent Evaluation

The Pacific Association of Supreme Audit Institutions (PASAI) is a membership-based, regional capacity-building official association of Supreme Audit Institutions (SAIs) in the Pacific region. PASAI is one of seven regional organisations belonging to the International Organisation of Supreme Audit Institutions (INTOSAI). The work of PASAI is focused on the five Strategic Priorities (SPs) as set out in its 2014-24 Strategy. PASAI works with 29 SAIs, spread across three sub-regions, of which 20 are from developing Pacific Island countries (American Samoa, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Nauru, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu, Cook Islands, Niue and Tokelau). Australia contributed \$4.95 million to PASAI's second phase of the strategy (May 2019 to June 2024), equivalent to approximately one third of PASAI's budget for the period.

PASAI uses a model of peer cooperation and learning to advance the independence of SAIs, support their cooperation and capacity to work in partnership with their governments, legislatures and development partners to improve the timelines and quality of audits, strengthened financial oversight, and the scrutiny role of public accounts committees. The Australian National Audit Office, along with Australian state audit institutions, are members of PASAI. PASAI also supports long standing people-to-people links between Australian and Pacific audit institutions, supporting twinning relationships between Australian and Pacific audit offices. PASAI's Capacity development and training are led by the Secretariat staff (7 staff) and short-term consultants including support from International Organisation of Supreme Audit Institution (INTOSAI). PASAI five Strategic Priority (SP) areas include:

- (SP1) Strengthen SAI independence.
- (SP2) Advocacy to strengthen governance, transparency, and accountability.
- (SP3) High quality audits completed by Pacific SAIs.
- (SP4) SAI capacity and capability enhanced.
- (SP5) PASAI Secretariat capable to supporting Pacific SAIs.

The independent evaluation process was undertaken from December 2022 to June 2023. DFAT, alongside other development partners (MFAT and PASAI Secretary General's Office) were part of an evaluation sub-committee that provided feedback to the Terms of Reference, Inception Note and draft evaluation report. Tetra Tech International Development was selected to carry out the evaluation. The evaluation was finalised in August 2023 and published in September 2023.

The evaluation aims to provide lessons learned and recommendations based on findings to improve the effectiveness of capacity development interventions as well as to guide the future strategic direction of the program. The findings will be used by the PASAI Governing Board and its member SAIs for oversight and accountability purposes, by PASAI and development partners to improve capacity development interventions, and by INTOSAI for Capacity Development for sharing lessons learned among the Global INTOSAI members. The evaluation will also be used to inform the design of the next phase of PASAI Strategy.

Overall, the review found that PASAI programs and objectives are aligned with, and supportive of, most member SAIs' needs. The five SPs remain highly relevant to PASAI, member SAIs and other stakeholders. However, PASAI has varying levels of influence to effect change across all the SPs, with a range of external factors enhancing or hindering progress. The five SPs and PASAI's mandate are also aligned with other INTOSAI members and development partners' strategic priorities. A coordinated regional approach continues to be the most effective and efficient modality to support SAI capability and capacity development. The limited absorptive capacity, due to staffing and other donor programs,

SAls presents a significant risk to the effectiveness and sustainability of PASAI's training programmes - this is acknowledged and being addressed to some degree by PASAI. The overall 21 recommendations are based on evaluation objective of: **effectiveness and impact** (Recommendation 4, 5,6,7,8,9,10,11, 12,13); **Sustainability and impact** (Recommendation 17); and **Relevance, Coherence and Efficiency** (Recommendations 1,2,3,14,15,16) including recommendations on inclusion and cross-cutting issues (18,19,20,21). The recommendations are further summarised into 12 key areas for which action plans are developed.

DFAT's response to the Independent Evaluation: DFAT accepts the evaluation's findings and agrees (or partially agrees) with each of its 21 recommendations. PASAI, in consultation with development partners and member countries, has developed an action plan that outlines steps to remedy program performance, and implement recommendations in the remainder of PASAI's second phase (which runs to June 2024) and the design of next phase (commencing October 2023).

Recommendation	Response	Explanation	Action Plan	Timeframe
<p>1. Articulate strategic priorities that are strategic and relevant for PASAI with the Pacific context and focus efforts first on strategic priorities where PASAI has implementation and resourcing clarity.</p> <ul style="list-style-type: none"> outline SPs within PASAI’s direct implementation capacity. clearly articulate the additional modalities and partnerships needed to achieve strategic priorities where PASAI has less direct influence. Develop guiding documents. 	Agree	DFAT agrees with the recommendation that PASAI needs to focus on the strategic priorities where it has more direct implementation and resourcing capacity.	<ul style="list-style-type: none"> PASAI will seek guidance from the Steering Committee on developing strategic priorities within PASAI’s direct influence. PASAI will identify the strategic partnerships/ modalities required to support other SAI strategic priorities. PASAI will document the associated processes for both areas of work 	Next phase strategy
<p>2. Continue supporting SAI capability and capacity development through a coordinated regional approach, with some bilateral funding and support recommended as requested to support other areas of technical assistance and twinning arrangements.</p> <p>PASAI should:</p> <ul style="list-style-type: none"> Develop a strategy to facilitate greater coordination with bilateral programs to leverage better outcomes and coherence across investments in the Public Financial Management (PFM) space. 	Agree	DFAT agrees with this recommendation. It is expected that this will help develop long-term, sustainable, Pacific-centric solutions to address how future SAI PMF assessments can be undertaken in an efficient and consistent manner by the socio-political contexts.	<p>The process has commenced in the current phase.</p> <p>PASAI will incorporate greater use of peer-to-peer exchanges, identify additional resourcing to enhance twinning arrangement.</p> <p>The updated strategy will consider how evidence of SAI capability will be continually assessed over time.</p> <p>PASAI will increase the use of public audit subject matter experts from supporting member SAIs in order to</p>	Next phase strategy

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<ul style="list-style-type: none"> Having routine meetings with partners working in the PFM space. Develop long-term, sustainable, Pacific-centric solutions to address how future SAI PMF assessments can be undertaken in an efficient and consistent manner. 			<p>assess and develop SAI members with the highest quality and most current technical advice.</p> <p>The modality of technical support will include both individual SAI targeted support from twinning partners (coordinated by PASAI) and regionally provided (with stratification of SAIs into groups or clusters of relevant needs).</p>	
<p>3. Consider addressing the needs of Northern Pacific SAIs in the new Strategy</p> <p>Feedback from the Northern Pacific SAIs indicates that at times PASAI’s support is less suited to them when compared to Southern Pacific SAIs. The countries and territories of the Northern Pacific have significantly different systems of government to that of the Southern Pacific countries. PASAI should:</p> <ul style="list-style-type: none"> Increase focus on delivering training programs to northern SAIs. Enhance capacity of PASAI to meet training needs. 	Partially agree	<p>DFAT agrees with the recommendation. However, increasing support to northern SAIs and including those of the French Territories will require additional funding support.</p>	<p>As a first step, PASAI will seek additional funding support from donors such as the US and French.</p> <p>PASAI will continue to employ regionally located portfolio managers to ensure each segment of PASAI members are serviced by managers with experience relevant to local mandates and issues.</p> <p>PASAI will establish an approach through increased collaboration with Association of Pacific Island Public Auditors and US Government Accountability Office to ensure northern SAIs following US Generally Accepted Government Auditing Standards (national US standards) are equally supported.</p>	Ongoing, next phase strategy

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<p>4. PASAI and its core development partners should facilitate greater coordination between PASAI and bilateral programmes and other stakeholders in-country</p> <p>PASAI should implement measures to ensure increased visibility of its work with national stakeholders, through:</p> <ul style="list-style-type: none"> increased coordination with bilateral programs. Increased engagement with DFAT/MFAT posts. MFAT and DFAT could facilitate better coordination and coherence of investments by sharing more information with their Posts and by connecting PASAI. 	Agree	<p>DFAT agrees with this recommendation. PASAI could improve the visibility of their work through greater coordination. It should also facilitate greater coordination with bilateral programs to leverage better outcomes and coherence across their investments in the PFM space.</p> <p>DFAT and MFAT can actively support this coordination.</p>	<p>PASAI will adopt measures including:</p> <ul style="list-style-type: none"> Regular consultation with DFAT and MFAT during in-country visits. Improved coordination of programs in the PFM space. Ensure staff provide regular feedback on consultations and also reflections made on quarterly and annual reports. PASAI will be resourced to ensure it has the capacity to enable greater coordination between PASAI and bilateral programmes and other stakeholders in-country. <p>DFAT will increase support by sharing more information on bilateral programs and by connecting PASAI to other relevant programmes such as PFM</p>	Ongoing
<p>5. Consider the scale, scope and skillsets of the Secretariat to deliver the next Strategy</p> <p>(for example, the review noted that PASAI Secretariat has good technical skills and capabilities to support SAIs to deliver high-quality audits, however, the strategic capabilities needed for stakeholder engagement, relationship building and lobbying for independence</p>	Agree	DFAT agrees with this recommendation.	<p>PASAI will allocate a session during Governing Board meetings to discuss work plans, and Monitoring, Evaluation and Reporting (MER) expectations with member countries at the strategic level. This will include commonly agreed strategic program objectives aligned with capacity development workplans, SAI absorptive capacity and cleared identification of the most suitable delivery partner.</p>	Ongoing

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<p>were noted as an area that could be strengthened)</p> <p>While PASAI has improved its internal skill set there are challenges with high workloads and multitasking. PASAI should:</p> <ul style="list-style-type: none"> • realistically assess the absorptive capacity of SAIs. • identify the strategic and technical activities within the strategy that lie with PASAI and those that will need to be allocated to twinning partners and other strategic partners. • develop strategic partnerships to supplement and complement internal PASAI Secretariat resourcing. • communicate to all stakeholders the allocation of responsibilities to minimise potential duplication and inefficiencies. 			<p>PASAI Secretariat will be staffed to ensure resourcing is sufficient to align the strategic priorities to the work programme.</p> <p>The PASAI training programme will be aligned to a competency framework and enable PASAI (through supporting members) to offer a fully scoped training programme to all levels of developing SAI staff.</p> <p>DFAT will continue to liaise with PASAI on additional areas recommended such as additional resources (financial and human) required to measure outcomes and impact.</p>	
<p>6. Elevate strategic partnerships with national, regional, and international partners to support SAI independence and enhance advocacy and transparency.</p> <p>PASAI Should:</p> <ul style="list-style-type: none"> • Develop strategic partnerships with Civil Society Organisations (CSOs), media, national, regional, and international partners to continue 	Agree	<p>DFAT agrees with this recommendation. The review notes that PASAI only has indirect influence on SAI independence, and that strengthening the wider transparency and accountability environment is likely to only come about through strategic partnerships and effective engagement with national and regional actors.</p>	<p>The next Strategy will elevate strategic partnerships with CSOs, media, national, regional, and international partners to support SAIs independence and enhance advocacy and transparency.</p> <p>PASAI will expand cooperation with universities, including the University for</p>	Ongoing

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<p>the momentum of efforts to date to support SAIs independence and enhance advocacy and transparency.</p>			<p>the South Pacific and Pacific Islands Forum.</p>	
<p>7. Consider a shift towards competency-based training (if feasible) to enhance professionalisation of the practice. PASAI should:</p> <ul style="list-style-type: none"> • continue to build on the resources available through the Learning Management System and continue the transition towards self-paced learning based on a competency framework for audit professionals. • expand the Professional Education for SAI Auditors (PESA-P) program being offered in collaboration with INTOSAI Development Initiative where appropriate and in line with other programs offered by PASAI. 	<p>Agree</p>	<p>DFAT agrees with this recommendation. PASAI has enhanced the capacity and capability of SAIs through some of its high-quality training programmes and opportunities exist for PASAI to support the professionalisation of the trainings.</p>	<p>PASAI will present a clear training programme that serves the needs of all levels of SAI staff from the beginning to the professional level.</p> <p>All materials that make up PASAI’s training programme will be continuously maintained and current to International Standards of Supreme Audit Institutions and other relevant standards.</p>	<p>Ongoing</p>
<p>8. Reinvigorate existing twinning arrangements and establish new arrangements as part of the new Strategy</p> <p>PASAI’s provision of technical expertise that leverages established twinning arrangements is highly valued by participating SAIs and is widely seen as</p>	<p>Agree</p>	<p>DFAT agrees with this recommendation.</p> <p>DFAT acknowledges that there have been some issues with Australian State SAIs twinning arrangement, particularly when capacity and capability requirements between twinning partners are not matched.</p>	<p>Twinning arrangements will be a key feature of the new Strategy and will include resourcing responsibility for oversight and coordination of the programme within the Secretariat.</p> <p>DFAT will pursue discussions with Australian National Audit Office and State SAIs to explore opportunities</p>	<p>Next Phase</p>

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<p>an effective and sustainable modality of building capacity. PASAI should:</p> <ul style="list-style-type: none"> • Prioritise reinvigorating existing arrangements and establishing new arrangements. • facilitate a review of previous twinning arrangements with the Australian State SAIs to determine if there were any barriers to building a long-lasting partnership. • explore expanding the use of twinning partnerships to include some of the French Territories and supporting Northern Pacific SAIs to partner up with SAIs in the United States 			<p>including discussion at bilateral level for enhanced twinning arrangement.</p> <p>Twinning and peer-to-peer relationships will be reinvigorated and enhanced. Supporting SAIs will be brought closer to PASAI by using them to deliver and maintain the technical components of PASAI's training programme.</p> <p>Twinning/peer-to-peer relationships will be activated with all willing partners including SAIs in the region who have strengths above other members and a willingness to share experiences</p>	
<p>9. Consider resourcing for outcomes measurement and reporting to measure PASAI's behaviour change and impact</p> <p>Evidence shows PASAI's quality of reporting has improved with the resourcing of the monitoring and evaluation capabilities, however, there is room for improvement. PASAI will:</p> <ul style="list-style-type: none"> • need to allocate funding for outcomes and impact evaluations as part of its Monitoring and Evaluation allocations to ensure that the assessments are conducted. 		<p>DFAT agrees with this recommendation. Gaps in monitoring and reporting remain with regard to outcomes reporting, measuring behaviour change and the impact of PASAI capacity building efforts.</p>	<p>DFAT will ensure appropriate resourcing for monitoring and evaluation of outcomes.</p> <p>Secretariat staffing will be sufficient to ensure appropriate emphasis is placed on the capability and capacity to appropriately measure outcomes and impact to enable more analysis of the effectiveness of activities and programmes.</p>	<p>Next Phase</p>

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<p>10. Consider an increased focus on cooperation, collaboration, and knowledge sharing amongst all member SAIs</p> <p>Less active engagement with some “non-participating” SAIs is seen as a missed opportunity. PASAI should:</p> <ul style="list-style-type: none"> place a higher emphasis on the importance of regional cooperation, collaboration and knowledge sharing between the SAIs 	Partially agree	<p>Partially agree with the recommendations. Review notes that PASAI needs to place a higher emphasis on the importance of regional cooperation, collaboration and knowledge sharing between all the 29 SAIs (as opposed to the current focus of building capability of the 20 participating SAIs).</p> <p>Though PASAI extended engagement to French Territory SAIs, they were limited by the fact that their offices are not SAIs but territorial branches of SAI France.</p>	<p>PASAI will explore opportunities to work and engage French Territory SAIs especially in the areas of twinning arrangements and audit quality.</p> <p>As noted above the supporting SAIs will all be activated and funded to contribute to the technical training programme to ensure maximized access to the technical expertise which exists in the region. This will enable the recommended increased emphasis on regional cooperation, collaboration and knowledge sharing.</p>	Ongoing
<p>11. Consider gender analyses in programme design, developing a Gender Equality, Disability and Social Inclusion (GEDSI) Strategy and/or Action Plan</p> <p>The plan should include:</p> <ul style="list-style-type: none"> an analysis of the Pacific context including the barriers to inclusion and how the work of SAIs can help address discrimination and marginalisation in relation to gender, disability, poverty, ethnicity, age and other characteristics how gender analysis will be undertaken at the outset of developing new training programs and or revising 	Agree	<p>DFAT agrees with this recommendation.</p> <p>The review notes that while PASAI does promote gender equality and female participation in training programs, there are several other aspects of social inclusion that are yet to be considered.</p>	<p>PASAI will adopt measures including:</p> <ul style="list-style-type: none"> developing a Gender and Social Inclusion Strategy, that includes an up-to-date and relevant analysis of the barriers to inclusion in the Pacific context. Utilise this strategy to identify how the work of SAI can help address discrimination and marginalisation Dedicating time, effort and resources for targeted inclusion activities Continue to advance inclusion and gender balance at the Secretariat and promote women in SAI leadership through professional development. 	Ongoing

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<p>current capacity development and training programs.</p> <ul style="list-style-type: none"> • The steps to prepare guidance on the mainstreaming of gender, climate change, and financial inclusion thematic priorities in Pacific Financial Technical Assistance Centre activities. • How PASAI will advance inclusion and gender balance at the Secretariat and promote women in SAI leadership through professional development. • consider undertaking gender analyses at design stages. • Develop a Gender and Social Inclusion Strategy, and dedicating time, effort and resources for targeted inclusion activities. 			<ul style="list-style-type: none"> • Support member SAIs to incorporate gender and social inclusion into their own operations and delivery and enhance gender performance audits by leveraging global resources. • Assess progress within this area in the redeveloped MER. 	
<p>12. Continue the strong focus on understanding the absorptive capacity of members SAIs when developing training schedules and consider supporting development of tailored SAI capacity building plans based on the SAI PMF</p> <p>The limited absorptive capacity of many member SAIs presents a significant risk to the effectiveness and sustainability of PASAI’s training programmes. PASAI should:</p>	Agree	DFAT agrees with this recommendation.	<p>PASAI Secretariat staffing will be sufficient to ensure resourcing is appropriate to enable relationships with SAIs to be strong and have the needed depth. This will increase the ability to work closely with SAIs and identify priority areas and therefore target resources. PASAI will develop and maintain strategies for its work with each SAI.</p> <p>Increased clarity on training pathways will be provided by the competency-</p>	

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<ul style="list-style-type: none"> • Increase engagement with SAIs to understand SAI training needs and absorptive capacity. • support SAIs prioritise accepting support from PASAI and other development partners. 			<p>based training programme. Twinning partners will be more effectively engaged to assist SAIs to embed the learnings from regional and cluster-based training/support.</p>	