



20th GOVERNING BOARD MEETING

28 February – 1 March, 2019

Grand Mercure Hotel, Auckland, New Zealand.

Agenda item no.: 15

Title of paper: PASAI mid-term review

Purpose of the paper:

To present and discuss the result of the review of the implementation of PASAI's Strategic Plan 2014-2024

Strategic Plan reference: All SPs.

Background:

The independent reviewer, Bezerra International Consult, started the Mid- Term Review of the PASAI implementation of its Long-term Strategic Plan 2014-2024 in June 2018. That involved a preliminary discussions and fact-finding meetings, data collection, interviewing PASAI members and stakeholders in at the PASAI Congress in August, and field visits to five (5) member countries during September and October 2018, namely FSM, Fiji, Guam, Solomon Islands, and Tonga.

Key issues:

The draft report was sent by the independent reviewer to the Secretariat in late December 2018. The Office of the Secretary-General and the Secretariat reviewed the draft report and in January 2019 provided comments and conducted skype meeting with the reviewer to clarify some comments in the report and correct some statements that were not factual. A revised draft report was sent to the Secretariat on Friday 1 February 2019. The draft report was sent to the Board on the same day together with a cover paper summarising the findings of the PASAI Independent reviewer's report, and also a summary of actions required from PASAI Independent review (Refer *Annex I*). Further comments were sent to the reviewer on Thursday 7th February 2018, and revised version of the report was received by the Secretariat on Friday 8 February 2018. A copy of this latest version is in *Attachment I* and its two annexes on *Attachments II* and *III*. A copy of the report and its annexes was also sent to DFAT and MFAT.

Recommendations:

The Governing Board is invited to:

1. **Consider, discuss** the draft report on the PASAI mid-term review.
2. **Provide** guidance on the way forward in considering the recommendations of the report.

Submitted by: Tiofilusi Tiueti

Date submitted: 12 February 2019



PASAI mid-term review

Background

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The revised version was also shared with DFAT and MFAT for their information comments. They were advised that the review report has not been considered or discussed by the PASAI Governing Board and therefore the report and its annexes still remain confidential.

The extract below is take from the cover paper prepared by the Office of the Secretary-General to assist the Governing Board to assess the contents of the substantial report provided by the independent reviewer.

[Extract from the cover paper prepared by the Office of the Secretary-General]

“The report contains a lot of detail and is supported by 2 annexes with further data. The body of the main report provides a lot of information about the views shared by those interviewed by the reviewer and details connections with the underlying quantitative and qualitative analysis. While much of this material provides good background to the recommendations it is a large document to read and consider. This paper has been written as an executive summary and to bring together the conclusions and recommendations to facilitate discussion at the Governing Board meeting.

Overall assessment

PASAI has contributed to positive change in the region and has potential to contribute to further change as it implements programs to address the ambitious goals expressed in the Strategic Plan 2014-24.

The Strategic Plan is based on partnership and cooperation between SAIs and the PASAI Secretariat. In order to maximise the achievement to the end of the Strategic Plan period the Secretariat needs more resources and SAIs need to take more responsibility to operationalise the training and support

provided through the program into their SAIs. This will mean SAIs need to be receiving the right support at the right time to ensure there is maximum impact from PASAI's work.

Theory of Change

PASAI operates on a peer cooperation model – cooperation occurs between the Secretariat staff and staff from the SAIs of the region for governance, planning and delivery. This is a strength and a weakness for PASAI. A strength because of the regional relationships and support that have been generated since the formation of PASAI and a weakness because successful embedding of learnings from programmes relies both on the Secretariat having adequate resources to lead the program appropriately and also on SAIs having the capacity and commitment to embed learnings. The review identifies the need for changes to the Secretariat resourcing so the program is better targeted and evaluated and SAI response to maximise future results.

This cooperative model, along with the ambitious goals expressed in the Strategic Plan 2014-24, make it difficult to identify what is within each party's control, to assign responsibility and accountabilities and to mitigate risks to achieving the overall outcome goals of the Strategic Plan. PASAI needs to confirm that the ambitious goals set in the Strategy remain appropriate, including considering PASAI's ability to influence achievement of its overall vision when a large number of other parties also impact on it. For example the completion of an annual audit relies not only on a competent auditor but on also preparation of the accounts by an appropriately resourced and competent Ministry of Finance.

The completion of SAI PMF assessments across the region has, and will continue to, enhance the Secretariat's ability to target appropriate programs and provide resources to address SAI development needs.

For the Governing Board to consider:

- *What process should we undertake to identify the appropriate level of resourcing for the Secretariat?*
- *How do we align, and prioritise, the delivery of the PASAI program, as signalled in the Strategic Plan, with Secretariat resources and development partner funding support?*
- *How do we equip SAI Heads to more effectively assess their capacity to embed the learnings from PASAI programs into SAI operations?*
- *Is the Governing Board comfortable with the inherent risk to PASAI due to the ambitious goals (containing elements that are outside of PASAI's direct control) set in the Strategic Plan?*
- *Does the Strategic Plan need to be revised to reduce the risk and make the task simpler and the goals more achievable?*
- *Is the SAI PMF a good tool to assist SAI Heads to identify weaknesses that can be addressed through PASAI programs and resources?*
- *Are there also other ways?*

Governance

The Governing Board has been assessed as functioning well. The reviewer has suggested that the Governing Board could provide more assistance to the Secretariat to understand the “political” influences on funding issues in their jurisdictions and also the “political” influences on focus areas for the SAI, for example: the Govt of SAI X has announced a 5 year program to focus on corruption reduction in the public sector. That government has sourced funding to achieve this goal and is seeking parties to contribute to this program. The local SAI needs to alert PASAI to this opportunity to undertake or link into this program. The reviewer suggests that more information about such initiatives and assessment of impacts for PASAI’s program should be shared.

The Congress meetings should be organised to ensure time is made to maximise the sharing of strategic issues through discussion. The Governing Board should then be more involved in assisting the Secretariat to evaluate how new knowledge of issues in the region should be prioritised in its delivery program. The Governing Board should consider ways to ensure every member of Congress feels free to contribute to Congress discussions.

The reviewer considers the relationship between the Secretariat and the Office of the Secretary-General (OSG) is appropriately independent but with communication and guidance to draw on the OSG as needed.

The staffing levels of the Secretariat enable most of the planned program to be implemented but have left limited capacity to monitor, evaluate or share lessons learned. In order to meet the expectations of SAIs and of development partners more completely more resources are required. If it was possible to increase the resourcing of the Secretariat the suggested focus areas are: making more resources available to develop and maintain materials to enable SAIs to implement training within their own SAIs, providing more advice on the request of SAIs, facilitating more dissemination of information about the work of SAIs to other stakeholders, sharing good examples and success stories, coordinating cooperation between SAIs, providing more proactive leadership during Governing Board and Congress meetings and to ensure monitoring and evaluation of programs delivered is a routine part of the PASAI Secretariat’s operations.

For the Governing Board to consider:

- *What processes could be put in place to ensure better information flows about strategic and political issues impacting SAIs and the Secretariat program occur?*
- *How could these issues be incorporated into Governing Board and Congress meetings?*
- *Are the suggested focus areas for additional Secretariat resource, if obtained, the right areas of focus?*

Effectiveness and Efficiency

PASAI’s work to support Strategy Priority 1 – Strengthen SAI Independence – has been successful, particularly because it responded to individual SAI needs and provided resources for SAIs through the toolkit and also expertise. This should be maintained going forward.

PASAI’s work to support Strategic Priority 2 – Advocacy to strengthen governance, transparency and accountability – has been successful, although is dependent on the countries supported taking action based on the information provided. Recent work with other regional agencies is very positive but

would benefit from more resource to enable the scope of the cooperation to grow so that coordinated and complementary (sequenced) programs become the norm.

PASAI's work to support Strategic Priority 3 – High quality audits completed by Pacific SAIs on a timely basis – and Strategic Priority 4 – SAI capacity and capability enhanced – many positive improvements have occurred in this area but more work is needed to improve the sustainability and long-term impact of the results. To do this the program needs to be targeted to the specific needs and focus areas of SAIs. Using the results from the SAI PMF assessments and the SAI's strategic planning coming out of the SAI PMF assessments to tailor and target the support to SAIs going forward will be critical.

Particularly in relation to SP3 and SP4 more work focus needs to be placed on evaluating the most cost-effective and sustainably effective method of addressing the capacity development needs of SAIs. More visibility of the evaluation of alternative approaches considered is important so that the Secretariat gains the confidence of SAIs and other stakeholders. For example the use of support methods that address SAI identified specific capacity development needs is favoured above the completion of international program that result in complex products but have a lesser direct impact in SAIs capacity and capability to undertake their core mandate.

The reviewer recommends the Secretariat has more capacity to effectively evaluate and monitor impacts of its program and to understand the individual needs of SAIs.

The PASAI program has been well supported by development partner funding, however the reduction in funding levels in recent years has impacted the efficiency of the program delivery and has contributed to weaknesses in monitoring and evaluation focus by the Secretariat due to stretched resources. Funding stability is needed in order for the healthy operation of the Secretariat and the implementation of the Strategic Plan.

The growth and deepening partnerships across the region as a result of twinning relationships has contributed to positive local outcomes. There should be more focus by the Secretariat and those involved in twinning partnerships, on sharing information about how to establish twinning relationships and positive outcomes from twinning work.

Increased focus should be placed on developing a better understanding of the work of complementary regional and international organisations so that their work is effectively shared with SAIs and coordination is maximised where appropriate.

For the Governing Board to consider:

- *What are the Governing Board's views on the most effective and efficient ways to address development needs and embed change for the long-term?*
- *How should PASAI increase coordination and cooperation with regional agencies?*
- *How can the Governing Board assist PASAI Secretariat to negotiate more funding to enable increased resourcing?*
- *What is the best way to increase understanding about twinning relationships, how they operate, and lessons learned from them?*

Sustainability

The strong relationships between SAI staff across the region through regular participation in events together since the formation of PASAI is a significant motivating factor and has assisted in creating sustainable gains in the region. However, this has been offset by SAIs taking on too much as a result of participating in many programs and as a result the learnings from the programs have not been maximised. SAIs need to more realistically assess the level of participation that will enable learnings to be more effectively embedded in SAI systems and processes post program/event completion.

The design and relevance of PASAI's programs has to align to SAI needs in order to achieve sustainable results.

For the Governing Board to consider:

- *What process advice can be shared to assist Heads of SAI develop systems and processes to more effectively plan for and embed learnings post PASAI events?*

Administrative matters

The use of consultants is a sensitive matter. In order to address this and to ensure efficient delivery of the PASAI program more transparent systems need to be established around when Secretariat staff are used for delivery and when consultants are used. Where consultants are deemed appropriate, because of their expertise and/or experience of PASAI, the appointment process needs to be refined and aligned to best practice so that selection more effectively withstands external scrutiny.

Members and stakeholders expect the Secretariat to operate efficiently so that funding available for the support of SAIs is maximised. Consideration should be given to whether per diems could be further reduced building on the reviews completed since the start of the Strategy.

Secretariat staff need to be effective program managers – training should be provided to ensure the Secretariat staff have the expertise to undertake this work in conjunction with their delivery roles. This, along with appropriate resourcing levels, will enable the Secretariat to improve the quality of its monitoring and reporting.

For the Governing Board to consider:

- *Do Governing Board members agree that it remains valid to use consultants in certain parts of PASAI's program?*
- *Do Governing Board members support the development of a more transparent process to select consultants?*
- *Following the reviews of per diems over recent years, does the Governing Board support the need for a further review of per diem payments? What are the primary areas of concern?*
- *Does the Governing Board support priority being given to Secretariat staff to be trained to strengthen skills in program management and evaluation?*

A schedule setting out the primary actions needed to address the recommendations of the independent review is also attached in *Annex I*.

Annex I - Summary of actions required from PASAI Independent review

Primary actions to be taken to address recommendations of PASAI Independent review

S t r a t e g y	<p>PASAI Strategy review and confirmation of outcome goals</p> <ul style="list-style-type: none"> Review the Strategy to ensure objectives, indicators and targets are controllable and progress is measurable. (Link - Monitoring approach) 	<p>Delivery approach</p> <ul style="list-style-type: none"> Cluster support to maximise efficiency of support delivery while ensuring support is not too generic to take account of SAI contextual challenges. More emphasis on sequencing training to ensure build-up of skills in logical manner. Secretariat invests more time to understand work of other complementary agencies – to ensure synergies maximised More emphasis on SAI responsibility – as identified in current strategy – provide tools and materials to enable/facilitate SAIs to respond to their own needs (Link to focus areas, SAI Head commitment) 	<p>Strategic focus areas - ensure emphasis on these areas</p> <ul style="list-style-type: none"> Advocacy remains important due to weak political will to improve accountability and transparency in many countries across the region. Advocacy has been particularly effective in conjunction with independence support work but should not be limited to this area. Increased emphasis on Secretariat providing materials to empower SAIs to lead their own capacity development and to improve management processes. 	<p>Method to identify SAI capacity development needs</p> <ul style="list-style-type: none"> Use SAI PMF and SPMR program results, and SAI notified Strategic priorities to target future programs to specific SAI prioritised needs. (Link – Strategy review, GB TOR)
G o v e r n a n c e	<p>SAI Head responsibility – commitment needs to increase to ensure sustainable results</p> <ul style="list-style-type: none"> Acknowledge that impact of PASAI work has been reduced due to lack of SAI Head commitment to follow up and embed learnings from participation in PASAI programs. More discerning decisions about capacity of SAI to be involved in programs, including capacity to embed learnings post-workshop/program. Participation needs to be on the basis of SAIs identified Strategic priorities. SAI Heads need to more proactively use available PASAI tools and resources as well as materials freely available from other sources. (Link – Delivery approach) 	<p>Governing Board – Terms of Reference and Secretariat support</p> <ul style="list-style-type: none"> Reconsider the 2013/14 review proposal of sub-committee or advisory committee structure proposed to assist focus and guide responsibility of the GB to draw more on the regional issues/skills and knowledge of the GB members. (Link – Priority identification) Mobilise the GB and Secretary-General to address broader political issues to support the Secretariat staff – Link – Secretariat staffing) 	<p>Monitoring approach</p> <ul style="list-style-type: none"> Ensure Secretariat is organised/resourced so that emphasis is placed on monitoring and evaluation. (Link- Secretariat staffing) Employ or contract program management expertise so that delivery is planned, executed and evaluated to the highest standards (Link – Secretariat staffing) Embed a learning culture into PASAI's approach. (Link- Secretariat staffing, Strategy, Delivery approach) 	<p>Congress event structure</p> <ul style="list-style-type: none"> Ensure future congresses include adequate time for discussion of issues and to bring through regional and local issues (Link – identification of priorities)
C o p e r a t i o n s	<p>PASAI Secretariat staffing structure</p> <ul style="list-style-type: none"> Evaluate the staffing of PASAI Secretariat to ensure skillsets match Strategy goals (Link – to all Strategy line action areas) Ensure resourcing is provided for upkeep of materials that are already in place and increase emphasis on provision of lessons learned, other good practice guidance, templates, curriculum for course and training materials for SAIs (Link - Focus areas, SAI Head commitment) 	<p>Predictable funding</p> <ul style="list-style-type: none"> Ensure funding needs are more proactively addressed. (Link – Secretariat staffing, GB TOR) Negotiate long-term funding agreements to enable Secretariat to focus on delivery not financial sustainability. Staff Secretariat to be more readily able to implement additional programs if funding becomes unexpectedly available (Link – Secretariat staffing structure) 	<p>Twinning</p> <ul style="list-style-type: none"> Share information about successful twinning relationships to aid further developing of this approach (Link – SAI Head responsibility, delivery approach) 	<p>Other less significant actions required</p> <ul style="list-style-type: none"> Evaluate use of consultants, establish database and pre-qualification process Consider appropriateness of per diem rates