

**Pacific Association of Supreme Audit
Institutions
PASAI**



*“Pacific Auditors Working
Together”*

Strategic Plan 2014 – 2024

INTRODUCTION

The work of the Pacific Association of Supreme Audit Institutions (PASAI) is aligned with the goals of the Pacific Plan to achieve stronger national development through better governance. The Pacific Plan also supports the implementation of the Public Financial Management (PFM) roadmap for the region. This roadmap aims to strengthen the PFM systems of Pacific Island Forum countries through better management and use of public resources and as a result enhanced transparency and accountability to the people of the Pacific. The goals of the Pacific Plan framed the 2009-2013 Pacific Regional Audit Initiative (PRAI). In this context, the 2014-2024 strategy seeks to build on the foundation work undertaken by PASAI under the initial PRAI and to set the course for the next 10 years.

What is PASAI?










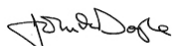
PASAI is one of the seven regional working groups of INTOSAI. Its precursor was formed in 1987 by a group of Supreme Audit Institutions (SAIs) in the Pacific. In 2008, PASAI, as an entity, came into being and consists of 26 government audit offices. The following table identifies the 21 'participating' SAIs, which are the focus of this strategy, and their systems of Government.

Participating SAIs		System of Government	Commitment to this strategy – signature of Head of SAIs 2014
	American Samoa	Congressional	
	Cook Islands	Parliamentary	
	Federated States of Micronesia (FSM)	Congressional	
	FSM: Kosrae	Congressional	
	FSM: Pohnpei	Congressional	
	FSM: Yap	Congressional	
	Fiji Islands	Parliamentary ¹	
	French Polynesia	Congressional – Territory of France	
	Guam	Congressional	

¹ A military dictatorship pending elections.

Participating SAIs		System of Government	Commitment to this strategy – signature of Head of SAIs 2014
	Kiribati	Parliamentary	
	Marshall Islands (Republic)	Mixed Parliamentary-Congressional	
	Nauru	Parliamentary	
	New Caledonia	Congressional – Territory of France	
	Northern Mariana Islands (Commonwealth)	Congressional	
	Palau (Republic)	Congressional	
	Papua New Guinea	Parliamentary	
	Samoa	Parliamentary	
	Solomon Islands	Parliamentary	
	Tonga	Parliamentary	
	Tuvalu	Parliamentary	
	Vanuatu	Parliamentary	

The 21 SAIs listed above participated in the program of support designed to achieve the objectives of the initial PRAI. Technical and other forms of support, such as staff secondment programs, was provided by the remaining five members – the SAIs of Australia, New Zealand and the Australian states of New South Wales, Queensland and Victoria.

Supporting SAIs		System of Government	Commitment to this strategy – signature of head of SAI 2014
	Australian National Audit Office	Parliamentary	
	New Zealand	Parliamentary	
	New South Wales State Audit Office	Parliamentary	
	Queensland State Audit Office	Parliamentary	
	Victoria State Audit Office	Parliamentary	

In the coming period, we will seek to draw further on the support that has been provided across the Pacific. Each individual SAI that has experience and expertise to share will be expected to support its less developed counterparts. Where appropriate, new and previously informal support arrangements will be formalised by 'twinning' arrangements that will be facilitated by the PASAI Secretariat.

This long-term strategy marks the second phase of assistance. Its development was informed by the conduct of two reviews. The first was completed by the Independent Evaluation Unit of the ADB and focused on the activities completed under the PRAI. This report found that the PRAI was considered to have been generally effective in terms of achieving its key outputs but noted that SAIs in the region were still a long way from meeting the intended outcome for all public accounts to be audited in a timely manner and to recognised high standards and with enhanced impacts and capability.

The second review, completed by Anders Hjertstrand, focused on the performance of PASAI as an organisation. It concluded that PASAI is becoming a successful and respected regional body. The review emphasised the need for further development and support by development partners of PASAI in order for it to successfully support the second PRAI over a sustained period.

The development of PASAI's long-term strategy 2014-24

There was an extensive consultative phase underpinning strategy development:

- An initial draft was developed prior to the 2013 Guam PASAI congress for consultation with the PASAI Governing Board;
- Governing Board members presented the draft strategy to the full Congress, (all members were represented at the Congress in 2013).
- Presentations on each of the Strategic Priority areas were followed by workshop sessions which were reported back to the full Congress. Stakeholders including development partners, Pacific Island Forum Secretariat, UNDP, US Office of the Inspector General attended the workshop sessions.
- Congress endorsed the Strategic Priorities and objectives presented and provided the Governing Board and Secretariat with a clear mandate to finalise the strategy. On this basis PASAI has confidence that the strategy has the support of all PASAI members.

Elements of the Strategy

1. The overall **vision, mission and values** of PASAI are presented in the accompanying diagram. PASAI values drive the nature of interactions between the organisational body of PASAI and its membership.
2. A **results based framework**, incorporating the five **Strategic Priority (SPs)** areas agreed at the Guam Congress, is included. These SPs will provide a focus for the next 10 years and include the capacity to measure success. The SPs are all highly interdependent and mutually reinforcing.

SP1 – strengthen SAI independence

Outputs/actions in SP1 acknowledge that if the SAI is not properly recognised and resourced within its country's legislative framework, it is difficult for it to have appropriate standing with key stakeholders and the community to advocate for improvements in the PFM cycle.

SP2 – advocacy to strengthen governance, transparency and accountability

SP2 focuses on the efforts of PASAI itself and its support for advocacy by member SAIs for improvement in the PFM cycle. This work ranges from advocating for resources/expertise so that financial statements can be produced for audit to advocating for audit reports presented to legislatures to be properly scrutinised and recommendations actioned and followed up. PASAI has a long and successful history of collaboration with regional players. SP2 requires PASAI to build on existing partnerships with regional stakeholders, influential in the PFM cycle, and develop additional partnerships to pursue this outcome. It is important that the results of these partnerships are monitored and reported.

SP3 – high quality audits completed by Pacific SAIs.

In response particularly to the finding of the ADB evaluation report, SP3 is central to actioning the strong commitment to achieve a significant improvement in the timeliness and quality of the audits of the financial statements of government/whole of government financial audits. PASAI is committed to ensuring that members are carrying out all activities to the highest possible standard. To this end the Secretariat will be working to ensure that all capacity building programs and resources are based on internationally recognised standards. In many instances this will mean a focus on members developing the capacity and capability to work using ISSAIs

(as required by the INCOSAI South Africa Declaration, 2010). A realistic plan of how to reach this goal will be central to the strategic plans of each participating member.

SP4 – SAI capacity and capability enhanced

SP4 is focused on PASAI's support and provision to SAIs to strengthen their capacity to complete their work to improved quality standards.

SP5 – PASAI Secretariat capable of supporting Pacific SAIs

The implementation of this strategy has a ten-year timeframe. The successful achievement of the outcomes required under SP1-4 requires a capable and professional Secretariat. This SP endeavours to ensure that the requisite staff skills are available in the Secretariat and are updated as required. In addition to working together to build capacity this strategy focuses on further development of resources and repositories by the PASAI Secretariat to ensure that examples, experiences and best practice is recorded and made available to be drawn on by all PASAI members and by other regions.

3. Monitoring and Evaluation (M&E) Framework

The M&E framework incorporates a baseline starting point for the strategy and as such enables the success of the strategy to be monitored over time. PASAI is seeking to be ambitious and will work to see some significant improvement over the next 10 years. However, 10 years is a long time so this strategy will be subject to a full interim review in 2019 as well as periodic monitoring and reporting arrangements. The interim and final strategy reviews are identified in SP5.

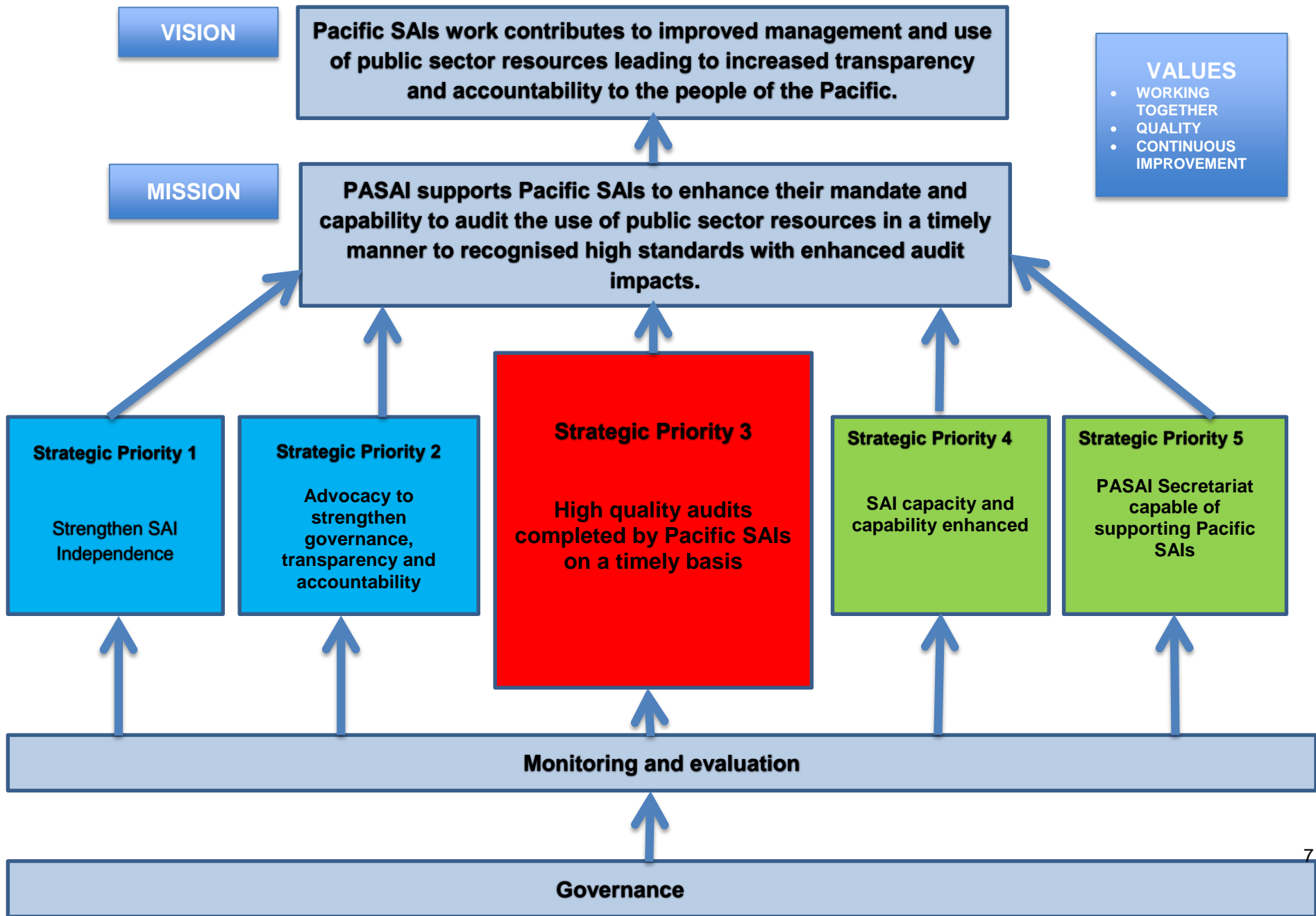
4. Governance

PASAI's governance structure is a key component of this strategy. It reflects the commitment of PASAI members to work together to bring about change.

Conclusion

PASAI is acutely aware that the success of this strategy is highly dependent on the cooperation of others. Firstly, the SAIs within the PASAI region must take on much of the work set out in this strategy, with support from PASAI Secretariat and others. This strategy has assumed the commitment of SAIs in the region and any failure in this area is recognised as a significant risk to success.

PASAI also needs to work in partnership with many other stakeholders to achieve the objectives of this strategy and to advance the mission and vision of PASAI. Given that PASAI's work falls within the broader context of the Pacific Plan and its goal to achieve stronger national development through better governance, PASAI is confident that it will receive support from other key Pacific stakeholders for its audit and accountability goals. We expect to work closely with the Pacific Island Forum Secretariat, Pacific Financial Technical Assistance Centre, UNDP, Commonwealth Secretariat and the Council of Pacific Public Accounts Committees to influence improvement in the PFM cycle. PASAI has also sought to develop synergies between this long-term strategy and the goals and objectives of INTOSAI and IDI to ensure that global public good materials are used to the best advantage and to avoid duplication of effort.



Strategic Priority 1: Strengthen SAI Independence

PASAI will encourage and support its members to be independent and sustainable institutions that make a difference to the quality of public sector governance and service delivery for the benefit of their peoples. A strong and independent SAI is essential for a country's good governance and public financial management.

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

Assumptions:

- The Parliaments of Pacific Island Countries and other agencies working in the Pacific support effective and transparent public financial management, and as part of this, support the need for Pacific SAIs to have an effective independent mandate and a level of resourcing sufficient to implement their mandate.

Risks:

- Improvements to SAI governing legislation enabling individual SAIs to operate independently are hindered by lack of recognition of the importance of an independent and resourced SAI in the accountability framework.
- Parliament addresses constraints on SAI effectiveness through legislative changes to SAI mandate but does not resource the legislative mandate to support effective operation.
- Lack of capacity and capability of Pacific SAIs limits their ability to operate to the full extent of their mandates, resulting in communication to Parliament and to citizens being less than that required under the Lima and Mexico Declarations.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
A SAIs are independent with a modern mandate consistent with the UN General Assembly Resolution on SAI Independence and the Lima and Mexico Declarations.	<p>More than 50 per cent of SAIs reported that their legislation has been reviewed or will be reviewed against the best practice provided for by Lima and Mexico Declarations. (<i>A&T Report 2011</i>)</p> <p>The PASAI legal advisor has reviewed the proposed legislation of the SAI of Vanuatu. (<i>2012-13 AR</i>)</p>	<p>1.A.1 For the next Accountability & Transparency report, there are measurable improvements in the level of independence as provided for by Mexico Declaration.</p> <p>1.A.2 On an 'as required' basis, PASAI will support SAIs by providing access to independence expertise.</p>	<p>SAIs will assess their progress against the eight key principles of the Mexico Declaration and provide this to PASAI for summation.</p> <p>The Secretariat will provide access to independence expertise and will work with other agencies in the Pacific to promote SAI independence.</p>

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
	PASAI is gaining recognition as a key contributor to the quality of public sector governance in the Pacific. (<i>Hjertstrand Review, 2013</i>)	1.A.3 PASAI will collaborate with other agencies in the Pacific to pursue this goal, eg PIFs, UNDP and report annually on outcomes of collaboration.	SAIs will advocate for and lobby their Parliaments (or equivalent) and governments to address long-standing constraints to SAI effectiveness due to limitations on SAI independence. SAIs with support from the PASAI Secretariat.
B SAI independence is supported by adequate resources and capability.	Information on adequacy of resourcing not captured in either PASAI survey, however all reporting SAIs in A&T report provide their budget info and process and how supplementation can be sought. (<i>A&T Report 2011</i>). For data on capability refer to SP4.	1.B.1 For the next Accountability & Transparency report, there are measurable improvements in the level of resources available to all SAIs to enable them to complete their mandated roles.	SAIs will identify resourcing and capability shortfalls (as part of strategic planning preparation). SAIs advocate for additional resourcing, where necessary, to effectively implement audit mandate. SAIs with support from the PASAI Secretariat.
C SAIs demonstrate and effectively communicate their independence and relevance to citizens and other stakeholders.	75 per cent of SAIs are required by law to publish an annual report and submit to legislature (<i>A&T Report 2011</i>)	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.	SAIs will report annually on their state of independence, audit-finding follow-up and other relevant issues. SAIs with PASAI guidance (training, assistance and guidance materials).
	65 per cent of jurisdictions have a specific committee of the legislature to review public accounts and audit reports. (<i>A&T Report 2011 and SAI PMF survey 2013</i>)	1.C.2 Over the next three years, SAIs have improved relationships with PACs or equivalent, audited entities, media and civil society.	SAIs will “live” independence principles and enhance their communications and relationships with public accounts committees (or equivalents), audited entities, media and civil society.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
	<p>Sound working links established between PACs and audit offices, example - Samoa, Solomon Islands and Vanuatu. (<i>ED's report to Guam Congress.</i>)</p> <p>PASAI actively supporting the establishment of a regional organisation of PACs in the Pacific – [CoPPAC]. Benefits already seen in Samoa and SI. (<i>ED's report to Guam Congress.</i>)</p> <p>45 per cent of SAIs report they have a direct working relationship with media. (<i>A&T Report 2011</i>)</p>	<p>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.</p>	<p>SAIs will develop communications strategies, implement and report.</p> <p>SAIs with support from the PASAI Secretariat.</p>
	<p>50 per cent of SAIs have own website on which to publish reports (<i>A&T Report 2011</i>)</p>	<p>1.C.4 Over the next three years and with PASAI support, all SAIs communicate independence effectively through good practice websites.</p>	<p>Each SAI prioritises the development and maintenance of an effective website.</p> <p>SAIs with support from the PASAI Secretariat.</p>
<p>D SAIs share information and promote independence within their SAI and support other SAIs to meet challenges to their independence</p>	<p>Informal sharing takes place between SAIs at PASAI meetings, training events and fora. (<i>Anecdotal evidence</i>)</p>	<p>1.D.1 Specific examples of the impact and benefits of shared approaches to the practical day to day challenges to independence are able to be provided on an annual basis.</p>	<p>SAIs to support each other to meet independence challenges by contributing and sharing information in workshops and other fora, such as PASAI Newsletter and Bulletin.</p> <p>PASAI Secretariat to facilitate opportunities for SAIs to support each other.</p>

Strategic Priority 2: Advocacy to strengthen governance, transparency and accountability

Improved governance, transparency and accountability of countries will be assisted by greater regional cooperation amongst SAIs and active engagement with stakeholders and development partners with an interest in effective public financial management.

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.

Assumptions:

- The work of PASAI to advocate across the region and in individual Pacific Island Countries will respect and preserve the sovereign and democratic rights of each SAI and national jurisdiction.
- Other agencies working in the Pacific to improve public financial management support PASAI initiatives and are prepared to work with PASAI to advocate for improvement.

Risks:

- PASAI advocacy work is regarded by legislatures and other parties in the public financial management cycle as exceeding individual SAI's mandate.
- PASAI is unable to develop effective working relationships with other agencies in the Pacific in order to achieve broader support for its advocacy efforts.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
A PASAI regularly reports on the contribution made by auditing public resources to transparency and accountability in the region.	A&T reports 2009 and 2011. (<i>A&T reports</i>)	2.A.1 Triennial reports on transparency and accountability in the region are produced and planned actions to address the findings are progressed and reported annually.	PASAI conducts a survey on status of transparency and accountability in the region every three years. PASAI Secretariat.
B 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.	68 of 69 key stakeholders interviewed for 2011 A&T report indicated that they are aware of public auditing (<i>A&T report 2011</i>)	2.B.1 The next Accountability & Transparency report will provide information on improvements concerning SAI recognition by their government and other civil society groups as advocates for effective public financial management legislative frameworks.	PASAI Secretariat will provide SAIs with access to public financial management expertise and will work with other agencies such as the PIFs, PFTAC and UNDP in the Pacific to provide support to guide advocacy work.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
			<p>SAls will exercise leadership in advocating for effectively operating and strong legislative frameworks for public financial management (PFM).</p> <p>SAls with support from the PASAI Secretariat.</p>
	<p>86 per cent of relevant jurisdictions have ratified UNCAC. The Govt of Kiribati recently ratified UNCAC following a successful UNDP mission. PASAI was a member of the mission. (<i>A&T report 2011</i>)</p> <p>75 per cent of SAls have identified weaknesses in the control systems of public entities. (<i>A&T report 2011</i>)</p>	<p>2.B.2 All SAls are able to identify and report specific actions taken yearly to advocate for PFM system improvements to reduce corruption.</p>	<p>PASAI will work closely with the bodies responsible for implementing the United Nations Convention Against Corruption (UNCAC) in order to assist SAls with advocating for PFM system improvements to reduce corruption.</p> <p>SAls with support from the PASAI Secretariat.</p>
<p>C Strong partnerships are developed with regional organisations with an interest in enhanced accountability and transparency.</p>	<p>A&T project supported by UNDP, Transparency International and USP. The three parties will work in collaboration with PASAI to advance joint program objectives. (<i>AR 2012-13</i>)</p> <p>PASAI ED and PASAI legal adviser held three follow-up meetings on the A&T Project in Fiji, in March 2013. (<i>AR 2012-13</i>)</p> <p>PASAI instrumental in bringing together key stakeholders to form the Public Financial Management Group. Inaugural meeting held in August 2013 with focus on co-ordination of effort. (<i>AR 2012-13</i>)</p>	<p>2.C.1 Specific examples of the impact and benefits of collaborative relationships on accountability and transparency in individual Pacific Island Countries are able to be provided on an annual basis. (To be measured at two levels – PASAI and SAI)</p> <p>2.C.2 Triennial strategic partnership agreements with joint results-oriented frameworks are agreed with key regional partners.</p>	<p>PASAI will continue to work collaboratively building on relationships of SAls, and where appropriate with a signed collaboration agreement in place with the UNDP, PIFs, PFTAC, Transparency International, Council of Pacific Public Accounts Committee, Commonwealth Secretariat and other stakeholders to advocate enhanced transparency and accountability in the Pacific region.</p> <p>PASAI Secretariat.</p>

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
	<p>ED participated in workshop (Nov 2013) in Samoa comprising MPs, the PAC and Head of SAI on improving relationship between legislature and SAI.</p> <p>PASAI convened meeting (Nov 2013) between Solomon Islands PAC and Head of SAI. (AR 2012-13)</p>	<p>2.C.3 PASAI Secretariat provides support to at least 2 SAls per annum to contribute to initiatives led by others to strengthen understanding of accountability and transparency each year.</p>	<p>PASAI and SAls support initiatives led by others to strengthen PACs, public agencies and improve the understanding of accountability and transparency on the part of the general public.</p> <p>PASAI Secretariat.</p>
<p>D SAls advocate for improvements in the public financial management systems adopted by their countries.</p>	<p>16 SAls provided the PEFA assessment. Six indicated a minimum rating of D, two relied on 2007/08 assessment and one (D+) on a 2010. Five SAls reported an assessment of C, two relied on 2007/08 assessments. Three reported an assessment of B, one relied on 2007/08 assessments. 2 SAls did not complete this survey section. (PEFA assessments provided in SAI PMF survey 2013).</p> <p>APIPA members are assessed regularly by DOI and ratings provided.</p>	<p>2.D.1 Improvements in the effectiveness of public financial management systems are evidenced through improved results in relevant aspects (PI 26) of the next PEFA assessment and progress against PEFA roadmaps.</p>	<p>SAls advocate to their governments to adopt good practice public financial management systems with support from PASAI.</p> <p>SAls with support from the PASAI Secretariat, working with other stakeholders.</p>
	<p>Outsourced audits more timely than those prepared by SAls.² SAls in countries with PACs (parliamentary system of govt) often experience issues with delays in the audit of public accounts.</p> <p>Six SAls have tabled audited WoG reports for 2012 and 7 have partially</p>	<p>2.D.2 The next Accountability & Transparency report will provide information on improvements in the timeliness of parliamentary scrutiny of SAI WOG/FSG audit reports.</p>	<p>PASAI will work with other regional bodies and development partners to promote the effective scrutiny of audited financial statements, particularly WOG/FSGs within their legislative context.</p>

² Four SAls outsource all their financial audits, one outsources 60% while eight outsource less than 50% their audits, with one undertaking all their mandated financial audits. Source: SAI PMF survey report.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
	completed 2012 reports. (<i>A&T report 2011 and SAI PMF survey report 2013.</i>)		PASAI Secretariat, in conjunction with SAls.
E PASAI identifies and promotes good practice by SAls to other SAls.	Tier training includes better practices in areas such as time management practised by SAI Fiji. CPAs model better practices by SAls when conducting PAs. (<i>Anecdotal evidence</i>)	2.E.1 Good examples are developed and maintained by PASAI Secretariat and promoted regularly through minimum of one promotion method per year (newsletter, report, forum etc).	PASAI to develop communication tools to facilitate the sharing of SAls good practice with other SAls, such as via PASAI Newsletter and Bulletin. PASAI Secretariat in conjunction with SAls.

Strategic Priority 3: High quality audits completed by Pacific SAIs on a timely basis

Public accounts audited in a timely manner to internationally agreed standards by SAIs are fundamental to holding governments and public entities accountable through oversight by the legislature. PASAI will work in partnerships with other organisations to promote the effective preparation and scrutiny of audited financial statements of Pacific Island governments.

Outcome measure: Improvements in production of Financial Statements of Government (FSG)/Whole of Government (WoG) audits³ annually by trained and qualified SAI staff and increase in numbers of performance audits undertaken by SAIs with audit impacts reported annually.

Assumptions:

- In the context of the Pacific Plan, all parties involved in the PFM cycle are committed to raising the standard of accountability and transparency and therefore support and respond to PASAI and Pacific SAI advocacy for improvements.
- Other parties to the PFM cycle are provided with sufficient resources to enable them to appropriately undertake their function in the PFM cycle.

Risks:

- Due to lack of capability and capacity within the public financial management system generally, financial statements are not able to be audited in a timely manner.
- Pacific SAIs do not have sufficient staff or those with the capacity and capability to conduct financial statement audits.

Objectives	Baseline and data sources	Targets	Action (Output) and Responsibility
A 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.	Data collected in PMF survey and released in PASAI Annual Report. (SAI PMF survey)	3.A.1 The status of all FSG/WOG audits is known and able to be reported on a regional basis at all times.	PASAI will develop a work plan with Pacific Financial Technical Assistance Centre (PFTAC) to identify the status of FSG/WOGs in the region. PASAI Secretariat

³ For the purposes of this strategy references to Financial Statements of Government and Whole of Government Acts and financial audits should be read as including compliance audits where applicable as compliance audits are viewed as a subset of a financial audit encompassing public sector considerations of legislative compliance, performance, waste and probity.

Objectives	Baseline and data sources	Targets	Action (Output) and Responsibility
	Solomon Islands SAI works in cooperation with MoF to produce financial statements. Samoa SAI reviews status of financial statements against legislative requirements. (<i>Anecdotal evidence – Samoa confirmed by Audit NZ secondee currently working on FSG audit arrears in Samoa December 2013</i>)	3.A.2 Through reporting against the triennial strategic partnership agreement with PFTAC, mandated SAIs are recognised as providing support for MoFs initiatives to support timely completion of FSGs for audit.	PASAI will work with PFTAC to provide guidance to help SAIs support initiatives of agencies to achieve the timely preparation of FSGs for audit. PASAI Secretariat in conjunction with mandated SAIs, with support from PFTAC and others working with MOFs.
	Except for three SAIs, all other 15 SAIs surveyed provided that between 60% to 100% of the audits were completed on time and to budget. (<i>SAI PMF survey and Guam Congress report</i>)	3.A.3 The status of FSG/WoG audits, and all other mandated financial audits, improves year on year and audit findings are reported to Parliaments/legislatures.	Mandated SAIs will undertake a timely audit of FSGs upon receipt of completed FSGs for audit, and all other mandated financial audits. Timely reporting to Parliaments/Legislatures of audit findings will occur. SAIs with support from PASAI Secretariat.
B SAIs produce high quality financial audits in accordance with national/international standards.	FAM is ISSAI compliant, tier training programs reference ISSAI standards, Pacific SAI facilitators for ISSAI implementation are trained. (<i>SAI PMF survey and Guam Congress report</i>)	3.B.1 PASAI FAM is aligned to current ISSAIs at all times.	PASAI maintains financial audit methodology alignment to current international standards and assists SAIs apply it within individual SAI context. PASAI Secretariat
	North Pacific peer review process (APIPA) in place. Common methodology through the FAM now available to support peer review process. (<i>SAI PMF survey and Guam Congress report</i>) (<i>Draft AR 2012-13</i>)	3.B.2 All SAIs produce high quality audits, confirmed by peer review a minimum of every 3 years.	SAIs use peer review processes to validate quality of financial audits. SAIs to establish peer review programs with support from the PASAI Secretariat.

Objectives	Baseline and data sources	Targets	Action (Output) and Responsibility
	Planning is underway for a CFA in 2014 (<i>PASAI Technical and Methodology Adviser</i>)	3.B.3 Cooperative financial audits are undertaken.	SAIs that have mandate to conduct financial audits, undertake a co-operative financial audit of an entity with the use of the ISSAIs in order to improve financial audit capacity. SAIs with the support of the PASAI Secretariat and IDI.
	Third SAS round underway. Staff capability improved, example Tuvalu (<i>Draft AR 2012-13</i>)	3.B.4 Financial audits in SAS countries are progressed and staff capability and capacity increased.	SAS program continues for the three SAIs, Kiribati, Nauru and Tuvalu and new entrant SAIs on request in order to improve financial audit capacity. SAIs Kiribati, Nauru, Tuvalu and other SAIs, with support from the PASAI Secretariat.
	The PASAI Governing Board endorsed a structured training program in November 2009. Signed contract with USP to deliver training. 25 participants from 13 SAIs trained in July 2013. Feedback on training positive. This will be an annual training program. (<i>SAI PMF survey</i>)	3.B.5 Financial auditors are trained annually on accounting standards.	PASAI works in partnership with PFTAC and USP to conduct annual workshops on accounting standards (and standards updates) for SAIs. PASAI Secretariat and PFTAC.
C SAIs produce high quality performance audits of government and regional programmes.	As at December 2012, a total of 58 performance audits were underway or had been completed by 13 SAIs. Cook Islands, PNG, Samoa and Tonga SAIs now have Performance Audit Divisions. (<i>SAI PMF survey</i>)	3.C.1 Within three years, all SAIs produce high quality performance audit reports of government and regional programmes on an annual basis and quality confirmed by 3 yearly peer reviews.	PASAI maintains performance audit methodology alignment to current international standards and assists SAIs apply it within individual SAI context. SAIs use peer review processes to validate quality of performance audits.

Objectives	Baseline and data sources	Targets	Action (Output) and Responsibility
			PASAI Secretariat and SAls
	Current PAM aligned with ISSAIs. (<i>SAI PMF survey</i>) IDI has produced ISSAI handbooks for use by SAls. (<i>PASAI Capacity Development Adviser</i>)	3.C.2 PASAI performance audit methodology is aligned to current ISSAIs at all times.	PASAI maintains performance audit methodology alignment to current international standards and assists SAls apply it within individual SAI context. PASAI Secretariat
	4 th Cooperative Performance Audit (CPA) conducted in 2013. (<i>Draft AR 2012-13</i>)	3.C.3 Cooperative performance audits are undertaken.	PASAI leads the completion of one regional cooperative performance audit (CPA) every three years. PASAI Secretariat
	In 2011, the US insular states collaborated with the US Dept of Interior on an audit of the management of a large federal grant following the global financial crisis. (<i>Individual SAI data obtained for 2011 A&T report</i>)	3.C.4 Two or more SAI co-ordinated performance audit reports are produced every two years.	SAls conduct co-ordinated performance audits on topics (SAI initiated and led) of mutual interest. SAls with support from the PASAI Secretariat.
	Performance Audit Manual now available to support evaluation of CPAs. (<i>Draft AR 2012-13</i>)	3.C.5 Cooperative performance audits are evaluated.	PASAI commissions an evaluation of cooperative performance audits. PASAI Secretariat and participating SAls.
D Each SAI is audited annually to set an example to public entities in the Pacific	A survey will be carried out in conjunction with the completion of the Accountability and Transparency report. PASAI is aware that the Cook Islands Audit Office is audited annually by KPMG. Others may also be externally audited but a survey has not been completed.	3.D.1 All SAls, excluding sub-national offices where other arrangements are in place for the national office, are independently audited and audit recommendations are acted on within one year or less of receipt of the audit report.	PASAI assists SAls to appoint an external auditor where necessary. SAls with support from PASAI Secretariat and twinning partners.

Strategic Priority 4: SAI capacity and capability enhanced

The ongoing capacity building of SAIs as institutions and of their staff is crucial to achieve the transparent, accountable, effective and efficient use of public sector resources in the Pacific region.

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

Assumptions:

- All Pacific SAIs commit to developing comprehensive strategic plans at the commencement of this strategy so that PASAI can develop tailored programs to address identified SAI weaknesses.
- Pacific SAIs commit to using the INTOSAI PMF to monitor achievements against their strategic plans.
- Commitment from SAIs in the PASAI region to achieving the vision and mission of PASAI results in increased participation in the training delivered through the PASAI capacity development program.
- PASAI's capacity development program results in Pacific SAI staff capable of carrying out the SAI's mandated activities.

Risks:

- Pacific SAIs lack capability to develop a comprehensive strategic plan and as a result are unable to identify and monitor their development needs.
- PASAI's capacity development program increases the skills base of individual SAI staff leading to higher attrition rates and a reduced ability of Pacific SAIs to complete mandated audits.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
A SAIs develop and implement their own comprehensive and realistic strategic plans.	<p>Five SAIs need assistance in the development of their strategic plans, five on corporate plans and six on operational plans. (<i>SAI PMF survey</i>)</p> <p>The SMOG Advisor provided strategic management support to SAIs of Nauru, Kiribati, Solomon Islands, Tuvalu, Vanuatu. (<i>SAI PMF survey</i>)</p>	<p>4.A.1 Within the first year of this strategy, the majority of SAIs have an adopted and implemented comprehensive strategic plan, assisted by PASAI Secretariat.</p> <p>4.A.2 All SAIs report regularly on progress against their strategic plans to their reporting authority.</p>	<p>SAIs develop comprehensive (focussing on practice management) strategic/corporate and business plans, implement and report on these plans.</p> <p>SAIs with support from the PASAI Secretariat.</p>

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
B SAs adopt and apply the INTOSAI performance measurement framework (PMF).	PASAI PMF in place and being revised. An IDI led workshop on SAI PMF is planned for March 2014. <i>(PASAI Capacity Development Adviser)</i>	4.B.1 Over the next three years, all SAs adopt (where applicable) the INTOSAI PMF and report against it triennially.	SAs adopt INTOSAI PMF and integrate results with their individual strategic plans. SAs with support from PASAI Secretariat and IDI.
	Over 2012/13, ED provided structured assistance to SAs of Kiribati, Vanuatu and Tuvalu. <i>(2012-13 AR)</i>	4.B.2 PASAI Secretariat interventions to assist SAs to improve issues identified through PMF assessments and Accountability and Transparency report, contribute to improved SAI results in subsequent assessment.	PASAI coordinates targeted support (primarily using PASAI Secretariat resources and twinning relationships) to improve SAI capacity development based on needs as identified in SAI strategic plans and evidenced by PMF assessments. PASAI Secretariat guided by Governing Board.
C Partnerships and ‘twinning’ arrangements are developed between SAs within PASAI and globally.	Active twinning arrangements between VAGO and Tuvalu. NZ and Samoa SAs have a reciprocal secondment program. PNG SAI is supported by ANAO. <i>(2012-13 AR and PASAI Bulletin)</i>	4.C.1 SAs are able to report annually specific examples where twinning and partnership arrangements have contributed to increased SAI effectiveness.	SAs are encouraged to develop appropriate partnerships and ‘twinning’ arrangements. PASAI Secretariat will coordinate, support and monitor these relationships. SAs with support from the PASAI Secretariat.
D SAs plan for and use PASAI training resources and programmes.	One SMOG management workshop held in 2012 and was rated highly by participants. <i>(SAI PMF survey)</i> <i>Communicating effectively</i> workshop held on an annual basis. IDI management development program available for use in PASAI region in 2014. <i>(PASAI Capacity Development Adviser)</i>	4.D.1 Within the next three years, all senior and middle management of SAs in the region are trained for leadership positions.	SAs utilise PASAI, and other, capacity development programs focused on strategic management and planning, investigations, report writing, IT audits and other topics. SAs and the PASAI Secretariat.

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
	Participants in PASAI Tier training programs complete a post training Action Plan so that knowledge gained is transferred to their SAI. (GB requirement) Samoa SAI has individual development plans for staff. (<i>PASAI Capacity Development Adviser</i>)	4.D.2 SAIs have 3-year training plans in place at all times.	SAIs in collaboration with PASAI develop 3-year training plans. SAIs with support from the PASAI Secretariat.
	At 30 June 2013, 93 participants and 10 coordinators had attended five PASAI training workshops (<i>2012-13 AR</i>)	4.D.3 All staff of SAIs that use ISSAIs complete ISSAI and Tier training programs and maintain knowledge through regular updates.	SAIs to support capacity development of staff knowledge on auditing by participating in PASAI ISSAIs and Tier training programs. SAI management with PASAI Secretariat.
	New (2013) program offered by the Institute of Public Administration Australia (IPAA) is available to auditors who have completed Tiers 1 and 2 of PASAI training. Course offering is dependent on demand. Funding of participants an issue for SAIs. (<i>2012-13 AR</i>)	4.D.4 All staff of SAIs requiring current accounting skills are trained and complete programs to maintain knowledge.	SAIs seeks to enhance knowledge of accounting through participation in workshops on IFRS/IPSAS and other standards in collaboration with regional and international training institutions. SAI management with PASAI Secretariat.
	Staff with professional qualifications rose from 23 per cent in 2011 to 40 per cent in 2012 (not uniform across SAIs). The 2013 PMF distinguished between staff with graduate qualifications (77%) and those with professional qualifications (40%). (<i>SAI PMF survey</i>)	4.D.5 Increased numbers of SAIs staff have recognised certifications.	PASAI identifies relevant certification programmes for auditors in the region, and assists SAIs to apply for those programmes. PASAI Secretariat and SAI management.
	Five manuals produced and approved. (<i>2012-13 AR</i>)	4.D.6 Manuals and guidelines are reviewed and assessed for currency and usability by staff (1 per year).	PASAI maintains Human Resources Management Manual, Reporting Guidelines, Quality Assurance

Objectives	Baseline and data source	Target	Action (Output) and Responsibility
			<p>Guidelines, Performance Management Manual, Financial Audit Manual and Strategic Management and Operational Guidelines.</p> <p>PASAI Secretariat with input from SAIs, INTOSAI/IDI and other regional bodies.</p>
	<p>The SMOG contains international best practices for management and operations of SAIs. (2012-13 AR)</p> <p>Tier 1 and 4 T programs identify career paths and training needs for participants. (Anecdotal evidence provided by PASAI Capacity Development Adviser)</p> <p>In 2012, three SAIs placed themselves at the PASAI Capability Level 4, seven at Level 3, 1 at Level 2 and four at Level 1. (SAI PMF survey)</p>	<p>4.D.7 Within the next three years, there are improvements in SAIs' approaches to capability management (human resource management) and reporting/communications.</p>	<p>SAIs implement policies and processes set out in PASAI guidelines on human resources, reporting/communications.</p> <p>SAIs supported by PASAI Secretariat.</p>
	<p>At a SMOG meeting in 2012, Heads of SAIs held discussions on the acquisition of a regional license for the Teammate audit software. (2012-13 AR) SAIs will acquire individual licences and will benefit from regional training on use of software. (Guam Congress decision)</p>	<p>4.D.8 SAI information systems are improved including the implementation of audit support software where appropriate.</p>	<p>SAIs identify information systems development needs and PASAI provides support to address needs, including, where appropriate, the introduction of audit support software.</p> <p>SAIs with support of the PASAI Secretariat.</p>

Strategic Priority 5: PASAI Secretariat capable of supporting Pacific SAIs

A properly resourced and staffed secretariat is essential to a high level of performance in implementing PASAI's strategic priorities.

Outcome measure: Development partner and SAI satisfaction with PASAI management.

Assumptions:

- Funding for the strategic priority objectives and actions will be obtained.
- PASAI Secretariat retains an appropriately skilled staff to lead Pacific SAIs to achieve the vision of PASAI.

Risks:

- Funding for the activities identified to achieve the strategic priorities cannot be obtained or is not sufficient.
- PASAI is unable to attract and/or retain appropriately qualified staff to lead Pacific SAIs to achieve the vision of PASAI.
- Mid-term evaluation of this strategy identifies that there are fundamental flaws in the operational plan designed to deliver against these priority areas.

Objectives	Baseline and data source	Targets	Action (Output) and Responsibility
A 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.	Baseline is currently not available but will be identified in the HR restructuring exercise.	5.A.1 Assessment completed and transition agreed with Governing Board. Implementation is completed by end 2014.	An assessment is undertaken to identify the skills, resources and operational structure needed within the Secretariat to undertake the work as set out in the PASAI strategy and a plan to transition is developed. Secretary-General's Office in conjunction with the GB and the PASAI ED.
	A baseline training and development plan is not available but will be an integral component of the above restructuring exercise.	5.A.2 A training and development plan is in place and completed to meet PASAI Secretariat staff needs annually.	A training and development plan is prepared to maintain the currency and enhance Secretariat skills base. PASAI ED with support from GB and Secretary-General.
B Adequate funding is available to implement the PASAI strategy.	A baseline funding strategy is not available but will be developed as a central component of this strategy.	5.B.1 Funding strategy is approved and implemented, and monitored and reported on annually.	A funding strategy that incorporates monitoring, measurement and evaluation is developed in consultation with development partners.

Objectives	Baseline and data source	Targets	Action (Output) and Responsibility
			PASAI Secretariat and the PASAI GB.
C An effective operational plan underpins the implementation of PASAI's Strategy.	There has been one operational plan to date, with progress reported through the Annual Report and the ED's report to the GB and Congress.	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.	PASAI Secretariat develops a three year operational plan and budget which is confirmed annually by the Governing Board. PASAI Secretariat and the PASAI GB.
	PASAI PMF in place and reported against annually. (<i>SAI PMF surveys 2012 and 2013</i>)	5.C.2 Revised PMF is adopted by PASAI and reported against every 3 years.	PASAI PMF is revised to align with relevant components of the INTOSAI PMF. PASAI Secretariat supported by INTOSAI/IDI and Secretary-General.
	PASAI has a draft regional communications strategy. (Draft PASAI regional communications strategy, April 2012). At its Feb 2012 meeting, GB adopted a follow up communications strategy for A&T Report, targeting regional stakeholders and also to be used by SAIs at country level. Samoa a good example of usage. (AR 2012-13)	5.C.3 Within the first year of the implementation of this strategy, PASAI will have an approved regional communications strategy.	A Regional Communications strategy is developed, consulted on within the region and implemented. PASAI Secretariat supported by INTOSAI/IDI and Secretary-General.
D Implementation of PASAI's strategy is regularly monitored and evaluated.	The independent evaluation of the PRAI by ADB in 2012 and the Hjertstand review of PASAI's structures in 2013 provide the baseline.	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.	PASAI Secretariat reports to the PASAI Governing Board as required. PASAI Secretariat/GB.

MONITORING AND EVALUATION FRAMEWORK

PASAI's long-term strategy (2014 – 2024) is results based. Because its completion date is ten years out, it is crucial that a well-planned Monitoring and Evaluation (M&E) framework is in place to provide a basis for timely intervention if PASAI programs and projects are not achieving their stated aims and supporting the achievement of PASAI's strategic priorities (outcomes).

M&E is part of a spectrum of activities that we can use to assess what we do. **Monitoring** (M) is a management process to periodically report against planned targets (or KPIs). M is frequently based on actions or outputs as opposed to outcomes. Its primary function is to identify and provide answers to variances to planned performance. PASAI's quarterly bulletin and annual reporting are the vehicles currently used to provide this information to stakeholders.

The focus of **Evaluation** (E) activity is generally designed to assess whether or not the desired outcomes are being achieved as efficiently and effectively as possible. E helps us learn and understand what's working, what's not, and why. E also sheds light on where we can make changes to programs and projects that could lead to better outcomes. Two evaluations of the first phase of the PRAI (2009-13) were conducted. The first was completed by the ADB Independent Evaluation Unit and focused on the activities implemented under the PRAI to date. The second review, completed by Anders Hjertstrand, focused on the performance of PASAI as a body.

Current and accurate baseline data is essential to both M&E.

Why is a good M&E framework important?

Using M&E to inform decision-making and communicate results

M&E is an investment to support PASAI's long-term strategy. To maximise the return on this investment, M&E results should be acted on and communicated widely to inform PASAI and SAI management, stakeholders and the community.

By setting up and refining the systems necessary for assessment of results, we can measure the performance of PASAI programs and projects. This can be a powerful mechanism to drive and inform action where performance is not at the level it should be. The principles of transparency and accountability should be embedded at all stages of the process to gather, analyse, interpret, present and report the findings generated through this M&E framework.

What will a good M&E framework tell us?

The results based tables for Strategic Priority areas 1-5 contain objectives, targets and proposed actions to achieve results. Responsibility for undertaking these actions is also identified and timelines are specified. Where the achievement of a particular target is recognised as not being within the control of PASAI or an individual SAI, strategic partnership agreements with key regional stakeholders are proposed and PASAI's contribution to joint goals can be assessed.

As there is a vast range of differences across PASAI members the targets are, where appropriate, segmented to reflect the differing base levels that individual SAIs are working from. Also because of the timeframe of the strategy, it is considered necessary to conduct a full interim evaluation (2019) to assess whether actions are producing what we expect to see.

Existing baseline data and current monitoring and reporting activities

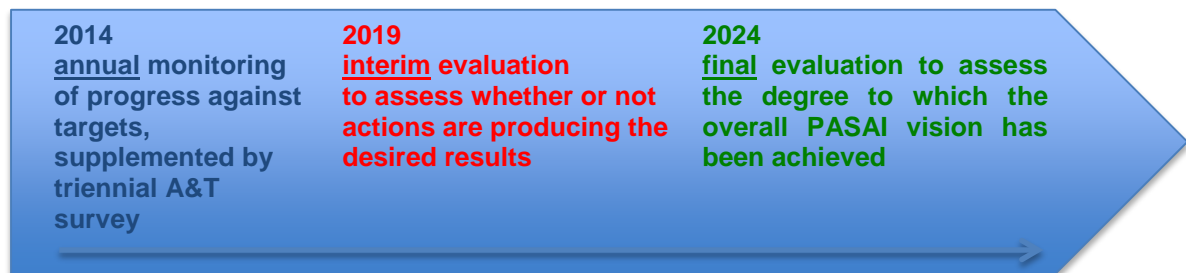
Baseline data that is currently held in PASAI has been evaluated to see if it is *fit for purpose* for future M&E measurement requirements. Baseline data and in some instances proxy data items have been identified for SP 1-5 so that we have a starting point to assess the changes that PASAI wants to achieve at key points within the ten year period of the strategy. Each SP area has an outcome measure to indicate the degree of success achieved by PASAI in the implementation of core elements of this strategic plan.

Where gaps or weaknesses in baseline data are identified a work plan will be put in place to obtain the missing data. Over time, IDI's Global Survey of SAIs will supplement Pacific SAI data. This survey will be conducted triennially with the first to commence in 2013.

There are two main data sources currently in use to collect evidence on PASAI achievements under the first PRAI:

- A three yearly Accountability and Transparency Survey instrument with results reported in triennial *Accountability and Transparency in the Pacific Region* reports (two to date). For the last survey in 2011, the survey population was not complete. There were 20 respondents, of which only 16 were participating Pacific SAIs. The other four were the SAIs of the Commonwealth of Australia, New Zealand and the Australian states of New South Wales and Victoria. Valuable data is collected in this survey and Heads of Pacific SAIs, as signatories to this strategy, should commit to ensuring the survey results are an accurate reflection of actions taken within individual jurisdictions under this strategy.
- An annual PASAI Performance Management Framework Survey captures data on the performance of SAIs against agreed targets. Results from this survey are reported to PASAI's Annual Congress and to twice-yearly PASAI Governing Board meetings. Again, in 2013 there was not a census of respondents with 18 of the 21 participating Pacific SAIs responding. As with the previous survey, each Pacific SAI participating in this strategy must commit to reporting their performance against agreed targets and timelines. The current PASAI performance Management Framework will be revised to align to this Strategic Plan and also to align with relevant components of the INTOSAI PMF. There may also be a need to review any duplication of data collection between the two surveys.

The following diagram sets out key milestones for M&E activities over the course of PASAI's ten-year strategy.



GOVERNANCE ARRANGEMENTS

The South Pacific Association of Supreme Audit Institutions (SPASAI) was formed in 1987 by a group of Supreme Audit Institutions (SAIs) in the Pacific, which had been meeting triennially since 1971. To better reflect the diversity and spread of its membership, it was also desirable to change the name of the organisation to the Pacific Association of Supreme Audit Institutions (PASAI) in 2008. PASAI is one of the seven regional working groups of INTOSAI.

At the 12th Congress in Koror, Palau, July 2009, the members of PASAI adopted a new charter with updated mandates and founding principles. This Charter enabled the PASAI Secretariat to develop into an independent organisation of its own right under a new governance structure.

Objective and Mandate

- PASAI promotes transparent, accountable, effective, and efficient use of public sector resources in the Pacific.
- PASAI contributes to that goal by helping its member SAIs improve the quality of public sector auditing in the Pacific to uniformly high standards.
- To that objective, PASAI's mandate is to:
 - (a) strengthen understanding, co-operation, and coordination between its members;
 - (b) advocate the interests of good governance, including transparency, accountability, and the need for strong and independent SAIs, to governments and others in the Pacific region;
 - (c) build and sustain public auditing capacity across the Pacific by sharing knowledge with, and providing support to, its members;
 - (d) assist its members to perform their auditing functions, including through co-operative audits and similar activities;
 - (e) serve as a regional working group of INTOSAI, in the interests of all SAIs in the Pacific and beyond;
 - (f) encourage co-operation with other regional working groups and SAIs.

Principles

PASAI members agree and affirm the following principles, which underpin the functioning of PASAI and their interactions with each other:

- (a) the autonomy and independence of each member are to be respected and preserved;
- (b) taking a regional approach to a common issue does not supplant a member's individual needs;
- (c) PASAI's resources are to be made available to all its members, irrespective of their geographical location or constitutional status;
- (d) The appropriate involvement of private sector auditors in the public sector auditing, under the auspices of SAI heads, is to be supported and promoted.

PASAI GOVERNANCE STRUCTURE

Under the guidance of the annual PASAI Congress, the PASAI Governing Board sets PASAI's direction and oversees the activities of its Secretariat. The Governing Board is responsible for formulating strategies and policies for the organisation. The Board also approves the 3-year work plan and budget and the rules for the conduct of PASAI activities.

Membership of the Governing Board is made up of the current PASAI chair, the Secretary General, immediate past PASAI chair and the next PASAI chair. Three representative members are drawn from the Melanesian, Micronesian and Polynesian member states. The Executive Director of the PASAI Secretariat is also an ex-officio member of the Board.