Partnerships for Better Governance

Mid-Term Review of PASAI Implementation of its Long-term Strategic Plan 2014-2024

Prepared by Bezerra International Consulting

1 April 2019

Acknowledgements

Bezerra International Consulting wishes to express its gratitude to the persons who contributed their valuable knowledge and time toward this evaluation. The high quality of their inputs and generosity in sharing knowledge has been essential to the team's understanding, analysis and evaluation.

The team received full support from the Heads of SAI and their staff in the five case-study countries. The team heartedly thanks them for their generosity and welcome. The team also wishes to thanks the contact persons in each of the case-study countries, namely, Ms. Matilda Dani Diake, Ms. Shelolyn Neth, Ms. Edlyn Dalisay, Ms. Etita Tonga and Mr. Sairusi Dukono. They organized meetings within their SAIs and externally with in-country stakeholders, and provided logistic support.

The team is grateful to Ms. Sarah Markley, PASAI Deputy Secretary-General, Mr. Tiofilusi Tiueti, PASAI's Chief Executive, and DFAT for their comments to the draft of the evaluation report. The team also thanks the Secretariat for providing administrative support to the field missions for the evaluation.

Disclaimer

This report and its annexes are the responsibility of the researchers and do not necessarily reflect the views of PASAI, its Governing Board, Secretariat, members or any other organization or persons consulted. The evaluation team assumes responsibility for any errors or omissions, and for the attendant interpretation and analysis.

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List of Acronyms and Abbreviations

ADB	Asian Development Bank
AONSW	the Audit Office of New South Wales
CEDAW	Convention for the Elimination of All Forms of Discrimination against Women
CPAs	Cooperative performance audits
DFAT	Department of Foreign Affairs and Trade (Australia)
EU	European Union
FAST	Financial Audit Secondment Technical Support program (PASAI)
FSG/WoG	Financial Statements of Government/Whole of Government audits
FSM	Federated States of Micronesia
GAO	United States' Government Accountability Office
IDI	INTOSAI Development Initiative
MER	Monitoring, Evaluation and Reporting (PASAI)
MFAT	Ministry of Foreign Affairs and Trade (New Zealand)
NGOs	Non-governmental organizations
PACs	Public Accounts Committees (Legislature)
PASAI	Pacific Association of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability Assessment
PFTAC	Pacific Financial Technical Assistance Centre
PFM	Pacific Financial Management
PI	Performance indicator (PEFA)
PIF	Pacific Islands Forum
PRAI	Pacific Regional Initiative
SAIs	Supreme Audit Institutions
SAI PMF	SAI Performance Measurement Framework
SDGs	Sustainable Development Goals
SPAs	Strategic Priorities Areas (PASAI Strategic Plan 2014-20241)
SPMR	Strategy, Performance, Monitoring and Reporting (IDI program)
ToC	Theory of Change
TOR	Terms of Reference
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Programme

1. Executive Summary

1. The Pacific Association of Supreme Audit Institutions (PASAI) is the official association of supreme audit institutions (SAIs) in the Pacific region. PASAI promotes cooperation among SAIs, supports their capacities and works to improve the environment and legal framework under which SAIs operate. Establishing its current Charter in 2009, PASAI approved its current Strategic Plan 2014-2024 in 2014.

2. PASAI carried out an independent evaluation of the implementation of the strategic plan at mid-point, for the purposes of accountability, transparency and learning. Through a competitive bid, Bezerra International Consulting was selected to conduct the Mid-Term Review.[1] The purposes of the evaluation as outlined in the *Terms of Reference* (TOR) are to:

i. Review and analyse the effectiveness and efficiency of PASAI in delivering its programs to achieve its objectives to date, and what is required to achieve a successful PASAI through gaining and maintaining PASAI's Strategic Plan priorities in more efficient, effective, and economical ways to deliver PASAI's planned programs to achieve the desired results.

ii. Evaluate the relevance of the existing PASAI strategy and its SPs and activities to understand whether these are sufficient to achieve the higher-level objective of the Strategy and whether they are still meaningful and "wanted" by key stakeholders and to identify what needs to be done to ensure that PASAI remain relevant, including the relevance of integrating gender and social inclusion into the approach.

iii. Review and assess the sustainability of PASAI, particularly the adequacy of the capacity and resources, and the effectiveness of the Secretariat structure, to support and maintain the implementation of the PASAI strategy up to the conclusion of the strategy period.

3. The evaluation team used primary and secondary sources of data for the analysis, and employed quantitative and qualitative methods for collecting primary sources of information for the evaluation. The findings for the issues in the TOR as well as a more extensive presentation of the evaluation team's conclusions and recommendations are provided in the report. Following are a summary of the key conclusions and recommendations of the evaluation team.

Main Conclusions

PASAI's Theory of Change (ToC)

4. PASAI's ToC predicts that cooperation, participation and commitment by members can produce sustainable results from PASAI's support and thereby effect intended changes in SAI performance and value at country level. The analysis shows that a participatory approach to capacity development produces enabling conditions for enhancing capacity, but does not necessarily yield sustainable results. While members show commitment to the organisation, firmer commitment is needed to ensure that PASAI's support produces sustainable results at national level. There has been shortcomings in many SAIs in integrating into their organisations resources provided by PASAI through programs.

5. Some of the assumptions underlying the change process in PASAI affected the efficiency and effectiveness of the support. This is particularly the case of PASAI's reliance on SAIs' ability to reliably identify and state their priority capacity needs to guide PASAI's support. The findings show that, until the mid-point of the strategic plan implementation, when the SAI PMF was implemented, most SAIs had no consistent means to identify their capacity needs. As such, PASAI's strategy to implement training programs up to the middle of the strategic period and then provide support to management

[1] The competitive bids for the mid-term review were evaluated by the Australian Ministry of Foreign Affairs and Trade and the Asian Development Bank on behalf of PASAI.

related issues, turned out to be a reverse prioritization. In the absence of reliable information to target SAIs' priority needs, training became halfway haphazard.

Governance arrangements and issues

6. **The partnership has been experiencing some communication problems about PASAI's strategic and operational issues, particularly during Congresses.** The issues refer to the extent to which the rationale behind the operational plans and other strategic issues are being discussed during Congress, to enable members' inputs and decisions. Also, members have been expecting a leading role from the Secretariat during Congress and other meetings, guiding these discussions, including the information basis for the elaboration of the operational plans and, to some extent, the efficiency in the selected means for targeting SAI's priority capacity needs. Difference in expectations have been partially due to the way Congresses have been organized, with too many presentations, but mostly because of the development of an organisational culture that avoids open criticism and dissent. This cultural trait is present in many places in the region.

7. **The structure of the Secretariat office has been minimally utilized in practice.** Given the number and pace of activities implemented in relation to the number of employees, the management of the Secretariat office leaves little room for using the different expertise of its staff to achieve complementarity between them when planning, designing and implementing activities. Many stakeholders see the gain for the Secretariat to consider reducing its role as a program implementer and strengthen its roles as facilitator and coordinator. It could leave more time to better understand its comparative advantages and limitations and how it complement partners in the region.

Effectiveness and Efficiency

8. **PASAI strategy for supporting SPA1 has been effective and efficient.** PASAI has already contributed to improving SAI independence in the region and has potential to increase such contribution in the future.

9. **The strategic approach to deliver SPA2 has been moderately effective and efficient.** PASAI advocacy work with PACs has been useful, targeting advocacy work in countries where it supported SAI independence. However, the support has been small-scale to produce significant results at regional level. PASAI has also established some important collaboration with some regional organisations. Given the Secretariat's capacities, it has very limited resource to increase the scope of its engagement with regional organisations. PASAI also has limited engagement with development partners, including the use of such partners as sources of information about what other regional organisations are doing that could be relevant to SAIs and PASAI's work.

10. **PASAI's planning for implementing SPA3 and SPA4 has been effective for delivering planned outputs, but of limited effectiveness for delivering sustainable results.** PASAI has contributed to increasing the production of FSG/WoG and performance audits in the region. Twinning arrangements have been developing between SAIs and they are becoming more productive partnerships. PASAI has also delivered many training programs. PASAI has made progress in providing SAIs with tangible means to improve SAI management processes, such as the SAI PMF and SPMR programs.

11. **Several factors contributed to diminishing the effectiveness and efficiency of programs.** There has been limited no planning based on a realistic understanding of the capacity gap areas in SAIs and the status of SAIs in these areas. There has been shortcoming in assessing the resources requirements to support a particular program strategy as compared to alternatives. In most cases, programs have been implemented without considering sequencing, or linkages between programs to build up knowledge and skills. Overall, the achievements of program objectives have not been assessed to inform planning and the design of the future programs. Of importance, many SAIs have not been implementing measures to ensure the integration of training into their organisations.

12. **Some factors contributed to enhancing the effectiveness of programs**. Having different support modalities to address the different needs of SAIs has been a cost-effective strategy, as it enable the organisation to select the appropriate support method to match issues at hand with resources and contexts within the SAIs.

13. **Monitoring in PASAI has been ineffective,** mainly because many performance indicators are set at too high level, many lack baseline data and they have been set without due consideration of sources of information for measuring progress towards achieving targets. In addition, there is insufficient monitoring and evaluation knowledge within the Secretariat and the pace of operation to implement activities to deliver the operational plans does not leave much room for the Secretariat to invest needed time and effort in monitoring, evaluation and learning. As a result, performance indicators have not been integrated into the planning of programs.

14. **An overambitious strategic plan and corresponding MER increase the risk for PASAI as an organisation.** PASAI is a small organisation with limited resources and no political clout to influence national environments for improving transparency and accountability and PFM systems. Yet, it proposes to effect remarkable changes in the performance of SAIs and in their added value to the PFM system in the region. The wide scope of the strategic plan produces, by default, shortcomings in PASAI's delivery at outcome level, also negatively affecting the assessment of the sustainability of its programs.

15. Many members and other stakeholders also regard that PASAI's Strategic Plan is too broad in scope for the size and resources of the organisation. But, some think that such broadness served for the Secretariat and the partnership to learn what areas PASAI had comparative advantages and can work effectively, which areas PASAI needs to work closely with regional partners. Others thinks that over ambition is a challenge that can motivate member SAIs.

16. **PASAI has met donors' financial management requirements**, although development partners would like the Secretariat to strength its reporting on the results of the activities they are funding. Funding from development partners to PASAI has been unpredictable and decreasing in the last three years, which does not create an enabling condition for, among other things, the Secretariat to beef up in needed MER competence.

17. **PASAI has been effective in promoting gender balance within the organisation and through its communication,** but needs to improve its partnership with organizations in the region to better address gender and other development issues.

Relevance

18. **The current focus of support within the priority strategic areas of PASAI's strategic plan is *relevant* to SAI's priority needs and most significant gap areas.** The analysis indicates that PASAI should prioritize SAI independence and issues related to SAI management. Areas related to audit process and quality remains relevant, but a revision of current training approach should done.

19. **From the perspective of SAIs, PASAI's support to SAI independence has been relevant, but there is no consensus as to the relevance of PASAI's programs.** For most SAIs, regional and international programs focused on producing outputs rather than having an effect in the capacity and capabilities of many SAIs. These programs were too costly and inefficient in design, covering too few staff in each SAI, and addressed topics that were too complex for the realities in many countries. For SAIs with limited resources and capabilities, CPA and other regional programs had little relevance.

20. **For most SAIs, programs that promote cooperation between peer SAIs are relevant and should be further promoted by PASAI** (e.g. TeamMate, FAST). In addition, most members would like for PASAI to focus on program approaches that enable deeper learning and more efficient use of resources.

21. **The spread of twinning cooperation in the region has been strengthening and deepening the partnership among SAIs and complementing PASAI's strategic objectives**. Twinning cooperation is now becoming a more productive cooperation. Members consider twining as a positive development and the demand for twining cooperation increased, but capacity in some SAIs prevent the expansion of the modality.

22. **Although most in-country SAI's stakeholders did not know about PASAI, all of them knew about the SAI in their countries and regard that support to their SAIs to be relevant.** Except in Micronesia, stakeholders think that Auditors General could become more active in communicating the results of audit work to media organisations and other stakeholders. This would give more visibility to audit results and facilitate the dissemination of audit findings and recommendations to the public. In-country stakeholders think that conditions for engagement with SAI's stakeholders already exist in most countries and it is mainly a matter of Auditor Generals taking initiatives.

23. **PASAI has not yet become a learning organisation and a relevant reference for knowledge for SAIs in the region.** PASAI has put little resources into learning from its activities, successes or failures, and to conduct lessons learned on the topics in the strategic priority areas. PASAI does encourage peer cooperation and encourages SAIs to engage with in-country stakeholders, but no evidence was found that most SAIs are sharing their experiences with other stakeholders and with relevant audiences. There is, however, a strong demand for lessons learned and good practices from SAIs and other stakeholders in the region. Many stakeholders expressed that PASAI could become more relevant if it became a regional reference for SAIs to access useful and practical information on an ongoing basis.

Sustainability

24. **Various factors have a negative impact on the sustainability of PASAI's programs**. The data indicates that staff turnover and limitation in SAI independence to recruit and deploy staff do not seem to be significant factors challenging the sustainability of PASAI programs for most SAIs, although it can be a significant challenge in a few SAIs. Issues related to PASAI's planning, limited relevance of programs, very limited management of capacity development in many SAIs, excessive participation in training activities, and staff motivation significantly affect program sustainability. These issues are discussed in the report.

25. **Some factors have a positive impact in the sustainability of PASAI's programs and implemented in some SAIs**. This is the case when there is a good match between PASAI's targeting a SAI's needs and the SAI is ready to incorporate the resources provided. Another factor is ownership of SAI capacity development, resulting in the SAI resourcing for capacity development efforts, including delegation of responsibility to the management team for improving performance. Establishing and putting into practice policies to ensure that external resources (training, tools) are integrated into the SAI is an important factor.

26. **The analysis in the report show that political will to improve accountability and transparency differ in countries across the regions, but weak in many.** This has an effect on the sustainability of PASAI's strategic objectives, as they depend on the developments of SAIs in all countries in the region. The find in 2017, which can be found in the Annex Volume One attached to this report, is that the developments in accountability and transparency indicators show that not much has changed in PASAI region since 2011, with the data pointing to a slight trend downwards.

27. **The key message coming from this review is for PASAI to define what "leading by example" mean *within the PASAI partnership*.** This implies a discussion about principles and measures that can improve the sustainability of PASAI's support within SAIs. It also entails a discussion about making PASAI's strategy and operations more effective and efficient and more aligned with its resources. Inputs from stakeholders indicate the existence of will in the partnership to jointly improve the outcomes of the organisation.

Main Recommendations

Strategic level

28. **PASAI should re-examine its strategic plan, making performance indicators more realistic in terms of scope and resources to monitor them**. Better delimitation of the proposed changes that PASAI wants and can effect can also improve risk mitigation for the organisation. In this regard, the review process should clarify what is under the organisation's control and what is not, leading to the development of realistic objectives and measurable indicators, enabling the development of a MER that can be used for monitoring, evaluation and learning.

29. **It is suggested that PASAI's decrease its role as 'program implementer and training organisation' and strengthen its roles as a 'facilitating and learning organisation'.** As such, PASAI should more broadly consider program design approaches and innovate, making use of the network of SAIs, and building up from the activities of partner organisations and existing resources available to SAIs. It is also recommended that PASAI clarify some roles in the organisation, particularly roles of members in supporting the implementation of the strategic plan. In both regards, suggestions are made in the report.

30. **PASAI should develop better understanding of the work of regional and international organisations working in the region**, to learn if and how they complement PASAI strategic priority areas and how they can support SAIs. Such information should also be disseminated to SAIs and other pertinent stakeholders.

Structural level

31. **The format of the Congresses should foster discussion among members, addressing more strategical than technical issues in and about PASAI.** It is suggested that the Board consult a cultural communication expert to learn how to improve participation in open discussion settings and meeting arrangements that nurture productive discussions, and share the lessons with members. In turn, Heads of SAI and other participating stakeholders could become more forthcoming with their inputs to discussions, which would certainly be to the benefit of all members and PASAI.

32. **It is recommended that** the Board and the Secretary General ensure the Secretariat office develops a business model that is in line with its resources and monitor and report on the progress of achieving its objectives as outlined in the strategic plan.

33. **The structure of the Secretariat should represent the priority areas and the development of the organisation, including strengthening PASAI's role as a learning and facilitating organisation**. It is recommended that the Secretariat's structure becomes functional, utilizing staff expertise and experiences to complement each other. Dedicated time for strategic discussions should take place as well as ongoing consultations with and between staff at the technical levels. This can enhance the Secretariat's operational mode, promote creativity and innovation, learning and achievements. An area for consideration for expertise to support the Chief Executive is Monitoring, Evaluation and Learning.

Administrative level

34. **PASAI could do an assessment of whether hiring additional staff to support the work of the directors would be more efficient than continue with the same level of use of consultants** as it has thus far. It also should implement measures to make the procurement of consultants transparent, and reach experts with different experiences and backgrounds. It is suggested that PASAI builds a database of consultants, based on a pre-qualification process.

35. PASAI should become more proactive in contacting development partners and fund raising, to improve the long-term funding base of the organisation.

36. **It is suggested that the Secretariat staff undergo training in program cycle management**, which cover from program planning, project design to budgeting, monitoring, and evaluation phase. After training, the office should develop a template for program plan at international standard, providing directions for linking it to the MER.

2. Introduction

37. The Pacific Association of Supreme Audit Institutions (PASAI) is the official association of supreme audit institutions (SAIs) in the Pacific region. In 2014, it approved its Strategic Plan for a period of 10 years, from 2014 to 2024. As foreseen in the Strategic Plan, PASAI carried out an independent evaluation of the implementation of the strategic plan at mid-point, for the purposes of accountability, transparency and learning.

38. Bezerra International Consulting was selected by the PASAI,[2] through a competitive bid, to conduct the Mid-Term Review of the Pacific Association of Supreme Audit Institutions (PASAI) Implementation of its Long-term Strategic Plan 2014-2024 (henceforth, PASAI Mid-term Review). The purposes of the evaluation as outlined in the *Terms of Reference* (TOR) are to:

iv. Review and analyse the effectiveness and efficiency of PASAI in delivering its programs to achieve its objectives to date, and what is required to achieve a successful PASAI through gaining and maintaining PASAI's Strategic Plan priorities in more efficient, effective, and economical ways to deliver PASAI's planned programs to achieve the desired results.

v. Evaluate the relevance of the existing PASAI strategy and its SPs and activities to understand whether these are sufficient to achieve the higher-level objective of the Strategy and whether they are still meaningful and "wanted" by key stakeholders and to identify what needs to be done to ensure that PASAI remain relevant, including the relevance of integrating gender and social inclusion into the approach.

vi. Review and assess the sustainability of PASAI, particularly the adequacy of the capacity and resources, and the effectiveness of the Secretariat structure, to support and maintain the implementation of the PASAI strategy up to the conclusion of the strategy period.

39. The review was to cover all programs and activities of PASAI conducted under the five strategic priorities areas (SPAs) of the Strategic Plan 2014-20241, within the first four years of its implementation. The review period covers programs commencing from 1 July 2014 to 30 June 2018.

40. The PASAI Mid-term Review took place between July 2018 and February 2019. The fieldwork took place from 21 August to 4 October 2018 and was carried out by the evaluation team leader. This report presents the findings, conclusions and recommendations of the PASAI Mid-term Review. The findings are presented in six chapters representing the main evaluative criteria and questions in the ToR, PASAI's governance issues and Theory of Change (ToC). It includes an executive summary and an annex containing lessons learned. The report has two Annex Volumes:

- Volume One, which contains analysis of SAIs in PASAI and their development towards contributing to transparency and accountability in the region.
- Volume Two contains a full description of the evaluation methodology, list of persons consulted and the TOR.

41. The evaluation was conducted by a team of two researchers: Dr. Riselia D. Bezerra, team leader, and Mr. Henry McGregor. Dr. Jenny Ohman-Persson was the quality assuror. Mr. Gabriel B. Saether edited the report and its annexes.

[2] The competitive bids for the mid-term review were evaluated by the Australian Ministry of Foreign Affairs and Trade and the Asian Development Bank on behalf of PASAI.

3. Background on PASAI

42. In the Pacific region, as globally, governments have been undergoing public sector reforms, particularly public financial management (PFM) reform.[3] Effective PFM systems are required to maximise the efficient use of resources, create the highest level of transparency and accountability in government finances and to ensure long term economic success. Many SAIs in the Pacific have been included in the monitoring and evaluation of public sector reform process, particularly through Public Expenditure and Financial Accountability (PEFA) assessments.[4] In addition, SAIs are increasingly been included in other assessments of the public sector such as the Observance of Standards and Codes for Accounting and Auditing carried out by the World Bank, the Open Budget Index by the Open Budget Partnership, and the National Integrity System Assessments by the Transparency International, among others. These initiatives affected SAIs, as they became more visible to an increasing number of stakeholders of the PFM reform. Greater visibility increased the demand for SAI professionalization and improved performance, as important institutions of the transparency and accountability chain. It also created opportunities for SAIs to receive additional financial and technical support from their legislative bodies, international cooperation partners and organisations working to promote good governance.

43. PASAI is a membership-based organisation constituted by SAIs in the Pacific operating at national and state levels. PASAI evolved from the South Pacific Association of Supreme Audit Institutions ("SPASAI"), which was formed in 1987, and adopted its current Charter in 2009, when the Governing Board and the Secretariat was first established. PASAI promotes and supports the capacities of SAIs in the Pacific region, cooperation among SAIs and works to improve the environment and legal framework under which SAIs operate. According to its Charter, PASAI has the mandate to:

i. Strengthen understanding, co-operation, and co-ordination between its members.

ii. Advocate the interests of good governance, including transparency, accountability, and the need for strong and independent SAIs, to governments and citizens in the Pacific region.

iii. Build and sustain public auditing capacity and the completion of high quality, timely audits across the Pacific by sharing knowledge with, and providing support to, its members.

iv. Assist its members to perform their auditing functions, including through co-operative audits and similar activities.

v. Serve as a regional working group of INTOSAI, in the interests of all SAIs in the Pacific and beyond.

vi. Encourage cooperation with other SAIs, other regional working groups and organs of INTOSAI, and other organisations working to improve public sector governance outcomes in the Pacific.

44. Currently it has 28 member institutions across the three sub regions of Melanesia, Micronesia and Polynesia. Among PASAI's members, 20 are referred to as 'participating' SAIs, meaning SAIs in need of development assistance. The remaining eight institutions are referred to as 'contributing' SAIs and provide a range of support to their counterparts.

45. The *participating* SAIs are: American Samoa, Cook Islands, Federated States of Micronesia (FSM) – National Office, FSM Chuuk state, FSM Kosrae state, FSM Pohnpei state, FSM Yap state, Fiji, Guam, Kiribati, Marshall Islands, Nauru, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The *contributing* SAIs include the SAIs of Australia –

[3] During the seventies and eighties, some countries began to review the management of their public sector. In many countries, public financial management reforms begun in the 1990s.

[4] PEFAs were carried out in Cook Islands, Federal State of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

National Office (ANAO), ACT state, NSW state, Queensland state, Victoria state, New Zealand, and the territorial Chambres des Comptes of French Polynesia and New Caledonia.

46. PASAI operates under a formal governance structure, in accordance with its Charter and rules of PASAI Incorporated. Its governance structure consists of the Congress, the Governing Board, and the Secretariat. The Congress is the supreme authority and consists of all PASAI's members. According to PASAI Charter, the Congress is to meet at least once every two years in different member states, but it has thus far met every year.

47. The Governing Board sets PASAI's direction under the Congress's guidance and normally meet every six months. It oversees the activities of its Secretariat, formulates strategies and policies for the organisation and approves the operational plans and budgets and the rules for the conduct of PASAI activities. It currently consists of the Secretary General and seven representatives from the members. Members of the Board rotate on a three-year basis, except for the Secretary General and the PASAI representative to INTOSAI.

48. PASAI's office holders are the Chairperson, the Secretary-General, and the Chief Executive. The Congress's Chair is based on the country that holds the Congress meetings, currently the Auditor-General of Australia. The position of Secretary-General is designated by the Congress, the current practice being that designation is based on the country that host the Secretariat, which has been the Controller and Auditor-General of the New Zealand's Office of the Audit General. It is responsible to the Governing Board for the oversight of PASAI's operations, as carried out by the Secretariat. The Chief Executive works under the oversight of the Secretary-General and has the following responsibilities: (a) Leads and manages the Secretariat and its resources, (b) Supports the Chairperson, the Governing Board, and the Secretary-General in performing their respective powers and responsibilities. (c) Maintains PASAI's long term strategic focus, and ensures that PASAI communicates effectively with its members and other relevant parties and organisations. (d) Works with development organisations and others, and seeks funding, to implement PASAI's strategies, operational plans, and work programs.

49. PASAI is a regional organisation of INTOSAI and plays a role in influencing and delivering INTOSAI's strategies and programs. It works in partnership with a number of regional organisations that promote good governance in the Pacific region. PASAI members are also involved in INTOSAI technical groups, such as the Regional Environmental Audit Working Group, Cooperative Performance Audit Working Group and the Teammate Group.

50. PASAI has a co-operative business model, in which members play multiple roles. Members are part of PASAI's governance structure, play roles in the development and implementation of PASAI's strategic plan, programs and activities, partake in funding the organisation and they are beneficiaries of PASAI's resources.

51. PASAI is supported by a number of development partners. The main founders of PASAI are the governments of Australia and New Zealand through the Ministries of Foreign Affairs and Trade, although PASAI has been funded by the Asian Development Bank, the World Bank, the INTOSAI Development Initiative (IDI), among others. Recently, PASAI secured funding from the European Union through a partnership arrangement with the United Nations Development Programme (UNDP). It also generates funding from membership fees and interest earned from the investment of surplus cash.

3.1 PASAI Strategic Plan

52. A number of assessments and diagnostic exercises were part of the development of the PASAI and its Strategic Plan 2014-2024. In particular, two evaluations of the Pacific Regional Audit Initiative (PRAI) in 2012-13 informed the process for developing the PASAI strategy and current organisation structure. In addition, the Accountability and Transparency report of 2011 provided PASAI with information pertaining to the state of independence and resources available to SAIs in the Pacific

region, budget and scrutiny role of the legislature and its committees, and to factors in the public sector within which the SAI operates, including civil society interface with the government and the SAI.

53. The *Accountability and Transparency in the Pacific Region* (Aolele Su'a Aloese, 2011)[5], concluded that the picture of accountability and transparency was mixed across the region and recommended focused and coordinated effort from PASAI, its member SAIs, and partners supporting good governance. Areas of concern were the independence of SAIs, timely completion of audits, legislative scrutiny of audits and interaction between SAIs and civil society and media organisations.

54. The *Independent Review of the Pacific Regional Audit Initiative (PRAI) 2008–2012*, (Asian Development Bank, ADB), 2013), found that the intended PRAI outcome has yet to be fully achieved by all SAIs, but the key activities and outputs of the program have been largely achieved. It concluded that PRAI assumed that the key activities and outputs of enhancing cooperation, building capacity, conducting cooperative audits, developing communications, and advocating transparency would collectively enable (or even cause) SAIs to strengthen their overall effectiveness, in terms of the timeliness, quantity/coverage, quality, and impact of their audit work. While a few SAIs have shown progress towards the intended outcome, many have shown only limited (or no) progress.

55. The review states that the most critical core constraints affecting the weakest-performing SAIs in the region are insufficient financial and human resources. It also found that limited ownership and political will of governments to continue reforms and strengthening of SAIs and public financial management are possible impediments to the sustainability of PASAI efforts. It also noted that members of the legislature had a mixed knowledge of public auditing and its value and no knowledge of PRAI or PASAI. This showed that the advocacy component of the PRAI did not receive sufficient emphasis either through the funding allocated or the development of a strategy to achieve tangible progress.

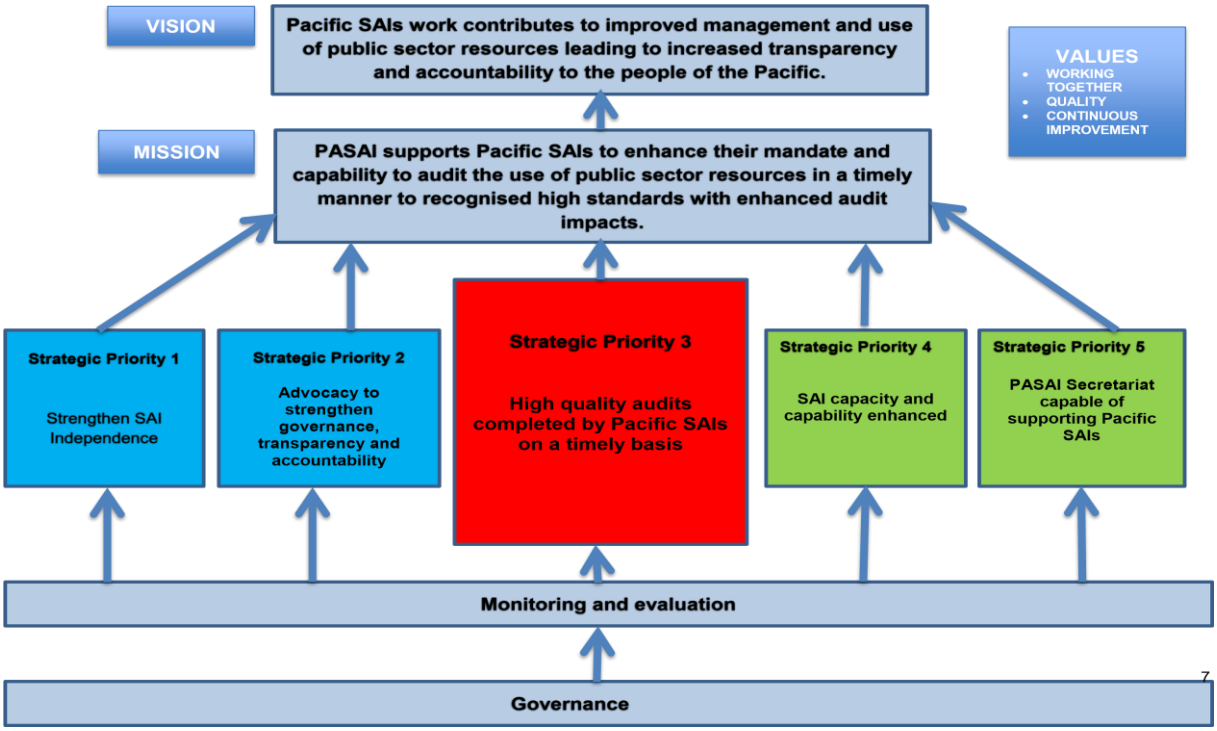
56. The *Strengthening Governance and Accountability in the Pacific Island Countries* (ADB, 2013), concluded that there was no evidence that ADB supported programs, including PRAI, had any significant impact in reducing audit capacity gap between SAIs, as most continue to face significant capacity gaps and in improving the quality, usefulness and timeliness of public financial information. Moreover, the PASAI Capability Model self-assessment in 2007-2008 and 2011 show that the majority of SAIs continue to have significant capacity gaps. It points out that ADB country performance assessment ratings for quality of budgetary and financial management, which includes a dimension on timely audits, do not show any major improvements for most Pacific countries over the past five years.

57. The *Review of the Pacific Association of Supreme Audit Institutions* (Anders Hjertstrand, 2013) found that PRAI was an appropriate model of capacity development relative to other models. The recommendations included (a) Initiate capacity development projects based on the needs identified in the individual SAIs, (b) Enhance the PASAI Capability Model to improve coverage of the areas of independence and legal frameworks, gender equality, cultural values; (c) Develop tools that enable measurement of impacts in relation to individual SAIs as well as for the PRAI Programs generally; and, (d) Focus on institutional capacity development of SAIs as well as technical development and training of individuals.

58. The PASAI Strategic Plan was developed to address the various gaps identified in the above diagnostic exercises. The stated objective of PASAI's long-term strategic plan for the period of 2014-2024, its strategic priorities and intended impact of are represented in the graphic below.

[5]At the time of the study, Ms. Aolele Su'a Aloese was a consultant commissioned by PASAI.

Figure 1: PASAI strategic plan



Source: PASAI Strategic Plan 2014-2024

59. A description of each strategic priority area follows:

- *SPA1 – strengthen SAI independence*: focus on strengthening SAI's legislative framework and resource basis to enable them to fulfil their mandates.
- *SPA2 – advocacy to strengthen governance, transparency and accountability*: build on existing partnerships with regional stakeholders, influential in the PFM cycle, and develop additional partnerships to pursue improvement in the PFM cycle in the region.
- *SPA3 – high quality audits completed by Pacific SAIs*: focus on improvement in the timeliness and quality of the audits of the financial statements of government/whole of government financial audits.
- *SPA4 – SAI capacity and capability enhanced:* focus on improving SAI management processes in order to improve audit quality standards.
- *SPA5 – PASAI Secretariat capable of supporting Pacific SAIs:* focus on the capabilities and resources of the Secretariat to support member SAIs.

4. Evaluation methodology

60. This section presents a brief summary of the evaluation methodology; a detailed description can be found in the Annex Volume Two that accompanies this report. The TOR for the review specify a set of questions to guide the evaluation. The questions are presented in table below, linked to their corresponding evaluation criteria. PASAI and the evaluation team agreed to use the OECD/DAC definition of the evaluation criteria.[6]

[6] The OECD/DAC definition of the evaluation criteria can be found at the Glossary of Key Terms in Evaluation and Results Based Management.

Table 1: Evaluation questions by criteria

Relevance
Is the PASAI Strategy 2014-24 still relevant and appropriate? If this is not so what areas need to be revised and why? How relevant has PASAI's support been to SAIs and Pacific Island countries? Is PASAI learning from its successes and failures and sharing our successes and failures with other countries and stakeholders? Is PASAI sufficiently encouraging and supporting SAIs and stakeholders to share their experiences with each other and with relevant audiences outside the PASAI program? What can PASAI do differently/better, based on this? Is the program still "wanted" by country and regional stakeholders, as well as the donors? What can be done to ensure that the program remains "wanted" by country and regional stakeholders, as well as the donor(s)?
Effectiveness and Efficiency
How effective and efficient has PASAI programs been in addressing and responding to the need for, and varying challenges in, resources, capacity and capability of the SAIs? Are there more efficient, effective, and economical ways of delivering PASAI's planned programs to achieve the desired results? How effective have PASAI's programs been in addressing and contributing towards other development issues such as gender equality, social inclusion, poverty, prosperity, stability, etc.? How effective and efficient has PASAI been in planning, managing, delivering and monitoring its programs in meeting the strategic objectives and achieving desired results for SAIs in the Pacific region? How effective have PASAI operational mechanisms and the PASAI Monitoring, Evaluation and Reporting (MER) been in measuring performance and monitoring delivery of results of PASAI's programs? How effective has PASAI been in coordinating/collaborating with development partners, regional partners and relevant regional and international organizations? Have the current donor arrangements between PASAI and its core donors been effective? How effective and efficient has PASAI's financial management been and its impact on achievement of its strategic objectives?
Sustainability
Has the program developed the capacity of SAIs and also of key stakeholders sufficiently to enable them to carry on the work of the program? Are there sufficient resources and political will in the SAIs and the region, including donors, to sustain the work of the program? Is the existing PASAI Secretariat structure adequate to support and sustain the implementation of the PASAI Strategy up to the conclusion of the strategy period?

61. The TOR also proposes secondary questions about the outcomes and impacts of PASAI work for the review to seek to draw conclusions to the degree possible. The questions are:

i. Has PASAI contributed to improving the independence of SAIs in the Pacific?

ii. Has PASAI contributed to advocating sound public financial management in the Pacific through oversight roles of SAIs and the legislature (Public Accounts Committee)?

iii. Has PASAI contributed to enhancing the quality of public audit in the Pacific?

iv. Has PASAI contributed to improving the capacity of SAIs in the Pacific to carry out their mandates?

62. The evaluation was designed as a non-experimental research using causal pathways, survey and case study. The causal pathway analysis builds on the development of PASAI's Theory of Change (ToC). Analysis based on primary and secondary data was used for developing the PASAI's ToC and to respond to the questions posed in the TOR under the evaluative criteria. PASAI's Monitoring, Evaluation and Reporting (MER) was used as a tool for developing the ToC and for addressing aspects of the evaluation questions.

63. The evaluation findings represents the aggregate of seven data streams, using both quantitative and qualitative methods. The quantitative analysis focused on existing data on the 20 SAIs that are *participating* members of PASAI (the list of members can be found in Chapter 3 above). The sources of data were:

Qualitative analysis

i. Desk review of PASAI documents.
ii. Literature review about SAIs and transparency and accountability in the PASAI region.
iii. Perceptual data collected through personal interview with a total of 163 PASAI members and other stakeholders in the five case-study countries, during the 19th Governing Board meeting and the 20th PASAI Congress in Australia, in Auckland, in Oslo, and remotely (e.g. via Skype and Zoom). The five case-study countries were Federated States of Micronesia (FSM) – National, Fiji, Guam, Solomon Islands and Tonga. In addition, the team met with the FSM Chuuk and Pohnpei state. The field missions took place from the 22 August to 4 October, 2018.
iv. Comparative analysis of PASAI Strategic Plan 2014-2024 with the strategic/corporate plans of member SAIs.

Quantitative analysis

v. Data from the 2014 and 2017 INTOSAI Global SAI Survey.
vi. Data from the Public Expenditure and Financial Accountability Assessment (PEFA) from 2010 to 2018.
vii. The results of the SAI Performance Measurement Framework (SAI PMF) assessments. The evaluation team had access to the summary of the scores of the assessment of 10 SAIs, but not the report from the assessments, which could enable a much more detailed analysis and reporting.

5. PASAI's Theory of Change

64. **The particular function of SAIs position them in relative isolation within the very governance structure to which they belong, to enable them to perform objectively**. The SAIs are part of the national governance structure, but designed to operate independently, at least in principle, from the government entities they work with on an ongoing basis. SAIs need to maintain a healthy level of distance from the different branches of government in order to retain the appropriate level of objectivity to carry out their functions. For SAIs, the means to forge national partnerships is through adding value and benefits to the structure it belongs, in partnership with external stakeholders such as civil society organisations, the media and citizens.

65. **The creation of regional and global SAI communities was important for institutions that are operating in relative insulation within its own structure**. Creating a supranational network, SAIs generate superstructures – the regional and global SAI community, which enables them to break the barrier of structural and operational isolation at the national level. PASAI is an inherent part of such superstructures and influenced by its functioning, operational mode, values and roles.

66. **PASAI was conceived to symbolize a more concrete embodiment of a regional community**. PASAI's tangibility (the governance structure) lies in having dedicated space, staff and resources to advance the independence of SAIs and to support their cooperation and capacity development. It remains a partial body (part of the SAIs and of INTOSAI) as its space, resources basis and modus operandi are highly dependent on the regional community, and to some extent, to the global SAI community. To exist as an organisation, PASAI depends on the hosting of one of the members of the regional SAI community and its governance body relies on individuals from such community. PASAI funding, operational mode, and capacity building and service delivery models are directly linked and dependent on the members of its communities. While PASAI is to focus its activities on the 20 participating SAIs, other SAIs in the region equally partake in PASAI through the Board, Congress, funding, and other activities.

67. **There is a mimetic relationship between PASAI and the members of the SAI community.** The SAIs perceive and assign roles to PASAI coherent with those of an organisation designed to embody supranational structures and make it functional. The drive of the regional and global SAI communities is to become stronger and dynamic, what enable them to undercut their national insulation. Operationally, PASAI is expected to perform accordingly, as a dynamic organisation. The more positive, energetic, and skilful PASAI acts the more it conveys a combined progress towards common goals. PASAI's strategic Plan 2014-2024 represents the joint objectives.

68. **PASAI's service delivery reflects a dynamic model, delineating a space that belongs to no particular SAI and to all SAIs in the Pacific community – a space for peer cooperation and learning.** Together, SAIs share knowledge and skills, endorse standards and review each other's performance. SAIs select staff to participate in PASAI programs for periods of time. PASAI leads the training of SAI professionals with the intent of making them into knowledge facilitators, mentors and experts for their SAIs and the region. Likewise, most of PASAI's consultants and Secretariat staff have been working in SAIs in the region. The human resource for developing and delivering PASAI programs is based on this continuous cycle of developing capabilities and capacities within the regional SAI community.

69. PASAI's service delivery model is set up to bring together SAI professionals, mostly from the 20 participating SAIs, who are familiar with the political, institutional, and human resource contexts in their countries. They have first-hand experience of the existing audit systems, standards and practices in their SAIs. They are given the opportunity (time and resources) to meet with experts (Secretariat staff, consultants, peers) and jointly improve the 'existing state of affairs' pertaining to SAI capacities and capabilities in their countries, on behalf of the regional SAI community.

70. **Unlike other INTOSAI regional bodies, PASAI has a diversified service delivery model that enables a 'best fit for context' approach.** It provides SAIs with expertise services, facilitates secondments, engages in advocacy activities on behalf of SAIs and implements regional programs. The diversified service model allows PASAI to provide support to SAIs with different sizes, resource basis and profiles. It also enables PASAI to plan year or multi-year activities as well as to deliver support to seize occasional opportunities.

71. **While PASAI service delivery has unique features,** most of PASAI's training and cooperative audit programs have been designed according to the INTOSAI template,[7] here being described. In general, it encompass the following.

a. **Programme Concept and Design**: The particularities of the programmes are decided by the PASAI directors, often in meetings with one of its stable group of consultants, and facilitators from the SAIs. The same goes for the development of products to be used by the programs. When programs are in partnership with IDI, PASAI endorses the design and materials.

[7] Such program design is being used widely by IDI and other regional organisations.

b. **Programme adaptation**: For programs in partnership with the IDI only, IDI and PASAI do some minor adaptation of the program to the region during the so called "design meetings", which take place at the inception of programs.

c. **Programme implementation**: Overall, the PASAI and IDI programs have the following structure.

- *Call for participation or information meeting:* to inform Heads of SAI and/or participants about the programs and expectation regarding the cooperation and objectives.
- *Online learning (IDI only):* Introduced since 2012, the e-learning component normally precedes the face-to-face component of a programme. This component presents the theoretical material to the participants and may also include directions for exercises to enable participants to apply knowledge. The online training is normally complemented by an interactive online forum to enable contact between participants and instructors. In some programs participants are supported by mentors, who are SAI staff.
- *Face-to-face workshops:* The workshops provide a combination of theoretical background and practical exercises. If it is a cooperative audit, audit TOR and planning is done jointly. It normally brings together two staff from participating SAIs in the region. The workshops take place in a hotel in a country in the region (or other regions for IDI programs) and may include some social events and tours.[8]
- *Piloting*: Participants apply program knowledge and tools in their home SAIs for a determined period (e.g. do audit, apply guidelines, do iCATs).
- *Review Workshop*: as a follow up of the piloting, the results of participants' work (e.g. completed tools and draft audit report) in their home SAIs are presented and discussed. It normally brings together the same participants from the first workshop, but sometimes SAIs send one or two different staff. The workshops also take place in a hotel in a country in the region and may include some social events and tours.
- *Peer review*: In a few programs, peer review teams are established to review the results of the pilots. These teams are composed of other participants and sometimes include subject matter experts (who can be peers from a SAI or consultants).
- *Exit*: Program exit normally entails provision of course materials and certification of participation to participants. In some programs, participants are asked to develop an "action plan", which specify measures to be followed by the SAIs to ensure knowledge, practices and/or tools acquire during the program are integrated into their SAIs.

72. **PASAI's service delivery model is fitting for a partnership-based capacity development approach.** In PASAI, member SAIs participate in all aspects of PASAI: they own the PASAI's strategic objectives, direct PASAI as an organisation, partake in the implementation of activities, and take responsibility for sustaining the process of enhancing their capacity and capabilities. Underlying the delivery of PASAI's strategic plan are core principles of participation, cooperation and mutual commitment (i.e. responsive to SAI needs, uphold the autonomy and independence of SAIs, regional approach to common issues, sharing resources, build partnerships, and lead by example). These principles and related approaches describe the *means to change* in PASAI, or its theory of change (ToC).

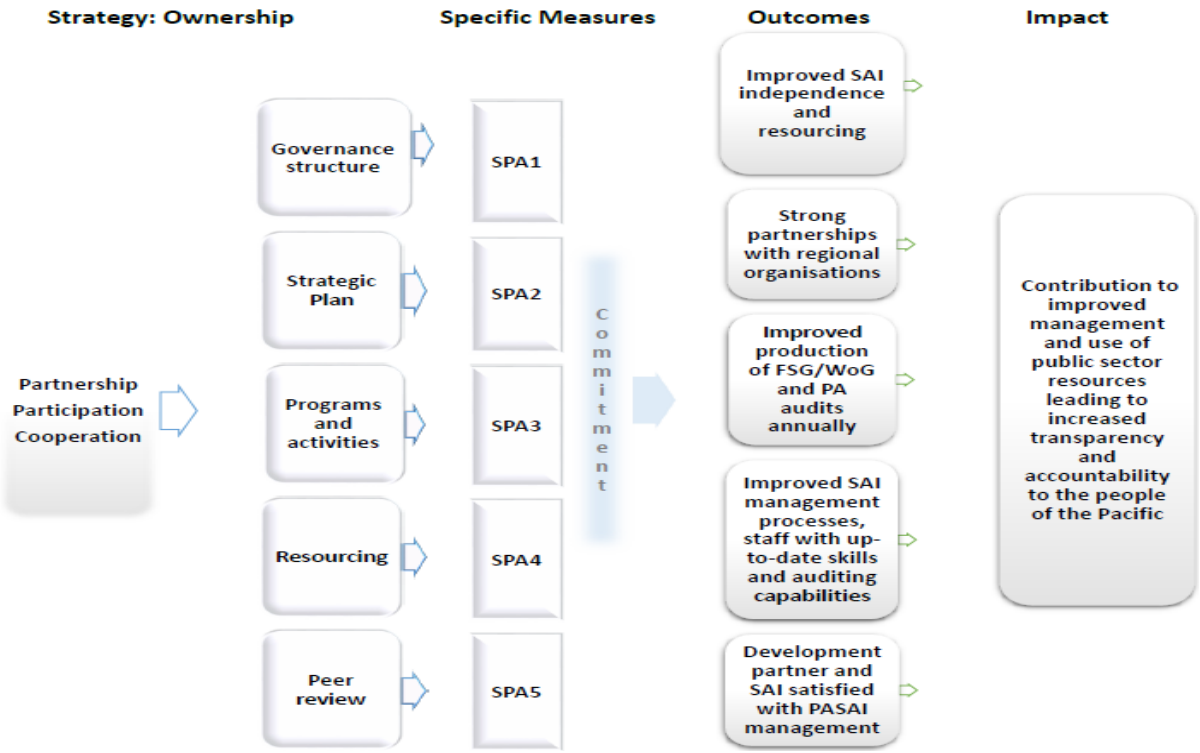
73. **PASAI's ToC is directly related to its participatory capacity development approach in that it predicts the following:** Cooperation and participation at all levels harvests ownership of programs,

[8] PASAI tends to rotate the location of the workshops among member countries.

which in turn yields sustainable changes in SAI performance, contributing to improved accountability and transparency in the Pacific.[9] The underlying assumptions of such hypothesis, or ToC are:

- SAIs know their capacity development needs to inform PASAI's planning. This presupposes that SAIs have the necessary means to plan their capacity development but lack the ability to achieve the plans on their own. As such, what they seek is capacity development partners to realize their plans, in this case, PASAI.
- Cooperation and participation implies commitment to improving SAI performance, or effectiveness of support. This presupposes that SAIs integrate resources provided by PASAI into their organisations, effecting changes and ensuring the sustainability of results.
- Peer learning can strengthen the performance of SAIs.

Figure 2: PASAI's ToC



74. **The ToC and assumptions are coherent with a partnership that attends to the capacity needs of members while upholding to the autonomy and independence of SAI**s. This means that PASAI puts most of the responsibility for the delivery of sustainable outcomes (in the strategic plan) in the hands of SAIs, which is in agreement with PASAI's accountability chain as a partnership organisation. While PASAI is indirectly accountable to donors and their citizens, ultimately, PASAI accountability is horizontal — members are directly accountable to one another.[10]

[9] PASAI's Charter embodies the stated ToC. The objective, mandate, principles and responsibility of members (Article 1, 2, and 4) emphasize that participation, cooperation and commitment is the basis for delivering PASAI's objectives, or effecting agreed changes.

[10] A SAI's accountability is at national level, as they are accountable to the country's governance structure they belong and citizens. PASAI's Charter and Society delegate financial and operational powers to the Governing Board, which is constituted by members in a rotational basis. As an organisation, PASAI is governed by members and accountable to members. Even though PASAI's operation is mostly funded by public funding prevenient from donors' countries, the funds are part of development aid and are granted and channelled through the ministries of foreign affairs of donors' countries. As such, PASAI is only indirectly accountable to donors and their citizens.

75. According to the strategic plan, what are the changes PASAI intends to achieve? The strategic plan is highly ambitious in that the SPAs encompass many areas and functions of a SAI. They also cover other actors in the transparency and accountability chain (PFM system, legislature). PASAI developed a strategic plan that encompasses a wide breath of capacity support a SAI may require. It is up to the members to define what are the sequence of priorities on a yearly basis (operational plans).

76. As a partnership, the changes PASAI intends to realize at national level is increased performance and value of SAIs, in which areas is up to SAIs to define.[11] At regional level, PASAI intended change derives from aggregated changes at national level, that is, improved performance and value of SAI leading to improved management and use of public sector resources leading to increased transparency and accountability to the people of the Pacific.

6. Governance arrangements

This chapter presents the analysis of topics related to PASAI's governance arrangements, including the findings for the following question posed in the TOR: **Is the existing PASAI Secretariat structure adequate to support and sustain the implementation of the PASAI Strategy up to the conclusion of the strategy period?**

77. **Members would like more meaningful discussion during Congress.** All members expressed their appreciation for those who organize the PASAI Congresses. However, many noted that the Congress could be organised in ways that solicits the participation of all members in discussions. Overall, there is a sense that presentations lead the Congress meetings, including unnecessary presentations of information provided in reports. Members and other stakeholders also noted that information necessary to prepare members for the discussion during Congresses are sent too late, just before the Congress meetings, which is a challenge for them to be prepared for discussions and decision making. They would like to receive information earlier, which would make presentation of the reports unnecessary and thereby reduce the number of presentations.

78. Members suggest fewer but more to the point presentations on issues that require their feedback and discussion. They would also like that sufficient time be spent on the topics of the Congress. They would also like that during Congress more time be allocated for Heads of SAIs to discuss main strategic issues ongoing in the region and in the organisation. The Congresses is also an opportunity for networking among peers, development partners and regional organisations. The format should reflect this.

79. **Most members and other stakeholders think PASAI's Board has been functioning relatively well and has been asserting itself in providing good direction to the organisation.** It has been noted that the performance of the board improved over time, with members acquiring experience with the roles of PASAI and the work of a regional organisation. There is increasing discussion over issues that the Board should decide and consider. More active participation of Board members and engagement on different issues of concern to members have meant improved performance. The current Board is well acquainted with the organisation and board procedures.

80. Most stakeholders express desire for PASAI to become more assertive in ensuring that the strategic plan is aligned with the organisation's size and resources, understands and addresses the priority needs of SAIs and is able to exercise its MER functions, reporting on results of activities.

81. The Board could also more actively ensure that political issues in the region are addressed and at the right level. The Secretariat can provide information and support the Governing Board in addressing political issues in the region, but it is neither equipped nor adept to take on the political

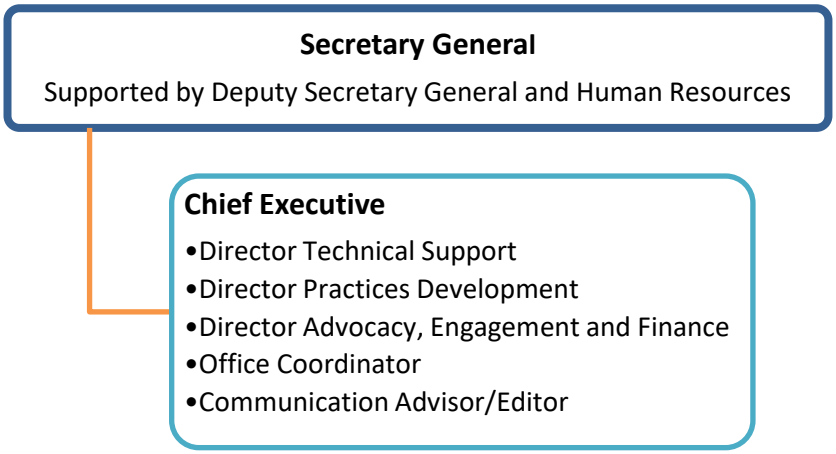
[11] In the Congress, SAIs decide on the operational plan. SAIs also decide which PASAI activity they want to participate in.

dimensions of PASAI. These issues are related to the politics of seeking funding that can affect PASAI's performance and results.

82. **Many stakeholders noted that the change in leadership in the Secretariat brought more structure to PASAI**, also improving the flow of communication with members, reporting and the organisation of programs. They noted that the new leadership better congregated PASAI's members towards the implementation of the priority areas in the strategic plan. Most see such leadership as leading PASAI in the right direction. The Secretariat staff are well regarded and well-liked by most members and SAI staff. They make of the Secretariat a dynamic organisation executing activities to implement the PASAI strategic plan.

6.1 Secretariat structure

Figure 3: Secretariat structure



83. The graph above shows the current structure of the PASAI Secretariat. The Secretary-General is responsible to provide leadership and guidance to the Secretariat in carrying out PASAI's Strategic Plan and work programs and advises PASAI's Congress and the Governing Board. The Chief Executive leads and manages the Secretariat and its resources, and is responsible for maintaining PASAI's long term strategic focus, communication with its members and partner organisations and seeking funding.

84. The PASAI Secretariat, based in Auckland, New Zealand, is headed by the Chief Executive and currently has four full-time and one part-time staff, with one open position pending recruitment. The Chief Executive is supported by Directors, Advisors and Coordinator and can also hire consultants to support the implementation of PASAI's activities. There has been three consultants who have been supporting the work of the Secretariat on an ongoing basis, a PFM consultant, a performance audit Consultant and Monitoring and Evaluation Specialist, and a legal consultant.

85. **The Secretariat Office has been functioning as an independent organisation, as it should.** Although there is ongoing communication between the supporting staff of the Secretary General and the Secretariat Office, the Secretary General provides support to the Chief Executive as requested. Strategic and operational decisions have mostly been made by the Chief Executive, with the approval of the Secretary-General and PASAI's Governing Board.

86. The small Secretariat office mostly focus its resources to implement the wide scope of activities to implement the PASAI's strategic plan and reporting on its activities to the Governing Board, donors and members. In addition, office staff participate in regional and international activities. It is a busy office with little time to dedicate to strategic planning, learning and monitoring. The Secretariat office is managed to cover the maximum number of activities it is able to carry out in each operational plan cycle.

87. **The structure of the Secretariat office is minimally utilized in practice.** Given the number and pace of activities implemented in relation to the number of employees, the management of the office

does not enable time for using different expertise and complementarity between them to ensure appropriate planning, targeting, sequencing of activities and quality of program management. It is a very small office operating with the work load of a much larger organisation. While staff meet as often as possible to discuss operational matters, there is no scheduled time for strategic, monitoring and performance considerations.

88. In the first four years of implementing PASAI's Strategic Plan 2014-2024, the Secretariat has focused on implementing programs and activities that cover the five strategic areas. It has formulated operational plans that require the use of most of its resources (staff time and funding) to implement programs. PASAI's operational plans are approved by the Governing Board. However, most stakeholders would like to see the Secretariat set aside time to define its roles and functions to enable the Secretariat to develop a more strategic modus operandi, acting more strategically in utilizing its resources — financial, staffing and partners. In doing so, it should consider the priority needs of its members and become better informed about other organisations working regionally in the areas of transparency and accountability and how they can complement PASAI's work. This can lead to a better understanding of its comparative advantages and limitations. Many would like to Secretariat to reduce its role as a program implementer and strengthen its roles as facilitator, network enabler, coordinator, advisory and enabling agency.

89. **The Secretariat has been improving in playing a facilitating role.** Stakeholders recognize that the Secretariat has been effective in strengthening the network and collaboration between members though program approaches that foster regional cooperation such as peer-to-peer support, secondments, and peer reviews. The Secretariat has also encouraged and supported bilateral arrangements between development partners and SAIs. In addition, the Secretariat has been successfully managing work that is contracted out to support individual members.

90. **Most members want a review of PASAI's per diem rates**, emphasizing that these rates are too high and would like to see PASAI changing to lower allowance rates. PASAI per diems use the UNDP rate for meals and accommodation, but a flat rate for incidentals. The UNDP rates are used because it is regularly updated and cover all countries globally. PASAI's travel policy, including per diem levels and entitlements, underwent reviewed in 2015 and 2016. During the 2017 Congress, decision was made to change the eligibility criteria, placing more onus on the SAIs to provide per diems, when they deem necessary. From 2014 to 2018, the cost of the Secretariat represents 48% of total expenditures in relation to 52% for program, as shown in the table below.

Table 2: Expenditures of PASAI's Secretariat and programs, 2014-2018 (in NZD)

Expenditure item	Expenditure 2014-2018	Percent of total cost[12]
Secretariat (personnel, travel, operational cost)	4,936,241	48%
Program expenses, including consultants	5,396,724	52%
Personnel expenses	3,130,582	30%
Consultant expenses	1,498,837	15%
Program expenses	3,897,887	38%
Secretariat travel expenses	481,587	5%
Secretariat operational expenses	1,324,072	13%
Total	10,332,965	100%

Sources of data: PASAI Annual reports

91. The Secretariat Travel Expenses as a % of Total Expenses for the past 4 years are: 2015 – 7%; 2016 – 4%; 2017 – 2%; 2018 – 3%. UNDP per diem rates came into effect in February 2017, previously

[12] Total cost calculated based only on expenditures for personnel, consultant, program, and secretariat travel and operational expenses.

the ADB rate was used. The large component of the travel costs are airfares and accommodations, which in 95% of the time is paid directly to the hotel and not in the per diem. The per diem then form a very small component of the % cost of the Secretariat and consultants.

92. **Many stakeholders expressed that the Secretariat uses too much money with consultants, but they are divided on their level of satisfaction with PASAI's consultants and how they are procured.** Some stakeholders also noted that PASAI have been using the same consultants for a long time and there is no transparency on how it procures consultants. They would like to see PASAI searching for experts more widely and become transparent about procurement procedures for consultants. In this regards, some suggest that the Secretariat build a consultant database through making an international call for consultants and do a pre-qualification process.

93. Other stakeholders said they are very satisfied with the quality of the consultants PASAI uses. They say these consultants have a combination of good knowledge of the audit areas they work, practical experience and familiarity with the region. The majority of SAI staff who participated in training programs stated that PASAI consultants are knowledgeable, good trainers, patient and helpful.

94. PASAI uses consultants to perform a variety of tasks such as delivery of training and advocacy programs and to support the individual needs for expertise of member SAIs (e.g. legal, quality assurance). The use of consultants for delivering activities in PASAI is unique among the INTOSAI bodies (i.e. regional organisations and IDI),[13] but common among organisations involved in public sector capacity development, such as ADB and UNDP. Moreover, bilateral programs that provide long-term support to SAIs also procure consultants for training and other activities.[14] Given that PASAI has been using a stable group of consultants to support the delivery of programs on a long-term basis, it can be beneficial to perform an assessment of whether use of consultants at current level is more cost-effective than hiring of a staff to fill gap areas.

95. **Stakeholders perceive that the Secretariat spends more than it should with international activities**. According to some stakeholders, the Secretariat have been spending time and funds with international activities without showing the added value of these trips to members. It should keep informed about global issues but it can spend less staff time and funding to do so. For example, PASAI should carefully consider which meetings it should participate in the INTOSAI community (e.g. Capacity Building Committee, IDI), prioritizing those few that can provide added value to the members. Otherwise, the Secretariat can keep informed of international meetings through publications and through communication with the network. Stakeholders also noted the Secretariat should consider who in PASAI would be more appropriate to participate in each international activity, if the head of the Secretariat, a member of the Governing Board or a Head of a SAI.

7. Effectiveness and Efficiency

In this chapter, the extent to which the objectives of PASAI's strategic priority areas are expected to be achieved is first examined. Subsequently, the questions in the TOR under the effectiveness and efficiency criteria are analysed. The questions under the efficiency criteria are addressed with a cost-effectiveness analysis in the following parameters:

i. Timeliness of planning activities, delivering programs and support, in maintaining the partnership and in monitoring the Strategic Plan.
ii. Sequencing of activities and programs.

[13] Lately the IDI begun using consultant as subject matter experts for some of its programs, such as the SDG preparedness program.
[14] Examples of bilateral programs that made use consultants are SAI Bangladesh technical cooperation with ADB and Canada (SCOPE project); SAI Mongolia training program with the ADB and World Bank, SAI Palestine and European Union, and SAI Ethiopia and the World Bank' support to the Training Unit.

iii. Internal transaction costs and economy of scale of selected capacity building approaches and methods and resources mobilization.

7.1 Meeting the strategic objectives

96. The mid-term review did not focus on measuring the outcomes and impacts of the PASAI Strategic Plan 2014-2024. The evaluators were asked to report on results only to the extent possible. We use three sets of data to report on the progress towards the achievements of the objectives of the strategic priority areas in the strategic plan. These are:

- Qualitative analysis, including document review and interviews conducted during the course of the evaluation.
- The results of the SAI PMF assessments. The evaluation team had access to the summary of the scores of the assessment of 10 SAIs, but not the report from the assessments, which could enable a much more detailed analysis and reporting.[15] The SAI PMF has a five point scale from 0 to 4 for scoring, where 0 is the lowest level, and entails that the feature which is measured does not exist in the SAI or is not yet functioning. Level 4 is the highest level and level 3, is the established level, under which the measured feature is broadly following the key elements of the ISSAIs. The benchmark for good performance in the analysis of the SAI PMF assessments is a score of 3 or higher.
- The results from the quantitative analysis of existing data on 20 of the participating SAIs in PASAI. The analysis includes data from the 2014 and 2017 INTOSAI Global SAI Survey and from the PEFA. In addition, some information from the 2015 Accountability and Transparency survey and Report are used to complement information. The full analysis of this set of data can be found in the Annex One volume that supports this report.

Strengthen SAI independence - SP1

Outcome measure: Improvements in SAI independence and resourcing and consequent ability to communicate relevance to citizens and elected stakeholders.

Objectives:

- 1A. SAIs are independent with a modern mandate consistent with the UN General Assembly Resolution on SAI Independence and the Lima and Mexico Declarations.
- 1B. SAI independence is supported by adequate resources and capability.
- 1C. SAIs demonstrate and effectively communicate their independence and relevance to citizens and other stakeholders.
- 1D SAIs share information and promote independence within their SAI and support other SAIs to meet challenges to their independence

97. PASAI has promoted SAI independence though providing legal expertise to SAIs that want to advance their level of independence through changing their legal framework. For example, PASAI supported SAIs in developing legislation and audit act in Samoa, Kiribati, Tonga, Tuvalu, and Solomon Island and is currently supporting the approval of additional audit act in Fiji. It has also advocated for SAI independence during workshops with Parliaments, as part of SPA2. Moreover, it produced an Independence Resource Kit to guide SAIs in their effort to improve their independence. In addition, the SAI PMF programs helped some SAIs to achieve a better understanding of their legal framework concerning independence. For example, the SAI PMF exercise helped the FSM National office to achieve better understanding of the extent of its independence assured in its legal framework and the

[15] PASAI has access to the SAI PMF reports and can do a much more detailed analysis and use it for the MER.

SAI in Guam is currently prioritizing advancing its level of independence, especially the realization of its financial independence.

98. PASAI support to SAI independence has produced some concrete results, but overall most SAIs in the region have a long path to achieve full independence. According to the results of the SAI PMF assessments, most of the 10 SAI in PASAI have significant limitations in their independence, with just 20% enjoying fuller degrees of independence. In terms of mandate, all SAIs reach the ISSAI benchmark.

Table 3: SAI PMF scores on Independence and Legal Framework

SAI PMF domain	% of SAI scoring				
Independence and Legal Framework	**0**	**1**	**2**	**3**	**4**
Independence of the SAI		30%	50%	10%	10%
Mandate of the SAI				40%	60%

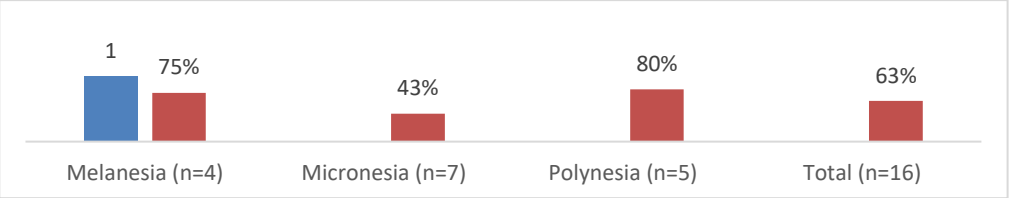
99. The Global Survey data show that Independence of SAIs is curtailed in all indicators, but the areas of shared concern by most participating SAIs in PASAI are:[16]

- The SAI's legal framework does not fully secure their independence, which is the case for 67%, the SAIs.
- Just for 56% of the SAIs, the legislature is responsible for ensuring the SAI has the resources to fulfil their mandate.
- For 72% of the SAIs, there is no full freedom to manage their own budget without interference or control from government and other authorities.
- 67% of the SAIs experience interference from the Executive in setting their budget, a increase from 41% in 2014.

100. There are two areas in which most SAIs enjoy independence. The first is that 78% of the SAIs enjoy full freedom to obtaining timely and free access to all necessary documents and information for the proper discharge of their duties. Although most SAIs in PASAI do enjoy such freedom, this should apply to all SAIs. The other area is that more SAIs in the region achieved the right to appeal to the Legislature if the resources provided are insufficient to fulfil its mandate, an increase from 50% in 2014 to 71% of SAIs in 2017.

101. In the 2015 Accountability and Transparency survey, 65% of the 17 respondent SAIs in PASAI confirmed having sufficient resources to undertake their work. In this regard, the study found that while 10 SAIs reported some form of engagement with their legislature about setting their budgets, none of those involved had any formal interaction during the process of preparing the SAI's budget proposals. In 2017, the INTOSAI Global Survey data show that 65% (11 SAIs) in PASAI had an increase in their budget in real terms (accounting for inflation), mostly SAIs in Micronesia and Polynesia, as shown in figure 4. According to this set of data, there has been no increase in the percent of SAIs experiencing increase in their financial resources.

Figure 4: Percent of SAIs whose budget increased in real terms between 2014-2017

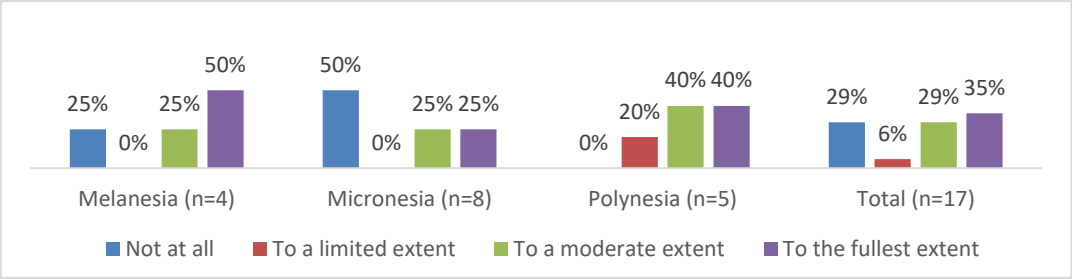


Source of data: 2017 INTOSAI Global Survey

[16] For analysis of each indicator, please see Chapter 3 "SAI Independence" in the Annex Volume One.

102. In 2015, the Accountability and Transparency study found that in six SAIs the Head of SAI has the legal capacity to appoint and remunerate the SAI's staff, but only one SAI had independence in relation to employment matters (Fiji). All the other SAIs said they are regarded as part of the civil service for staffing and employment purposes, with recruitment and employment decisions made by a body such as a public service commission. The study found that some SAIs experience difficulty with public service commissions' employment processes, particularly for entry-level appointments. The issues range from recruitment delays to the commission's job-sizing and pay rate bands limiting the competitively of SAIs to attract potential staff. In the 2017 INTOSAI Global Survey, 65% of the 17 respondent SAIs, reported having full or moderate control over their human resources, as shown in figure 5.

Figure 5: Percent of SAIs with own recruiting and deployment mechanism (2017)



Source of data: 2017 INTOSAI Global Survey

103. This review found some evidence that SAIs are sharing information within their SAI about their efforts to promote their independence; but, no evidence that participating SAIs are sharing experiences and supporting other SAIs to meet challenges to their independence. On the other hand, there is evidence that support for achieving greater independence has taken place in twinning cooperation.

Extent of achievement on outcome measure

104. Achieving full independence is a long term journey that SAIs in PASAI (and globally) have to pursue. PASAI has already contributed to improving SAI independence in the region and has potential to increase such contribution in the future. Most SAIs experienced budget increase, which can affect their resource-base to act independently.

Advocacy to strengthen governance, transparency and accountability – SPA2

Outcome measure: Strong partnerships with regional organisations with an interest in governance, transparency and accountability and, where appropriate, strategic partnership agreements with joint results-oriented frameworks agreed.

Objectives:

- 2A PASAI regularly reports on the contribution made by auditing public resources to transparency and accountability in the region.
- 2B SAIs are seen in their country systems and across the region, as a credible source of independent and objective insight and guidance on the management of public resources.
- 2C Strong partnerships are developed with regional organisations with an interest in enhanced accountability and transparency.
- 2D SAIs advocate for improvements in the public financial management systems adopted by their countries.
- 2E PASAI identifies and promotes good practice by SAIs to other SAIs.

105. PASAI has produced and disseminated one Accountability and Transparency report (2015) since the beginning of the strategic plan period. This report provides relevant information to PASAI,

SAI's stakeholders and to the public in the Pacific region. It is an important and tangible contribution to strengthening governance, transparency and accountability.

106. It works collaboratively with various organisations such as the University of the South Pacific (USP), PIF, PFTAC, UNDP, the World Bank, especially at program level. PASAI has recently made a partnership with the UNDP under an agreement with joint results-oriented framework and has observer status with the Forum Economic Ministers Meeting. PASAI also participates in some of the regional organisations' meetings in Fiji dedicated to coordination.

107. PASAI has carried out workshops with Parliaments in eight countries (Cook Islands, FSM-Pohnpei, Samoa, Tuvalu, Kiribati, Solomon Island, Tonga and Vanuatu), five of which were countries where PASAI supported SAI independence (SPA1), which creates good synergies between the activities. The workshops were assessed by stakeholders in the country case studies for this review as helpful and they help to increase the visibility of SAIs with the legislatures. PASAI reported on a number of indirect results from these interventions, such as the Standing Orders of Parliament changed to allow the tabling of audit reports out of session in Cook Islands; in Tonga the Chairperson of the PAC changed from a Minister (member of the Executive) to a member of parliament; and, in Samoa the Finance and Expenditure Committee realised its wide powers under their Standing Orders of the Legislative Assembly and has extensively used these to scrutinise the annual reports of government and its entities.[17]

108. To some extent, PASAI promotes the work of SAIs through its publications and social media, which reaches the SAI community and other partners. In few occasions, PASAI has ventured in other realms, such as when it presented a joint paper with the World Bank in the Pacific Constitutional Multi-Disciplinary Network Conference in Vanuatu in November 2016. Given the ongoing workload of the Secretariat, it is doubtful PASAI could have done more thus far.

109. The data shows that many SAIs in the region need to improve their external communication. The result of the SAI PMF assessments shows that 20% of SAIs have appropriate level (3 or higher) of communication with the Legislature, Executive and Judiciary and 40% of the SAIs scored mid-point. This in view that number of countries where the legislature examines audit work has decreased, from 53% in 2014 to 42% in 2017, according to the results of PEFA PI-28, which examines legislative scrutiny of external audit reports.

110. There is evidence in the case study countries for this review that members of the media and civil society organisations know about the SAIs in their countries and have some awareness of the mandate of SAIs. However, the data shows that SAIs in PASAI need to put more effort with outreach to promote public awareness of audit findings. As shown in table 7, the result of the SAI PMF assessments shows that just 10% of SAIs have appropriate level of communication with the Media, Citizens and Civil Society Organizations, and 60% of the SAIs scored mid-point.

Table 4: SAI scores on Communication and Stakeholder Management, SAI PMF

SAI PMF domain: **Communication and Stakeholder Management**	**% of SAIs scoring 0-1**	**% of SAIs scoring 2**	**% of SAIs scoring 3-4**
Communication with the Legislature, Executive and Judiciary	40%	40%	20%
Communication with the Media, Citizens and Civil Society Organizations	30%	60%	10%

111. PASAI conducted in 2017 a communications survey of members and the results show that 85% are required by law to report on their operations. Just 20% of the participating SAIs have a

[17] Agenda no. 11a, Status of achieving SP 2 objectives, 19th Governing Board Meeting, 27 August, 2018.

communications strategy and 30% have a dedicated communications person on staff. In the same year, a Heads of SAIs meeting in Fiji focused on the topic of communication – both written and verbal, supported by PASAI. Although PASAI has no communication program scheduled, it plans other communication-focused work in the future. In addition, it could elaborate a good practice note and/or lessons learned on SAI communication. For example, the Secretariat noted that all staff in SAI Cook Islands received training on how evidence should be recorded in audit files and on report writing skills, administered through the twinning cooperation with SAI New Zealand.[18] PASAI could distribute the information and materials used for the training by SAI New Zealand and make available to other members. Supporting SAI's initiatives to improve communication can contribute to the achievement of SPA1 and SPA2.

112. In partnership with the IDI, PASAI is currently implementing a regional program on SAI Stakeholder Engagement. This program has the potential to produce positive results if staff participating in this program have the proper background and authority within their SAIs to engage in communication with SAI's stakeholders.

113. The evaluation does not have data for assessing SAIs involvement in fraud awareness and anti-corruption activities. In the future, PASAI can seek such data in the details of the SAI PMF assessments (e.g. SAI 25). The Accountability and Transparency study can also collect such data. In addition, there exists a National Integrity System assessment, a tool designed by Transparency International, for at least one country in PASAI (Vanuatu). This assessment contains eight indicators on SAIs; the indicator 8.3.2 "Detecting and sanctioning misbehaviour" can be of particular use.

Extent of achievement on outcome measure

114. PASAI has made some strategic partnerships with regional organisations with an interest in governance, transparency and accountability and has recently partnered with the UNDP with joint results-oriented framework. PASAI also conducted advocacy workshops for strengthening SAI independence and increase use of audit reports by legislatures. There is a limit to what PASAI can accomplish, given its size, resources and large portfolio of activities. As the analysis on regional outcome shows (below), for advancing in the SAI level indicators, SAIs need to be more engaged with their legislature and with the public through the media and other organisations, making audit reports publicly available and advocating for improvements in the PFM systems. [19]

High quality audits completed by Pacific SAIs - – SP3

Outcome measure: Improvements in production of Financial Statements of Government (FSG)/Whole of Government (WoG) audits annually by trained and qualified SAI staff and increase in numbers of performance audits undertaken by SAIs with audit impacts reported annually.

Objectives:

- 3A Up-to-date Financial Statement of Government (FSG) or Whole of Government (WOG) reports are audited (using standards appropriate to the individual SAI) on a timely basis for applicable member nations.
- 3B SAIs produce high quality financial audits in accordance with national/international standards.
- 3C SAIs produce high quality performance audits of government and regional programmes.
- 3D Each SAI is audited annually to set an example to public entities in the Pacific

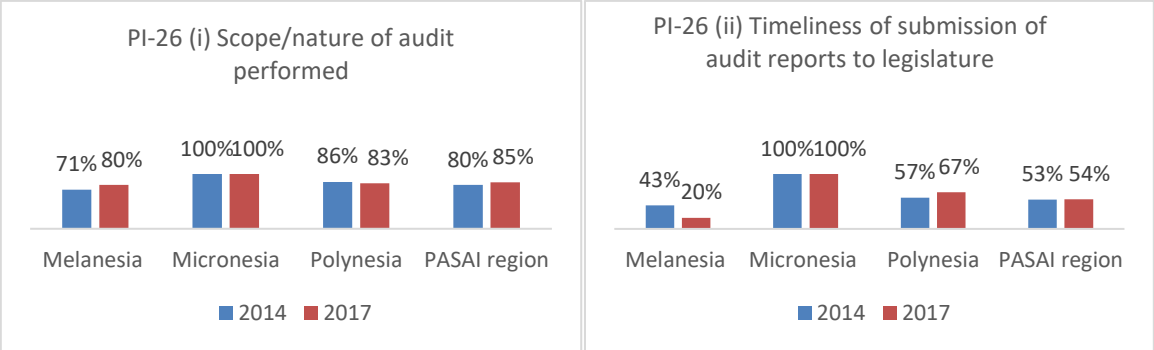
[18] Chief Executive's Report, 28 August 2018, for the 19th Governing Board Meeting.

[19] See particularly the tables analysis of legislative scrutiny of audit reports, SAI communication with branches of government, the media, civil society organisations and the public.

115. PASAI has implemented CPA and FAST programs to increase the outputs of SAIs in terms of number of performance and financial audits. It has also implemented the IPSAS Cash program, which train staff from the executive branch together with external auditors. Other programs were also implemented to train SAI staff. In 2016, PASAI carried out an assessment of the CPA programs.[20]

116. PASAI did not establish baseline data to verify change in audit quality in PASAI nor on the number of FSG/WOG audits submitted in the region. However, PEFA PI-26, dimension (i) assess the scope/nature of audit performed (including adherence to auditing standards) and dimension (ii) assess the timeliness of submission of audit reports to legislature. As shown in the graphs below, the results for PASAI indicate slight positive developments from 2014 in both dimensions, although just over half of the SAIs in the region reach the benchmark for timeliness of audit.[21] There is, however, significant regional variation for timeliness of audit.

Figure 6: Scope and timeliness of audit



Source of data: PEFA

117. The analysis of the SAI PMF assessments show that 30% of the SAIs met the benchmark (3 or higher) for *audit coverage*, and 20% scored mid-scale, as shown in the table below. Forty percent (40%) of the SAIs assessed achieved good *audit standards* for both financial and performance audit, and 20% achieved the middle scale. For financial *audit results*, 50% of the SAIs met the benchmark and 10% mid-scale. For performance audit results, 30% of the SAIs reached the benchmark and 10% achieved the middle score.

118. If we take into account that smaller and more resource-limited SAIs may not be able to comply fully with ISSAI standards, the SAI PMF data confirms the PEFA data, showing that around 60% of the SAIs in PASAI submit their financial audit reports within the legal timeframe and at good quality standard. The SAI PMF results shows regional variations for performance audit, with SAIs in Micronesia scoring better.[22]

[20] *Report of the Review of High Quality Performance Auditing in the Pacific*, 2016.
[21] The 2014 represents data from 16 SAIs and the 2017 from 14 SAIs in PASAI.
[22] There are regional variations within dimensions of the SAI PMF results, but no region scores consistently high across most dimensions. A more representative regional analysis will be achieved once more SAIs complete their assessment.

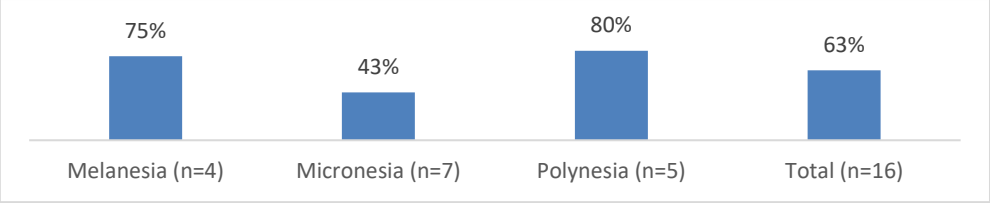
Table 5: SAI scores on Audit Quality and Reporting, SAI PMF

SAI PMF domain: Audit Quality and Reporting	% of SAIs scoring 0-1	% of SAIs scoring 2	% of SAIs scoring 3-4	Not applicable
Audit Coverage	50%	20%	30%	
Financial Audit Standards and Quality Management	30%	20%	40%	10%
Financial Audit Process	40%	20%	30%	10%
Financial Audit Results	30%	10%	50%	10%
Performance Audit Standards and Quality Management	30%	20%	40%	10%
Performance Audit Process	10%	40%	40%	10%
Performance Audit Results	50%	10%	30%	10%

119. In the 2017 INTOSAI Global Survey, 17 SAIs reported if and how often they undertook an assessment of their performance. The results show that 6% of the SAIs in PASAI did a performance assessment in 2013, 35% in 2014, 12% in 2015 and 18% in 2016. With the introduction of the SAI PMF program, most if not all SAIs in PASAI will undertake a performance assessment between 2017 and 2019.

120. Data from the INTOSAI Global Survey shows that 63% of the SAIs in PASAI have their financial statements independently audited. There is no baseline data to compare development since 2014.

Figure 7: Percent of SAIs whose financial statements are subject to external audit (2017)



Extent of achievement on outcome measure

121. PASAI has been able to increase the production of FSG/WoG audits through the FAST program. Likewise, PASAI has directly contributed to increased production of performance audit, even though the data show that training provided were not converted into improved performance audit practices in SAIs that did not have this audit stream established in their SAIs. There is no baseline data to assess improvement in the quality of audits, but the SAI PMF data indicates that most SAIs have a way to go to improve audit coverage, standards and results. Overall, combining the quantitative and the qualitative data, results indicate that many SAIs need to operate in ways that improve the sustainability of support from PASAI and other partners.

SAI capacity and capability enhanced - SPA4

Outcome measure: Improved SAI management processes supported by staff with up-to-date skills and auditing capabilities.

Objectives:

- 4A SAIs develop and implement their own comprehensive and realistic strategic plans.
- 4B SAIs adopt and apply the INTOSAI performance measurement framework (PMF).
- 4C Partnerships and 'twinning' arrangements are developed between SAIs within PASAI and globally.
- 4D SAIs plan for and use PASAI training resources and programmes.

122. SAIs in PASAI have adopted the SAI PMF and by the end of the strategic plan most, if not all SAIs will most probably do at least one assessment of their performance using the SAI PMF.

123. The analysis of SAI PMF results indicates that 10% of the SAIs in PASAI meet the benchmark (3 or higher) for Strategic Planning Cycle and 40% met the mid-score. This signifies that SAIs need to improve how they identify their capacity development needs to improve the management of resources made available for them by PASAI and other partners. The SAI PMF can be a useful tool in this regard.

124. The majority of SAIs performed well in the dimensions of Leadership and Internal Communication (60%) and Financial Management, Assets and Support Services (70%), as shown in the table below. However, the majority of SAIs did not perform too well in the other dimensions related to SAI capacity and capabilities in SAI management.

Table 6: Indicators for SAI management, SAI PMF

SAI PMF domains	% of SAI scoring					
Internal Governance and Ethics	**0**	**1**	**2**	**3**	**4**	**N/A**
Strategic Planning Cycle		50%	40%	10%		
Organizational Control Environment	20%	30%	30%	20%		
Outsourced Audits	10%	30%	10%	10%		40%
Leadership and Internal Communication		40%		50%	10%	
Overall Audit Planning	20%	30%	40%	10%		
Financial Management, Assets and Support Services						
Financial Management, Assets and Support Services		20%	10%	70%		
Human Resources and Training						
Human Resources Management		20%	70%		10%	
Professional Development and Training	30%	40%	10%	10%	10%	
Communication and Stakeholder Management						
Communication with the Legislature, Executive and Judiciary		40%	40%	20%		
Communication with the Media, Citizens and Civil Society Organizations	20%	10%	60%	10%		

125. Since before PASAI's current strategic plan, SAIs in PASAI have been receiving capacity development support from PASAI and other organisations. These organisations have focused on improving the technical capacity of SAIs, particularly through staff training. During the course of this evaluation, stakeholders mentioned a number of organisations that have been supplying capacity development support to SAIs, in addition to PASAI. These are:

- Staff training: IDI, AFROSAI-E, PFTAC, Association of the Pacific Islands Public Auditors (APIPA), US GAO, Association of Government Accountant's (AGA).
- Scholarship and fellowship programs: Australia's DFAT, New Zealand's MFAT, Japan's JICA, and China (SAI and Foreign Ministry).
- Bilateral support to SAI capacity development programs: DFAT, ADB, EU
- Civil Service Commissions: Bachelor in accounting and management and training on Computerized Integrated Government Accounting System (CIGAS).
- Twinning cooperation arrangements: SAIs in Australia and New Zealand, some of which also provide training for SAI staff.

- Resource materials for SAIs (e.g. manuals, templates, standards, updates): AFROSAI-E, KPMG-Global.

126. It is noteworthy that most of PASAI and IDI programs and resources from 2014 to date were to improve audit standards, process, quality and timeliness of audit. SAI staff have undergone training in all aspects of auditing, in financial and performance audit streams, audit supervision, communication and in many audit areas. Training has been provided through different approaches, such as through scholarships, secondments, on-the-job training, regional programs and in-country training tailored to SAIs' needs. In the past decade, audit manuals at international standards and support for the use of audit software have been made available to SAIs. PASAI and other partners have also facilitated the creation and use of a network of trained staff at the disposal of SAIs in the region. Online training programs and training materials have been produced throughout the many programs and can be freely accessed by SAIs in the region.

127. Given the substantive amount of support SAIs have received in the past decade, why are the practices of some SAIs still assessed not at the standard they should be? Following are the main reasons stakeholders think are the cause within the SAIs for the limited improvement in audit practices and quality, in view of the continuous support SAIs receive.

- The quality of education in some countries is not good enough for staff to absorb the training they undergo, particularly the application of methodology and analysis of data.
- The quality of the training SAIs receive is normally good, but the focus of the training does not necessarily match realities on the ground and priority needs in terms of capacity development.
- Lack of leadership and ownership by SAIs of their own capacity development. This refers to the need for SAI management to make better use of the resources available to improve their capacities (e.g. to establish induction and training programs for staff).
- Management issues related to underuse of the existing capacities within SAIs.
- Lack of motivation by staff to perform at capacity due to insufficient leadership to change audit practices and to promote the use of audit work.
- High staff turnover rate in some SAIs in the region. The 2017 Global Survey results show that staff turnover in 65% of the SAIs in PASAI is between 0% and 20%, but for 18% of SAIs staff turnover is very high, from 40% to 80%, and that these SAIs are among the three sub regions.

128. The reasons given by stakeholders for the positive development in the audit practices and quality in some SAIs are:

- Ownership and management of SAI capacity development, delegation of responsibility for the plan to the management team as well as budgeting for the capacity development plan.
- Establishing policies to ensure that external resources (training, tools) are integrated into the SAI and ensuring policy is applied.
- Use of measures, such as staff certification and planning for using secondments and advisers, to develop capacities in sustainable ways.
- Commitment and involvement of the senior management team to advance practices within SAI and motivate staff.
- Inclusiveness in SAI management style, motivating and providing feedback to staff.

129. The current priorities of PASAI are reflected in the operational plan for 2019, mostly covering support to SAI independence (review of Independence Resource Kit and SAI Independence and SAI level Technical Support To Strengthen Independence), SAIs conducting SAI PMF, SAIs preparing strategic plans based on completed SAI PMFs (using the SPMR program) and quality assurance in SAIs. Some of these programs and activities can deliver the potential for SAIs to take a more strategic and targeted approach to managing their capacity development. Lessons show that a more proactive

approach from Heads of SAI and senior management team can promote improvement in practices within SAIs, reinforcing the support received by partners such as PASAI.

Extent of achievement on outcome measure

130. There is no baseline data to assess improvements in SAI management process and staff capability. As the data shows, the percent of SAIs meeting the benchmark is low. PASAI has made important progress in providing SAIs with tangible means to improve SAI management processes, such as the SAI PMF and SPMR programs. Twinning arrangements have been developing between SAIs within PASAI and they are becoming more productive partnerships. It is up to SAIs to implement measures to follow up on the support provided to ensure improved management and audit practices. For the effectiveness of PASAI support to increase, SAIs need to integrate knowledge, skills and tools into their institutions.

PASAI Secretariat capable of supporting Pacific SAIs – SP5

Objective 5A: The Secretariat has the skills and resources to be effective and efficient in providing leadership of this strategy and capacity development opportunities and operational support to SAIs.

- 5.A.1 Assessment completed and transition agreed with Governing Board. Implementation is completed by end 2014.
- 5.A.2 A training and development plan is in place and completed to meet PASAI Secretariat staff needs annually.

131. The PASAI Secretariat was tasked and did in 2014 an assessment of the required skills and background needed to implement PASAI's strategic plan. PASAI Secretariat staff were recruited during the 2014 and 2015 period, and the Secretariat underwent a change of structure.

132. The Secretariat has supported the Governing Board with its duties, including establishing and revising PASAI's policies. It prepared five annual five-year operational plans, together with the related annual budgets, and they have been approved by the Governing Board. The Secretariat has been carrying out activities to implement the Strategic Plan, based on the approved operational plans. Annual reports have been provided, which includes reporting on its activities.

133. The Secretariat personnel is well liked by the majority of stakeholders and particularly SAI staff. They observed that the execution of most of PASAI's programs and activities are well organized, that program directors are easily accessible, helpful and mostly knowledgeable of the subjects of the programs they lead. Most said that PASAI's financial and activity reporting is effective in informing members and donors about PASAI's activities and resources.

134. For a few, the Secretariat needs staff with multi-skills, who can manage programs, teach and have experience in doing audit. But, most stakeholders stated that PASAI staff needs to be a good fit with the development of the organisation; the staff need to be able to carry out the upcoming changes in PASAI strategy and priorities and modus operandi. In this regard, some stakeholders noted that there might be some added value in bringing more diversity to the profile of the Secretariat staff, bringing in staff that represent the experience of well-resourced SAIs, staff representing the different sub regions, from other regions and with different backgrounds. This could avoid group-thinking mentality that can develop in organisations and create more opportunities for different experiences to be brought into the organisation, opening the organisation for more challenging discussions and innovations. Most importantly, the background of staff should be complementary to cover the different roles and functions of the Secretariat.

135. The Secretariat has a staff training and development program, which in practice mainly entails staff attending various regional and international audit-related meetings and workshops to participate in various regional and international committee meetings and technical workshops on behalf of PASAI.

136. It is also a finding in this evaluation that the Secretariat has good technical skills for program implementation, but needs to improve its competencies in program cycle management. Staff lacks sufficient knowledge on good practices in program management cycle such as developing logical frameworks, results-based management approaches, monitoring and evaluation. PASAI's template for program design is too incomplete to provide guidance to staff. This is particularly the case for program design, budgeting and monitoring and evaluation.

- Program design: Currently, program design receives insufficient consideration and time. Most programs follow a model that has for long been used within INTOSAI, without due consideration of the effectiveness of such approach to achieve the program objectives. Moreover, program objectives or desired outcomes at a SAI level are not clearly defined. Cost-benefit analysis of program approaches are not practiced.
- Budgeting: Staff should receive training on how to budget for programs and activities based on the design and scope of the program being designed. There is no template for guiding staff on program budgeting.
- Monitoring and evaluation: Programs are monitored only at activity level and the same applies to PASAI's MER. Overall, staff lacks knowledge of monitoring and evaluation.

137. Staff development in program cycle management and good management practices can bring more strategic discussions and improve the efficiency and efficacy of programs and activities. Most stakeholders commend the Secretariat for its reporting, but would like PASAI to become able to report on results of its activities. This should be a priority for staff training or background of new hire.

Objective 5B: Adequate funding is available to implement the PASAI strategy.

- 5.B.1 Funding strategy is approved and implemented, and monitored and reported on annually.

138. PASAI has a funding strategy approved by the Governing Board and Congress in August 2016. However, it needs to become more proactive in seeking funding and expanding its donor base. It has also to become better prepared for unanticipated influx of funding, to seize opportunities to receive occasional funding when donors are able to top up their contributions.

139. There is an overall perception that the Secretariat has been somewhat passive in seeking funding, relying on traditional donors. Stakeholders think that the Secretariat can become more proactive in seeking more funding, diversifying its donor basis and in seeking multiyear funding. Some suggest that the Secretariat make direct contact with different donors and invite different potential donors to the Congress and other PASAI activities. In addition, some noted that the Secretariat is not prepared to take advantage of occasional funding when an opportunity arises. Examples were given of donor approaching the organisation with some extra funding wishing to give to PASAI, but it did not happen because the Secretariat took too long to provide a proposal.

140. Currently PASAI is in the process of receiving funding from the European Union (EU) as an implementing partner for a program administered by the UNDP. Some stakeholders perceive that the EU has too lengthy procedures for funding and that PASAI could have received funding earlier, had it been proactively seeking it. Others stated that PASAI could not have sped up the process to receive EU funding since at moment PASAI is not eligible for EU funding. Improving communication to stakeholders on PASAI's funding strategy and efforts can dispel misunderstandings and provide better clarity about PASAI's funding raising initiatives, including requirements for accessing funding from the European Development Fund and other sources.

141. PASAI increased the membership fee to USD 2,800 and this increase will improve the resource-base of the organisation. The budget for the 2018 Operational Plan is based on the member contributions being collected at the new fee level. Currently, if members do not pay, there will be a budget deficit and activities will be cut. Some stakeholders said that it is unclear how PASAI derived at

the new fee level and what factors it considered. Some suggested that PASAI could have adopted a progressive fee like some countries do progressive income tax, the richer members paying higher fees while the members with less resources could pay lower fees. For them, this option seems more realistic and is aligned with the thinking in PASAI, that is, most resources should go to small SAIs with limited resources.

142. The membership fee rate was discussed at both the 2016 and 2017 Congresses before the current flat fee structure was agreed and voted by Congress. The agreement to a flat fee was made in the context of recognition that some SAIs may struggle to pay the fee but that larger SAIs would contribute more to ensure that the total fee income is reached. This pledge will be tested when the final follow up of payment of the new fees occurs for the first time in 2019. In addition, there was documented discussion and agreement that no SAI will be excluded from PASAI support or events if they are genuinely unable to pay the new membership fees.

Objective 5C: An effective operational plan underpins the implementation of PASAI's Strategy.

- 5.C.1 A five-year operational plan and budget aligned to PASAI strategy is confirmed annually by the PASAI Governing Board and achievement against the plan is reported annually.
- 5.C.2 Revised PMF is adopted by PASAI and reported against every 3 years.
- 5.C.3 Within the first year of the implementation of this strategy, PASAI will have an approved regional communications strategy.

143. The Secretariat prepared four annual five-year operational plans for period 2014/15 – 2018-19, 2015/16 – 2019/20, 2016/17 - 2020/21, and 2017/18 – 2021/22, which were approved by the Governing Board, together with the related annual budget. Annual reports provided report on outputs.

144. PASAI regional communication strategy was approved in August 2016. PASAI's new website became operational in 2015 and it has its own pages on social networks such as Facebook, Twitter, Instagram and LinkedIn expanding its reach to wider audiences in the region and globally. Although communication about PASAI's activities remains relevant, this evaluation found that the majority of members and other stakeholders would like that the Secretariat to re-think its communication strategy. They would like PASAI communication to become more focused on substantive issues, such as lessons learned, good practices notes, regional opportunities for SAIs, dissemination of the work of partner organisations that are of interest to members, funding opportunities for SAIs, and accomplishments at national level.

145. The Secretariat communication about what PASAI is doing is useful, timely and informative. The monthly newsletter is widely read by stakeholders. Many SAI staff mentioned the importance of pictures as they like to know who is participating in each PASAI event. Overall, stakeholders do not see the PASAI website as particularly useful; some noting that manuals and other reference materials in the website are not updated to standards. The declining use of the website, which was established in 2015, is shown in the table below.

Table 7: Use of PASAI website, 2015-2018

	Unique Visitors	Visits	Page views	Source
9/2017 – 9/2018 Increase/decrease from the previous year	9,999 plus 21%	11,700 minus 9%	30,800 minus 8%	Search 44% Direct 40%
9/2016 – 9/2017 increase/decrease from the previous year	8,275 plus 719%	12,800 plus 704%	33,700 plus 268%	Direct 48% Search 38%
9/2015 – 9/2016	986	1,543	8,444	Direct

146. Some stakeholders mentioned that the new communication specialist in the Secretariat has shifted the focus more to SAIs and is involving SAI staff in PASAI's communication. They encourage the increasing involvement of SAI staff in PASAI's communication, but focusing on substantive issues that are of common concern to SAIs and about transparency and accountability in the region. Other stakeholders, however, question the need for PASAI to have a communication specialist in its staff, given the size of the Secretariat and gap in human resources in the programmatic area. They would like to see PASAI becoming a reference organisation for SAIs in the region in terms of learning and knowledge, but think that the background and profile to perform the necessary function needs to be different than specialization in communication.

Objective 5D: Implementation of PASAI's strategy is regularly monitored and evaluated.

- 5.D.1 Progress reporting begins annually in 2014. First interim evaluation of the strategy is reported on to Congress and development partners in 2016/17 and 2 yearly thereafter.

147. Please see Chapter 5, section 5.1 "Monitoring".

Regional Outcome[23]

Outcome measure: Pacific SAIs contribute to improved management and use of public sector resources leading to increased transparency and accountability to the people of the Pacific.

148. According to PEFA data, there has been a slight increase in audit coverage in PASAI, from 80% in 2014 to 85% in 2017.[24] However, results from the SAI PMF of 10 SAIs contradict this data, showing that 70% of the SAIs have low audit coverage.[25] There has been no significant change in the number of SAIs submitting their annual audit reports to the legislature or mandated authority within the established legal timeframe, from 53% of SAIs in 2014 to 54% in 2017.[26] This data is confirmed by the analysis of the SAI PMF assessment, which shows that 50% of the SAIs performed well in the Financial Audit Results domain.[27] Audit coverage and timely submission of reports can be related to some SAIs having insufficient human and financial resources to undertake their work.

149. The timeliness of audit is linked to timely completion of consolidated government statement at good standard, and its submission to SAIs. PEFA PI-25 examines the quality and timeliness of annual financial statements and the results for countries in PASAI show a significant increase from 8% in 2014 to 33% of countries achieving the benchmark in 2017.[28] Although this result is a positive development for SAIs to be able to improve the timeliness of their annual audit reports to the legislature, the overall rate of PI-25 for the region remains quite low.

150. The 2017 data shows that both governments and SAIs have decreased the amount of information made available to the public in the past three years (key fiscal information and results of audit work). This is a negative development for accountability and transparency in the region. The PEFA performance indicator PI-10 examines public access to key fiscal information. Examining PI-10 results for countries in PASAI, there was a small decline in the number of SAIs scoring B or better, from 25% in 2014 to 21% in 2017 of governments making sufficient key fiscal information available to the public.

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[23] The analysis in this section that refers to data from the 2014 and 2017 INTOSAI Global Survey and PEFA can be found in Annex Volume One of this report, which contains the full analysis and descriptions of concepts and benchmarks. Again, the analysis only covers the 20 participating SAIs in PASAI.

[24] PEFA data for PI26 (i), concurring with the INTOSAI Global Survey data. Audit coverage refers to audits carried out in relation to audits mandated. See Annex Volume One for a description of the benchmark for PEFA audit coverage.

[25] Scores of 2 or lower in SAI-8, Audit coverage.

[26] PEFA data for PI-26 d (ii), which contradicts the Global Survey data.

[27] Good performance is considered when SAIs scored 3 or 4 on SAI-11, Financial Audit Results.

[28] The benchmark is a score of C or higher in PI-25.

151. The 2017 INTOSAI Global Survey results show a substantive reduction in the number of SAIs that made at least 80% of their completed audit reports available to the general public, from 81% in 2014 to 50% in 2017. There has been an increase from 6% in 2014 to 31% in 2017 in the number of SAIs that made no reports public.

152. The data from the INTOSAI Global SAI survey show that legal restrictions is a limiting factor, but that it does not alone account for SAIs not making audit reports public. Examining the percentage of audit work SAIs made available to the public and the percentage of SAIs that experience restrictions in their right to publish audit reports, it becomes apparent that many SAIs do not fully exercise the right to make the results of their audit work available to the public. The exception is SAIs in Upper Middle Income countries, where 60% of the SAIs make at least 80% of their reports available to the public while only 33% reported having no restrictions in publishing their reports.

Figure 8: SAI freedom to publish and disseninate audit reports

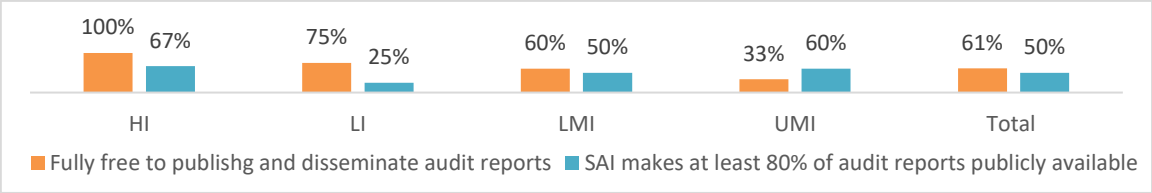
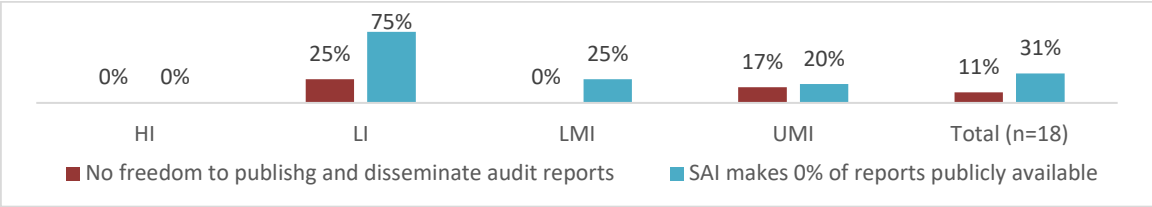


Figure 9: Freedom to publish and disseminate reports vs. reports SAI make public



Source of data: INTOSAI Global Survey 2017

153. The examination of audit reports by legislatures has decreased. In addition to diminish the value of SAIs to citizens, this is a negative development for transparency and accountability in the region. PEFA PI-28 examines legislative scrutiny of external audit reports. The results shows a decrease from 53% in 2014 to 42% in 2017 for PI-28 . The table below shows a decrease in all three dimensions of PI-28 and that overall the percentage of countries that achieve the benchmark remains low in 2017.

Table 8: Legislative scrutiny of external audit reports

Countries scoring C or better, PEFA PI-28	2014	2017
(i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years).	53%	42%
(ii) Extent of hearings on key findings undertaken by the legislature.	60%	50%
(iii) Issuance of recommended actions by the legislature and implementation by the executive.	60%	42%

Source of data: PEFA

154. The results of the SAI PMF show that 80% of the SAIs have low engagement with the Legislature, Executive and Judiciary, as shown in the table below. The 2017 Global SAI Survey results also show that the stakeholders' groups SAIs least involve in audit work are civil society (8%) and citizens (8%). The results of the SAI PMF confirm this data, showing that just 20% of the SAIs have a good level of engagement with the Media, Citizens and Civil Society Organizations. The 2017 Global Survey also shows that few SAIs (29%) have a communication policy and the mass media SAIs mostly use to report and disseminate their audit work is the internet, or the SAI' webpage. The survey

conducted by PASAI in 2017 shows that just 20% of the SAIs have a communications strategy. In a scenario where less key information are been made available to the public and less audit work is being examined by legislatures, efforts to build a more fluent communication and partnership with the legislative bodies, civil society organisations and the media can improve SAI's contributions to citizens.

Table 9: SAI scores on Communication and Stakeholder Management, SAI PMF

SAI PMF domain	% of SAI scoring				
	0	**1**	**2**	**3**	**4**
Communication and Stakeholder Management					
Communication with the Legislature, Executive and Judiciary		40%	40%	20%	
Communication with the Media, Citizens and Civil Society Organizations	20%	10%	60%	10%	

155. PASAI has thus far made some contributions to advance SAI independence and use of audit reports by legislatures, but the above data show that much work needs to be done to effect improvements in Parliamentary processes involving SAIs at regional level. Although PASAI's advocacy work was relevant, much work needs to be done and not only by PASAI, which has limited resources, but by SAIs in partnership with national and regional stakeholders.

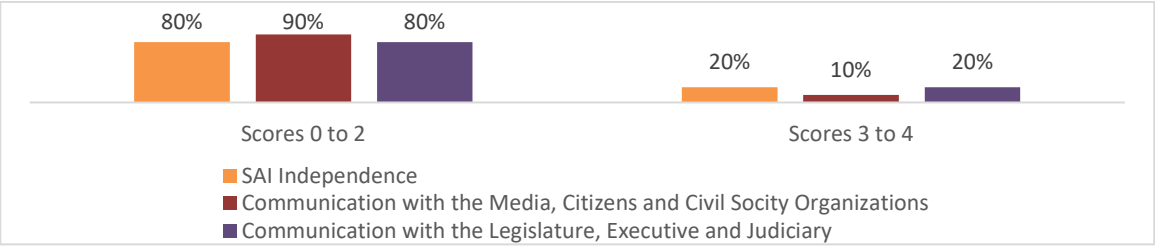
Extent of achievement on outcome measure

156. The finding from the quantitative data analysis indicates a trend towards weakening transparency and accountability in PASAI region in the past three years. The finding emphasized the need to reinvigorate and strengthen the 'accountability and transparency chain', involving SAIs, legislatures and other accountability bodies. The data indicates that the scenario for political economy, political climate and performance of parliament bodies and other institutions in some member countries are possibly worsening in a combined way.

157. Taking into account different political contexts in member countries, as well as different levels of independence of SAIs and resources made available to them, SAIs could forge closer partnerships to improve their contributions to transparency and accountability in their countries. SAIs' oversight capacities can potentially be strengthened through developing closer cooperation and relationships with the legislature, civil society organisations and through making better use of the media. As a regional organisation, PASAI can endorse the work of civil society and international organisation working in areas of anti-corruption and good governance in the region. It can make SAIs more visible to these organisations and promote the use of audit work by them.

158. The results of the SAI PMF assessments shows correspondence between the level of independence of SAIs and their communication with the legislature, executive and judiciary branches of government, as shown in the graph below. The same goes for communication with the media, citizens and civil society organisations. However, this data does not mean that SAIs with less independence have legal restrictions to engage with branches of government or stakeholders in civil society.

Figure 10: SAI independence and communication with the legislature, executive and judiciary branches of government



159. The analysis of the SAI PMF and other quantitative data also show that there are SAIs in the PASAI region that do perform well in important areas for transparency and accountability, such as making the results of audit work publicly available, good flow of communication with the legislature, executive and judiciary, and good level of engagement with the media, citizens and civil society organizations. These are important findings for PASAI, showing that there are good policies and practices within the partnership. Lessons learned exercises, dissemination of good practices notes, and promoting and supporting peer discussions between Heads of SAIs are cost-effective ways for the PASAI partnership to learn, disseminate and promote the policies and practices of the SAIs in the region that are performing well in these areas.

7.2 Planning, managing, delivering and monitoring programs

This section responds to the following questions posed in the TOR.

- How effective and efficient has PASAI been in planning, managing, delivering and monitoring its programs in meeting the strategic objectives and achieving desired results for SAIs in the Pacific region?
- Are there more efficient, effective, and economical ways of delivering PASAI's planned programs to achieve the desired results?
- How effective have PASAI operational mechanisms and the PASAI Monitoring, Evaluation and Reporting (MER) been in measuring performance and monitoring delivery of results of PASAI's programs?

Planning

160. There is good thinking about using different support modalities to address the different priority areas in the strategic plan. PASAI uses different support modalities to address the different needs of SAIs, what makes support more effective. In addition to implementing regional programs, PASAI contracts experts to address particular needs of individual SAIs, such as drafting legal documents related to advancing SAI independence, providing in-country training for SAI staff and for external quality assurance of the work of a SAI. PASAI also design secondment programs with peer staff in the region and partner with UNDP to provide training sessions for members of Public Accounts Committees (PACs). Recently, PASAI begun organizing workshops to bring together different stakeholders of member countries' public financial management reform. Most stakeholders appreciate the thinking behind the development and employment of different modalities and strongly support their continued use.

161. PASAI's approach to promote SAI independence is supported by stakeholders. PASAI took a national approach for achieving the objective for the SPA1, SAI Independence, aiming to modernize the legal framework of its members. This support has been provided through legal expert and it is also part of the advocacy for accountability and transparency work with PACs, in which occasion PASAI staff lay out the need for SAI independence according to international standards and inform members of Parliaments of the development of SAI independence in the region. Moreover, PASAI made available to SAIs an Independence Resource Kit.

162. PASAI's work on advocacy has been deemed useful by most stakeholders. As part of SPA2 and as a component for SPA1, PASAI has carried out advocacy activities with PACs in six member countries. All stakeholders support such initiatives and most regard that these activities were well planned. Some members of the legislature consulted noted that the PASAI and UNDP partnership is a good complement, but that PASAI could become more involved. They noted that PASAI's programs are of good quality and that productive and informative discussions do take place. They also encourage PASAI to provide more background information prior to the program. Some suggested that the effectiveness of the effort would increase if the program reached all members of parliament, and not only PACs, since all members of Parliament should have an understanding of how to better engage with SAIs and their reports.

163. **With the SAI PMF, PASAI planned a program that has contributed to a stronger regional attitude to performance measurement and has reinforced the role SAIs need to play to "lead by example"**. The program reflects the desire for changing attitudes of some stakeholders in the region towards collective accountability and transparency. Since most SAIs do not plan on making their assessment reports public (e.g. make available to citizens, share with their legislature), the exercise did not yet contribute to an aggregated outcome for transparency and accountability in the region.

164. Recent good practices in program sequencing. PASAI stakeholders noted that the Secretariat has recently made some positive developments by planning a program whose approach is to facilitate SAIs supporting one another, the TeamMate program. Although many SAIs do not yet use TeamMate, PASAI provided the information basis for informing their decision and created a regional network for SAIs to reach out if and when they decide to use the software. In addition, many member SAIs and other stakeholders welcomed the strategic thinking behind PASAI's launching IDI's Strategy, Performance Measurement and Reporting (SPMR) program to follow up on the SAI PMF program. For them, this sequence of two programs was well thought, one program using the results of another and helping SAIs to work more strategically.

165. The 11 SAIs who carried out a SAI PMF assessment have been invited to take part in the SPMR program, which builds on the findings of the SAI PMF report to support SAIs in establishing robust strategic management processes in the SAI. The SPMR proposes an update of the SAI PMF assessment towards the end of the SAI strategic plan period, to measure results achieved and to feed into the SAI's new strategic planning cycle.

166. While all stakeholders appreciate the programs and their sequencing, some noted that the lessons learned from the implementation of the SAI PMF program were not used to adjust the design of the SPMR, including timeliness of implementation.[29] Primarily, stakeholders mentioned that the SPMR can only be effective if most, if not all, Heads of SAI own the SAI PMF, meaning they understood the results of the assessment and agree with them. Since this benchmark has not yet been reached, the first phase of the SPMR had to address the results of the SAI PMF. At the outset, the context for effective use of the SPMR is not fully enabling.

167. For many stakeholders, it has been difficult to see a link between PASAI's programs. They noted that, in most cases, programs and activities seem to have limited planning behind, more dependent on something being a good idea without putting the time to conceptualizing design specifics to identify what goal achievement would look like. Programs seem to be implemented without considering sequencing, or linkages between programs to build up knowledge and skills, constructing leverage between programs that can lead to more successful outcomes. Moreover, the achievement of program objectives are seldom assessed to inform future planning and the design of the next programs. Some members also noted that PASAI could become more efficient when planning programs. For example, PASAI delivered training workshops in a given country but did not invite others SAIs willing to pay their way to participate. They noted that PASAI should think more strategically on how it can support SAIs to join resources as part of training new staff.

168. Some stakeholders show a concern that PASAI plans programs as if its role is to produce audit reports with SAIs and to do staff development for SAIs. While PASAI's objectives is to both assist SAIs in improving their capacity, capabilities and value, as stated SPA2 and SPA3, it is also mandated to assist members to perform their auditing functions.[30] Some members, however, question the value of PASAI doing things for SAIs instead of focusing on facilitating the capacities of SAIs to work as capable

[29] For the lessons learned from the implementation of the SAI PMF program, see the section on Management of Programs below.

[30] Article 1, Section 3 of the PASAI Chart, which states "Assist its members to perform their auditing functions, including through co-operative audits and similar activities."

and autonomous public institutions. For them, PASAI should not be doing what the SAIs have responsibility to do.

169. **The Secretariat could strengthen its management role in planning**. The Secretariat provides, through the operational plan, a yearly proposal of activities and programs for PASAI. The programs and activities in the operational plans includes proposals made by members and by the Secretariat. Each operational plan is made available to members, discussed with them in the yearly Congresses and discussed and approved by the Governing Board. While PASAI members wish to remain involved in discussions related to selection of programs, most would like the Secretariat to become more strategic in its management, including use of better information base and better planning to inform the development of yearly program portfolios.

170. Some stakeholders noted that PASAI provides members with a menu of programs too close to the Congress. During Congress, the Secretariat does not explain to members why they come up with the programs, why they were prioritized and lead a meaningful discussion that can enable them to make informed decisions about the portfolio of programs presented.

171. Most stakeholders noted that the Secretariat is the structure in the region with dedicated resources to provide strategic guidance to the members regarding selection of programs that can deliver the strategic plan. Most members encourage the Secretariat to exercise greater leadership in this regard, bringing strategic thinking and information when engaging with members in discussions about programs. For example, during the 2018 Congress, the Secretariat put forth a proposal of how to implement the Young Leaders Program in PASAI.[31] A member questioned the approach proposed by the Secretariat, arguing that it had not yet considered regional resources that could make the program more cost-effective and more sustainable. Some members commented that the Secretariat did not respond to the issues raised and did not bring forth arguments to explain why their approach was selected, the rationale behind it. In sum, members would have welcomed a rich discussion about the program approach and strategic significance, but felt the Secretariat was unprepared to lead it.

Program design

172. **The designing of the SAI PMF program illustrate some of the successes and limitations with program design in PASAI.** The SAI PMF Program was funded through a cooperation agreement with the Australia's Department of Foreign Affairs and Trade (DFAT). While the IDI has the primary responsibility for the implementation of the program, it was agreed that the program would be implemented in partnership with PASAI, from beginning to end. The selection and implementation of the SAI PMF program enjoyed the support of all stakeholders, as it would support a more strategic approach to management, for PASAI and within SAIs. Some aspects of the program planning and design produced positive impacts in the implementation of the program while others produced negative impacts. Following are some lessons learned.

173. PASAI and IDI met in the end of 2015 to discuss the design of the SAI PMF program, which was finalized in January in the subsequent year. All of the staff from the IDI that participated in the design of the program had previously been working with the SAI PMF piloting and PASAI staff relied on IDI's past experience. The project design was finalised with a regional coordinated approach to undertaking SAI PMF "lite", but during the process leading to the elaboration of the guidance for light SAI PMF, IDI advised and PASAI accepted not to proceed with a separate "lite" version of the SAI PMF for PASAI. The guidance material was not prepared, with PASAI and IDI staff guiding SAIs on how to determine the applicable SAI PMF scope and indicators based on individual characteristics and size of each SAI.

[31] The Young Leaders Program is a program first conceived and implemented by EUROSAI. The IDI adopted its own version in its 2016 operational plan. In the 2017 Congress, members welcomed the implementation of the program in PASAI.

174. The SAI PMF program was designed with the regional program model typically used by IDI and PASAI, gathering participants from the region for the planning, review and finalization workshops, as described in Chapter 5. No alternative approach for implementing the program was discussed and discussion did not take place about whether the typical program model for regional programs was appropriate for reaching the objectives in a cost-effective manner.

175. The program was budgeted as regional programs are, with most of the program budget dedicated to workshops. In the case of the SAI PMF program, 48% of the expenditures are dedicated to regional workshops, 35% of the expenditures for conducting the peer review assessments, 10% covered the independent reviews of the assessments and 7% for IDI staff costs. The time allocation for each component of the program was also budgeted as typical regional programs are, with a week-long workshop and a week-long for conducting the peer review assessments.

176. The program design incorporated previous experiences in PASAI with a number of programs based on peer-to-peer support, which showed that the peer review approach was viable for implementing the SAI PMF program. The selected approach reduced the cost of the program while promoted collaboration and learning between SAIs. Accordingly, decision was made that a hybrid team would conduct the assessment, the SAI conducting self-assessment of non-audit domains (5 domains) while the peer review team would assess the audit domains (Domain C) and quality assure the self-assessment of the 5 domains. In phase two of the program, the northern SAIs only conducted self-assessment of a single domain (A, SAI Independence) and the remainder of the SAI PMF assessment was completed by the peer review team.

177. Previous independent evaluations of the implementation of the SAI PMF and lessons learned from the two-year global piloting of the assessment tool were not reviewed at any point of the design phase of the program.[32] Some of the shortcomings in the design of the program in PASAI would have been avoided if existing information readily available to the planning team was reviewed and discussed. The lessons from the SAI PMF program are:

- Good use of peer-to-peer support, which improved the cost-effectiveness of the program, reducing costs and promoting cooperation and community-building across the region.
- The program objectives and desired outcomes were clearly stated and measurable indicators were developed.
- Insufficient attention to program design did not facilitate discussions about using alternative design approaches, cost considerations, and to take into account contextual factors in PASAI. For example, given previous lessons learned, clear understanding of SAI PMF methodology is crucial to enable accurate and speedier assessments. The design team did not discuss design alternatives other than what they have been used to do, that is, bringing two staff from each participating SAIs to training workshops. For example, they could have considered that training on methodology and concepts could be administered by the PASAI and/or IDI staff that participated in the country's assessments. In order not to overload SAIs doing the assessment, for the peer reviews they could have used staff from the SAIs that were going to do the assessment in the next phase of the program.

[32] Two evaluations that cover the piloting and implementation of the SAI PMF were available when PASAI and IDI met to design the program, namely: (a) *Independent Evaluation of the Programme on Global Partnerships to Strengthen Capacities of Supreme Audit Institutions*, Final Report. Swedish Development Advisers, 29 March, 2015; and, (b) *Evaluation of the INTOSAI-Donor Cooperation*. Final Report. Ecory, 12 August 2015. In addition, the INTOSAI-Donor Cooperation had a lessons learned note on the piloting of the SAI PMF. In addition, a study of the results of the IDI programs covered the SAI PMF implementation, namely *How do we harvest results? A study of IDI Programmes and Models*, IDI, Report, 5 February 2016.

- The time for field work was insufficient, limited to one week. This in view that the assessment teams were not always confident in applying the SAI PMF methodology. [33] Previous evaluations of the SAI PMF implementation clearly states that SAI PMF assessments conducted in the form of peer reviews are lengthier than those conducted by consultants and self-assessments.
- Staff doing the assessment had weak knowledge of SAI PMF methodology. [34] Particularly, they had insufficient understanding of the assessment criteria. Due to program design and funding limitations, it was not possible to train all staff who were involved in the self-assessment during the planning workshop. PASAI and IDI made the assumption that the Head of SAI who attended the planning workshop would train all staff who would be involved in the self-assessment, including those who did not attend the planning workshop.
- SAI's Terms of References insufficiently organized the assessment to ensure a smooth process (e.g. no assignment of a team leader; did not assign and clarified roles and responsibilities for those involved in the assessment).[35] Many road blocks could have been avoided if Quality Control was emphasized and established at the planning phase and ensure that all members of the team are aware of such process and their respective responsibilities.
- The quality assurance of the SAI PMF reports showed that many assessments did not document evidences to the extent that it was required. This was lesson learned from the SAI PMF piloting and could have been addressed head on.
- There was no specific guidance in terms of who in the SAI should conduct self-assessment. In many SAIs, staff doing the self-assessment was the same that was doing the peer review of another SAI. The program design failed to take into account the well-known fact that most SAIs in PASAI have a small number of staff and that available staff would also have national priorities and engagements other than the assessments.
- Lack of organisation by IDI to allocate a staff to lead the program from beginning to completion and to sufficiently book staff time to resource the program with stable personnel available to support teams doing assessments and finalising the SAI PMF reports in a timely fashion. There was ongoing change of IDI staff throughout the program.

178. **Many stakeholders expressed that significant delay in finalizing SAI PMFs is an issue of concern**, given the level of resources put by all stakeholders into the program. The related issues range from shortfall in communication to insufficient attention to finalizing reports by peer SAI. The delay in the finalization of the SAI PMF is particularly a problem for SAIs that committed to share the results of the assessment with the public or with some SAI stakeholders.

179. **It is important for PASAI and members to understand the higher-level lessons from the experience of the SAI PMF program**, particularly as they relate to planning and design. PASAI understands that the SAI PMF provide useful information for PASAI's MER and to target support to the SAIs to address the issues identified through SAI PMF assessments.

180. The first of the program outcome indicators, shown in the table below, is helpful for understanding the results of the program for SAIs, which is the use of the SAI PMF information to improve performance. According to most SAIs consulted during this review, the SAI PMF reports, even when not yet completely finalised, are being used by SAIs to identify gap areas as an input for their strategic planning process. However, the strategic discussion between the management team and staff about the results of the SAI PMF and the experience of doing the assessment has not yet taken place in many SAIs. There is also evidence of weak ownership of the assessment and its results in some SAIs, which challenge its legitimacy and potential usefulness.

[33] Finding in the *Supporting SAI Performance Measurement in PASAI*, Final Report, IDI, 22 March 2018.
[34] Ibid
[35] Ibid

181. Compliance with the ISSAIs at benchmark levels requires levels of resources, both human and funding, that some countries in the Pacific may never be able to reach. Given the different sizes, resources, political and cultures conditions in the Pacific countries, SAIs need to understand and decide how to use the SAI PMF as a guiding tool for best fit 'for the context' in addition to 'best practices', as one size does not fit all. Such decision can make use of PASAI's resources more efficient for both SAIs and PASAI.

Table 10: Achievements of the SAI PMF program (as of 25 October 2018)

Outcome Indicator	Baseline 2015	Milestone Dec 2016	Target Mar 2018
1. Number of SAIs in PASAI completing SAI PMF assessments (to at least draft report stage) and using the information to improve performance	0	4	**13**[36]
	Achieved:	**4**	**12**
	Source**: IDI's SAI PMF Monitoring Information**		
2. Number of SAIs using SAI PMF assessments to measure SAI performance against select MER measures, with acceptance by development partners for contract reporting purposes	0	5	**13**
	Achieved:	**N/A**	**13**
	Source**: PASAI MER Framework**		
3. Adoption by PASAI Governing Board of a regionally specific, pragmatic and appropriate approach to the coordinated use of SAI PMF across the region	Agreement in principle to adopt SAI PMF	Progress on testing PASAI specific guidance on SAI PMF use presented at Governing Board	PASAI specific guidance on SAI PMF endorsed by Governing Board
	Achieved:	**Yes**	**N/A**
	Source**: PASAI Governing Board Minutes**		

Source: PASAI Secretariat

182. **Regional and international programs**[37] **are highly appreciated by SAI staff.** All of the SAI staff consulted that have participated in regional programs said that these programs have been very useful for them both in terms of learning and personal growth and enjoyment. These programs have widened their horizon to different ways of doing audit and of approaching challenges during the audit process. They have learned about the state of audit work in the region and how audit work is linked to institutional cultures. Through these programs, they have learned much about themselves in terms of the level of their competencies, abilities to develop leadership, and multicultural skills. They find the experience of participating in regional programs to be personally rewarding and very pleasant.

183. **Regional and international programs challenge SAIs and encourage staff to perform at top of skills.** Sharing the results of group exercises such as cooperative audits are an inherent part of most regional programs. In fact, the results of participants' work is shared throughout the process, in each phase of the program. This approach promotes competition among SAIs and program participants and encourages them to perform at their best. Participants normally receive differentiated support from their senior managers, who want to ensure participants represent their SAIs well within the SAI community. Regional and international programs create a fora where audit work is scrutinized by peers, which is particularly important for participants that work in SAIs in countries where the scrutiny of audit work is limited or rare.

[36] Includes PNG and New Zealand, which were not part of the SAI PMF program, since the indicator says "# of SAIs in PASAI" not just from the program.

[37] International programs are the IDI programs implemented alone or in partnership with PASAI.

184. **Staff find reward and motivation in regional and international programs.** Regional and international programs create spaces where audit work, cooperative performance audits (CPAs) in particular, becomes centre stage and are highly valued by a community. Such attention to audit work functions as a reward and as motivation for most participating staff and their SAIs. This happens especially when staff rarely, if ever, receive feedback from their managers and where audit work rarely exerts impact on audited entities and are not often scrutinized by the legislature. Regional and international programs create an extra-SAI and extra-national community fully engaged in audit work and reporting. It is not unusual that these programs mostly reward and showcase good audit work within and across the SAI community (e.g. INTOSAI, United States' Government Accountability Office) and their dedicated communication vehicles.

185. **Regional and international programs tend to deflect from their results at country level.** While CPAs and other reports are highlighted within and across the SAI community, there is little assessment of the results of regional and international programs at national level, what value they created to member SAIs and countries, which national impact they had after a decade of implementing them in PASAI and globally. The studies and evaluations that assess the contributions of regional and international programs remain ignored, meaning that PASAI (and IDI) does not review them to inform planning and program design. For example, the discourse that these programs can create a "critical mass" of well qualified auditors circulates in the SAI community. However, these programs have been implemented within the SAI global community for over a decade and the evidence that they have or can deliver such a "critical mass" has yet to be presented.

186. The analysis of the SAI PMF assessments show that 70% of the SAIs in PASAI do not meet the benchmark for audit coverage (Score of 3 or higher in Domain C, SAI-8), showing low audit coverage for the region. The creation of a "critical mass" of well qualified auditors in PASAI would have an effect on audit coverage, among other things. Furthermore, PASAI does not keep track of the SAI staff it provides training and does not monitor their development in the SAIs. Such monitoring would, for example, enable PASAI to assess whether the staff it provides training to move into positions in SAIs that enable them to influence the audit work of the institution, or if they exit the SAI.

187. Another important question is whether these programs, more specifically the management of their results, contribute to deflect from the need for SAIs to become visible in the right places, that is, in their countries instead of in the INTOSAI community. To make audit visible nationally, SAIs need to implement localised communication strategies reaching out to a range of national stakeholders. This is an area where peer-to-peer learning is viable in PASAI.

188. **Training programs administered in the SAIs are regarded most effective**. Except in Micronesia, where SAI staff have many opportunities for training, most SAI staff and many Heads of SAI think that PASAI regional programs have their own unique value, but training conducted within their SAI or country for all the staff is by far the most effective approach for enhancing their capacities. Asked if they could select how programs were implemented by PASAI, which approach they would choose, the great majority of staff would select training administered in their SAIs. Although their preference for in-country training, staff recognize the cost of repeating basic training across all SAIs in the region and emphasized that efficiencies would be possible if learnings from regional workshops are integrated back into home SAI. Table 12 below presents summaries of stakeholders' assessment of two program approaches: regional programs and training programs administered within the SAIs.

Table 11: Stakeholders' assessment of two program approaches[38]

	Regional programs Based on PASAI and IDI programs.	**Training within the SAI** Based on twinning cooperation and bilateral programs funding secondments and PASAI training at SAI level.
Design	Normally attended by two staff from each participating SAI. Programs offered to SAIs to decide which ones they want to participate. Most assume participants already have knowledge in audit streams. All include lectures and peer-to-peer support. Practical exercises use regional examples.	All or most staff participate. Tailor made to address topics selected by SAIs and the level of knowledge of the staff. Most include a combination of lectures and on-the-job training. Practical exercises use SAI's own manuals, past work and context.
Advantages	Enable peer-to peer learning for a short period, yet open opportunities for learning new things. Learn about what is going on in other SAIs. Improve knowledge and skills of participants. Provide opportunities for participants to assess own level of knowledge vis-à-vis others. Increase staff self-confidence to speak among peers. Opportunity to travel and experience other countries, which can improve staff motivation.	Build teamwork within SAI, learn together. Improve knowledge and skills of all or most SAI staff. Create common understanding in the office of audit standards and process. Create common language in the office. Better condition for deeper learning, which increase staff confidence, particularly with clients. SAI controls timing for the training. Good potential to improve audit quality and impact SAIs, including updating manuals, templates and working papers.
Disadvantages	Little benefit to the SAIs, as seldom produces any change in the SAI. Action plans or exit plans elaborated at the end of programs are not followed by Heads of SAI and senior management team. Challenges associated with travelling to attend workshops abroad, particularly jet lag and fatigue from journey. Do not take into account processes and workload within the SAI.	No opportunity to exchange experiences with peers from other SAIs. Little benefit to the SAIs if knowledge and skills do not change practices in the office.

189. Some stakeholders asked "why can't SAIs do what regional programs do?" These stakeholders are questioning the need for so many PASAI programs to produce audits. They argue that apart from the peer-to-peer learning aspect of the regional programs, SAIs can develop their own training based on the design of these programs, if audit directors or managers decide to do so. There is by now more than sufficient experience with the regional programs within SAIs to apply the approach of this

[38] The findings in this table are not restricted to PASAI. A study of IDI programs and program evaluations show similar assessments by SAI staff and senior management teams.

program to do audit within the SAI. Furthermore, the fact that PASAI and IDI use staff from the region to implement regional programs and for secondments show the existing capacities within SAIs.

190. **Most SAI staff would have chosen different topics if they had the chance to select PASAI programs.** Most SAI staff consulted said that the topics addressed by regional and international programs are interesting and important, but that they would have chosen different topics if they had the chance to select PASAI and IDI's programs. They think the scope of these programs are too wide and somewhat distant from the realities in their SAIs and countries. As such, they would choose topics and approaches closer to home.

191. **CPAs have mostly targeted SAIs with strong performance audit capacities.** The objective of supporting SAIs in producing performance audits is under the SPA3 of the PASAI strategic plan, "SAIs produce high quality performance audits of government and regional programs". The decision to do CPAs was made in consultation with member SAIs during a PASAI Congress; the regional program of environment cooperative audits was a follow up. The Environment Working Group did a survey with SAIs to select topics, and those selected were solid waste management, water and management of fisheries, and later climate change. For the CPA programs, PASAI hired an expert in performance audit as a consultant to lead the support for cooperative performance audits in the environment sector.

192. During consultations for this mid-term review, many SAIs commented on the high number of CPA programs that PASAI have been implementing over the years in a context where many of its members did not and do not yet have established performance audit practices.[39] As staff who have participated in CPAs noted, the design of CPAs are based in the assumption that participants already have knowledge of and experience with performance audit. Some staff noted that their participation in a CPA was the very first audit training they had and that it was too high level for staff with no audit knowledge and experience. It is noteworthy that the Heads of SAI nominate staff to all programs.

193. Stakeholders further noted that, if the aim was to develop the capacity and capabilities of SAIs to do performance audit, then PASAI should have designed and sequenced programs differently. In terms of program design, simpler topics with an upfront, robust performance audit training would have been more appropriate for SAIs in Polynesia and Melanesia, where performance audit practice is less well developed. CPA programs could then gradually address topics that are more complex. For some SAIs and other stakeholders, these CPAs that address complex topics are a distraction when some SAIs are struggling to complete mandated financial audits.

194. Some stakeholders noted that the regional programs are very costly, including CPAs, covering the cost of two to four staff from SAIs to attend week-long workshops in different countries. They suggested that it would be more cost-effective if PASAI sent an expert in performance audit to each country for three days. They believe this way SAI staff would learn more about performance audit than in the workshops, as the consultant would adjust the training to each SAI level and teach all the pertinent staff.

195. Members think that PASAI should attend to the needs of all of its members, including those with stronger capacities. As such, they think it is reasonable that PASAI uses resources on CPA programs for members who have established performance audit practices, but some members note that the programs should be selected based on the demand from SAIs.

196. **The FAST programs is considered a good cooperation model for PASAI.** Many stakeholders stated that a program like the Financial Audit Secondment Technical Support (FASTS) is a good design for supporting SAIs that are very small and have very limited capacities. The FASTS program provided secondees to some SAIs with backlogs of financial audits to work with the SAI staff in doing the audits, from planning to report writing. The secondees came from other SAIs (e.g. Fiji, Tonga, and Samoa) and consultants were also part of the team in some SAIs. Many regard that this program provides

[39] CPA programs implemented in partnership with IDI are Public Debt Management, Public Procurement, Foreign Aid Funded Projects, SAI Fighting Corruption and SDGs.

opportunity for deeper and longer peer learning and practical support for SAIs to resume doing audits and clearing audit backlog. It has educational dimensions for all involved. However, stakeholders noted that PASAI can learn from the past experiences and improve the programs that facilitate secondments.

197. As mentioned above, many stakeholders think that the design of the FAST program is good, but there has been a number of productive criticism about the way PASAI managed the implementation of this program. These are (also see lessons learned about the FAST program in Annex 1):

- There was no explanation or discussion about the rationale of the program with those involved in their implementation. The program concept and design remained unclear, that is, why the involvement of three secondees from different SAIs, to do on-the job-training in three phases of the audit.
- Secondees were given the task of producing an audit plan, conducting the audit and writing the report with local staff. However, there was no agreed plan for the program, no preparation for the receiving SAIs nor for the secondees. PASAI assumed that secondees and the receiving SAI shared the same work cultures. Secondees would also have benefitted from some information about the context in the country they were to work. There was no exchange of information and no agreed "rules of the game", so to speak, about how the secondment would work.
- Secondees talked via skype, but did not have a chance to meet in person, which made the transition between secondees difficult. They regard that a meeting between secondees was important to explain the work done, the rationale behind choices (in the audit plan or while doing the audit), and to update the next secondees on context. During transition, there should also be a meeting with the secondees and the SAI management.

Delivering programs

198. **PASAI should improve the standards for facilitators.** Most members of SAI management and staff commented on the overall low performance of many "facilitators", SAI staff that PASAI use to deliver programs.[40] PASAI has no criteria for selecting facilitators and does not screen them, but the Secretariat look for those who have been certified by the IDI as ISSAI facilitators. For a significant number of stakeholders, PASAI is either not selecting appropriate staff to become facilitators or not sufficiently preparing them for conducting the training. Comments about facilitators are summarized as following:

- Many seem to lack sufficient experience in the field they are administering training to be able to teach with clarity, confidence and respond to the range of participants' questions.
- Some facilitators lack communication skills, some teach reading from notes, others speaking too low, and others are so shy that they avoid looking at participants while teaching. All of this made difficult for participants to keep up with the training.

199. Some staff who have performed as facilitators for PASAI's programs, consulted during the course of this review, said that they were invited by PASAI to become facilitators during or after they participated themselves in a program. Their perception is that they were invited to become facilitators because PASAI staff identified them as knowledgeable and experienced of a particular audit stream. Asked how PASAI prepared them to become a facilitator, they responded that the preparation to facilitate a program entails:

[40] A study of IDI programs also found that most stakeholders commented on the low performance of many "facilitators". In *How do we harvest results? A study of IDI Programmes and Models*, IDI, Report, 5 February 2016.

1. Once they confirm their ability to facilitate a program, PASAI sends them program materials to read and some slides related to the program.
2. Facilitators arrive at the program location two or three days before the commencement of the program, during which time they meet with the other members of the training team, normally a Secretariat staff, other facilitators and a consultant. The team discuss the training material and work together on the material for presentation and distribution (exercises) and they divide the coverage of training materials.
3. For some but not all, at the end of the preparation period they practice training facilitation with the team.

Monitoring

200. According to minutes from the Governing Boards' meeting, the Board was aware that the Secretariat needed to have a strong understanding of the MER to be able to provide leadership in implementing it.[41] It was also recognised early on that monitoring was an area of challenge and that PASAI would need to take responsibility and be prepared to provide support.

201. **Monitoring and evaluation remain areas that still need attention.** According to most stakeholders, the Secretariat provides very good reporting about what it does and is also very good at reporting on expenditures, but needs to improve its reporting on what PASAI and members accomplish. For them, results should be reported yearly, with progress towards achievement of objectives in the MER, as measured by the targets, part of the annual report.

202. The tendency to restrict reporting at activity level also takes place when PASAI is involved in bilateral programs between SAIs and donors. In such occasions, PASAI is also very good in keeping donors abreast of what it does in terms of activities and with the funds, but not on what the program and the SAIs have accomplished.

203. **Various factors contribute to PASAI's performance in MER for the Strategic Plan 2014-2024.** One of the reasons PASAI reporting focus on outputs instead of outcomes is that PASAI's Strategic Plan is overambitious. As noted in Chapter 5, the SPAs in the strategic plan encompass all areas and functions of a SAI, from independence to management process, staff capabilities, audit coverage and quality, timeliness of audits, etc. They also cover other actors in the transparency and accountability chain (PFM system, legislatures). The SPAs are unrealistic in relation to the resources available to the organisation, the number of staff in the Secretariat, the size and resources available to many SAIs and the political contexts for improving accountability and transparency in many countries in the region. It holds the expectation that the resource basis for SAIs and the political environment in the region will drastically change in a decade, the timeframe for the plan.

204. Many indicators in the MER were set at too high-level, few have baselines and sources of information for measuring progress were not identified during their elaboration. To monitor them requires extensive monitoring activity from the Secretariat, compound data set or major studies to measure their progress. The Accountability and Transparency study could, but were not used, to gather information for baseline and progress towards achievement of objectives. Some targets are also set over ambitiously. Following are examples of such targets and indicators set at too high level.

[41] Minutes of the 12th Governing Board Meeting, Crowne Plaza Hotel, Auckland, New Zealand, 17–18 February 2015.

Targets:

1.C.1 Over the next three years and with PASAI support, all SAIs produce annual reports on status of independence, audit-finding follow-up and other issues.

1.C.2 Over the next three years, SAIs have improved relationships with PACs or equivalent, audited entities, media and civil society.

1.C.3 Over the next three years and with PASAI support, all SAIs have effective communications strategies in place and are operating in line with them in respect to independent communications with the media and other stakeholders.

1.C.4 Over the next three years and with PASAI support, all SAIs communicate independence effectively through good practice websites.

3.B.2 All SAIs produce high quality audits, confirmed by peer review a minimum of every 3 years.

3.B.3 Cooperative financial audits are undertaken.

3.B.4 Financial audits in SAS countries are progressed and staff capability and capacity increased.

3.B.5 Financial auditors are trained annually on accounting standards.

4D SAIs plan for and use PASAI training resources and programmes.

Indicators:

2B SAIs are seen in their country systems and across the region, as a credible source of independent and objective insight and guidance on the management of public resources.

2C Strong partnerships are developed with regional organisations with an interest in enhanced accountability and transparency.

2D SAIs advocate for improvements in the public financial management systems adopted by their countries.

205. Another reason PASAI's reporting focus on outputs instead of achievements is that the organisation did not allocate appropriate resources for monitoring the MER. The Secretariat does not have the necessary expertise, nor time, to monitor the indicators. As a result, PASAI's activities have been planned without staff understanding if and how their programs are linked to MER's indicators. PASAI's program plan template is delinked from the MER.

7.3 Addressing other development issues

This section addressed the following question in the TOR: **How effective have PASAI's programs been in addressing and contributing towards other development issues such as gender equality, social inclusion, poverty, prosperity, stability, etc.?**

206. PASAI's Gender Policy, approved in 2016 and revised in 2018, has the goal of promoting gender equality and women's empowerment in the Pacific through its programs and activities and to support member SAIs to enhance the gender focus in their audit practice. In the policy, PASAI commits to lead by example through promoting gender equality:

- Within the organisation, ensuring a gender balance amongst the participants in its capacity development programs, in the PASAI management and staffing and in PASAI's Governing Board (as far as possible).
- Within members' organisation, through raising SAIs' awareness of gender equality in their organizational structures and processes and through promoting and supporting SAIs in proactively participating in and contributing to the gender dialogue in their countries.
- Through audit work, advocating and supporting SAIs to take account of gender issues in their audit work.

207. When sending invitation to programs and activities, PASAI request that Heads of SAIs, who nominate participants, to consider gender equality in the nomination process. According to PASAI's Annual reports, there is an overall balance in participation of male and female participants in PASAI's programs and activities, with an imbalance occurring in 2016-2017 as shown in the table below. However, the Secretariat does not keep an integrated list of program' participants and the evaluation team could not verify the data reported.

Table 12: Gender disaggregated data on program participants

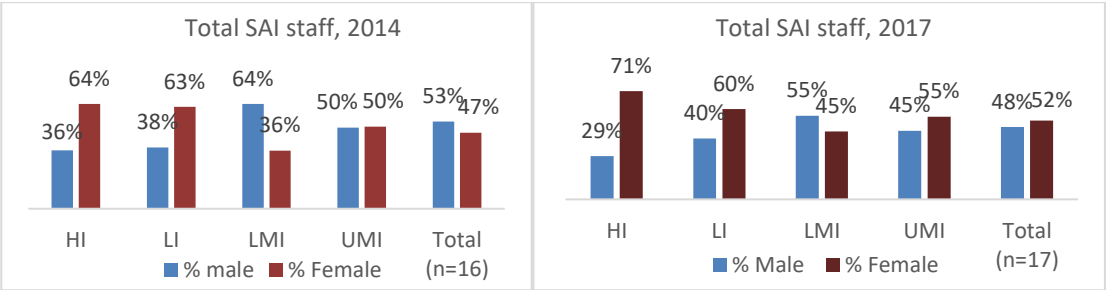
	% male	% female
The completed activities involved all 26 SAIs with total participation of 207 staff, of which 48% were male and 52% were female. (2014-2015)	48	52
— Of the 160 activities carried out in the reporting period, about 365 SAI staff (58% female) participated in one or more activity. (2015-2016)	42	58
Of the 68 activities completed in the reporting period, about 623 SAI staff (62% female) participated in one or more activity. (2016-2017)	38	62
Of the 41 activities completed in the reporting period, about 136 SAI staff, members of legislature, and officials from government ministries and other public sector entities (overall 51% female) participated in one or more of activity. (2017-2018)	49	51

Source of data: PASAI Annual reports

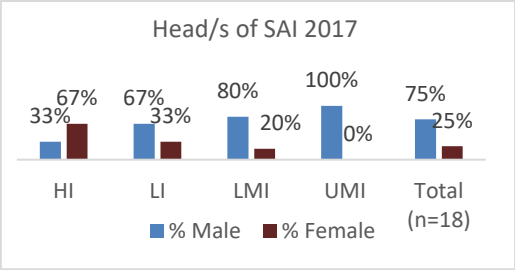
208. The Secretariat has had two male Chief Executives and females Program Directors and staff. The team of stable consultants has male and female consultants. The PASAI Board has had a balanced gender representation, as far as the Board members are Heads of SAI, whose majority in the Pacific are males (see data below).

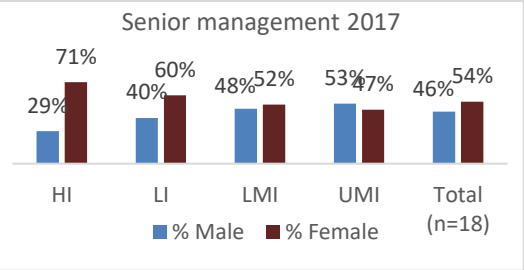
209. The 2014 and 2017 INTOSAI Global SAI Survey data shows that the total number of SAI staff amongst the 20 participating SAIs is balanced in terms of gender, as shown in the figure below.[42] There is, however, imbalance when looking at different income groups. The wide gender gap in SAI staff are found in High and Low Income countries. The significant gap between male and female employees in SAIs happens for Heads of SAI, where 75% is male. The senior management teams in SAI are fairly balanced in terms of gender, with 46% male and 54% female managers in 2017. The overall gender gap for professional and support staff found in 2014 decreased, with slightly more male staff in professional positions (a gap of 14% in 2014 to 6% in 2017) and more female staff in supporting positions (a gap of 28% in 2014 to 18% in 2017).

Figure 11: Gender disaggregated data on SAI staff



[42] The data analysis on SAI profile and gender can be found in the annex volume one of this report.





210. The results of the 2017 Global SAI Survey show that the number of SAIs in PASAI that have a gender policy has doubled, from 12% in 2014 to 24% in 2017. However, it is significant that no SAI among the 17 SAI respondents of the 2017 Global Survey had a manual on auditing gender issues, no SAI did a dedicated audit on gender and no SAI included gender assessments in audit work.[43]

211. Most members think PASAI gives sufficient attention to gender issues through the selection of participants in its programs and activities. For some, the SDG preparedness program encompasses issues of gender, social inclusion, and poverty and this has been a good contribution. Yet some stakeholders think that PASAI does not have the expertise to address such development issues and should leave them to other organisations who are specialized or that have expertise on such issues.

212. A few members and other stakeholders think PASAI could do more not only in addressing gender but also social inclusion and poverty reduction. It could, for example, do campaigns and public awareness on the topics. Some members of the legislatures consulted during this evaluation mentioned that it would be important for their SAIs to address poverty reduction and the SDGs, but were unsure whether the SAIs had sufficient capability or information base in the country to do so.

213. The evaluation finds that PASAI has been effective in promoting gender balance in the participants of its programs (according to its own reporting), management team, staffing and the Board. It has been promoting gender equality through its communication as well. However, PASAI could improve its partnership with women's groups and organizations in the region to promote accountable public financial management in terms of gender social inclusion (e.g. disability) and link SAIs with such organisations to support the integration of gender and other development issues in audit work.

214. The leaders of the Pacific Island committed to implement the gender equality actions of the Convention for the Elimination of All Forms of Discrimination against Women (CEDAW), the Sustainable Development Goals (SDGs), the Revised Pacific Platform for Action on Advancement of Women and Gender Equality (2005 to 2015); the Pacific Plan; and the Pacific Island Forum commitment to increase the representation of women in legislatures; and the 40 Pacific Island Forum commitment to eradicate sexual and gender-based violence. With PASAI support, SAIs could endeavour to carry out audits to assess the implementation of such commitments, or include the assessment of these commitments in audits they do.

215. PASAI could also seek the guidance of such organisation to improve the integration of gender into its own activities and programs. While PASAI ensures that design teams are gender balanced, this does not assure that gender considerations takes place during program design. However, if PASAI's Program Directors have sufficient knowledge in gender awareness and integration, they can influence the design process. In this regards, PASAI could ask specialized organisations to assist in developing a practical guidance on how to ensure gender awareness is part of program and activity design.

[43] The Government of Canada in conjunction with its SAIs has developed a *Practice Guide to Auditing Gender Equality*, March 2016, which can be found at: https://www.ccaf-fcvi.com. The guide aims to help public sector auditors in conducting performance audits on gender equality policies and programs, and on gender equality issues within broader audit topics.

7.4 Coordination and collaboration

This section responds to the following questions in the TOR:

- How effective has PASAI been in coordinating/collaborating with development partners, regional partners and relevant regional and international organizations?
- How effective and efficient is PASAI in managing relationships, developing partnerships, and contacting stakeholder?

216. **Overall, partners expressed that their partnership with PASAI has been good and productive.** The formalization of strategic partnerships is stated in the strategic plan and PASAI has been working collaboratively with various regional organisations (see results of SPA2 in section 7.1). Partner organisations expressed that the Secretariat is well organised and easy to collaborate with. Some noted that PASAI has a narrow niche (support to SAIs) and has the potential to work well strategically and technically. For some, the organisation spreads too broadly and has been focusing on technical work, noting that PASAI is very visible when doing technical work, but is much less known for working at the strategic level.

217. Some noted that PASAI could reach out more to regional partners and understand what they do, to seek complementarity of efforts and gain different perspectives about developments in the region. For example, Oxfam has projects directly related to accountability and transparency, but PASAI seems not to be aware. This can help PASAI better utilize existing resources. On the other hand, a regional partner also noted that organisations compete for funding and sometimes it is difficult to collaborate.

218. In the August 2018 meeting, the PASAI Governing Board called attention to the need to improve coordination with other partners that provide capacity development support to the region, such as the IDI and the PFTAC. During consultations for this review, many members also commented on the need for improved coordination between PASAI and IDI, commenting that on occasions IDI does not coordinate, and sometimes not even informing PASAI when it launches a program with SAIs in the region. The senior management of some SAIs noted that such lack of coordination can deplete SAI's resources while staff attend programs administered by PASAI, IDI and others. However, it is worth noting that the ultimate decision whether a SAI wishes to participate in a program belongs to the SAIs themselves.

219. The Secretariat said that in most occasions IDI programs are coordinated with PASAI and launched jointly. However, it also noted that partners do not always share their schedule with the Secretariat and programs can end up being implemented concurrently and with no coordination.

220. **Limited engagement with development partners.** Some stakeholders mentioned that PASAI engagement with development partners is very limited and seldom visit development partners while visiting countries in the region. Development partners noted that PASAI could also use them to get information about what other regional organisations are doing that could be relevant to SAIs and PASAI's work.

221. PASAI has facilitated or supported funding-raising activities of members with donors to secure funding for their capacity development program. Examples are ADB bilateral funding for capacity development programs in Nauru, Papua New Guinea, and DFAT support to SAI Tonga and Solomon Islands. In some cases PASAI participates as an implementing partner (e.g. Tonga).

7.5 Financial management

This section responds to the following questions in the TOR:

- How effective and efficient has PASAI's financial management been and its impact on achievement of its strategic objectives?
- Have the current donor arrangements between PASAI and its core donors been effective?

222. PASAI's accounting is done by an accounting firm, Bellingham Wallace Accountancy, which does monthly accounting, forecasts and some work on policies. Initially there was one account for the PASAI funds, but since 2016 the accounts were separated by strategic areas, which is how PASAI has since been reporting. There is no accounting based on expenditures by single or groups of SAIs, or by the three regions. One PASAI staff has been trained in Xero Package accounting.

223. The audit of PASAI accounts is done regularly by the firm RSM Hayes Audit and, according to the New Zealand's law for financial funding thresholds. Thus far PASAI's funding level only requires by law to do financial audit; no statement of service performance has been requested. PASAI does full financial audit yearly and, to date, there has been no major issue of concern found by PASAI's auditor.

224. **Donors regard that PASAI has met their financial management requirements** in the semi-annual reports, external audits of the organisation as well as the end of program reports. However, development partners would like that the Secretariat start measuring the impact of the activities they are funding and reporting on results.

225. There has been a gap in the Secretariat in knowledge and skills for improving its performance in MER.[44] As shown in the table below, funding from development partners to fund PASAI has been unpredictable and decreasing in the last three years, which does not create an enabling condition for the Secretariat to beef up in needed skills, through training or new staff hire. Donors request for improved accountability could be matched by providing stable and sufficient funding for the Secretariat to be properly equipped to deliver improved MER.

Table 13: PASAI's revenues from members' fees and development partners (in NZD)

	2018	2017	2016	2015	2014
Members' fees	2,730	2,800	2,800	2,006	2,006
Development partners	1,398,192	2,385,953	2,479,390	1,84,4180	642,985
Total	**1,400,922**	**2,388,753**	**2,482,190**	**1,846,186**	**645,498**

Sources of data: PASAI Annual reports

8. Relevance

This chapter presents the analysis of the extent to which the objectives of PASAI's strategic plan were and remain relevant to SAIs and other stakeholders and if changes are needed. It also examines the relevance of PASAI as a learning organisation.

8.1 Relevance of PASAI Strategy

This section addresses the following questions posed in the TOR: **How relevant has been PASAI's support to SAIs and Pacific Island countries?**

226. Donors, Heads of SAIs and the regional organisations working with PASAI are familiar with the priority areas in PASAI's Strategic Plan. Most SAI staff consulted, however, are not familiar with PASAI's mission and the priority areas in PASAI's Strategic Plan.

227. The evaluation team examined the relevance of PASAI's support through a comparative analysis of PASAI's and SAI's strategic plans and according with the results of SAI PMF assessments of 10 of the 20 participating SAIs.

228. The evaluation team requested by email from the 20 participating members SAIs of PASAI that they provide their strategic plan or any other document that state their capacity development priorities. In total, the evaluation team collected and analysed the documents of 14 SAIs. Most SAIs provided the team with their strategic plans and/or corporate plans and the team collected some strategic plans from the SAIs' websites. One SAI did not have a strategic plan. Another SAI informed

[44] For more details on PASAI's performance on MER, see "Monitoring" in section 7.2 above.

that they are currently elaborating a new strategic plan based on their SAI PMF results, but shared with the evaluation team the strategic priority areas they had already identified.

229. It is important to note that PASAI Strategic Plan is broad, covering most areas of a SAI. As stated in the strategic plan, the Secretariat can implement interventions to assist SAIs to improve issues identified through PMF assessments and the Accountability and Transparency report, contributing to improved SAI results (target 4.B.2). This opens the strategic plan to areas not targeted. As such, from the perspective of broad strategic areas, the Strategic Plan covers most areas identified by SAIs in their strategic/corporate plans as well as priority needs of SAIs, as identified through analysis of the SAI PMF assessments.

230. Examining the specific targeted areas in the strategic plans, around half (50%) of PASAI's targeted areas correspond, to different degrees, to the priority areas targeted by participating SAIs. As shown in the table below, there is strong correspondence (50% or higher) in seven of the 14 strategic areas of PASAI and SAIs' priority areas stated in their strategic/corporate plans. This represents a moderate level of relevance of PASAI's strategic priorities to SAIs.

Table 14: Priority areas in PASAI and SAIs' Strategic Plans

Priority areas in the Strategic Plan	**% of SAIs that have corresponding objectives in their SP[45]**
SPA 1: Strengthen SAI Independence	
1A. SAIs are independent with a modern mandate consistent with the UN General Assembly Resolution on SAI Independence and the Lima and Mexico Declarations.	64%
1B. SAI independence is supported by adequate resources and capability.	64%
1C. SAIs demonstrate and effectively communicate their independence and relevance to citizens and other stakeholders.	14%
1D SAIs share information and promote independence within their SAI and support other SAIs to meet challenges to their independence.	0%
SPA 2: Advocacy to strengthen governance, transparency and accountability	
2A PASAI regularly reports on the contribution made by auditing public resources to transparency and accountability in the region.	
2B SAIs are seen in their country systems and across the region, as a credible source of independent and objective insight and guidance on the management of public resources.	64%
2C Strong partnerships are developed with regional organisations with an interest in enhanced accountability and transparency.	36%
2D SAIs advocate for improvements in the public financial management systems adopted by their countries.	86%
2E PASAI identifies and promotes good practice by SAIs to other SAIs.	
SP 3: High quality audits completed by Pacific SAIs on a timely basis	
3A Up-to-date Financial Statement of Government (FSG) or Whole of Government (WOG) reports are audited (using standards appropriate to the individual SAI) on a timely basis for applicable member nations.	57%
3B SAIs produce high quality financial audits in accordance with national/international standards.	79%
3C SAIs produce high quality performance audits of government and regional programmes.	21%
3D Each SAI is audited annually to set an example to public entities in the Pacific.	0%
SP 4: SAI capacity and capability enhanced	
4A SAIs develop and implement their own comprehensive and realistic strategic plans.	0%
4B SAIs adopt and apply the INTOSAI performance measurement framework (PMF).	21%

[45] The objectives 2A and 2E in the strategic plan are not accounted, since they target PASAI and not SAIs.

4C Partnerships and 'twinning' arrangements are developed between SAIs within PASAI and globally.	14%
4D SAIs plan for and use PASAI training resources and programmes.	50%

231. The table below shows the results of the SAI PMF assessment for 10 SAIs in PASAI, described according to the areas of the SAI PMF that SAIs most need support from PASAI, defined as SAIs with scores of two or less. It also shows the target areas of the SAI PMF that PASAI covers in the strategic plan. It is important to note that the evaluation team had access to the summary of the scores of the assessment of 10 SAIs, but not the report from the assessments. The summary provides information on SAIs scores in the dimensions under the SAI PMF domains. A deeper analysis would require examining the SAI PMF assessment of each SAI, taking into account the details that support their scores in the dimensions and domains. Moreover, it is also important to consider the details within the context in which the SAI operates, which is part of the SAI PMF assessment. However, PASAI has the SAI PMF reports and can do a deeper and sharper analysis.

232. Looking at specific targets, PASAI strategic plan covers 87% of the areas identified as priority in the SAI PMF assessments, areas where at least 50% of the SAIs had lower scores.[46] Taking into account specific target areas, the strategic plan covers:

- 88% of the areas in the SAI PMF assessment where at least 80% of the SAIs need support. These are areas relate to SAI independence and SAI management.
- 86% of the areas in the SAI PMF assessment, where between 50% to 70% of the SAIs need support. These are mostly areas relate to audit process and quality.
- 43% of the areas in the SAI PMF assessment where less than 50% of SAIs need support.

Table 15: Coverage by PASAI of areas where SAIs need support, SAI PMF assessments

Areas of the SAI PMF assessment where at least 80% of the SAIs need support (SAIs scoring 2 or less in these areas)		
SAI-1	Independence of the SAI	1A and 1B
SAI-3	Strategic Planning Cycle	4A, 4B
SAI-4	Organizational Control Environment	
SAI-7	Overall Audit Planning	3A
SAI-22	Human Resources Management	4D
SAI-23	Professional Development and Training	4D
SAI-24	Communication with the Legislature, Executive and Judiciary	2B
SAI-25	Communication with the Media, Citizens and Civil Society Organizations	2B
Areas of the SAI PMF assessment where between 50% to 70% of the SAIs need support		
SAI-5	Outsourced Audits	
SAI-8	Audit Coverage	3A, 3B
SAI-9	Financial Audit Standards and Quality Management	3B
SAI-10	Financial Audit Process	3B
SAI-12	Performance Audit Standards and Quality Management	3C
SAI-13	Performance Audit Process	3C
SAI-14	Performance Audit Results	3C
Areas of the SAI PMF assessment where less than 50% of the SAIs need support		
SAI-2	Mandate of the SAI	1A and 1B
SAI-6	Leadership and Internal Communication	4D

[46] The SAI PMF scores are from 0-4. Among the 10 SAIs, 1 SAI is from Melanesia, 5 from Micronesia and 4 from Polynesia. A regional analysis is relevant but has not been done since there is only one SAI from Melanesia.

SAI-11	Financial Audit Results	3B
SAI-15	Compliance Audit Standards and Quality Management	
SAI-16	Compliance Audit Process	
SAI-17	Compliance Audit Results	
SAI-21	Financial Management, Assets and Support Services	

233. **PASAI's strategic priority areas are relevant for SAI's priority needs.** According to the analysis of the SAI PM, SAI independence (SPA1) remains a high priority area, along with issues related to SAI management. Areas related to audit process and quality (SPA 3) remains relevant, but a revision of the current approach for staff training to address quality of audit seems to be in need of revision. Moreover, addressing SAI management issues has the potential to affect audit process and quality as well.

234. **Some stakeholders regard the current strategic plan relevant and wish for no change.** For some stakeholders, the strategic plan remains relevant and its implementation should proceed with no change. They think that the strategic areas have been approached with a process of prioritization, beginning with the implementation of staff training programs to up around the middle of the strategic period, now moving towards SAI PMF and SPMR programs, which can guide the focus of future activities.

235. In 2016, the Secretariat asked members by email to state their priority needs. Later that year, the Secretariat organized a meeting with all Heads of SAI in Auckland, which was a joint meeting with IDI. During this meeting, the Secretariat confirmed the list of priority areas identified by SAIs. According to members, these priorities are reflected in subsequent operational plans.

236. **Most stakeholders want a more targeted strategic plan.** They regard that PASAI's Strategic Plan is too broad in scope and not aligned with the size of the Secretariat and the resources within the organisation. But many think that such broadness served for the Secretariat and the partnership to learn what areas PASAI had comparative advantages and can work effectively, which areas PASAI needs to work closely with regional partners and how to focus its support based on the priority needs of members. A broad strategic plan made room for PASAI to learn as an organisation.

237. Many stakeholders think that prioritization of support has not really happened since PASAI has not yet made a serious effort to identify SAI's priority needs using robust tools and analysis. Now that tools are available for better identification of members' priority needs (SAI PMF), they would like that PASAI use such source of evidence-based information to better define the priority areas for the operational plans, and activities. Likewise, all members also expect SAIs to use the tools supported by PASAI (SAI PMF and SPMR program) to enable them to identify their own priority needs for support.

238. **Desire for a more strategic mode of operation in PASAI**. This mean that PASAI develop a less technical approach and become more strategic about planning, using resources and MER. Most members emphasize that now PASAI should adopt a prioritization approach and focus its strategy on the priority needs of the 20 participating SAIs. PASAI should take into account that most member SAIs have alternative means to train their staff and that PASAI is one among various providers of training and support. PASAI needs to better understand the landscape for capacity development providers at the disposal of member SAIs in order to refine its understanding of PASAI's comparative advantages and added value. A mapping of the capacity development providers can clarify which areas of PASAI's current strategic plan is covered by them, which SAIs have sufficient support in these areas and which members lack support and in which areas. This mapping exercise can help PASAI to achieve better strategic focus.

239. A few stakeholders regard that what PASAI could do to advance SAI independence it has already done and that now it is up to SAIs to press their legislature to change their legal framework.

For most, support to SAI independence should remain a long-term goal, providing legal expertise when SAIs request. The advocacy work for SAI independence that is carried out during the PAC training complement and strengthen the legal support. Some stakeholders expressed the importance of supporting and advocating for SAI independence, particularly in view of the regional culture, which sustains principles of hierarchy. Most members would like PASAI to consider if there are more strategic approaches to addressing these two areas.

240. **Members contemplate about relevance of PASAI support in view of participation vs. use of resources.** Some stakeholders noted that if PASAI were not adding value, members would not support and participate. They think PASAI has been providing different types of support that is very critical for SAIs to improve their independence and performance. In addition, PASAI has also been advocating better conditions for SAIs and audit work. On the other hand, many stakeholders wondered whether the support provided by PASAI is relevant when many SAIs do not follow up on the programs and activities. For them, relevance is shown by the use of support in a manner that makes PASAI's efforts sustainable. They see limited follow up on PASAI's programs.

241. **Most SAIs in PASAI have no mechanisms to mainstream the knowledge and skills acquired through programs.** After participating in PASAI (and IDI) programs, most staff either make a presentation or talk about the program to the management team or just return to their normal duties. Action plans or exit plans, elaborated at the end of some programs, are not followed by Heads of SAI and senior management teams. There has been little planning and follow up for SAIs to integrate PASAI's support to improve their capabilities and capacities. Some members mention staff turnover as an impediment for sustaining the support received from PASAI and other partners, but the development of a strategy to integrate and mainstream PASAI's support can minimize loss associated with staff turnover. In addition, most SAIs do not have an induction program for new staff, even though PASAI and other partners have made training materials freely available to SAIs in the region.

242. PASAI is known among most SAI staff as an organisation that provides training to SAI staff. Many stakeholders expressed that PASAI could become more relevant and strategic if it became a regional reference for SAIs to access useful and practical information. For many, there is a gap in the region for such a centre and filling this gap could be a relevant support from a regional organisation such as PASAI. This would entail, for example, that PASAI seek to:

- Keep audit manuals updated, readily available and inform member SAIs of their availability and of any change.
- Keep members informed about updates on audit and accounting standards and their interpretation.
- Identify and quality assure freely available online courses of interest to members, disseminate such information and keep links on its website. Provide materials for induction programs and audit areas. For example, training materials for The Tier 1-2 programs, which cover fundaments of audit and audit process, can be a good resource for new staff. PASAI could keep the training materials from the Tiers course updated and available to SAIs.
- Disseminate templates, work papers and examples of good audit work.
- Identify and disseminate lessons learned from PASAI's programs and activities, from SAIs and from other regions.
- Provide information (manuals, lessons learned) on issues related to SAI management such as corporate policies and human resources (e.g. competency frameworks for SAI).

243. **Members would like PASAI to address the challenge of staff turnover more strategically**. For some very small SAIs and SAIs with lower level of capacities, PASAI support has been highly relevant. These SAIs have been relying on the support of PASAI to a greater degree than other members and PASAI support has been credited to enable SAIs to clear audit backlogs. In some cases, PASAI has provided training to their entire staff. Given staff turnover, comprehensive training was provided more

than once. However, staff turnover is a challenge for SAIs with different profiles. Some members think this is a problem that should be addressed nationally, but they would like PASAI to facilitate a discussion among SAIs that have and had similar problems. For them, PASAI could also contribute by providing lessons learned on tackling the challenges posed by high staff turnover, including staff turnover at senior management level, from SAIs and other similar organisations in the region and beyond.

244. **Members consider Twining as a positive and relevant development in PASAI.** Initially twinning cooperation developed slowly and somewhat haphazardly. The twinning arrangement came about to seize an opportunity rather than as a result of planning. Grant money became available from the New Zealand's Ministry of Foreign Affairs and Trade to the SAI New Zealand and they used the fund to support twinning with Samoa. New twinning partnerships developed overtime, such as Cook Island and New Zealand, Vanuatu and Queensland, Solomon Islands and New South Wales, and Tonga and South Australia. Members have been learning how to improve the cooperation so they become productive from the start. The demand for twining cooperation increased, but capacity in supporting SAIs has prevented the expansion of the modality.

245. Many stakeholders would like PASAI to take a more active role towards twining and develop a strategic approach and oversight on the twinning modality, clarifying the purposes of twinning for SAIs in the region and how it complements PASAI. Most think that PASAI should collect and share lessons learned on twinning to help to clarify needed resources (staff time and fund) and facilitate learning about the comparative advantages and challenges of twinning cooperation. Some members pointed to the need for twinning to go beyond technical concerns and include issues related to SAI management and exchanges between Heads of SAI. In this regard, the Heads of SAI define the cooperation areas and can include management as well as technical matters (see "Good Practices Note on Twinning Partnership" in Annex 1). This is, for example, the case of the SAI New Zealand cooperation with the SAIs in Samoa and Cook Islands, where twinning support is driven by annual agreements on focus areas requested by the Heads of SAI.

8.2 Relevance of programs

This section responds to the following questions posed in the TOR.

- Is the program still "wanted" by country and regional stakeholders, as well as the donors?
- What can be done to ensure that the program remains "wanted" by country and regional stakeholders, as well as the donor(s)?

246. **Many members would like to see less workshops and more deep and in-country approaches.** Most members would like PASAI to focus on approaches that enable deeper learning and more efficient use of resources. This means putting less resources into regional and international programs that are based on workshops, bringing one or two staff from each member SAI. This is particularly because regional programs are less relevant to very small SAIs and SAIs with limited capacities, given that the program approach is too advanced and fast paced compared to the background of the participating staff from most of these SAIs. In fact, some stakeholders stated that some of PASAI's programs (regional and in partnership with IDI) can distract SAIs from the core issues they face and their core business, which is counter-productive. PASAI's decision to pursue CPAs for SAIs that do not do performance audit is an example. Again, it is noteworthy that it is the decision of Heads of SAI whether it is relevant for them to participate in programs.

247. **All stakeholders think the SAI PMF program was very relevant for PASAI**. In addition to enable SAIs to have a holistic understanding of their institution and practices, the program created dedicated time and space for Heads of SAI to meet and begin to jointly discuss strategic management issues. It also provides PASAI with evidence to map and understand SAI's priorities and target them better. Many stakeholders also mentioned the usefulness of the SPMR, the program that follows the SAI PMF.

248. Among PASAI programs, most staff and some members of senior management team regard that the areas covered by the Tiers program were very relevant in meetings the needs of their SAIs. The main reason given was the relevance of the program to the context in their SAIs and its comprehensiveness. The program targeted the core business of a SAI, from the fundaments of audit to audit process, supervision and SAI management.

249. The Tiers program was implemented as a regional program, bringing about two staff from each SAI for training workshops in Fiji. However, management and most staff mentioned that such program would had been more effective if they had been administered in each SAI, training all the staff. This was the case in Tonga, where PASAI implemented the Tiers program, as part of the SAI Tonga bilateral cooperation program funded by DFAT. Although they recognize that such approach would had been costly for PASAI, it would have ensured that all audit staff had basic training, shared a common understanding of audit standard and process, including audit supervision.

250. **The IPSAS was a program area mentioned by many staff as relevant to their context.** Implemented in partnership with the PFTAC and USP, the program brought together external and internal auditors as well as accountants from ministries, creating a common understanding of standards among actors whose work are interlinked. This facilitated cooperation in the chain of accountability. Many mentioned that such program should be continued, if possible in-country to extend the number of participants.

251. PASAI partnership with the UNDP to design and deliver programs for members of the PACs is regarded as highly relevant by all stakeholders. PASAI has carried out advocacy activities with PACs in six member countries. Stakeholders appreciate the importance and usefulness of the partnership between PASAI and UNDP and the support they provide to the PACs. Stakeholders would like to see this program extended to all or more members of the legislature.

252. A few member SAIs noted that the SDG preparedness program that PASAI implemented with the IDI is well organized and has the potential to add more value to the countries than some of them initially imagined. This is expressed as a good example of PASAI selecting a global program that is relevant to members. On the other hand, some stakeholders noted that SDGs is too complex a topic for SAIs with limited capacities and for countries where data is very limited.

8.3 Relevance to different SAIs

253. **PASAI support is very relevant to small SAIs with limited resources**. PASAI has provide dedicated support to very small SAIs and SAIs with low level of capacities. PASAI support these SAIs through different approaches: providing secondees to lead and mentor an audit team to clear backlog of audit (e.g. Kiribati, Nauru, Tuvalu), providing consultants to carry out training with the entire SAI audit staff, and sending Secretariat staff to conduct training. Given staff turnover in some of these SAIs, training within the SAI was provided more than once. PASAI has also supported these SAIs through updating their audit manuals, providing support to review Audit Acts and external quality assurance.

254. **PASAI support remains relevant to larger SAIs and SAIs with more training resources.** For larger SAIs and SAI with better resources for staff development, PASAI support has become less frequent since the inception of the current strategic plan in 2014. They mainly participate in the global programs that PASAI implements with the IDI, such as cooperative performance audits and some of these SAIs participate in the SAI PMF program. However, these SAIs regard that PASAI support remains relevant to their SAIs, although they agree that most of PASAI's focus and resources should be directed to support SAIs with limited resources. For them, PASAI relevance lies in bringing new knowledge to staff through training in new areas (e.g. Solid Waste Management, SAI Fighting corruption, SDG preparedness) and in utilizing them as a resource to PASAI's programs supporting small SAIs with limited resources.

8.4 Support to other stakeholders

This section addresses the following questions:

- Is PASAI sufficiently encouraging and supporting SAIs and stakeholders to share their experiences with each other and with relevant audiences outside the PASAI program?
- Has PASAI contributed to advocating sound public financial management in the Pacific through oversight roles of SAIs and the legislature (Public Accounts Committee)?

255. Most SAI stakeholders consulted in the course of this evaluation[47] did not know about PASAI, although a few had participated in an activity promoted by PASAI and had some idea about the organisation. Many stakeholders said they looked up PASAI webpage in preparing themselves for meetings in connection with this evaluation. However**, all stakeholders consulted knew about the SAI in their countries and they believe that it is very relevant that organisations such as PASAI supports their SAIs.**

256. **The level of SAI engagement with the media and other stakeholders varies among SAIs.** Except in Micronesia, stakeholders think that Auditors General could become more active in communicating the results of audit work. Members of media organisations and other stakeholders commented that the communications of their SAI would improve if they produced press releases related to their audits and distributed via an e-mail list to media organisations and other stakeholders. This would give more visibility to audit results and facilitate the dissemination of audit findings and recommendations to the public.

257. Distributing audit reports to different stakeholders is a practice of some SAIs in Micronesia, although some stakeholders noticed the decrease of audit reports received in the past couple of years. In the other sub regions, some SAIs post their reports in their website. In some of these countries, the PAC invites the media when audit reports are schedule to be discussed while in other countries the communication from the PAC with the media is sporadic or non-existent.

258. **Stakeholders noted that Heads of SAIs make themselves available when they contact them to discuss audit reports.** Stakeholders in Melanesia and Polynesia would also like Auditors-General to become more active in their cooperation with the media and pertinent civil society organisations. In particular, they would welcome initiatives to educate them on how to improve their interpretation of audit findings and how they could follow up on audit recommendations. Calling press conferences would be helpful.

259. Except in Guam, members of the media and civil society organisations noted that a culture that nurtures the right of information by civil society and the public is yet to be developed in their countries and the region. In some of the countries, they noted the existence of a "selective transparency" by governments but not much demand coming from the public, particularly from rural communities. Recently, however, the results of an audit report being debated by the Parliament in Tonga was broadcasted and this generated public reaction, with citizens calling a radio station talk show demanding that more results of audit work are debated by the Parliament and made public. It remains to be seen if such public demand for accountability and transparency was an exceptional event or if it will be sustained.

260. In the context of examining the results of their SAI PMF, some Heads of SAI understood the need to do further work in the area of advocacy, both for independence and to advance value of SAI work. For them, improved communication with stakeholders is an important aspect of advocacy. They identify that improving writing skills for reporting audit work and for media briefing as highly relevant and a priority for improving stakeholder engagement. In this regards, some SAIs in PASAI are participating in the ongoing IDI program on Stakeholder Engagement. However, in-country

[47] SAI stakeholders include staff from ministry of finance, civil service commission, NGOs, ombudsman and attorney general's office and the media.

stakeholders think that conditions for engagement with SAI's stakeholders already exist in most countries and it is mainly a matter of Auditor Generals taking initiatives.

261. SAI stakeholders also mentioned that PASAI could become more relevant regionally if it disseminated lessons learned and good practices to those involved in the chain of transparency and accountability in the region. For them, this would benefit SAIs as well. For example, PASAI could contribute to identifying areas in which governments need to improve to facilitate the work of external auditors. SAIs could analyse patterns in audit findings in their countries, looking at gaps in the accounting system and internal audit. Equally, SAIs could also identify good practices. This information could be provided to PASAI for a regional analysis for subsequent dissemination nationally by the SAIs and regionally by PASAI and other organisations.

8.5 PASAI as a learning organisation and partnership

This section responds to the following questions posed in the TOR.

- Is PASAI learning from its successes and failures? What can PASAI do differently/better?
- Is PASAI sharing its successes and failures with other countries and stakeholders?
- Does PASAI sufficiently encourage and support SAIs and in-country stakeholders to share their experiences with each other and with relevant audiences?

262. **The majority of stakeholders are uncertain about the results of programs and what has been learned from their implementation**. According to them, PASAI has not put any mechanism to learn about the effectiveness or efficiency of its programs. As such, they think there is not much evidence that PASAI is trying to learn from its successes or failures and thereby not sharing lessons learned with them. Likewise, PASAI has not put much resources into lessons learned exercises in strategic areas.

263. Some stakeholders mentioned that PASAI has carried out advocacy activities with PACs in member countries. Yet, there has been no dissemination of lessons learned on the journey for achieving greater independence. Stakeholders also mentioned that PASAI could learn about what happened with a single SAI after one year of training and then share the lessons with all members. What worked and did not, and reasons. What needs to change within the SAI and in PASAI?

264. **However, there has been a few instances when PASAI assessed programs**. For example, in 2016, PASAI conducted a review of the first five CAP programs, most of which were environmental audits. The findings show that most respondents confirmed that the CPAs were useful and supported their capacity development objectives. As shown in the table below, the review also shows that most SAIs participating in the CPAs are from Micronesia, where the review notes, most member SAIs have established capacities and good capability to do performance audit as well good quality control and assurance.

Table 16: SAI participation in CPAs implemented by PASAI

	Participation in CPAs	Resources for performance audit (PA) in SAIs	SAIs that conduct their own performance audits without any assistance from PASAI
Melanesian	5 respondent SAIs: 1 SAI participated in all five CPAs 3 SAIs participated in at least two of the five CPAs 1 SAI participated in no CPA	3 SAIs have dedicated PA units with staff assigned solely for conducting PAs. 1 SAI utilise staff to conduct PAs when required. 1 SAI does not conduct PA. Of the total number of staff (329) only 18 staff (5.5%) are specialised in carrying out performance audit.	4 SAIs have conducted PAs on their own outside of the CPAs.

Micronesian	10 respondent SAIs: 7 SAIs participated in all five CPAs 3 SAI participated in no CPA	57% of the total audit staff in the sub region are performance auditors.	9 SAIs have conducted PAs on their own outside of the CPAs.
Polynesian	4 respondent SAIs: 2 SAIs participated in all five CPAs 1 SAI participated in four CPAs 1 SAI participated in one CPA	Of the total number of staff (154) only 19 staff (12%) are specialised in carrying out performance audit.	2 SAIs have conducted PAs on their own outside of the CPAs.

Source of data: *Report of the Review of High Quality Performance Auditing in the Pacific*, 2016

265. Although the stated objective of the review was to identify the impact on the SAIs that participated in the CPAs, the review did not provide information about what changes, if any, participation in the program brought about within the participating SAIs pertaining to performance audit practices or any other areas. Likewise, the review did not mention how many reports from these programs were finalized and how many were tabled or submitted to legislatures, and made public. The review did report on the following outcomes of the CPAs at national level:

- The Guam legislature adopted a report recommendation to establish a new legislative framework for the management of solid waste in Guam.
- The Congress of FSM summoned the departments concerned to discuss the findings and recommendations of the Public Debt Management by the FSM Office of the National Public Auditor in FSM. The Congress asked the relevant offices to prepare action plans in response to the audit report and take immediate corrective actions.

266. The demand for developing a different program design for CPAs was a finding of the 2016 PASAI review of CPA programs. The report states that Heads of SAIs would like PASAI to adopt a cluster approach to CPAs, based on SAIs with similar working environments. They also asked that PASAI be more extensively involved in the audit progress and in issuing and tabling the final report in the relevant legislatures. PASAI did collect baseline data on the status of SAIs relating to performance audit, found in Annex two of the 2016 PASAI review of CPAs report. Such data provides information for PASAI to use a cluster approach to performance audit programs and to inform future program design.

267. The 2016 review of CPA programs was a learning exercise and the findings should have guided some review of program design. Neither PASAI nor the IDI-PASAI partnership have adopted a cluster approach for designing CPAs, as the subsequent programs were designed with the 'fit-for-all' design approach as before, which assume that participants had similar performance audit knowledge and experience. For example, 13 PASAI members are doing a CPA on Sustainable Development Goals (SDG) preparedness, using guidance developed by the IDI and the United Nations that encourages a whole-of-government, multi-stakeholder approach. The CPA of SDG preparedness did provide additional support to some SAIs on the use of instruments to conduct performance audits, but the program was not designed with a cluster approach. Furthermore, the CPA of SDG preparedness was a topic of discussion during the 10th meeting of the Australasian Council of Auditors-General (ACAG) and PASAI Regional Working Group on Environmental Auditing. The lessons learned shared from the experience of members with the CPA shows that previous lessons with CPAs have not been addressed in subsequent programs. The lessons are: Four of the participating offices present at the meeting "shared their experiences with the group. They noted that the e-learning course and standard audit objectives were very helpful but that there were challenges with information overload, estimating the workload required for the audit, getting information from agencies, lack of baseline data, and a focus on outputs rather than outcomes."

268. Most stakeholders would like PASAI to become more of a learning organisation, as they think that this is a more strategic approach to address the objectives of PASAI and more in line with the role of a regional organisation with limited resources. They would like the Secretariat to assess the results of PASAI programs and follow up on the lessons learned. They also want members to be informed about the results of the programs as well as the results of program evaluations and how PASAI will address the lessons and recommendations. Moreover, they would like lessons learned exercises to become a more prominent activity of the Secretariat and member SAIs.

269. Many stakeholders expressed that SAIs need to become more proactive in seeking knowledge and tools freely available from PASAI and other organisations. They also should make better use of the Secretariat to access manuals, previous reports produced during PASAI programs, and course materials where they can learn about methodology and application of international standards. They mentioned that there are now many instruments available for training, particularly of new staff. SAIs can also make use of free online training. The Secretariat should quality check online training and make the links available to members. The online training in environmental performance audit made freely available by the SAI in Estonia was mentioned by a number of stakeholders.

270. PASAI has been sharing SAIs' stories and successes through the PASAI Bulletin and other updates, including the annual report case studies. The small size of the Secretariat and staff work overload is a main factor limiting the organisation becoming a more relevant resource for knowledge and performing lessons learned exercises. In addition, it is important to recognise that the willingness of SAIs to share information is also a limiting factor, despite apparently acknowledging the benefits and being encouraged to share.

9. Sustainability

In this chapter the sustainability of the benefits from PASAI's programs within the SAIs and other pertinent institutions are first examined, followed by analysis of whether resources and political will in the SAIs and the region are sufficient to sustain the work of the programs in the long-run. Finally, the adequacy of the Secretariat structure to sustain the implementation of the PASAI strategy up to the conclusion of the strategy period is discussed.

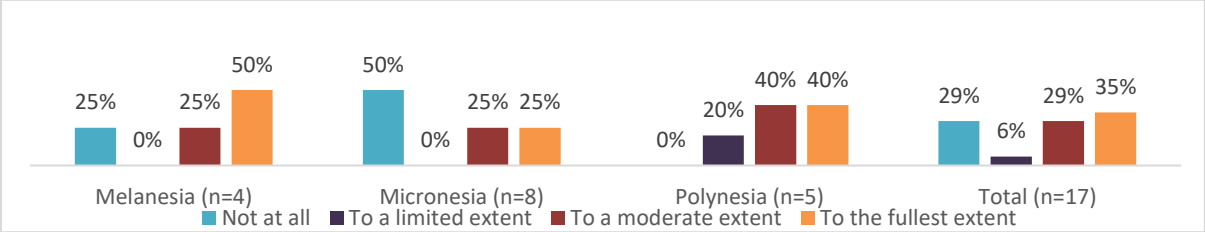
9.1 Sustainability of program results

This section addresses the following question in the TOR: **Has the program developed the capacity of SAIs and also of key stakeholders sufficiently to enable them to carry on the work of the program?**

271. The analysis of achievement on outcome measures shows that, to date, the sustainability of programs is weak in some areas and in many SAIs (section 7.1 above). The sustainability of programs supporting and promoting SAI independence has produced sustainable results (SPA1 and SPA2). The sustainability of training programs remains doubtful, as the data shows that the percentage of SAIs reaching the benchmark in the SAI PMF assessment is low in most areas.

272. Many stakeholders pinpoint various issues that challenge the sustainability of the support PASAI provides to members, some referring to SAI independence and staff turnover rate. SAI independence to recruit and deploy its own staff can affect the sustainability of PASAI's programs when SAIs have no or little control over their human resources. Statistically, this is an issue for 35% of the SAIs in PASAI, most in Micronesia. As shown in the graph below, 64% of the 17 SAIs that responded to this question in the survey have full or moderate control over their human resources. Compared to the other sub regions, SAIs in Micronesia have the least independence in recruiting and deploying their staff.

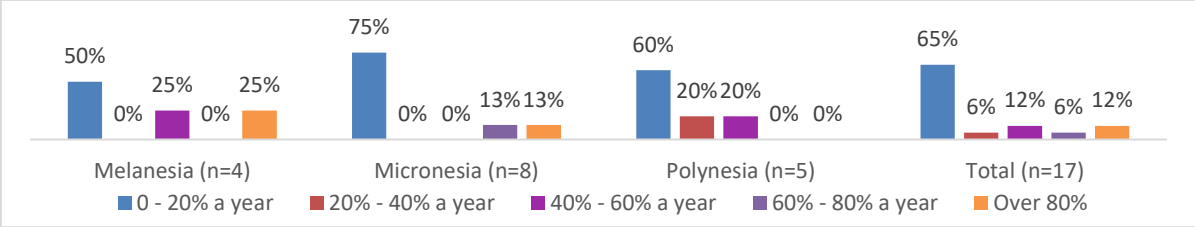
Figure 12: Percent of SAIs with own recruiting and deployment mechanism



Source of data: 2017 INTOSAI Global Survey

273. Difficulty in retaining staff can represent a challenge to sustainability of training when a significant number of SAI staff that have been trained by PASAI leave member organisations. There is no data showing to what extent staff that have been trained by PASAI left SAIs, and how long they remained with the SAIs before exiting. The existing data is about staff turnover in SAIs in PASAI, which can be an indication of possible loss of trained staff. The 2017 Global Survey results show that staff turnover in 65% of the SAIs in PASAI is at a good level, between 0% and 20%, as shows in the graph below. However, the results also show that for 18% of SAIs staff turnover is very high, from 40% to 80%, and that these SAIs are among all the three regions.

Figure 13: Percent of staff turn-over in SAIs, 2014 to 2017



Source of data: 2017 INTOSAI Global Survey

274. **The data indicates that, for most SAIs in PASAI, staff turnover and limitation of SAI independence to recruit and deploy staff do not seem to be significant factors challenging the sustainability of PASAI programs.** However, it can be a significant challenge in a few SAIs. The data shows that other issues can also have an impact on the sustainability of programs.

275. Overall, the information presented in this report from the analysis of the results of the SAI PMF assessments, quantitative data (INTOSAI Global Survey and PEFA), and analysis the qualitative data shows that SAIs in PASAI needs to focus on devising better strategies to more effectively use the support they receive from PASAI and other partners to improve the coverage, quality and timeliness of audits and their contributions to improving accountability and transparency in their countries and in the region.

276. The information analysed and presented in the Effectiveness and Relevance chapters of this report indicate that there has been problems with the alignment between PASAI's programs and design approaches and the context on the ground in many SAIs. These are areas that the PASAI partnership can address at this point and greatly improve the sustainability of programs and other types of support moving forward. This is especially the case for regional and international programs.

277. An analysis of the results of the SAI PMF assessments in PASAI can assist the Secretariat and members to better target the priority needs of SAIs using different approaches to cluster support. The Secretariat can pay more attention to program planning and design in order to make PASAI's support more effective. Members should support the Secretariat's efforts in moving towards a more strategic approach to utilizing resources available to PASAI. This means that PASAI cannot continue using "inclusiveness" the same way as it has been doing. To achieve a more effective and efficient operational mode, PASAI has to be inclusive in its strategy but not necessarily include everyone in each

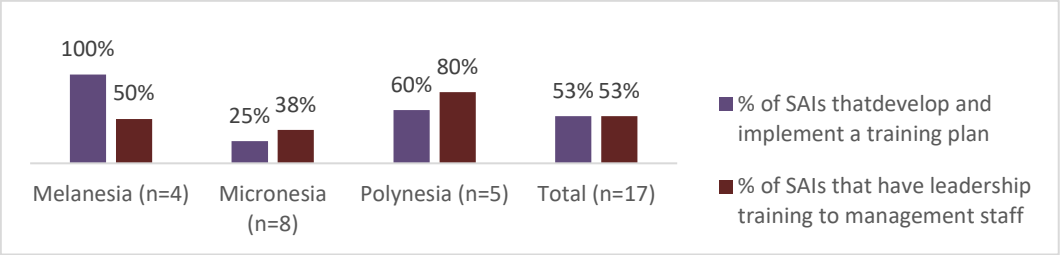
of its activities. In this regard, most stakeholders said they would support a prioritization model for PASAI as well as cluster approach.

278. Another two related factors limiting the sustainability of programs identified in this evaluation are limited management of capacity development in many SAIs and staff motivation. As shown in the table below, the analysis of SAI PMF assessments show that most SAIs in PASAI need to more accurately identify their priority needs and better manage efforts to improve their capacities and capabilities in these areas.

Domain B	Internal Governance and Ethics	% of SAIs scoring 2 or less
SAI-3	Strategic Planning Cycle	90%
Domain E	**Human Resources and Training**	
SAI-22	Human Resources Management	90%
SAI-23	Professional Development and Training	80%

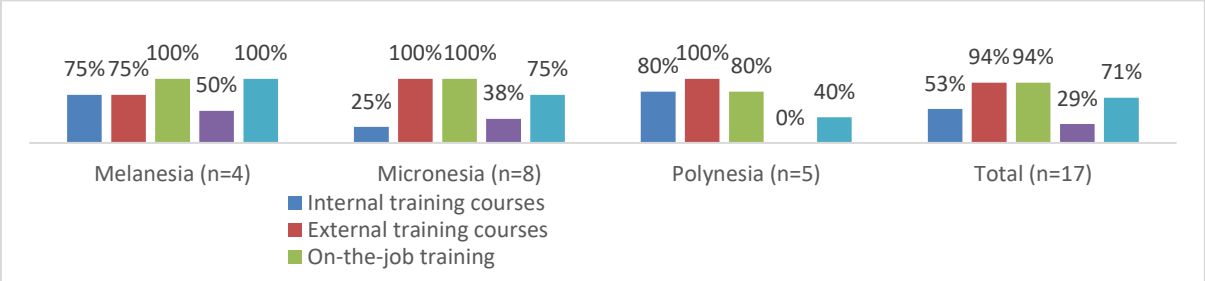
279. Once SAIs improve the way they identify their priority needs, they should improve the management of capacity development. As shown in the graph below, in the 2017 Global Survey, over half of the SAIs in PASAI (53%) confirmed that they develop and implement a training plan for their staff, including leadership training for management staff. However, qualitative and quantitative information indicates that in most SAIs the management of support received from PASAI and other partners are not being managed in ways that can significantly impact the capabilities of SAIs.

Figure 14: Percent of SAIs that develop and implement a training plan



280. In the 2017 Global Survey, 94% of the SAIs reported that external training courses are one of the most common means they used to train their staff. This includes training provided by PASAI and other partners. The ability of SAIs to make best use of support from PASAI and partners would be to ensure that, in most instances, improvements in staff capabilities is transferred to the SAI.

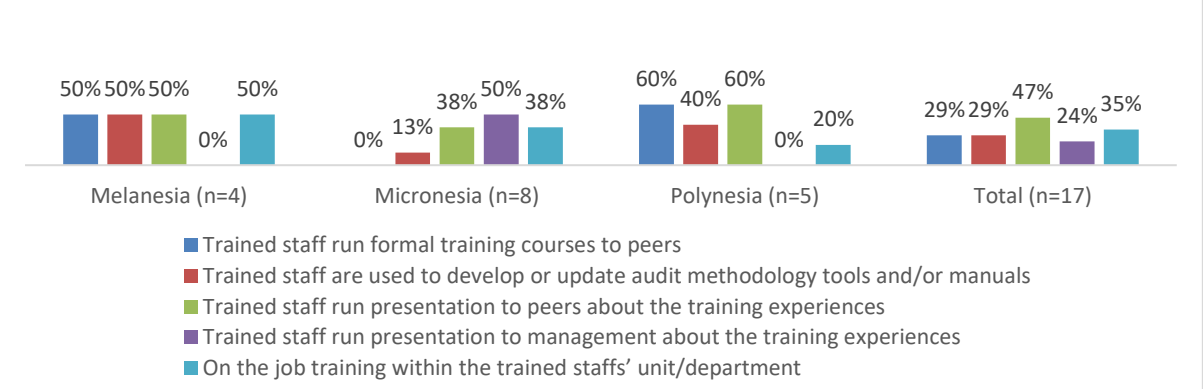
Figure 15: Training approaches SAIs use



281. As shown in the graph below, the results of the 2017 Global Survey shows that the most utilized approach SAIs use for staff to transfer knowledge and skills from participation in external capacity development programs is 'staff to run a presentation about the training experience to peers'. The qualitative data shows that this is the case in some SAIs, sometimes, while in other SAIs there is no mechanism applied to transfer knowledge and skills. The graph below also shows that Heads of SAI and senior management in many SAIs leave the responsibility for following up, or not, on programs to staff. However, staff can attempt to train peers through on-the-job training, but has no authority to

change neither the standards used in the SAI nor the audit practices of others. It is management role to ensure SAIs have induction programs, updated manuals, that quality control system are existing and followed and that quality assurance practices are carried out.

Figure 16: Approaches SAIs use to transfer knowledge and skills from participation in programs



282. As previously mentioned in this report, in some of PASAI's programs participants produce an "action plan', which specify measures to mainstream into their SAI the knowledge, practices and/or tools acquired during the program. These action plans are prepared by program participants to be given to Heads of SAIs and/or a member of senior management team to follow up. It is an instrument that PASAI uses some times to facilitate the sustainability of programs. According to stakeholders consulted, the great majority of Heads of SAI do not follow up on action plans. The lack of follow up on the action plans or any other instrument signals to staff a lack of leadership for change and becomes a demotivating factor. PASAI does not follow on the action plans as the Secretariat has very limited resources to do so. Ultimately, it is the responsibility of SAIs to follow up on PASAI's programs.

283. Some stakeholders stated that the high number of activities and programs SAIs participate represents a challenge for the sustainability of results from programs. They noted that too much attention is being re-directed from the core business of SAIs to participation in programs, that represented a challenge to the achievement of PASAI's strategic objectives, particularly improving the quality and timeliness of audits. Heads of SAI need to consider at which point participation in programs adds more risk to the SAI than value.

284. Some stakeholders mentioned that increasing support to SAI's management would contribute to the sustainability of PASAI's support. They note that PASAI programs have been focusing more on technical rather than management issues. The implementation of the SAI PMF and the SPMR program, which are both directed at management issues, is a step in the direction of a more strategic approach to enable SAIs to better identify and manage their capacity development. It is too early to assess whether these programs will yield sustainable results.

9.2 Resources and political will

This section addresses the following question in the TOR: **Are there sufficient resources and political will in the SAIs and the region, including donors, to sustain the work of the program?**

285. **PASAI has strong support from a number of stakeholders**. Members legitimize, participate and regard PASAI as a relevant and needed organisation and partnership. The spread of twinning cooperation in the region has been strengthening and deepening the partnership and complementing PASAI's activities in ways that support the implementation of PASAI's Strategic Plan 2014-2024.

286. **The Secretariat and partnership made of PASAI a well-recognized organisation** among SAIs and many organisations working for the advancement of accountability and transparency in the Pacific region. The Secretariat has been identifying its work to delineate its niche (support to SAIs) and mandate. Member SAIs, donors and regional partners have shown strong support to the organisation

and its Secretariat. This support is shown though participation in the PASAI Congress and other activities throughout the year. It is also shown though funding the organisation and providing feedback to its performance.

287. **Many development partners support the objectives of the organisation, but consider the sustainability of results its greatest challenge.** There seems to be no plan to end or decrease the support to PASAI. In fact, some believe that support to PASAI has the potential to increase if the organisation adopts a more strategic approach to both implementing the strategic plan and to increase its resources base. The same applies to support to member SAIs in a bilateral or trilateral basis.[48] For some donors, another challenge PASAI faces is its ability to innovate the organisation to produce sustainable results at SAI level.

288. Regional leaders, through the Pacific Island Forum, seek to progress accountability and transparency through frameworks such as the Public Financial Management roadmaps. PASAI has recently supported such an initiative in Tonga. However, it is too early to assess whether this technical and political initiative will impact how business is done in individual countries and in the Pacific region.

289. Some stakeholders think there is political will to improve governance in some member countries but not in others. Likewise, they think there is political will to improve SAI's contributions to transparency and accountability in some countries but not in others. The sustainability of the PASAI's strategic objectives depends on the developments of SAIs in all countries, including where there is insufficient political will to improve governance.

290. **The information analysed in this review also indicates that political will to improve accountability and transparency differ in countries across the regions, but is weak in many**. In 2015, the Accountability and Transparency Report noted that not much had changed in the intervening four years since its first study and report in 2011. The key message that came from the 2015 study was "that the primary way for SAIs to have an impact on transparency and accountability is that SAIs must lead by example".

291. **The finding in this 2018 review is that accountability and transparency in the region turned towards a negative trend.**[49] It is also worth noting that this trend happened not only in PASAI, but on global level.[50] The key message coming in 2018 is for PASAI to define what "leading by example" mean for the PASAI partnership. This entail a cultural discussion about roles and responsibilities within PASAI and possible changes in the dynamics of the partnership in guiding the organisation. This evaluation finds that there is sufficient drive among stakeholder for organizational change, meaning PASAI becoming more transparent and accountable, including members becoming more accountable to the sustainability of PASAI's support.

10. Conclusions

This chapter presents the evaluation team's conclusions derived from the evidence and analysis of findings presented in this report.

292. Previous studies conducted by PASAI and its donors show that accountability and transparency in the Pacific region has been weak since 2009.[51] The 2015 report on Accountability and Transparency, commissioned by PASAI, found that not much changed in the intervening four years, since the 2011

[48] Trilateral cooperation includes a SAI, a development partner and another partner, which can be PASAI, another SAI or another organisation.

[49] Please refer to the analysis in the Annex Volume One that accompanies this report.

[50] See *Global SAI Stocktaking Report 2017*. INTOSAI Development Initiative, December. http://www.idi.no/en/all-news/idi-news/item/128-global-sai-stocktaking-report-2017

[51] *Report on Accountability and Transparency in the Pacific Region* (2009), *Accountability and Transparency in the Pacific Region* (PASAI, 2011), *Strengthening Governance and Accountability in Pacific Island Countries* (ADB, 2013), and *Leading by Example: Accountability and Transparency in the Pacific Region* (PASAI, 2015).

report. The information analysed in this evaluation indicates that political will to improve accountability and transparency differ in countries across the regions, but weak in many. The finding emphasized the need to reinvigorate and strengthen the 'accountability and transparency chain' in the Pacific region, involving all pertinent institutions, including SAIs.

293. Since the inception of its Strategic Plan 2014-2024, PASAI has already made progress in delivering some changes in SAIs and has the potential to make further contributions by 2024. However, the strategic plan is overambitious compared to resources available to the organisation and within members. Shortcomings in planning and insufficient follow up by SAIs on support received challenge the sustainability of results. Yet, PASAI members show firm appreciation for the importance of the organisation and most understand that changes in the dynamics of the partnership is needed to enable PASAI to more fully deliver on its potentials.

PASAI's Theory of Change

294. PASAI's ToC predicts that cooperation, participation and commitment by members can produce sustainable results from PASAI's support and thereby effect intended changes in SAI performance and value at country level. The analysis shows that a participatory approach to capacity development produces enabling conditions for enhancing capacity, but it does not necessarily produces sustainable results.[52] Paraphrasing UNDP, if something does not lead to change that is generated and guided by those whom it is meant to benefit, it cannot be said to have enhanced capacity, even if it has served a valid development purpose. Changes can be hampered by the realities within some SAIs and in the external political environment. Moreover, while many PASAI members show commitment to the organisation, firmer commitment is needed to ensure that PASAI's support produces sustainable results at national level. There has been shortcomings in many SAIs effecting intended changes through integrating into their organisations resources provided by PASAI through programs.

295. Some of the assumptions underlying the change process in PASAI affected the efficiency and effectiveness of the support. This is particularly the case of PASAI's reliance on SAIs' ability to reliably identify and state their priority capacity needs to guide PASAI's support. The findings show that, until the mid-point of the strategic plan implementation, when the SAI PMF was implemented, most SAIs had no consistent means to identify their capacity needs. As such, PASAI's strategy to implement training programs up to the middle of the strategic period and then provide support to management related issues, turned out to be a reverse prioritization. In the absence of reliable information to target SAIs' priority needs, training became halfway haphazard.

296. PASAI's assumption that SAI capacity can be enhanced through peer cooperation and learning has been put into practice by the organisation. PASAI has designed programs that feature peer cooperation as the main feature and use peer learning in regional programs. It has also been encouraging cooperation among peers. However, it has yet to more fully explore the potentials of peer cooperation through playing a facilitating role. Investing in this cooperation modality with creativity may pay good dividends. This seems to be a path PASAI is taking as it moves forward.

Governance arrangements and issues

297. **The partnership has been experiencing some communication problems about PASAI's operation**. For the Governing Board and the Secretariat, decisions made during Congress regarding operational plans and other strategic issues has reflected members' views, wishes and guidance to the organisation. In turn, many members regard that there has been insufficient discussions about PASAI's strategic and operational issues during Congress. This difference is partially due to the way Congresses have been organized, with too many presentations, but mostly because of the development of an

[52] *Capacity Development: A UNDP Primer*. United Nations Development Programme, 2009.

organisational culture that avoids open criticism and dissent. This cultural trait is present in many places in the region.[53]

298. **In addition, there has been different expectations about the role of the Secretariat in guiding decisions for the implementation of the strategic plan.** During Congresses and in dedicated meetings, the Governing Board and/or the Secretariat provide members with information for them to make decisions about PASAI's strategy, activities and resources to implement the strategic plan. During Congresses and meetings, the Secretariat has been taking the backstage, playing a supporting role to members. However, members expect a more proactive guidance and leadership from the Secretariat on strategic and operational issues related to PASAI.

299. Running a national public institution is different from running a regional organisation, which is the function of the Secretariat. They expect the Secretariat to understand SAIs' priority needs and to inform them how it operationalizes such information through a process of prioritization that conform with PASAI's resources. On the other hand, the Secretariat regards that the operational plan presented to the members reflects a process of prioritization, based on information solicited from the SAIs. The Secretariat, and the Board, expects that members of Congress discuss, reaffirm or change the priorities stated in the operational plan. There seems to be a mismatch in understanding regarding the information basis for the elaboration of the operational plans and, to some extent, the efficiency of the selected means for targeting SAI's priority capacity needs (e.g. regional and international programs).

300. At the inception of the strategic plan, it was foreseen that the SAI PMF assessments would be undertaken across the region in the first half of the strategy. The plan was that the SAI PMF would provide an evidential basis for SAIs to development strategic plans and for setting the framework for a second phase of the strategy, which would focus on clusters or groupings of SAIs choosing to address prioritised aspects of their weakness, as shown by the SAI PMF.

301. **The Governing Board has been functioning relatively well and providing good direction to PASAI.** It has set ambitious objectives for the organisation, which challenge members and the Secretariat. It established good organisation for the functioning of PASAI.

302. **The structure of the Secretariat office has been minimally utilized in practice.** Given the number and pace of activities implemented in relation to the number of employees, the management of the Secretariat office leaves little room for using the different expertise of its staff to achieve complementarity between them when planning, designing and implementing activities. For example, the Communication function does work in PASAI's communication with external stakeholders, but it is not integrated into the other areas of operations, that is, it is not used to provide advice on communication to PASAI's work on advocacy and to programs.

303. **The Secretariat could reconsider its modus operandi.** Many stakeholders see the gain for the Secretariat to consider reducing its role as a program implementer and strengthen its roles as facilitator, network enabler, coordinator, advisory and enabling agency. It could leave more time to better understand its comparative advantages and limitations and how it complement partners in the region.

Effectiveness and Efficiency

304. **PASAI strategy for supporting SPA1 has been effective and efficient.** Taking a national approach to promote and support SAI independence on demand and making available to SAIs an Independence Tool Kit was cost-effective, producing results. PASAI has already contributed to improving SAI independence in the region and has potential to increase such contribution in the future.

[53] A survey carried out by EUROSAI in 2016, as part of the first phase of their evaluation, had a similar finding regarding the participation of member SAIs during Congresses.

305. **The strategic approach to deliver SPA2 has been moderately effective and efficient.** Carrying out advocacy work with PACs has been useful, although there is no evidence that such small-scale support has produced significant results at regional level. Actually, the data shows a decrease in audit scrutiny by legislatures in the region. However, PASAI targeted advocacy work in countries where it supported SAI independence, thus creating synergies between SPA1 and SPA2.

306. PASAI has also established some important collaboration with some regional organisations (e.g. PIF, PFTAC, UNDP, USP) and has recently partnered with the UNDP with joint results-oriented framework. Given the large portfolio of activities PASAI implements, it has very limited resource to increase the scope of its engagement with regional organisations. However, mapping the support these organisations provide to participating SAIs was and remains very important, to enable PASAI to identify possible complementarity of efforts to increase the efficiency of its operation. PASAI also has limited engagement with development partners, including the use of such partners as sources of information about what other regional organisations are doing that could be relevant to SAIs and PASAI's work. PASAI has also been more passive than it should in seeking long-term and different sources of funding.

307. **PASAI's planning for implementing SPA3 and SPA4 has been effective for delivering planned outputs, but ineffectual for delivering sustainable results.** PASAI has contributed to increasing the production of FSG/WoG and performance audits in the region. PASAI has made progress in providing SAIs with tangible means to improve SAI management processes, such as the SAI PMF and SPMR programs. Twinning arrangements have been developing between SAIs within PASAI and they are becoming more productive partnerships. PASAI has also delivered many training programs, but they have not always been relevant to the context in many SAIs, which limited their effectiveness.

308. **Several factors contributed to diminishing the effectiveness and efficiency of programs.** There has been no planning based on a realistic understanding of the capacity gap areas in SAIs and the status of SAIs in these areas. This would have enabled clustering, which would be a cost-effective approach to training. There has been very limited evaluation of resources attached to planning, leading to a prioritization of support aligned with the actual resources (funding, staffing, competencies) of the organisation and of SAIs. Moreover, there has been shortcoming in assessing the resources requirements to support a particular program strategy as compared to alternatives. In most cases, programs have been implemented without considering sequencing, or linkages between programs to build up knowledge and skills. Overall, the achievements of program objectives have not been assessed to inform planning and the design of the future programs. Moreover the use of facilitators for delivering programs without the necessary level of expertise in the subject matter of programs and teaching skills has diminishes the effectiveness of programs. Of importance, many SAIs have not been implementing measures to ensure the integration of training into their organisations.[54]

309. **Some factors contributed to enhancing the effectiveness of programs**. Having different support modalities to address the different needs of SAIs has been a cost-effective strategy, as it enable the organisation to select the appropriate support method to match issues at hand with resources and contexts within the SAIs. But, existing flexibility of support could have been used more strategically when conceiving program design.

310. **Monitoring in PASAI has been ineffective,** mainly because many performance indicators are set at too high level, many lack baseline data and they have been set without due consideration of sources of information for measuring progress towards achieving targets. In addition, there is insufficient monitoring and evaluation knowledge within the Secretariat and the pace of operation to implement activities to deliver the operational plans does not leave much room for the Secretariat to

[54] Limited follow up by SAIs on regional and international programs, designed as workshops, is not restricted to PASAI, but a global phenomenon, as the find in a study of IDI programs shows, and indicated by the data analysis of the 2017 ITOSAI Global Survey.

invest needed time and effort in monitoring, evaluation and learning. As a result, performance indicators have not been integrated into the planning of programs.

311. **An overambitious strategic plan and corresponding MER increase the risk for PASAI as an organisation.** PASAI is a small organisation with limited resources proposing to effect remarkable changes in the performance of SAIs and in their added value to the PFM system in the region. Moreover, most Heads of SAI are politically appointed and PASAI has no political clout to influence national environments for improving transparency and accountability and PFM systems. This would require building a strong and significant network with national and regional partners to attempt changes over time, which is beyond PASAI's capacity at present. PASAI mostly work at technical level, dedicating extremely limited resources for advocacy work to promote cultural and political shifts in governance. The wide scope of the strategic plan produces, by default, shortcomings in PASAI's delivery at outcome level, also negatively affecting the assessment of the sustainability of its programs. Additionally, many performance indicators, at both objective and outcome levels, set at too high level makes it difficult to define what is under PASAI's control and outside of its control as an organisation.

312. **PASAI has met donors' financial management requirements**, although development partners would like the Secretariat to strengthen its reporting on the results of the activities they are funding. Funding from development partners to PASAI has been unpredictable and decreasing in the last three years, which does not create an enabling condition for, among other things, the Secretariat to beef up in needed MER competence.

313. **PASAI has been effective in promoting gender balance within the organisation and through its communication, but could do more to promote and support SAIs in addressing other development issues**. Although PASAI does not have the expertise and resources to address development issues such as gender equality, social inclusion, poverty, prosperity, and stability at program level, it could improve its partnership with organizations in the region to increase the coverage of such topics. It could also link SAIs with specialized organisations to support the integration of gender, social inclusion and poverty reduction in audit work. In addition, PASAI could seek the guidance of specialized organisation to mainstream gender in its program and activity design.

Relevance

314. **The current focus of support within the priority strategic areas of PASAI's strategic plan is *relevant* to SAI's priority needs and most significant gap areas.** The analysis indicates that, as a priority, PASAI should continue focusing on SAI independence (SPA1) and issues related to SAI management. Areas related to audit process and quality (SPA 3) remains relevant, but a revision of current strategy to address training seems to be in need of revision.

315. **From the perspective of SAIs, PASAI's support to SAI independence has been relevant, but there is no consensus as to the relevance of PASAI's programs.** For some SAIs, PASAI has been providing different types of support that is very critical for SAIs to improve their independence and performance, and advocating better conditions for SAIs and audit work. On the other hand, most SAIs think the relevance of PASAI's support has been diminished because PASAI's planning did not sufficiently consider the realities on the ground within SAIs and in the countries. Regional and international programs focused on producing outputs rather than having an effect on the capacity and capabilities of many SAIs. These programs were too costly and inefficient in design, covering too few staff in each SAI. They addressed topics that were too complex for the realities in many countries, and most importantly, they did not consider topics that could have been part of a risk-based audit plan in many SAIs. For SAIs with limited resources and capabilities, CPA and other regional programs had little relevance.

316. For most SAIs, programs that promote cooperation between peer SAIs are relevant and should be further promoted by PASAI (e.g. TeamMate, FASTS). In addition, most members would like PASAI to focus on program approaches that enable deeper learning and more efficient use of resources.

According to them, this can be achieved through using a cluster approach to planning and program design that can have greater coverage of relevant SAI staff. They further note that PASAI needs to better understand the landscape for capacity development providers at the disposal of member SAIs in order to refine its understanding of PASAI's comparative advantages and added value, improving training targets.

317. **The spread of twinning cooperation in the region has been strengthening and deepening the partnership among SAIs and complementing PASAI's strategic objectives**. Initially twinning cooperation developed slowly and somewhat haphazardly, now becoming a more productive cooperation. Members consider twining as a positive development and the demand for twining cooperation increased, but capacity in some SAIs prevent the expansion of the modality. There is a strong demand for PASAI to collect and share lessons learned on twinning arrangements to help SAIs make the cooperation modality more effective and efficient from start (see good practice note in Annex 1).

318. **Although most in-country SAI's stakeholders consulted did not know about PASAI, all of them knew about the SAI in their countries and regard that support to their SAIs to be relevant.** Except in Micronesia, stakeholders think that Auditors General could become more active in communicating the results of audit work through distribution of audit reports and press releases via an e-mail list to media organisations and other stakeholders. This would give more visibility to audit results and facilitate the dissemination of audit findings and recommendations to the public. In-country stakeholders think that conditions for engagement with SAI's stakeholders already exist in most countries and it is mainly a matter of Auditor Generals taking initiatives.

319. **PASAI has not yet become a learning organisation and a relevant reference for knowledge for SAIs in the region.** PASAI has put little resources into learning from its activities, successes or failures, and to conduct lessons learned on the topics in the strategic priority areas. PASAI does encourage peer cooperation and encourages SAIs to engage with in-country stakeholders, but no evidence was found that most SAIs are sharing their experiences with other stakeholders and with relevant audiences.

320. **There is a strong demand for lessons learned and good practices from SAIs and other stakeholders in the region.** PASAI's bulletins and updates keep the PASAI community informed about current and upcoming program activities and other topics. However, most stakeholders would like PASAI's communication be more about disseminating information about what SAIs do and their core business, including good practices and lessons learned, this has been increasingly happening recently, after PASAI hired a Communication Adviser.

321. PASAI is known among most SAI staff consulted as an organisation that provides training to SAI staff. Many stakeholders expressed that PASAI could become more relevant and strategic if it became a regional reference for SAIs to access useful and practical information on an ongoing basis. For most staff, there is a gap in the region for such a centre and filling this gap could be a relevant support from a regional organisation such as PASAI.

322. **SAIs could become more proactive in seeking knowledge and tools freely available from PASAI and other organisations.** SAI could make better use of the Secretariat to access manuals, previous reports produced during PASAI programs, and course materials where they can learn about methodology and application of international standards. On the other hand, PASAI needs to ensure these materials are updated. There are now many materials available for training, particularly of new staff, including free online training.

Sustainability

323. **The data indicates that staff turnover and limitation in SAI independence to recruit and deploy staff do not seem to be significant factors challenging the sustainability of PASAI programs for most SAIs.** However, it can be a significant challenge in a few SAIs. The analysis show that

independence to recruit its own staff is an issue for 35% of the SAIs in PASAI, most in Micronesia. PASAI does not keep track of the staff it trains, so there is no data showing to what extent staff that have been trained by PASAI left SAIs, and how long they remained on the SAIs before exiting. The existing data is about staff turnover, which can be an indication of possible loss of trained staff. The data show that staff turnover in 65% of the SAIs in PASAI is at a good level, between 0% and 20%. However, for 18% of SAIs staff turnover is very high, from 40% to 80%, and that these SAIs are among all the three regions.

324. **Other factors have a negative impact on the sustainability of PASAI's programs**. Issues related to PASAI's planning, limited relevance of programs, very limited management of capacity development in many SAIs, excessive participation in training activities, and staff motivation significantly affect program sustainability.

- There have been problems with PASAI's planning, program design and learning, and the alignment between some of PASAI's programs and the context on the ground in many SAIs. These are areas that the PASAI partnership can address at this point and greatly improve the sustainability of programs and other types of support moving forward.
- Most SAIs have not implemented measures to mainstream into their SAI knowledge, practices and/or tools acquired through PASAI's programs. There has been little planning, and thereby follow up, on PASAI's support. In addition, most SAIs do not have an induction program for new staff, even though PASAI and other partners have made training materials from programs freely available to SAIs in the region.
- The high number of activities and training programs some SAIs participate in represents a challenge for the sustainability of results of PASAI's programs, as resources are being re-directed. Heads of SAI need to consider at which point participation in programs adds more risk than value to the SAI.
- Participation in programs motivates staff to perform well while they are participating in programs. However, staff motivation is not sustained due to insufficient leadership in some SAIs to change audit practices and processes and to promote the use of audit work; lack of feedback to staff from management; and, SAI management that exclude staff participation. Motivation is also affected when staff consistently observe that their work has no impact on audited entities and their legislature does not engage with audit results.

325. In some SAIs, the academic background of staff limits the extent to which they can absorb the training they undergo, particularly the application of methodology and analysis of data. However, this has been an enduring issue in some SAIs and should have been integrated into the SAIs' and PASAI's strategy and programs.[55]

326. **Some factors have a positive impact in the sustainability of PASAI's programs and implementation in some SAIs**. These are:

- When there is a good match between PASAI's targeting a SAI's needs and the SAI is ready to incorporate the resources provided.
- SAIs having sufficient independence and/or resources to follow up on PASAI's support.
- Ownership and management of SAI capacity development by the SAI, resulting in budgeting for the capacity development and delegation of responsibility to the management team for improving performance. In addition, SAIs establishing policies to ensure that external resources (training, tools) are integrated into the SAI and ensuring policy is applied.
- Inclusiveness in SAI management style, motivating and providing feedback to staff and commitment and involvement of the senior management team to advance practices within the SAI.

[55] This factor was pointed out in the independent review of the PRAI in 2013.

327. **PASAI has strong support from a number of stakeholders.** Members legitimize, participate and regard PASAI as a needed organisation and partnership. Regional leaders, through the Pacific Island Forum, seek to progress accountability and transparency through frameworks such as the Public Financial Management roadmaps. PASAI has recently supported such an initiative in Tonga. However, it is too early to assess the extent to which this technical and political initiative will impact how business is done in individual countries and in the Pacific region.

328. Many development partners support the objectives of PASAI. There seems to be no plan to end or decrease the support to the organisation. In fact, some believe that support to PASAI has the potential to increase if the organisation adopts a more strategic approach, in addition to become more proactive in seeking funding. For some, the greatest challenge PASAI faces is ability to innovate the organisation to produce sustainable results at SAI level.

329. **The analysis in the report show that political will to improve accountability and transparency differ in countries across the regions, but is weak in many.** This has an effect on the sustainability of PASAI's strategic objectives, as they depend on the development of SAIs in all countries in the region. In 2015, the key message that came from the 2015 Accountability and Transparency Report was "the primary way for SAIs to have an impact on transparency and accountability is that SAIs must lead by example".

330. **The analysis of the developments in accountability and transparency indicators show that not much has changed in PASAI region since 2011, with the data pointing to a slight trend downwards** (see section 7.2 "Transparency and accountability in PASAI" in the Annex Volume One attached to this report, using 2017 data). [56] Why the lack of change in the past six years? What happened in the past three years to account for the downward trend in the Pacific region (and globally)? The contribution of SAIs to developments in accountability and transparency in the region is only part of the equation, as SAIs are but one institution in the chain. Understanding the factors associated with the lack of development in the governance indicators in the region, the causes of the ongoing trend, is beyond the scope of this evaluation. However, understanding the roles SAIs are playing in the ongoing development is the business of PASAI, given its strategic objectives and goal.

331. **The key message coming from this review is for PASAI to define what "leading by example" means *within the PASAI partnership*.** This implies a discussion about principles and measures that can improve the sustainability of PASAI's support within SAIs. It also entails a discussion about making PASAI's strategy and operations more effective and efficient and more aligned with its resources. Inputs from stakeholders indicate the existence of will in the partnership to jointly improve the outcomes of the organisation.

11. Recommendations

This chapter presents the evaluation team's recommendations derived from the findings presented in this report. The recommendations are organized according to aspects of PASAI they address: strategic, structural and administrative.

Strategic level

332. **PASAI should re-exam its strategic plan, making performance indicators more realistic in terms of scope and resources to monitor them**. Better delimitation of the proposed changes that PASAI wants and can effect can also improve risk mitigation for the organisation. In this regard, the review process should clarify what is under the organisation's control and what is not, leading to the development of realistic objectives and measurable indicators, enabling the development of a MER that can be used for monitoring, evaluation and learning. In addition, the revision should lead to

[56] For an analysis of the causes of the weakening transparency and accountability in the Pacific region, see section 7.2 "Transparency and accountability in PASAI" in the Annex Volume One attached to this report.

improved clarification of roles and responsibilities for PASAI as an organisation, including who in the organisation is responsible for the delivery of programs' results and the needed actions to ensure their sustainability.

333. The review should also ensure that the strategic plan is aligned and matched with resources for its implementation, taking into account the appropriate number of staff and necessary competencies in the Secretariat, to enable them to operate in a manner that can improve the effectiveness and efficiency of operations.

334. **It is suggested that PASAI's decrease its role as 'program implementer and training organisation' and strengthen its roles as 'a facilitating and learning organisation'. In this regard, the following is suggested.**

- PASAI conduct analysis of data in the SAI PMF assessments of members to identify capacity gaps. Since not all SAIs have done a SAI PMF assessment, it is suggested that PASAI do the analysis with available assessments. In addition, it can use other existing assessments (e.g. peer review) to identify capacity gap areas in SAIs that have not yet completed a SAI PMF, then cross check with these SAIs.
- Mapping and prioritization of the capacity gaps identified in the SAI PMF. Lessons learned from this review indicates that upfront attention to SAI management issues is a good parameters for prioritization. However, PASAI should define the parameters and SAIs should endorse them.
- Identify which gap areas PASAI is in position to address, based on the readiness of groups of SAIs and PASAI's resource forecast — funding, timeframe, number of staff in the Secretariat office and existing competencies. This also includes identifying which of the gap areas are being or will be addressed by the SAIs themselves and other organisations supporting SAIs.
- Based on the above, define the priority areas, and identify which criteria are meaningful for clustering SAIs. Clusters can be based on a number of criteria, such as gap areas, different level of capacity of SAIs, size of SAIs.
- Do a reality check by re-doing the resource evaluation.
- Identify measurable, realistic indicators for the these areas of support and sources of data to measure them.

335. It is suggested that PASAI clarify some roles in the organisation, particularly roles of members in supporting the implementation of the strategic plan. The suggested roles include:

- Congress: Ensure members discuss the main capacity needs of SAIs identified through the analysis of the SAI PMF assessments and the Secretariat's prioritization of gap needs to be addressed by PASAI. Of importance, there could be discussion on challenges members face to integrate support provided by partners, including PASAI and sharing of good practices. It is suggested that members reaffirm agreement on concrete measures to improve the integration of PASAI's support into their organisations.
- Governing Board: Ensure the performance indicators in the strategic plan are monitored and reported, which implies making sure indicators are realistic and aligned with PASAI's resources to deliver and monitor them. It is suggested that the Board follow up on members agreement to improve the integration of PASAI's support into their organisations.
- Secretary General: Provide quality assurance of the operational plans and the strategic approach for its implementation.
- Secretariat: It is suggested that the Secretariat lead discussions with members on the prioritization of gap areas identifies through SAI performance assessments (e.g. SAI PMF, peer review), PASAI's comparative advantages to implement them, and the strategic approach for their implementation. In addition, monitor and report on progress towards achievement of

objectives. Share lessons learned from PASAI's operations and from SAI's approaches to integrating support.

- PASAI donors: Should consider providing stability for the organisation through long-term funding at sufficient level for healthy operation of the Secretariat to the conclusion of the strategic plan. Donors should also expect that PASAI monitor and report on progress towards the achievements of its objectives.

336. The strategy for addressing the priority areas should be carefully considered to ensure cost-effectiveness of the programs and sustainability of results. The lesson from this evaluation shows that PASAI should foremost focus on providing support to SAI management teams at strategic level, technical issues only to complement. The lessons also indicate that PASAI should take the time to ensure good synergies between programs, consider different design approaches, making less use of workshop-based programs, and perform evaluation of resources.

337. **In strengthening PASAI's roles as a facilitating and coordinating organisation for SAI's learning, PASAI should more broadly consider program design approaches and innovate**, making use of the network of SAIs, and building up from the activities of partner organisations and existing resources available to SAIs. For example, PASAI could:

- Expand its use of program design approaches that use peer support, as it did with the FASTS and TeamMate programs. Moreover, some SAIs implement in-country training of staff through twinning cooperation, trilateral cooperation (PASAI-SAI-development partners) and other regional organisations. PASAI could assess the feasibility of facilitating the coordination of training activities to include at least one peer SAI. In such cases, some peer SAIs who wish to participate in these training activities could pay their own way.

- PASAI could assess the possibility to facilitate peer cooperation, in one or more specific area, between SAIs that have weaker performance in gap areas in the SAI PMF, matching them with peers performing stronger in these areas. PASAI could facilitate the design for the peer cooperation, bringing pertinent SAIs together for defining the objectives, scope, design of the cooperation and resources evaluation to support the cooperation.

- PASAI could strengthen its partnership with women's groups and organisation to more actively promote the inclusion of gender and social inclusion in audit work in the region. For example, it could seek the support of FemLINK in order to help SAIs promote accountable public financial management; of the Pacific Women to guide SAIs on following up on case studies in gender and social inclusion; and, and of UN Women to follow up on the implementation of commitments to implement the gender equality actions of the CEDAW.

338. In becoming an organisation that facilitates SAIs' learning, other areas that PASAI could seek to learn and/or disseminate information about are:

Knowledge facilitation

- Provide information (manuals, lessons learned, good practice notes, research) on issues related to SAI management such as corporate policies, human resources (e.g. competency frameworks for SAI, staff development plan, inclusiveness in SAI management style, motivation of staff, providing feedback to staff and how to ensure continuity of improved performance with change in senior management positions, including Head of SAI).
- Provide information (curriculum, materials) for induction programs and identify and quality assure freely available online resources (courses, training materials) of interest to members. Disseminate such information and keep links on the website.
- Maintain audit manuals updated, disseminate good practice notes such as templates, work papers, and 'how to' build templates for TeamMate for different audit streams.

- Keep members informed about updates on audit and accounting standards and their interpretation.
- Provide tips and links to freely or cheaply available resources to SAIs on how to improve report writing and press releases.

Lessons learned and good practices

- Lessons learned from PASAI's activities and learning process.
- Lessons learned and good practices from peer cooperation, including twinning.
- Provide information about successes in addressing SAI independence by SAIs in PASAI and in other regions.
- Learn and disseminate information on how SAIs in the region and in other regions engage with stakeholders. Focus on challenges, enabling factors and how they succeed.
- SAIs in the North Pacific have much experience with training approaches in which peer-to-peer learning and on-the-job training are core elements in programs for staff training. PASAI could learn and disseminate the good practices and lessons learned from the Graduate School.
- Offer good practices to tackle high staff turnover by SAIs and other small institutions in PASAI. Suggestively, offer to organize a seminar on the topic, inviting experts and SAIs that share problems with high staff turnover.
- Provide information (working paper, good practice notes) on management of SAI capacity development.
- Learn and disseminate information about areas of relevance to citizens such as gender equality and equity, social inclusion, poverty reduction. Focus on how SAIs with limited capacities can raise awareness of these issues. Disseminate good practices of regional organisations working with gender budgeting and public financial management.
- In partnership with regional or international organisations, PASAI could consider commissioning a joint study to identify and disseminated lessons learned and good practices in institutions in the chain of transparency and accountability. The study could identify areas in which the executive branch of government needs to improve to facilitate the work of external auditors. This study can focus on analysis of patterns in audit findings in different countries, looking at gaps in the accounting system and internal audit. Conversely, good practices can also be identified. The piloting of the study can be done in one sub region. This information can result in country and regional analysis, and be disseminated nationally by SAIs and to the regional network of pertinent organisations.

339. **PASAI should develop better understanding of the work of regional and international organisations working in the region**, to learn if and how they complement PASAI strategic priority areas and how they can support SAIs. Such information should also be disseminated to SAIs and other pertinent stakeholders.

Structural level

340. **The format of the Congresses should foster discussion among members, addressing more strategic than technical issues in and about PASAI.** It might be helpful for the Board to consult a cultural communication expert to learn how to improve participation in open discussion settings and meeting arrangements that nurture productive discussions. The lessons can be shared with members. In turn, Heads of SAI and other participating stakeholders could become more forthcoming with their inputs, giving a more dynamic rhythm, flow and openness to the discussions during Congresses. This would certainly be to the benefit of all members and PASAI.

341. **A division of labour within the Governing Board is also suggested, dividing among Board members specific areas of main responsibility.** While all Board members would retain overall responsibility to oversee and guide PASAI, assigning main areas of specialization and responsibility to

board members could mean a more effective organisation of board work, meetings and strengthen guidance to the Secretariat. The suggested specialization could be (a) monitoring, evaluation and learning (MEL), (b) program (c) advocacy work, (d) funding and financial management, (e) partnership. The Board composition can bring the necessary regional differences in PASAI to discussions in these areas. Thus, Board members would more closely monitor PASAI's work in their main areas of responsibility, provide practical guidance and lead discussions on their specific areas with Board members, the Secretariat and Congress.

342. **It is suggested that the Secretariat office maintains its independence to reflect the ownership of members**, but the Board and the Secretary General should ensure the office develops a business model that is in line with its resources and make use of existing competencies. Moreover, it should ensure PASAI has the resources to monitor and report on the progress of achieving its objectives as outlined in the strategic plan. The Secretariat General office and the Secretariat could seek to increase the funding base of PASAI, imparting to donors the need for sufficient and long-term funding to enable the organisation to be sufficiently resourced to deliver its objectives in a sustainable way and to improve its performance as a learning organisation.

343. **The structure of the Secretariat should represent the priority areas and the development of the organisation, including strengthening PASAI's role as a learning and facilitating organisation**. It is recommended that the Secretariat's structure is made functional, utilizing staff expertise and experiences to complement each other. Dedicated time for strategic discussions should take place as well as ongoing consultations with and between staff at the technical levels. This can enhance the Secretariat's operational mode, promote creativity and innovation, learning and achievements. Regarding the open vacancy, there might be added value in bringing in more diversity to the profile of the Secretariat staff in terms of background and regional or international experience. An area for consideration for expertise to support the Chief Executive is Monitoring, Evaluation and Learning.

Administrative level

344. **PASAI could do an assessment of whether hiring additional staff to support the work of the directors would be more efficient than to continue with the same level of use of consultants** as it has thus far. In all probability, PASAI will have the need to procure consultants to support some SAIs or the Secretariat. In order to make the procurement of consultants transparent, easier and reach experts with different experiences and backgrounds, it is advisable that PASAI builds a database of consultants with expertise in the strategic priority areas in which the hiring consultant service can be relevant. The Secretariat can do an international call for consultants and do a pre-qualification process. Once a consultant is needed, it can issue a call for expression of interest from those in the consultant database that have the appropriate background for the work being procured. Such practice is aligned with PASAI's procurement policy, strengthening value for money evaluations and the recommended quotes. SAIs could also tap into this database if and when they need external expertise that cannot be provided by PASAI.

345. The Secretariat should carry out a discussion with members about its use of the UNDP per diem rate, particularly the challenges they see in using this rate.

346. **The Secretariat should keep track of participants of its activities.** A template for documenting participants should be developed, desegregating information by gender and by position in the SAI (senior management, middle management, staff). An integrated list should be part of the database, to provide evidence for the annual reports and for management analysis.

347. **PASAI should become more proactive in contacting development partners and fund raising, to improve the long-term funding base of the organisation.** It should also seek to learn from partners about developments in the region and about the activities of other regional organisations.

348. **It is suggested that the staff undergo training in program cycle management**, which cover from program planning, project design to monitoring, budgeting and evaluation phase. After training,

the office should develop a template for program plan at international standard, providing directions for linking it to the MER. In addition, the Chief Executive should ensure the directors fully understand the MER and are able to use the it in program planning, monitoring and reporting.

349. **The Secretariat should discuss criteria for participating in international activities and ensure they add value to members.** The Secretariat should report to members the added value of the meetings attended.

12. Location of Secretariat

350. During the Congress, the evaluator was asked to do a preliminary consultation with members about the location of the Secretariat. Fourteen members were asked whether the Secretariat should remain where it is at present or move to another country. Forty three percent (43%) of the members expressed that the Secretariat should move only if there is an added value to moving, 36% said the Secretariat should remain in New Zealand and 21% that it should move to a more central location. They observed that, if the majority of the members want to consider relocating the Secretariat, then better information should be sought and provided to inform their decision. In this regard, they would like that a business case for relocation be conducted by an independent party, as follows:

- All member SAIs should be asked whether they want to express interest in hosting the Secretariat.
- If any SAI shows interest, an independent assessment of relocation should be made, including each city from the SAIs that expressed interest. SAIs would need to inform what the hosting would entail, what they see as added value to move the Secretariat from Auckland to their SAI's city and what they could offer to support the Secretariat and to reduce current costs.
- Members vote with better information to decide.

Annex 1: Lessons Learned

The following lessons learned were compiled based on reflections of PASAI members, SAI staff in the five case study countries, and on the evaluation team's analysis of the findings of this evaluation. In addition, they resource from lessons learned from other studies and evaluations of the IDI that are relevant to PASAI.

Lessons Learned from the FASTS program

Stakeholders that participants in the FAST provided some lessons learned to improve future design and implementation. Participants need to understand what the program wants to achieve and how – the rationale behind the program. In addition, all parties need to understand and agree on their own targets. The timeframe for the secondments need to be coherent with both the targets and the institutional culture in the receiving country. Communication among participants is important for good coordination of efforts.

- Do a program concept note explaining what the rationale of the program is, what is to be achieved and how the program works.
- Established targets for each phase of the program.
- Establish basic criteria for selecting secondees such as level of experience in audit stream, experience in doing audit at international standards and good personal skills and maturity to work in different institutional and cultural environments.
- Inform and discuss with all parties involved in the program what is the program's concept and agree on targets and the timeline for each phase of the program.
- Clarify the responsibilities of the receiving SAI and the possible impacts of hosting secondees. Discuss possible differences in working cultures.
- Clarify the responsibilities of secondees; discuss possible differences in working cultures and the need for adaptation when working in another SAI.
- Ensure that secondees meet in the receiving SAI during transition.
- Consider assigning a mentor for the secondees for the duration of the program. The mentor should have good soft skills.
- Follow up on the program to learn what was achieved, what worked and what the challenges were.
- Disseminate lessons learned and adapt the program accordingly.

Participants also gain much from their participation. They can be challenged to use not only their audit knowledge, but also analytical and social skills in new situations.

- Explore options and think outside the box.
- Stop and ponder; learn how to manage difficult situations more maturely.
- Reach out to PASAI to discuss difficult issues you may encounter.

The FAST program can bring the partnership between peer SAIs to a different level, as they work together in a deeper manner.

PASAI needs to make participants aware of risks to be averted and discuss the governance context in the receiving country.

Results of this program depend on conditions within the SAI, especially the leadership of senior management. If senior management actively seeks improvements and the training is in his/her area, the chances of programs producing results increase.

Establishing and practicing a policy to follow up on programs and training within a SAI can strengthen the quality of work though knowledge sharing and improve consistency of audit procedures and practices through internal learning.

When senior management seeks improvements and the PASAI program is in a prioritized area, the chances of programs producing results increase.

Producing and improving results depend on a SAI's ability to manage its staff strategically, and also the capacity to build proper stakeholders' relations.

In order to achieve better results from program participation, the SAI and PASAI have to ensure that the right participants are selected.

A vision of a stronger organisation and leadership shared among a management team create the enabling environment for a SAI to make better use of programs that target SAI management.

A decisive factor for a SAI to establish a quality assurance function is leadership belief that such function can impact the quality of a SAI's work in the middle and long-run.

Raising audit standards can be seen as a journey within a SAI. It should build a roadmap for this purpose. As any journey, implementation of ISSAIs or related standards should take into account the level of resources that are needed to reach each milestone.

Support for capacity development of a SAI by the executive or legislative (budget) is related to the ability of a SAI to show it can add value and benefit to its beneficiaries.

The ability of a SAI to do SAI PMF depends on SAI capacity, especially experience with performance audit. The PMF requires not only a team with high level of knowledge of ISSAIs, but also with experience in organisational and contextual analysis, which can be facilitated by knowledge and experience with performance audit.

A SAI PMF does not always reflect the reality in the SAI, but it does reflect the level of SAI compliance with ISSAIs. The SAI may be performing better than it can document and provide evidence, but changing habits and documenting practices is part of complying with ISSAI standards and requirements.

It is quicker to achieve results from doing a SAI PMF externally (mixed team, independent team) than self-assessment. The results of a SAI PMF are rapidly used to negotiate and guide the capacity development support with cooperation partners.

For improving results internally from doing a SAI PMF, an information meeting with SAI staff to communicate the results of the SAI PMF and management response needs to take place.

PASAI provision of management and leadership training can complement the role of other cooperation partners who provide long-term capacity building support. Often cooperation partners focus on long-term technical capacity building, leaving a gap in management and leadership capacity development.

Following up on programmes, SAI management can step aside from everyday demands, to dedicate time and space for addressing important capacity development issues that the SAI agreed to do in partnership with PASAI.

Following up on agreed results, PASAI can contribute to SAI achieving intended outcomes from programme participation.

Having a quality assurance function can increase SAI visibility and legitimacy. It is the best method for ensuring a SAI reaches and maintains consistency with international standards in audit practices in the long-run.

Quality assurance is not only a means for verifying consistency in audit practices, but also to ensure SAI learns systematically.

SAIs with limited capacities would benefit if PASAI support the *process of building* a quality assurance function that acknowledges the resource basis and context of these SAIs. These SAIs do not necessarily have all audit areas established and fully developed.

Establishing a quality assurance unit/function based on a learning culture (versus a punitive) offers staff incentives for acquiring and applying knowledge in a meaningful way, asserting respect for professional development and creating opportunity for staff ownership of the organisation's development efforts.

SAI stakeholders provided lessons learned about training programs administered within the SAIs implemented by PASAI and other partners and through regional or international programs. These are summarized in the following table.

	Regional programs Based on PASAI and IDI programs.	**Training within the SAI** Based on twinning cooperation, bilateral programs funding secondments and PASAI training at SAI level.
Design	Normally attended by two staff from each participating SAI. Programs offered to SAIs to decide which ones they want to participate. Most assume participants already have knowledge in audit streams. All include lectures and peer-to-peer support. Practical exercise use regional examples.	All or most staff participate. Tailor made to address topics selected by SAIs and the level of knowledge of the staff. Most include a combination of lectures and on-the-job training or practical exercises. Practical exercise uses SAI's own manuals, past work and context.
Advantages	Enable peer-to peer learning for a short period, yet open opportunities for learning new things. Learn about what is going on in other SAIs. Improve knowledge and skills of participants. Provide opportunities for participants to assess own level of knowledge vis-à-vis others. Increase staff self-confidence to speak among peers. Opportunity to travel and experience other countries, which can improve staff motivation.	Build teamwork within SAI, learn together. Improve knowledge and skills of all or most SAI staff. Create common understanding in the office of audit standards and process. Create common language in the office. Better condition for deeper learning, which increase staff confidence, particularly with clients. SAI controls timing for the training. Good potential to improve audit quality and impact SAI, including updating manuals, templates and working papers.

Disadvantages	Little benefit to the SAIs, as seldom produces any change in the SAI. Action plans or exit plans elaborated at the end of programs are not followed by Heads of SAI and senior management team. Challenges associated with travelling to attend workshops abroad, particularly jet lag and fatigue from journey. Do not take into account processes and workload within the SAI.	No opportunity to exchange experiences with peers from other SAIs. Little benefit to the SAIs if knowledge and skills do not change practices in the office.

The lessons learned from the SAI PMF program in PASAI follows.

- Good use of peer-to-peer support improved the cost-effectiveness of the program, reducing costs and promoting cooperation and community-building across the region.
- The program objectives and desired outcomes were clearly stated and measurable indicators were developed.
- Insufficient attention to program design did not facilitate discussions about using alternative design approaches, cost considerations, and to take into account contextual factors in PASAI. For example, given previous lessons learned, clear understanding of SAI PMF methodology is crucial to enable accurate and speedy assessments. The design team did not discuss design alternatives other than what they have been used to do, that is, bringing two staff from each participating SAIs to training workshops. For example, they could have considered that training could be administered by the PASAI and/or IDI staff that participated in the country's assessments. In order not to overload SAIs doing the assessment, for the peer reviews they could have used staff from the SAIs that were going to do the assessment in the next phase of the program.
- The time for field work was insufficient, limited to one week. This in view that that assessment teams were not always confident in applying the SAI PMF methodology. [57]
- Staff doing the assessment had weak knowledge of SAI PMF methodology. [58] Particularly, they had insufficient understanding of the assessment criteria. Due to program design and funding limitations, it was not possible to train all staff who were involved in the self-assessment during the planning workshop. PASAI and IDI made the assumption that the Head of SAI who attended the planning workshop would train all staff who would be involved in the self-assessment, including those who did not attend the planning workshop.
- SAI's Terms of References insufficiently organized the assessment to ensure a smooth process (e.g. no assignment of a team leader; did not assign and clarified roles and responsibilities for those involved in the assessment).[59]
- The quality assurance of the SAI PMF reports showed that many assessments did not document evidences to the extent that it was required and in the way the IDI wanted.
- Many road blocks could have been avoided if Quality Control was emphasized and established at the planning phase and ensure that all members of the team are aware of such process and their respective responsibilities.

[57] Finding in the *Supporting SAI Performance Measurement in PASAI*, Final Report, IDI, 22 March 2018.
[58] Ibid
[59] Ibid

- There was no specific guidance in terms of who in the SAI should conduct self-assessment. In many SAIs, staff doing the self-assessment was the same that was doing the peer review of another SAI. The program design failed to take into account the well-known fact that most SAIs in PASAI have a small number of staff and that available staff would also have national priorities and engagements other than the assessments.
- Lack of organisation by IDI to allocate a staff to lead the program from beginning to completion and lack of planning and to insufficiently book staff time to resource the program with stable personnel available to support teams doing assessments and finalising the SAI PMF reports in a timely fashion. There was ongoing change of IDI staff throughout the program.
- Lessons learned from previous evaluations show that typically the training preceding SAI PMF assessments insufficiently address the uses of the SAI PMF and the political dimensions around the assessment and results. Some stakeholders expressed the SAI PMF implementation in PASAI was too mechanistic and with insufficient discussion and guidance on how to make the tool fully useful for small SAIs as well as for SAIs that have a different institutional models. Some stakeholders also noted that the SAI PMF was not properly articulated with Heads of SAI and that possible results should have been addressed and socialized early on. The program was also designed so that peer SAIs would be part of the assessment. An upfront discussion about how the results of the assessment would be handled would have better protected peer SAIs and the legitimacy of the exercise. However, some member SAIs expressed that risks and risk management was properly addressed during the PASAI/IDI SAI PMF training.
- Discussing the results of the SAI PMF and management response with staff is crucial for enabling the SAI PMF to function as a learning instrument.

Good Practices Note on Twinning Partnership

The Solomon Islands Office of the Auditor General and the Audit Office of New South Wales (AONSW), Australia have a partnership through a twinning arrangement. Discussions between the two SAIs begun in 2016, supported by PASAI. In 2017, a cooperation program between the two offices was defined and agreed through a week-long discussion that took place in Solomon Islands. Funding from DFAT was sought during the process of defining the cooperation program. Subsequently, the three years cooperation program was formally developed and agreed, and funding from DFAT was secured to cover the activities under the program.

Lessons learned from the twinning experiences in PASAI were integrated into the design of the Solomon Islands and New South Wales twinning partnership. Both offices generously agreed to share the lessons learned on twinning arrangements with other PASAI members. In addition, some additional good practices observations by other SAIs are incorporated in this note.

- ✓ Do a scoping mission for the parties to identify areas for cooperation. Forming a relationship between all three parties during the scoping visit and through ongoing discussion are important. To succeed the SAIs need to understand DFAT's needs, particularly in relation to reporting of activities, progress and outcomes achieved. The support of both SAI's Auditors General to the program is vital for success.
- ✓ Define well what each partner wants to get out of the twinning arrangement. Key to guiding the activities of the twinning program has been the understanding that the Solomon Islands OAG gained from the Performance Management Framework (SAI PMF) assessment conducted in 2016, just before the commencement of the twinning program. That assessment not only helped to form the twinning strategy and actions, but also provided a baseline to measure progress going forward.

- ✓ Agree on the duration (number of years) of the twinning cooperation.
- ✓ The Memorandum of Understanding (MOU) between the parties should define areas for the cooperation that were identified during the scoping mission and clearly spell out commitments from each party. A monitoring framework describing the expected outcomes of the program of cooperation, with indicators and baselines, should be part of the MOU. Leave room for review of the specific areas during the lifespan of the cooperation agreement, due to changing needs that may become apparent during the visits or requirements of each party.
- ✓ Twinning cooperation have been mostly used for technical cooperation, but its full potential can be reached when strategic and management issues are an inherent part of the modality.
- ✓ The cooperation concentrates on providing activities "in country" rather than having an emphasis on secondments to the partner SAI. The advantage of this approach is that all or most staff directly receive the opportunity for development rather than just one or two staff. This has also been the advice of PASAI during the scope phase. Secondments of staff to the partner SAI can still have a useful role, but the objectives and results for the SAI from any secondments should be clearly defined and monitored.
- ✓ The parties need to plan for the sustainability of the results of the cooperation program and agree on measures for each area of cooperation. Review each year the measures implemented to secure objectives achieved will be sustainable.
- ✓ Funding is necessary to make the twinning an effective cooperation. Planed activities need to be aligned with available funding and human resources to implement the cooperation program. It is understood by all parties that AONSW, being a State based rather than a National Audit Office, is not able to conduct any activities under the twinning arrangement that have a financial cost, without that cost being recovered. AONSW does not charge DFAT their normal client billing rates but works on a cost recovery basis. Through the arrangement with DFAT, the AONSW is funded for the cost of the activities it provides and for travel and accommodation costs.
- ✓ Both SAIs need strong commitment to the cooperation, at all levels. For desired outcomes to be achieved and more rapid progress to be noted, there needs to be leadership on the ground between twinning partner visits. This can be a challenge where key leadership positions are vacant, such as the vacant Deputy Auditor-General role in the Solomon Islands Office during the twinning arrangement period. Embedding of lessons, and progress towards desired outcomes takes too long if not being reinforced between visits.
- ✓ The SAI receiving visits needs to dedicate agreed times and resources. Provide visiting staff with an office and internet access. Ensure staff in the SAI are aware of the upcoming visit and available to participate in the planned activities.
- ✓ Clearly agree on the staff to participate in the cooperation through visits, defining staff expertise and level of experience as well as availability to follow up on each visit. To ensure some continuity: First visit by two staff, and second visit by one staff from previous visit and one new staff.
- ✓ Visits to implement cooperation program should be short, lasting approximately two week, unless long-term secondment is part of the cooperation.
- ✓ Define what will be done in each visit prior to the visits.
- ✓ Timing of visits is important and needs to be agreed by both parties.
- ✓ Closely monitor the implementation of the cooperation through constant communication between partners:

- A focal point for the cooperation should be named, at management level, preferably the DAGs.
- At the end of each visit, staff from partner SAI meet with focal point in the SAI visited to: (a) assess the accomplishments of the visit, (b) clarify what should be done in the SAI to follow up on the visit, and (c) agree on what will be done in the next visit.
- Meet yearly to discuss the progress of the cooperation towards outcomes achievement and, if necessary, agree on actions needed to secure success of the objectives of the twinning.