

Final Report

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Evaluation of IDI's Bilateral Support 2017-2020

Component 3: Support to the National Audit Chamber in South Sudan

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Foreword

This Evaluation of IDI's Bilateral Support 2017-2020 was commissioned by the INTOSAI-Development Initiative (IDI) on the 31 October 2019 to the Swedish company Professional Management Arne & Barbro Svensson AB. The team for the Evaluation consists of Mr. Arne Svensson (team leader), Dr. Tony Bennett (senior evaluator), Ms. Stina Wærn (senior evaluator) and Ms. Lina Lenefors (internal quality assurance). The authors would like to thank the IDI and its Partners for extensive inputs and support throughout the Evaluation. A number of INTOSAI and donor community representatives also contributed.

This report is dealing with Component 3: Evaluation of Peer support to the National Audit Chamber in South Sudan 2017-20. Components 1, 2 and 4 are reported separately.

The final content of this report remains the responsibility of the authors and does not necessarily reflect the views of the IDI.

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1 Executive Summary

1.1 The Evaluation

The background to INTOSAI-Development Initiative's (IDI) Bilateral Work as well as the background to each Component is described in the ToR (Annex 1) and will not be repeated here. In this evaluation of IDI's Bilateral Support 2017-2020 each Component is reported separately. This is the report for Component 3: Evaluation of Peer support to the National Audit Chamber of South Sudan (NAC) 2017-20.

1.2 Observations, Analysis and Conclusions

NAC, IDI and AFROSAI-E have a Cooperation agreement to implement key strategic priorities in NAC¹. SAI Kenya and SAI Norway provide in-kind resource persons. The Royal Norwegian Embassy in Juba supports the project with three million Norwegian kroner². The overall project goal is stated in the Cooperation Agreement and in the Funding agreement is *"Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan as well as to improve and sustain Public Financial Management Administration and Accounting Systems."*

South Sudan is currently in a deep and longstanding economic, political, security and humanitarian crisis. The Revitalized Peace Agreement (R-ARCSS) of September 2018 provides for steps to be taken to improve the situation. Late February 2020 some decisions have been taken to initiate necessary changes. Evaluation of progress on institutional dimensions is a challenge in "normal" situations and even more so in the present situation of South Sudan. Difficulties are generally linked with concept definition, defining progress, measuring institutional dimensions and challenges to measuring effectiveness and impact³.

During the project period the NAC has been highly challenged. The Government of South Sudan (GOSS) has not met its commitments. The staff at the NAC have not received their salaries on time: at March 2020 they had not been paid for four months. Funding for audit operations has not been adequate. Staff have difficulties in getting transport to work, transport to auditees has rarely been provided, there is limited access to the Internet, periods of no electricity, no Intranet at the NAC, occasionally no water in the office or toilets, and no adequate working environment and infrastructure in general. Thus, the NAC faces serious problems considering the difficult and challenging situation it is working in. No audit reports from the NAC have been tabled at the Parliament since 2013. Even though audit reports are submitted to the President's Office, the NAC is not invited to present his reports in Parliament, where they would be public documents. Basic conditions for playing the role of a SAI are missing. Therefore, IDI has classified this project as 'lifeline support'. This has the objective of maintaining the basic competency and skills of the SAI and its staff in the interim period till the situation stabilises and more long-term support can be provided.

¹ National Audit Chamber Peer-support Project 2017-2020, Cooperation Agreement, Final version for signing 9th May 2017

² Grant Agreement between MFA of Norway and IDI for the Peer-support project in South Sudan 2017-2020, 2017-07-28

³ United Nations, 2019, Sustainable Development Goal 16: Focus on public institutions, World Public Sector Report 2019, Department of Economic and Social Affairs, New York, June

There were two overall indicators of goal achievement for the project: (1) Percentage of project-supported audit reports finalized and reported to the President and Parliament by NAC (target was at least 50% by the end of 2019) and (2) Staff turnover among auditors and managers in NAC 2017-19 (target was less than 10% annually). The analysis of the two overall indicators of goal achievement shows that neither target was achieved (Section 5.1.1). However, these indicators were not fully within the control of NAC and do not reflect its performance. The first indicator required that audit reports be sent to Parliament as well as the President. This step in the audit process has been politically prevented for years⁴. The indicator on turnover reflects the deterioration of government employment conditions in the country, particularly the failure of the GOSS to pay staff salaries on time.

On the issue of reporting, the following has been clarified with the NAC and IDI:

- Management Letters are submitted to the Executive (Audited entities).
- The Annual Audit Reports are presented to the President and the National Legislative Assembly or the Council of States, as the case may be {Article 186 (8) of the Transitional Constitution 2011, and Article 35(1) of the National Audit Chamber Act,2011}.
- NAC has already delivered to the Transitional National Legislative Assembly (TNLA) a number of audit reports e.g. Statutory Reports 2008-2010, Bank of South Sudan Reports 2013-2015 and Letters of Credit Report. These reports are not yet presented by the Auditor General to the TNLA Plenary (delayed) pending reconstitution of the TNLA.
- The audit reports from the audits supported by IDI have not yet been delivered to either the President or the Parliament, pending reconstitution of the Parliament and the current COVID-19 access restrictions to the Office of the President.

Despite the label 'lifeline support', the Project had an ambitious Results framework. Of the planned audit reports, a few were brought to printing stage by 2020-05-22 (Section 4.2.2). In addition, NAC prepared a Strategic Plan for 2019-2024 and a Stakeholder Engagement Strategy; the generic AFROSAI-E performance audit manual and human resource development manual were customised for on-the-job training and future use in NAC; the Human Resource Development Strategy was prepared; the NAC annual performance report covering 2005-2018 was completed and issued; staff undertook training courses with AFROSAI-E; and key auditees and PAC members were sensitised on NAC functions and the handling of its reports. However, the risks were underestimated in the project description, so many of the targets have not been fully achieved. Even if many of the deliverables are delayed, the results so far are good considering the challenged situation of the NAC.

On the overall goal achievement, our conclusions are fourfold; (1) the two indicators of goal achievement were not appropriate for measuring the overall success of the project, (2) measurement has not been done in accordance with the definitions, (3) figures that are used in the reporting are of questionable reliability, and (4) the overall achievement of the formal goals is low, but mainly attributable to causes outside the project management's area of influence⁵.

⁴ As for the submission of the reports to the Parliament and the President, the Revitalized Agreement of the Resolution of Conflict in the Republic of South Sudan provides for the Parliament (Transitional National Legislative Assembly, TNLA) to be reconstituted, which has not yet happened. Hence, the Auditor General's Report submission to Parliament and the President will be done only when the TNLA is reconstituted in accordance with the Agreement.

⁵ The Evaluation Team has been requested to conclude (on whether project objectives were met) at an overall level using the following scale: project objectives fully / mostly / partly / not met. This relates to an indicator

Under these conditions, there has been no attention to advancing gender equity in the NAC: no indicator on gender is included in the Cooperation Agreement nor in the Results Framework in the Grant Agreement between MFA and IDI. The NAC has developed a new Strategic Plan (SP) 2019-2024. This also makes no reference to gender. In our opinion the SP should be reviewed based on a proper gender analysis and an Addendum added. The importance of gender equality should be advocated with emphasis and the way forward clearly spelt out in strategic and operational plans.

It has been relevant to provide 'lifeline support' during 2017-2019. However, as long as the NAC is not provided by the government with the basic resources for fulfilling its role as SAI, it will be unable to complete outstanding audits and the drain of trained auditors will continue. While the future role of the NAC and its obligation to report directly to the legislature is under high-level discussion, it can continue to issue its reports to the Executive authorities and start building demand for accountability through other avenues such as civil society organisations. Thus, the proposed second phase of the Peer-support project – the "*NAC Strategic Change project 2020-2024*"⁶ should be conditional on full and continuous funding from the GOSS for all staff, adequate office space and transport as well as other operational costs. This condition is vital if the proposed project is to be successful. The project should be terminated on three months' notice if the condition is not met.

IDI is the actor that is best positioned to be responsible for the support in the next phase. The peers from IDI, AFROSAI-E, SAI Kenya and SAI Norway have provided excellent support and continued support from the present peers would be of great value. However, auditors are not experts in all areas where support is needed. Thus, adequate expertise should be engaged for (among others) organisational development and development of internal and external processes.

Monitoring and evaluation are important elements in the project cycle and provide reflection on the performance of the project. Evaluation enables the project to receive independent feedback on the relevance, effectiveness, efficiency and/or consistency of the project. Monitoring the Peer-support project has been a challenge. In the proposed second phase of the project, it should be considered to include an ongoing evaluation⁷, that continuously provides feedback to the project management and facilitates the learning process.

in IDI's results framework on evaluation results. It is not defined in any more detail than this but is left down to the evaluator's professional judgement. As noted in the report the overall achievement of the formal goals is low and, thus, we conclude that project objectives have been partly met.

⁶ NAC Strategic Change Project 2020-2024, Cooperation Agreement, signed 23 August 2019

⁷ Ongoing evaluation is one of the three state of the art types of evaluation (the other two are ex ante and ex post evaluations). It means that the evaluation is ongoing during the project period. Ongoing evaluation is "*a source of feedback, a tool for improving performance, an early warning of problems (and solutions) and a way of systematising knowledge*" (European Commission: Practical Handbook for Ongoing Evaluation). In conjunction with evaluation information, effective monitoring and reporting provide decision-makers and stakeholders with the knowledge they need to identify whether the implementation and outcomes of the project are unfolding as expected and to manage the initiative on an ongoing basis. Especially when there are external risks that are significant threats to achieving the goals it is quite common to include an ongoing evaluation as a component of a project. An alternative is a Mid-Term Evaluation, which can be implemented at any time.

1.3 Recommendations

IDI has stated that inputs from the evaluation are very useful for revising plans for the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024” and for the funding agreement discussions. Thus, our recommendations for the proposed second phase of the Peer-support project are regarded as priority 1 and the remaining recommendations as priority 2. This means that priority 2 are more general recommendations to IDI when it comes to future bilateral support.

In summary, the Evaluation Team has the following recommendations:

Priority 1

- For the proposed second phase of the Peer-support project – the NAC Strategic Change project 2020-2024, a customized ToC should be specified, developed and owned by the NAC
- For the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024” the Results Framework should be further developed. The Results Framework including expected impact, outcomes and outputs must be based on a realistic risk assessment. The overall indicators of goal achievement should be carefully selected to reflect the success of the project. The measurement should be done in accordance with the definitions of indicators and targets. The figures that are used in the reporting should be validated.
- The proposed second phase of the Peer-support project should be conditional upon full continuous funding from the Government of South Sudan for all staff, adequate office space and transport and other operational costs.
- The NAC should make use of competencies in change management, organizational development, results-based management (RBM), process development and time management in the implementation of its Strategic Plan.
- The NAC stakeholders’ engagement strategy 2019-2014 should be reviewed after one year.
- The importance of gender equality should be advocated with emphasis. Performance indicators need to be defined more precisely and applied consistently. The Strategic Plan 2019-2024 should be reviewed based on a proper gender analysis and an addendum added. This should also be considered in the SAI's operational plan ensure that gender mainstreaming and equity is fully addressed.
- For the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”, project management should be strengthened and more proactive through regular contacts every week between IDIs project leader and NAC leadership.
- The responsibilities within the project organisation for Monitoring, Evaluation, and Learning should be clarified.
- NAC should develop routines for internal management enabling better integration of projects in daily operations. That should be a component in the second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”.
- One of the expected outputs of the Peer-support Project was “*System for monitoring, reporting and quality control developed and implemented in NAC*”. As this work has not started yet it should be prioritised in the proposed second phase of the Peer-support project.
- Enhancing a strong Quality control function by advocating for adequate staffing and coaching the staff is important in the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”.

- Annual external Quality Assurance peer review will increase the standard of the audit reports in an early part of the process. The reviews should include both institutional and engagement reviews.
- For the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”, adequate expertise should be engaged for (among others) organisational development and development of internal and external processes.
- The division of roles and responsibilities together with governance procedures within the Project should be reviewed and further clarified. The roles, tasks, responsibilities and mandates should be well defined and documented for each partner as well as the component leaders and other key actors. Generic description of governance processes should be customised and documented.
- The proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024” should be focusing on a limited number of concrete objectives and deliverables.
- The partners should arrange an analysis of the use and benefits of NAC outputs in the past and the results framework of any new support project designed accordingly.
- The NAC strategic objectives that all staff have sufficient ICT hardware and software to do their job efficiently should be a prioritized part of the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”.
- It is important that synergies between support projects are used and that overlaps, and duplications continue to be avoided through good coordination between the initiatives. Thus, the “NAC Strategic Change project 2020-2024” should be aligned with the ongoing GEMS project and other projects that are planned or already ongoing to avoid overlapping.
- In the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024” it should be considered to include an ongoing evaluation of the project that continuously provides feedback to the project management and facilitates the learning process.

Priority 2

- When project planning is based on very uncertain conditions and assumptions it should be considered to plan for more than one scenario and develop Results Frameworks for different scenarios.
- The selection of indicators needs to be carefully done to really reflect the results of a programme or project.
- Targets should be at a realistic level considering the risk assessment.
- In other future projects of similar size and complexity, it should be considered to include an ongoing evaluation of the project that continuously provides feedback to the project management and facilitates the learning process.
- Distance communication technology should be extensively used in line with the global response to climate change.
- Lessons learnt from the partnership should continue to be systematically documented for wider dissemination within IDI or INTOSAI more generally.

2 Introduction

2.1 Background

The conflict-ridden South Sudan is one of the poorest countries in the world. After the country gained independence from Sudan in 2011, a few years of positive development followed, but in 2013 the country was ravaged by new armed conflicts. Over 11 million people - 84 percent of the population — is living in extreme poverty. About seven million people need emergency humanitarian aid.

An evaluation has looked at Norway's engagement in South Sudan during the period 2011-2018⁸. The evaluation has assessed the effects of the total Norwegian engagement, considered whether the engagement has been coherent and conflict sensitive and assessed how the Norwegian engagement has been adapted to a changing context. The evaluation's overall finding was that Norway, alongside other international development partners, was not effective in achieving its objectives of ensuring an accountable and transparent state working to enhance poverty reduction. The South Sudanese leadership did not prioritise democratic development or allocate funding for development activities for its people. Instead, Norway and other international partners stepped in to provide for the people of South Sudan and took over responsibility. The evaluation highlights a number of dilemmas faced by Norway and explores how the absence of a systematic approach to conflict sensitivity had unintended consequences. One key dilemma identified by the evaluation was how to engage with a government that did not act in the interests of its people. The evaluation found that the lack of a systematic approach to conflict sensitivity had made the engagement risk prone. In consequence, the assumptions underlying the Norwegian aid did not always prove to be tenable. The assumption was that the political leadership would deliver on its promises of development. The conclusion in the report is that *"In effect it led to Norway supporting what had become an increasingly authoritarian leadership after the immediate post-war grace period. A tangible consequence of this was, that while the Norwegian-supported Oil for Development Programme successfully strengthened South Sudan's capacity to extract oil revenues, it also allowed elites to retain more resources for personal gain"*.

The background to IDI's Bilateral Work, the Evaluation Components, the Evaluation Scope as well as the background to each Component is described in the ToR (Appendix 1) and will not be repeated here. The ToR for the evaluation state the following two purposes: (1) To strengthen the future selection, design and implementation of IDI's bilateral support and strengthen IDI's bilateral policy (i.e. *Lessons learned exercise*); and (2) Investigate and report on whether IDI's bilateral support contributed to the defined target outputs/outcomes/goals (i.e. *Outcome evaluation*).

2.2 The Evaluation Team

IDI has on 31 October 2019 commissioned the Swedish company Professional Management Arne & Barbro Svensson AB to carry out the Evaluation. The Evaluation Team comprises Mr. Arne Svensson (team leader), Dr. Tony Bennett and Ms. Stina Wærn. QA has been executed by Ms. Lina Lenefors.

⁸ Norad Evaluation Department (2020) Blind sides and soft spots: An evaluation of Norway's aid engagement in South Sudan, E Bryld et al

2.3 Methodology

The evaluation has been conducted as per international standards as detailed in OECD/DAC's Evaluation Quality Standards for development evaluations and the Independent Evaluation Group's Principles and Standards for Evaluating Global and Regional Partnership Programs. We also adhere to the International Framework Good Statistical Practice. The ToR state the type of study to be conducted and the areas that should be studied. The Evaluation Framework, Evaluation Questions and Justification Criteria are detailed in the Inception Report. In order to ensure the full exploration of all the elements underlying the ToR, the Evaluation Team has in the Inception Report (Appendix 2) detailed for each assignment element the sources of information including the written documentation that is requested and the verification method that will be used. IDI bilateral support policy, principles, success factors and special concerns for capacity development in fragile states are detailed in the 2017 IDI Bilateral Policy document and will not be repeated here.

The Inception Report was approved on 10 December 2019. The draft report on Component 1 was submitted on 26 February 2020. Work on Component 3 started in January 2020 in parallel with Component 2. The Team leader visited South Sudan 2020-03-08—13 for interviews with 17 key informants among management and staff at the NAC, typically for 1-1½ hour, using an interview guide that covers relevant questions detailed in the TOR and revised in the Inception Report. In addition, the Embassy of Norway in Juba was visited. It was envisaged that representatives of the national Parliament, such as the chair of the Public Accounts Committee (PAC), could also be interviewed during the field visit to Juba. However, this was not possible as the Parliament was not in session and a new chair of the PAC was not yet appointed. Interviewees outside South Sudan (IDI, AFROSAI-E, SAI Kenya and SAI Norway) have been contacted by telephone or Skype and interviewed, typically for an hour, by a member of the Evaluation Team. In total, 33 persons were interviewed up to the middle of March 2020. A list of persons interviewed is attached (Annex 3). These interviews offered an invaluable insight on different aspects of the Project. A list of documents reviewed is attached (Annex 4).

2.4 This Report and How to Read it

The findings, preliminary conclusions and preliminary recommendations are presented in this Second Draft Report that is submitted to the IDI on 30 May 2020. This Draft Report is divided into seven sections as follows:

- The Executive Summary in section ONE contains the overall conclusions and the recommendations.
- Section TWO is introductory.
- Section THREE is concerned with the evaluation questions on relevance
- Section FOUR assesses efficiency
- Section FIVE assesses effectiveness
- Section SIX focuses on the evaluation questions on sustainability
- Section SEVEN focuses on the evaluation questions on partnerships

The various sections of the Report answer the questions pertinent to the overall purpose of the Evaluation and the elements stipulated therein. At the end of each section the Evaluation Team has summarized the analyses and drawn some conclusions. Based on the conclusions, the Evaluation Team provides recommendations at the end of the Executive summary.

3 Relevance

In this section the Evaluation Team has assessed the following evaluation questions:

- Was IDI's decision to provide bilateral support to the NAC consistent with the selection principles in the IDI bilateral policy?
- Was the decision to aim for life-line support appropriate for the circumstances?
- How relevant is the design of the initiative to the needs of the NAC, and how involved were the NAC and delivery partners in the design?
- How relevant are the chosen cooperative audit topics to the needs of citizens and to the interests of key stakeholders in South Sudan?
- To what extent was the initiative informed by appropriate gender analysis, and how might this be improved in future?

3.1 Observations

3.1.1 *The constitution and organization of the NAC*

The NAC is the Supreme Audit Institution (SAI) of South Sudan created under Chapter II Section 1 of the National Audit Chamber Act 2011 to audit the accounts of, and supervise the financial performance of all entities subject to audit, including the means for revenue collection and expenditure. The NAC also checks compliance with the budgets approved by the respective legislatures⁹. According to the 2011 Act, the NAC is expected to perform the following functions and duties:

- Audit (performance and financial) of the GOSS and States' financial statements and reports
- Supervision, auditing and reporting on Government of South Sudan levels of government.

The Act gives the NAC de jure independence in several areas, but it lacks de facto operational independence. The Auditor General (AG) is appointed by the President with an approval of two thirds majority vote of all members of the legislative Assembly, in accordance with article 186(3) of the Constitution. NAC is presently discussing with the Constitutional Amendment Review Committee on how to revise the National Audit Chamber Act, including how to ensure NAC's financial independence and HR strengthening. NAC's ambition is to build a more independent institution.

There is no description of the organisational structure of the NAC in the project plan or the Cooperation Agreement. The last formally approved organisational chart for the NAC before the dialogue about the Peer-support project started that is available on the NACs website is from 2010 (Appendix 6C). In the Strategic Plan 2016-2018 there is a proposed Organisational Chart (Appendix 6B). In the Strategic Plan 2019 -2024 there is a new proposed Organisational Chart (Appendix 6C)¹⁰. However, it is not confirmed that the new proposed Organisational Chart is approved by NAC.

⁹ The Audit Chamber was established according to the Interim Constitution of Southern Sudan Section 195. The Audit Chamber Provisional order was signed into law by the President on January 17, 2011.

¹⁰ This is the proposed formal organisational structure. However, due to the lack of staff for some of the management positions the organisational structure is more formal than real presently.

3.1.2 Other support to the NAC

Since 2011, the Inter-Governmental Authority on Development (IGAD) Regional Initiative for Capacity Enhancement in South Sudan, commonly referred to as the "IGAD Regional Initiative", has provided support to the NAC to fulfil its international obligations and build national audit capabilities through the provision of 'Civil Service Support Officers' (CSSOs) who are specialized auditors sourced from the SAIs of Kenya, Uganda, and Ethiopia. The project was funded by Norway, with UNDP providing technical support; and South Sudan's Ministry of Labour, Public Service and Human Resource Development playing a key role in directing implementation. For a period of three years up to 2017, four Ugandan CSSOs were deployed to the NAC, where they mentored and coached up to 100 "twins" on practical aspects of conducting audits. The CSSOs have helped conduct audits on 65 entities and guided the completion of 19 released reports/management letters¹¹. In the overlapping period, the IGAD/UNDP resource persons were allocated to each of the teams established for the Peer-support project to supplement the support provided by SAI Kenya and AFROSAI-E.

3.1.3 Description of the Peer-support project

IDI and AFROSAI-E jointly supported NAC to implement key strategic priorities for 2017-2020. The Royal Norwegian Embassy in Juba supported the project with three million Norwegian kroner for three years¹². SAI Kenya and Norway provide in-kind resource persons. The support also entails NAC participation at AFROSAI-E events, as well as sensitizing key auditees and members of the Public Accounts Committee (PAC) on NAC's function, standards, operations, recent findings and how audit reports can be followed up. This sensitization is regarded as important to prepare for a stronger role of NAC in a more stable situation in South Sudan. To ensure institutionalization of skills internally, the project also includes support to management systems and an annual knowledge sharing workshop for all staff. The management support focuses on establishing an overall annual audit plan and system for monitoring, reporting and quality control in NAC.

3.1.4 Goal and indicators

The overall objective of the support was to *"Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan to improve and sustain Public Financial Management Administration and accounting systems."* Overall indicators of goal achievement: (1) Percentage of project-supported audit reports finalized and reported to the President and Parliament by NAC by the end of 2019 (Target: 50 %) and (2) Staff turnover among auditors and managers in NAC 2017-19 (Target: less than 10% annually).

The final Cooperation Agreement¹³ includes six outcome areas with specific outputs and indicators under each. However, in practice, to reflect the changing environment in South Sudan, annual plans for the support have been agreed during annual partner meetings. The six expected outcomes of the project were:

1. A relevant and enhanced regularity audit function in NAC
2. A relevant and enhanced performance audit function in NAC

¹¹ UNDP South Sudan: National Audit Chamber Using IGAD Expertise to Meet International Standards in Accountability and Transparency, Feb 28, 2017

¹² Grant Agreement between MFA of Norway and IDI for the Peer-support project in South Sudan 2017-2020, 2017-07-28

¹³ National Audit Chamber Peer-support Project 2017-2020, Cooperation Agreement, Final version for signing 9th May 2017

3. Core audit management and HR systems in place in NAC
4. Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized
5. NAC is developing in line with the ISSAIs and international best practices
6. NAC's capacity development is strategically managed and well coordinated.

The goals, indicators and expected outcomes are all relevant to the mandate of NAC. Actual progress on each of the above is assessed in the chapter on effectiveness (section 5.1.2).

3.1.5 Decision process for bilateral support

This sub-section deals with the first two evaluation questions on relevance, namely

- Was IDI's decision to provide bilateral support to the NAC consistent with the selection principles in the IDI bilateral policy?
- Was the decision to aim for life-line support appropriate for the circumstances?

On 15th December 2016, IDI received a letter from the NAC in South Sudan requesting bilateral support. IDI conducted a desk-review of the request and made the following decision¹⁴:

1. IDI is positive to establish bilateral support to NAC. A letter should be sent to NAC to initiate the planning phase.
2. A planning phase in line with the draft ToR should be conducted to explore further whether and how bilateral support to NAC could be established in the unstable situation. Key issues to look at would be relevant support areas and objectives, need for resource persons, practical arrangements for working together, the role of WB and other INTOSAI community partners, funding and plans for the first year of a cooperation. The planning phase is expected to be completed by March 2017.
3. IDI will ask OAGN to provide one experienced person for the planning phase. IDI will also indicate to OAGN that there will be a need for about two skilled advisors for the support activities if the project is established.
4. AFROSAI E will be contacted to clarify whether they could be a partner in supporting NAC, and whether the planning phase should be combined with a meeting for fragile states in the region.
5. The IDI costs to the planning phase are financed by the use of IDI core funds. Funding for the bilateral support project will be sourced by the Ministry of Foreign Affairs, Norway in cooperation with the Norwegian embassy in Juba.
6. As large and possibly contentious engagements shall be discussed with the Board prior to making agreements, the planning phase must clarify whether the project needs the consent of the Board in the March meeting.

An assessment of the conditions for IDI bilateral support was carried out early 2017¹⁵. IDI's draft bilateral policy listed at the time four conditions for bilateral support¹⁶. The assessment, that the Evaluation Team has summarised in the table below, showed that the conditions for supporting the NAC were generally met.

¹⁴ IDI: Bilateral support SAI South Sudan, Report Planning phase, not dated

¹⁵ IDI: Bilateral support SAI South Sudan, Report Planning phase, not dated

¹⁶ The final Bilateral Policy (March 2017) listed six conditions

Table 1: Summary of IDIs assessment of the conditions for IDI bilateral support

Condition	Summary of IDIs assessment (early 2017)
The SAI is weak and there is a need for bilateral support in areas where IDI has competencies and comparative advantages	All five sub-conditions were met.
The SAI does not receive extensive support and there are no other INTOSAI community providers able to deliver the support needed	One sub-condition was met (The SAI does not receive extensive support) and the other was partly met (No other INTOSAI community provider able to deliver the support needed)
IDI has the capacity to provide support and proper working conditions can be established	Two sub-conditions were met (Familiar language and Human capacity is available in IDI for both logistics and project management) and were likely to be met (Financial support is available for the project). One sub-condition was not met (Security situation allows frequent contact).
The SAI demonstrates a willingness and continued commitment to strengthen its performance and operate according to the principles of transparency and accountability	Three sub-criteria were met and the other two were partly met.

The discussions resulted in a joint agreement between the NAC, IDI and AFROSAI-E¹⁷, funded by the Norwegian Embassy in Juba¹⁸. Both the Cooperation Agreement and the Grant Agreement stated that the project has a high risk-profile due to the unstable situation and complex environment in South Sudan. The following prerequisites for succeeding in the project were mentioned in both the Cooperation Agreement and the Grant Agreement:

- “1. A relatively stable South Sudan which allows collection of audit evidence in key Ministries in Juba and presence in the audit office by NAC staff regularly.
2. Government support and commitment to an independent Auditor General.
3. Reasonable level of financial allocation to NAC operations from the Government of South Sudan and financial assistance from Development Partners to infrastructure costs.
4. An operative Public Accounts Committees in the South Sudan Legislature.”

None of these pre-requisites was met at the time the support was decided, but the situation was fluid, and the Government of Norway was prepared to fund peer support to the NAC under IDI leadership.¹⁹

3.1.6 The design of the project

This sub-section deals with the remaining three evaluation questions on relevance, namely

¹⁷ National Audit Chamber Peer-support Project 2017-2020, Cooperation Agreement, Final version for signing 9th May 2017

¹⁸ Grant Agreement between MFA of Norway and IDI for the Peer-support project in South Sudan 2017-2020, 2017-07-28

¹⁹ IDI had previously worked with SAI Norway. SAI Norway was requested to support the NAC in 2016 but would not take overall responsibility. The NAC preferred IDI to lead the project with technical support from AFROSAI-E.

- How relevant is the design of the initiative to the needs of the NAC, and how involved was the NAC and delivery partners in the design?
- How relevant are the chosen cooperative audit topics to the needs of citizens and to the interests of key stakeholders in South Sudan?
- To what extent was the initiative informed by appropriate gender analysis, and how might this be improved in future?

The design

The project was labelled 'lifeline support', which is one of the categories of IDI support under the Bilateral Policy. The term is not restrictively defined. It may include, for instance, execution of critical audits, and activities related to organisational development. Key characteristics of the design were:

- The six outcomes (per 3.1.4 above)
- Peer teams with contact persons in the NAC
- Priority of support to selected audits that could add value

We reproduce below some of the activities that were included in the project design, and interviewee comments on their relevance.

The NAC's impact is dependent on key stakeholders, especially the ministries and Parliament. The project therefore included activities to sensitize key auditees and the PAC on NAC's function, auditing standards, operations, recent findings and how audit reports should be handled. Most of the interviewees emphasized the importance of independence of the NAC. Some of them were very disappointed that this has not been a specific component in the project 2017-2019. According to the interviewees the efforts to sensitize key auditees and the PAC on NAC's function were too limited and should have taken a much bigger role in the project.

The tailored support to customize and implement manuals and utilize the obtained knowledge in the organization has been relevant. Also, the support to NAC staff participation in selected AFROSAI-E events and training has been appreciated and regarded as highly relevant. This includes both the annual AFROSAI-E Governing Board meetings and technical updates and specific training relevant for the selected audits.

Choice of audit topics

Advice on execution, reporting and dissemination of audits has been a key part of the project. Three audits were initiated in 2017 while another three were initiated in 2018. These audits were selected by NAC based on materiality, added value of external technical support and likelihood of completion. Most of the auditees are of the opinion that the prioritizations were appropriate.

The interviewees underlined that the most important audit topic is the audit of the accounts of the Government. The AG prepares an annual report on the audit of the accounts of the GOSS per Section 4 of the Act and should transmit this to the Assembly and the President no later than 30th June of the subsequent year. He should also audit the accounts of the Governors and State Assemblies. The annual reports should state the opinion of the AG on whether the financial statements give a true and fair view of the financial position of each of the audited entities. However, as no financial statements have been submitted to the NAC since 2010/11, the AG could not express any opinion on them.

One of the chosen audit topics is non-oil revenue. It is well known that oil revenue is by far the most important source for GOSS. However, when the NAC has tried to carry out audits of oil revenue the results have been disappointing. The audits of oil revenue did not receive adequate data on oil

production, processing, storage and sales. However, in the interviews it has been underlined that it is important to be persistent in the ambition of auditing oil revenue as the risks are very high in this sector.

The shrinking oil revenues as a result of petroleum price volatility, fiscal stresses and extreme economic austerity have imposed serious budgetary constraints on the economy. As a result, non-oil revenue diversification is emerging as a strategy for the nation's development. The ability of GOSS to sustainably expand the domestic resource base and efficiently allocate these resources in a transparent and equitable manner for service delivery will constitute the foundation for building public trust and confidence in the Government. Thus, the choice of non-oil revenue as an audit topic is pertinent.

The above topics are evidently relevant to the needs of citizens and to the interests of key stakeholders in South Sudan.

Gender analysis

The interviewees are not aware of any gender analysis at the NAC. Gender has not been a factor in for example the choice of audit topics. The work environment at the NAC is not adequate for anyone and especially the women who are reluctant to go to work when for example there is no water in the toilets. Before the AFROSAI Gender and Development initiative, gender was not recognised as an issue in South Sudan. The initiative underlined that the partners participating in peer support would strive to promote gender awareness, diversity and inclusiveness in the interaction with the SAIs. This may take various forms, from ensuring female participation in project activities, to supporting organizational changes necessary for gender awareness and encouraging gender equality, diversity and inclusiveness to be addressed in the strategic planning process as well as the strategic plan itself. These initiatives are a part of the effort to make SAIs model employment institutions, in accordance with UN Sustainable Development Goal 16, and the AFROSAI Gender and Development Strategy (2015)²⁰. There is, however, no indicator on gender in the Cooperation Agreement with the NAC²¹, which is not based on any gender analysis. Nor is it included in the Results Framework in the Funding Agreement between MFA Norway and IDI.

3.2 Analysis and Conclusions

3.2.1 Relevance

In addressing the question of relevance, we have considered what steps have been taken to ensure that assumptions about the intervention and anticipated impact are calibrated to fit context-specific opportunities, constraints and needs. In December 2016, IDI received a letter from the AG

²⁰ The Strategy is based on the gender equity and empowerment approaches within the Gender and Development (GAD) spectrum. This GAD approach promotes equitable access to work and decision making for women and men at the SAIs. This will be realised through the implementation of specific measures and actions to promote a favourable environment for women and men equally and to change elements in the organisational culture which prevent the inclusion and promotion of women. Specifically, capacity building needs of women are at the centre of the proposed actions, as these are essential for women to progress towards decision making and leadership positions. The Strategy proposes three areas of intervention: (1) Promote women's access to decision-making positions (leadership positions), to the audit profession and capacity-building for women in SAIs; (2) Strengthen the institutional framework for gender mainstreaming; and (3) Integrate gender dimensions (equality/equity) as a subject and as a criterion of performance audits in the public auditing profession.

²¹ National Audit Chamber Peer-support Project 2017-2020 Cooperation Agreement Final version for signing 9th May 2017

of the NAC requesting bilateral support. IDI responded positively to the request and invited other partners including AFROSAI-E to discuss the scope of possible support.

The evaluation question is *“Was IDI’s decision to provide bilateral support to the NAC consistent with the selection principles in the IDI bilateral policy?”* First, it should be noted that at the time of the assessment of the request for support the Board had not yet decided on the bilateral policy, which was in draft. However, there is no substantive difference in the conditions applied by IDI to the request and the conditions stated later in the approved Bilateral Policy document. NAC had at the time of the request a large audit backlog and was faced with a number of capacity challenges including inadequate professional skills, lack of infrastructure and lack of autonomy from the Executive arm of Government. IDI had a comparative advantage as a provider of support given the ability to use resource persons from SAIs regionally in addition to its own staff. NAC had stated that they preferred advisors from neighbouring SAIs.

NAC had previously demonstrated commitment to coordination, transparency and improved performance through external support. The NAC Strategic Development Plan 2016-18 envisaged that NAC should be able to operate in line with ISSAIs with a sufficient structure, human and financial resources to add value to the citizens in line with its mandate. It was stated in the assessment made by IDI that NAC was by many regarded as one of the few relatively credible state institutions in South Sudan, amongst others as the AG has stuck to a professional profile in a highly politicized environment.

The delivery of the Sustainable Development Goal (SDG) 16 on peace, justice and strong institutions, hinges in part on the ability to identify and understand a conflict’s specific causes, dynamics and risks and to respond with tailored, relevant and implementable state-building arrangements. The Evaluation Team has assessed the conditions accordingly. One sub-condition for bilateral support was not met (Security situation allows frequent contact). On the contrary the assessment made by IDI indicated *“Extreme risk rating”*. The risk assessment was in summary as follows: *“The security situation in Juba and across South Sudan remains volatile with fighting in parts of the country. There has been a rise in crime in Juba, including carjacking and theft. Weapons are plentiful and easily obtained in South Sudan and criminals are often armed. The general travel advice to South Sudan does not recommend visits to the country. According to the Norwegian embassy in Juba (telephone meeting Jan 2017), meetings in Juba can be conducted without any major security risk, as long as certain hotels and robust transport means are used. IDI activities are currently not possible in Juba given the current IDI travel policies, and it must be planned for out-of-country support. However, the situation can change, and it has to be assessed continuously.”*

Two sub-conditions for bilateral support were only partly met. One-sub-condition (*“The SAI is being externally audited, or is taking action to establish such an external audit”*) was assessed to be partly met because even if the SAI was currently not externally audited at the time of IDI’s assessment; this was an objective in the 2016-18 strategic plan. However, no external audit was made during the period.

At the time of the decision to support the NAC it was noted that *“The political, security, economic and humanitarian situation in South Sudan continues to deteriorate”*²², and further *“In March and April, the security situation deteriorated considerably...”*. It was observed that the political, security and economic situation in South Sudan therefore remains precarious and not conducive for the implementation of the ARCSS. Thus, in our opinion the condition in the Bilateral policy that *“proper*

²² Quarterly report from the Joint Monitoring and Evaluation Commission (JMEC) for February – April 2017

working arrangements can be established" was not fully met at the time of the commencement of the Project.

The R-ARCSS was signed 12 September 2018 and in February 2020 the work on establishing the new Government started²³. Thus, during most of the project period the condition that "*proper working arrangements can be established*" has not been met.²⁴

3.2.2 The design of the project

It should be kept in mind that these are early days: the timeframe for successful institutional development in post-conflict countries is at least 10-20 years²⁵. It should also be kept in mind that this is a small project in relation to the needs. As noted in sub-section 3.1.6, the NAC's impact is dependent on key stakeholders, especially the ministries and Parliament. The project therefore included activities to sensitize key auditees and the PAC on NAC's function, auditing standards, operations, recent findings and how audit reports should be handled.

The efforts to strengthen the NACs independence should be understood with reference to the Lima and Mexico Declarations (ISSAIs 1 and 10)²⁶. This should be considered in respect of the SAI as an institution; the Head of SAI; the SAI's professional activities including planning and conducting audits, reporting results, and follow-up of audit recommendations; and its external relationships. In addition to the independence of the NAC in the constitutional and legal provisions, the NAC should have independence in the day to day operations, within such independence as the law confers in a formal sense. The Mexico Declaration refers to this as "de facto independence" and sometimes the term "practical independence" is used. Practical independence refers to conditions which must exist to effectively maintain the independence of the SAI within the existing legal framework, such as:

- the ability to be protected when the SAI's independence (or that of its Head) is challenged;
- the ability to have access to resources when needed, and the willingness to be held accountable for their use;
- the ability to recruit and be supported by professional and well rewarded staff;
- ensuring the SAI is led and staffed by people of impeccable character, leadership and integrity; and
- the effective use of the SAI's powers to select and conduct audits, make and follow up on its reports, and communicate its work to stakeholders.

²³ The Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS) was signed in Addis Ababa on 12 September 2018 under the auspices of the Intergovernmental Authority on Development (IGAD). The Reconstituted Joint Monitoring and Evaluation Commission (RJMEC) is constituted under Chapter VII of the R-ARCSS and is responsible for monitoring and overseeing the implementation of the Revitalised Peace Agreement and the mandate and tasks of the TGoNU, including the adherence of the Parties to the agreed timelines and implementation schedule. In case of non-implementation of the mandate and tasks of the TGoNU, or other serious deficiencies, the JMEC shall recommend appropriate corrective action to the TGoNU. RJMEC reports directly to the Heads of State and Government of IGAD

²⁴ See for example RJMEC Quarterly Report to IGAD on the status of implementation of the R-ARCSS from RJMEC Quarterly Report to IGAD on the status of implementation of the R-ARCSS from 1st October to 31st December 2019, 2020-01-27

²⁵ World Development Report 2011

²⁶ Towards Greater Independence - A Guidance for Supreme Audit Institutions. Draft, not dated

In South Sudan the lack of *practical independence* for the NAC is demonstrated in many ways; for funding, the NAC depends on the Ministry of Finance (an auditee), for staffing, the NAC depends on the Ministry of Public Service, Labour and Human Resource Development (another auditee). These are two critical areas where the NAC is dependent on the Government and the Government has failed to provide the NAC necessary resources. Building independence is critical for the long-term sustainability and performance of NAC. Thus, the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024” should aim for greater *practical independence*. Experience shows that this is likely to be a long process.

The highest priority should be given to Government funding of the NAC, as failure to pay salaries of staff and to meet minimum operating costs prevents the institution operating. If this condition cannot be met by the Ministry of Finance and Planning, the NAC cannot function, and the partners will be faced with the dilemma of terminating the project or meeting the costs themselves. The proposed second phase of the Peer-support project should be conditional upon full continuous funding from the Government of South Sudan for all staff, adequate office space and transport and other operational costs. This could be an ongoing condition tied to monthly releases of state funds. Considering IDI's role as a provider of last resort and not leaving any SAI behind it may be necessary to have a policy discussion on the possibility to make support conditional on how the government prioritizes its efforts to support the SAI in a context like South Sudan.

The design of the project may be criticized in the wording of the first of the two overall indicators of goal achievement. This required audit reports to be submitted to Parliament as well as to the President. This is in line with ISSAIs, which presume the existence of a democratically elected legislature to which the executive is accountable. However, in South Sudan this does not exist. Audit reports are not tabled in the Assembly. Nevertheless, even an autocracy can respond to audit recommendations that do not threaten its power base. The NAC has been submitting management letters and audit reports to the audited entities. It is recommended that there be an analysis of use and benefits of NAC outputs in the past and the results framework of any new support project designed accordingly.

It has been asserted that the audit of government revenue and expenditure depends on the submission of financial statements. However, even without financial statements, the auditors can audit the system of internal control in each entity and do a compliance audit rather than a complete financial audit. This tests the operation of systems including the IFMIS. The results framework may include the completion and reporting of compliance audits. For greater impact, audit backlogs should be addressed in reverse order, taking the most recent years first.

As noted in Section 3.2.1 not all conditions for bilateral support were fully met. However, given IDI's decision to provide bilateral support to the NAC, our assessment is that the decision to aim for life-line support was appropriate for the circumstances. Also, the design of the project is in line with the eight principles set out in the IDI Bilateral Policy, with the exception that the Bilateral Policy requires adequate working arrangements, including physical meetings with SAI staff. However, the design of the project has not been adequate when it comes to gender. A more practical design would have focused on improving working conditions, especially for women, such as providing water in the toilets, possibly by partnering with the WASH programme in the country. The proposed indicators are long term and distract from more immediate activities. Even if efforts have been made to include women in the project teams during the audit works the project has not taken gender aspects seriously into account in the design and implementation. Despite NAC's ambition to increase female participation in the project activities by September 2019, female participation, however remained unchanged by September 2019. There is a need to establish better professional development for all NAC staff, and with a special gender focus, to ensure a better gender representation in the various activities.

4 Efficiency

4.1 Observations

4.1.1 Theory of change and design

In this sub-section the following evaluation question is assessed:

- Was the underlying theory of change clear, and the design of the initiative including monitoring and reporting arrangements appropriate?

The implicit generic theory of change (ToC) is presented in the Inception report. The cooperation agreement did not include a theory of change, and the cooperation partners did not attempt to apply the underlying generic ToC in the project documents to their own (unique) circumstances. Most interviewees at the NAC appeared to be indifferent to the ToC concept or not familiar with it. Three factors are important to consider in the design of the project:

A. Support from IDI, partners and peers

To maximize the value of the support, IDI seeks partnerships with INTOSAI regions, neighbouring SAIs, donors and other providers of support. A partnership between IDI and relevant INTOSAI regional bodies ensures the support is well coordinated with regional activities as well as benefiting the network and competencies available within the regions. Thus, IDI has in the case of South Sudan cooperated with AFROSAI-E, SAI Kenya and SAI Norway. According to the interviewees, IDI and its partners and the peers in the project provided adequate input to the maintenance and development of the NAC.

B. Support from other funders, partnerships, SAIs staff time

SAI staff time is the most important resource. The NAC was lacking core competencies in financial audit, compliance audit, performance audit, specialized audits and other professional competencies. Almost all competencies in core audit types (financial, compliance, performance, specialized & other professional) were required to close the gap. NAC also lags behind in terms of placing women in top management positions. The Cooperation Agreement states that *"Since 2010, the office has undergone a substantial transformation. The number of staff has increased by approximately 100, to the current figure of 239, out of whom 126 are auditors"*²⁷. At the time of our field visit, 93 auditors including the two DAGs were listed on the latest staff list from the Ministry of Labour. However, when we were checking the list some of the listed auditors were dead or had for example left the country. The actual number of auditors that was available for the NAC was 77. Out of these some of the auditors were present at the NAC only occasionally or once or twice a week.

In addition to the support from IDI the NAC has during the last few years been supported also by the African Development Bank (AfDB). This support is a component in a broader Programme. Through the support a limited number of auditors have been provided training. NAC's agreement with the AfDB is ongoing and will be aligned with the upcoming project activities in the proposed second phase of the Peer-support project. The plan for utilizing these funds will be clarified in the same annual plan as for the next phase of the Project, to avoid overlap. The agreement with AfDB is sought to be continued for the SP period. Funding of AFROSAI-E training and similar activities is regarded as a practical way of using AfDB funds in particular. Technical assistance can also be considered for these funds during the programme period 2019-2024.

²⁷ National Audit Chamber Peer-support Project 2017-2020, Cooperation Agreement, Final version for signing 9th May 2017

Since 2011, the IGAD Regional Initiative for Capacity Enhancement in South Sudan, supported the NAC to fulfil its international obligations and build national audit capabilities (detailed in section 3.1.2 above).

The Royal Norwegian Embassy in South Sudan and UNDP, announced in July 2019 the signing of a three-year partnership agreement to implement a new project, Governance and Economic Management Support (GEMS), for the implementation of the R-ARCSS across the country. The engagement areas are organised in three clusters: Economic cluster, Governance cluster and Service cluster. One of the institutions to be supported is the NAC.

A peer team is giving advice to drafts of legislation and regulations, as well as stakeholder presentations. This will be aligned with the work already done by the NAC and in cooperation with United Nations Mission in South Sudan (UNMISS). Support is planned as a part of IDI's SAI Independence programme. UNMISS is ready to support NAC on accountability, transparency and legislative review. UNMISS is also prepared to assist and support NAC in its coordination efforts with the Development Partners.²⁸

As a member of AFROSAI-E, the NAC can send participants to AFROSAI-E events. It has been valuable that participation in selected AFROSAI-E activities has been financed through the Peer-support project. According to the interviewees there have not been any overlaps or duplications between the Peer-support project and AFROSAI-E activities.

C. Country governance, political, social, cultural and public financial management environment

At the time when the project was initiated Norway's policy was not to have any bilateral development cooperation with the GOSS²⁹. However, the Norwegian Embassy in Juba decided to support IDI as this is not bilateral development cooperation between Norway and GOSS. Thus, IDI is the project owner and responsible for the outcome of the project. Therefore, IDI is responsible among others for considering the country's governance, political, social, cultural and public financial management environment before entering into a cooperation and also for continuously following up the developments.

SAI effectiveness depends on their organisational capacity and on the governance environment in which they operate³⁰. South Sudan is currently in a deep economic, political, security and humanitarian crisis. The R-ARCSS of September 2018 provides steps to be taken to improve the situation, hereunder how to strengthen public financial management and the NAC. The NAC is a key oversight institution and has a crucial role in promoting better governance in South Sudan. The R-ARCSS contains provisions for a new audit act and requires NAC to submit pending audit reports within 6 months after the start of the transition period.

It is obvious that GOSS has not met expectations during 2017-2019 among others responsibility for its staff. The staff at the NAC have not received their salaries on time; at present they have not been paid for four months and according to the interviewees there have been periods of more than half a year without pay. Funding for audit operations has not been adequate. The list of problems and challenges is long: difficulties to find transport to work, transport to auditees has not been

²⁸ Additions to Minutes of the National Audit Chamber Peer-Support Project 3rd Annual Meeting held on the 18th of December 2019 in Palm Hotel Juba from 9:00 AM to 2:30 PM

²⁹ It should be noted that a considerable amount of Norway's support goes to conflict-affected countries Norway's priority countries include Afghanistan, Haiti, Mali, Myanmar, Palestine, Somalia and South Sudan.

³⁰ World Bank, 2017, Governance and the Law, World Development Report 2017, Washington DC

provided, limited access to Internet, periods of no electricity, no Intranet, absence of water in the toilets at the office, and no adequate working environment and infrastructure in general.

It should be noted that according to Transparency International's index, South Sudan is one of the most corrupt countries in the world. In 2018, the country was placed third from the bottom of the corruption list, which included 180 countries. In Freedom House's index of countries where democracy and human rights are severely curtailed, South Sudan comes in the second to last place. According to research by the Overseas Development Institute (ODI) on reforms in fragile contexts³¹, strengthening capacity and systems for public financial management in such contexts is possible, but is messy in practice. SAIs are among the few anti-corruption institutions for which there is some evidence of positive effect on tackling corruption^{32 33}.

Monitoring and reporting arrangements

Monitoring is the ongoing process of collecting and using standardised information to assess progress towards objectives, resource usage and achievement of results and impacts. Regular monitoring should provide detailed operational information (mainly on outputs and results achieved by the project, financial absorption and the quality of implementation mechanisms) and allow for detection of warning signs. Ideally monitoring of projects should make use of the organisation's own monitoring system and tap the required data from the system. However, when the Peer-support project started, NAC didn't have any monitoring system. Therefore, one of the expected outputs of the Peer-support project was "*System for monitoring, reporting and quality control developed and implemented in NAC*". However, this work has not started.

The monitoring and reporting arrangements in the Project have been appropriate but it has been challenging to validate some of the data. According to the interviews there has been no monitoring plan for the Project. Also, the extremely difficult work environment has led to a lot of changes in the implementation of the Project. Therefore, monitoring and reporting have not been based only on the Results Framework in the Agreement. The reporting to the Steering Committee (SC) has involved assessment against agreed indicators and targets. Monitoring the project has, however, been a challenge and the minutes from the meetings with the SC show that there have been lively discussions about the data provided.

Monitoring also forms the basis for the evaluation of the Project. In conjunction with evaluation information, effective monitoring and reporting provide the evaluator with the data that is needed to identify whether the implementation and outcomes of the project are unfolding as expected. In the proposed second phase of the Peer-support project – the "NAC Strategic Change project 2020-2024" it should be considered to include an "ongoing evaluation"³⁴ of the project that continuously provides feedback to the project management and facilitates the learning process.

³¹ T. Williamson (ODI) 2015 Change in challenging contexts How does it happen?

³² United Nations 2019 report of the expert group meeting on budgeting and support of effective institutions for the Sustainable Development Goals, New York, 4-5 February 2019

³³ De Renzio, P, J Wehner, The impacts of fiscal openness: A review of the evidence, Incentives research, GIFT-IBP, March 2015

³⁴ Ongoing evaluation is one of the three state of the art types of evaluation (the other two are ex ante and ex post evaluations). It means that the evaluation is ongoing during the project period. Ongoing evaluation is "*a source of feedback, a tool for improving performance, an early warning of problems (and solutions) and a way of systematising knowledge*" (European Commission: Practical Handbook for Ongoing Evaluation). In conjunction with evaluation information, effective monitoring and reporting provide decision-makers and stakeholders with the knowledge they need to identify whether the implementation and outcomes of the project are unfolding as expected and to manage the initiative on an ongoing basis. Especially when there are

4.1.2 Activities, deliverables and costs

In this sub-section the following evaluation question is assessed:

- Were IDI activities and deliverables and costs consistent with plans and budgets?

The expenses for project per expected outcome and an overview of the expenses and budget per partner are detailed in Annex 7.

Annex 10 shows the status of deliverables as at 22 May 2020. The deliverables in Annex 10 are those that appear in the latest plan and budget. There are some deviations compared with the original Results framework in the Grant Agreement. The selection of deliverables has been discussed every year with the SC and adjustments have been agreed. To provide an overall picture, a column has been added to show the stage reached in each deliverable. A score of 1 means that the text is finalized; 2 =text approved by the Head of NAC; 3=design approved; 4= sent for printing; 5=printed; 6=submitted to the President; and 7=submitted to Parliament. This picture is continuously moving.

4.1.3 Risk management

In this sub-section the following evaluation question is assessed:

- Were risks to planned SAI outputs and contribution to outcomes appropriately identified and managed?

Both the Cooperation Agreement and the Grant Agreement recognised that the project had a high risk profile due to the unstable situation and complex environment in South Sudan. The following prerequisites for succeeding in the project are mentioned in both the Cooperation Agreement and the Grant Agreement:

- “1. A relatively stable South Sudan which allows collection of audit evidence in key Ministries in Juba and presence in the audit office by NAC staff regularly.
2. Government support and commitment to an independent Auditor General.
3. Reasonable level of financial allocation to NAC operations from the Government of South Sudan and financial assistance from Development Partners to infrastructure costs.
4. An operative Public Accounts Committees in the South Sudan Legislature.”

The Evaluation Team notes that none of these prerequisites was fulfilled during the implementation period 2017-2019. In the agreements it is stated that *“termination of the project will be considered if renewed war is making execution of cooperation activities impossible, or if there is a serious lack of commitment related to the project goals or principles of transparency and accountability”*. Despite that, both the Funder and IDI have fulfilled their commitments and obligations.

Seven general risk factors were identified when the project was established:

1. Delays in implementation of planned activities
2. Relevance and quality of advice
3. Activities not coordinated both within the project and with other supporters of NAC
4. No impact
5. Sustainability of the support
6. Credibility of the SAI undermined

eternal risks that are significant threats to achieving the goals it is quite common to include an ongoing evaluation as a component of the project to provide

7. Security for resource persons

The risk assessment has been updated regularly. The last risk assessment is attached to the report that was discussed with the SC at the annual meeting in December 2019. IDI have had regular coordination calls with the NAC also in 2020 to be updated on risks. Risk was also addressed when IDI visited the NAC in March 2020. By the last documented risk assessment at 30th September 2019, the risk factor was reduced from high to medium - *"Delays in implementation of planned activities"*³⁵. This is related to the progress of the ongoing audits. However, NAC still faces fundamental challenges of execution of activities due to delayed salaries and lack of operational funds.

A major risk is still *"no impact"*. Given the unstable political situation and conflict climate, there is a risk that Parliament will continue not to table audit reports and that Government and Parliament will not be effective and able to act upon audit findings. Given the different reports of misuse of government funds over the last years, there is also a risk that strengthening of the SAI will meet significant resistance and may be undermined. However, the lack of reports tabled in Parliament does not mean that the project has no impact at all. The NAC is still auditing entities and providing management letters and audit reports to the Executive.

At the medium risk level, the risk factor of *"Relevance and quality of advices"* was planned to be addressed by inviting external experts to the workshops where resource persons and NAC team members meet, but this has not been prioritized in 2019.

"Sustainability of the support" has also been regarded a medium risk given the ongoing political situation in South Sudan. This is mainly outside the control of the project partners but needs to be addressed by ensuring systematic sharing of knowledge within NAC.

4.1.4 Delivery mechanisms

In this sub-section the following evaluation question is assessed:

- How efficient were the chosen delivery mechanisms (peer-peer support, mobilisation of resource persons, combination of in-country and remote assistance) compared to other feasible alternatives (e.g. use of consultants, use of IDI staff, increased country presence, long term advisors)?

As stated in the Inception report this is a very complicated evaluation question to answer. Cost comparisons depend on comparing like with like, but the different projects are not all doing the same thing, and their effectiveness is not the same. If the efficiency for example is assessed on the cost per trainee-day, all costs should be included - costs to IDI, to the peer partner, to the trainee, and to NAC (including the salaries of the trainees during training). All this data is not available. Even if it could be calculated, there are major variables on the value of trainee days, which would swamp differences in costs.

For decisions on capacity building modality a number of factors should be taken into account. The Evaluation Team will provide some observations that are of relevance when determining the efficiency of choice of delivery mechanism. We have made some comparisons with costs that have occurred in other projects that have been carried out to support the NAC. Unfortunately, the information from the other projects is not public, so this is mainly observations on factors where

³⁵ A table in appendix 3 to the last Report from the Peer-support Project shows more in detail the control measures in the period October 2018-Sept 2019 and the status of risks by 30th September 2019.

the chosen delivery mechanism has advantages and disadvantages respectively compared with other feasible alternatives.

One key factor is the level of cost for the one provider (-s) of support (for example long-term technical assistance from peers, in-kind peer support for specific missions, paid market-priced consultancy, seconded staff, training provided by partners such as IDI or AFROSAI-E). The second factor is the number of participants that will benefit from a specific activity directly or indirectly and, thus, will share the costs. The third factor is the direct costs for each participant in the activity (transport, accommodation, per diem etc). The other costs are in practice less important when comparing delivery mechanism (such as documentation, meeting room, refreshments etc).

Factor 1: Long-term technical assistance from peers, in-kind peer support for specific missions and seconded staff and training provided by partners such as IDI or AFROSAI-E have lower direct costs for the service provision compared with paid international consultants on the market.

Factor 2: It is more efficient if for example all concerned auditors can participate in a training compared to if a few can do it (or their managers) and these participants are then supposed to transfer their knowledge to the colleagues.

Factor 3: On the job training or workshops/seminars/training that are carried out locally in South Sudan are less costly compared with external workshops/seminars/training that are carried out in the region or in other sub-regions in Africa.

In the Table below we have compared three projects at the NAC.

Table 2: Comparison between different delivery mechanisms

Project	Factor 1	Factor 2	Factor 3: Travel	Factor 3: Accommodation, subsistence and other allowances
The Peer-support project	No major difference between the alternatives	A mix between activities with a limited number of participants and activities in Juba	Significant travel costs (average appr 600 USD per participant in activities outside Juba)	Average appr 170 USD per day per person for accommodation, breakfast and lunch, 30 USD to use for dinner)
Project B: On the job training	No major difference. Some costs for office space.	On the job training that benefits all auditors at NAC	No extra travel costs for participants	No allowances
Project C: Training courses abroad	No major difference	A few auditors participate	Significant travel costs (average appr 600 USD per participant in activities outside Juba)	At least 520 USD per day per person for accommodation, subsistence and out of pocket allowance ³⁶ .

³⁶ General Government Travel Allowance Rates South Sudan, PDF-document provided by the DAG NAC, not dated

As is obvious from the Table above, what is most important when it comes to costs is how allowances are handled. Project C is giving the participant at least 520 USD per day in allowances up front and the participant has to find her/his own accommodation. The level of the allowance depends on the venue for the activity and there are different levels of allowances for the sub-regions in Africa and also for other regions in the world. There are also higher allowances for ministers and high officials, but these levels are not relevant here.

Generally, individual job-oriented problem-driven training is far and away more effective than class training but is prohibitively expensive. As indicated in the Table the direct costs and allowances to participants are much lower in the Peer-support project compared to Project C. In fact, this is what makes the main difference between these two alternatives.

IDI is practising the policy of AFROSAI-E³⁷ that means that all participants in training courses, workshops and so on have their accommodation, breakfast and lunch included in the package. In addition, the participant receives 30 USD for dinner, and it is up to her or his own preference how the money is used.

According to the interviewees, all auditors benefited from the on-the-job training in Project B. This was more effective than class training and much more effective than sending a few for training abroad. When it comes to project C the overall impression from the interviews is that the knowledge from these activities has been spread to the Team and a limited number of other auditors. When it comes to the Peer-support project the overall picture derived from the interviews is mixed. To some degree, knowledge seems to have been shared by the colleagues but most of the interviewees are of the opinion that it is much better if training/workshops are directed to all auditors that are involved.

Thus, in a cost-benefit analysis project B is the best alternative and the Peer-support project is the second best. However, it should be considered under what circumstances the projects have been undertaken. Thus, in the future, probably a combination of different delivery mechanisms will be the most efficient. We will come back to that in our analysis and conclusions in section 4.2.

4.2 Analysis and Conclusions

4.2.1 Theory of change

The Evaluation Team was requested in the TOR to formulate a generic ToC based on the implicit assumptions that could be derived from analysis and statements in the IDIs Bilateral Policy.

In the Inception report we have proposed an implicit generic ToC – common across all components as requested – to support the evaluation. We would like to underline that, as there is no ToC formulated in the Cooperation Agreement, what we present here is our understanding of the assumptions. Others may have other interpretations. Therefore, we have in the Inception report provided the main reasons for how and why we have come to our conclusion. We have studied the documents that have been provided by IDI and tried our best to use the implicit generic ToC that might have been at hand at the time when the Peer-support project was drafted. However, over the

³⁷ AFROSAI-E Subsidization policy means the NAC participants have not been entitled to per diems other than meals not provided. However, NAC participants are entitled to per diems and any other entitlements from any other funding sources, in accordance with policies and rules of the government of the Republic of South Sudan or other funding agencies regulations. Expenses to field work in South Sudan for NAC staff are not covered through the project.

years that have passed since then changes have been made, among others in the SAI Strategic Management Framework. Also, the perception of how change management should be practised in the targeted countries seems to have changed.

How the support can contribute to change, and which preconditions must be in place to achieve these goals, must be stipulated in the ToC for the supported country. A ToC is a description of how and why a desired change is expected to happen in a particular context. Therefore, the ToC must be adjusted to the situation in each country. It is a mapping exercise, where the start point is the desired long-term goals and then works back from these to identify all the conditions that must be in place for the goals to occur, including how these conditions relate to one another causally. Thus, close dialogue with the partner SAI is necessary to determine which preconditions must be in place in order to bring about change. These parameters may include factors that partners exert some control over, but also factors that fall outside the sphere that a SAI (at least in the short to intermediate time) can influence, such as the legal framework.

The SAI can, where feasible, be supported to develop partnerships with the donor community, civil society, media and academia, as well as with parliamentarians and political parties. In addition to creating partnerships, a strategy for SAIs in unpromising environments may be to carry out strategic audits that clearly demonstrate the value and benefits of the SAI, such as in areas of service delivery. A support strategy of IDI could be to strengthen professional and organizational capacities of the SAI where these can lead to audits raising the respect for the SAI and increasing the prospects for reform.

The aim for the support from IDI has been life-line support. Thus, the generic ToC underlying the Bilateral policy is difficult to apply. The aim of the change process is normally to increase the capacity of an organization. The outputs and outcomes should add to the capacity in the baseline. When the aim is just to maintain a certain level of capacity or even to limit the decrease of capacity the generic ToC has to be applied 'backwards' and focus on how to maintain the basic elements for the existence of the NAC. Therefore, the Evaluation Team has in sub-section 4.1.1 observed how the three ground pillars in the Peer-support project: (A) Support from IDI, partners and peers, (B) Support from other funders, partnerships, SAIs staff time and (C) Country governance, political, social, cultural and public financial management environment, have contributed to maintaining the capacity of the NAC.

Our conclusions are that

- IDI and its partners and the peers in the Peer-support project have provided adequate input to the maintenance and development of the NAC.
- Turnover among auditors at the NAC has been higher than expected and the total staff time that has been spent at the NAC decreased significantly in 2019.
- Support from other funders has been limited, but alignment is important with both ongoing and finalised projects to make use of synergies.
- Country governance has not met expectations and commitments.
- The political, social, cultural and public financial management environment has been even more challenging than expected when the Peer-support project was designed.
- It is important that synergies among support projects continue to be sought so that overlaps and duplications are avoided through good coordination among the initiatives.

4.2.2 Status of all expected outputs and outcomes

In Annex 8 the status of all expected outputs and outcomes in the Results Framework is detailed. However, the work has not started on some of these expected outputs for different reasons. In some cases, the NAC has instead worked on another audit that has been viewed as more important. Therefore, we have in Annex 9 included also these as additional outputs even if they are not mentioned in the Results framework in the Grant Agreement or in the Cooperation Agreement for the project. Annex 9 shows that a large portion of the expected deliverables are concrete audit reports. When appropriate, capacity development interventions can be linked to the execution and reporting of concrete audits that are part of the SAI's core activities. Completion of audits could ensure "quick wins" and thereby contribute to the achievement of significant longer-term capacity changes.

For each output (expected or additional) we have in Annex 9 stated the status in March 2020, what is still outstanding, date of NAC approval of the manual or audit report as a word document, expected date of final design of the manual or audit report, expected date of final approval of the AG, expected date of printing and expected date for dissemination (and to whom).

The expected output is in many cases that audits shall be "*executed, reported and disseminated to key stakeholders*". In the reporting it is common that the status is stated as "*completed*" but it is unclear what "*completed*" means. Sometimes it means that the audit team has submitted the draft report to the DAG for comments, sometimes it means that the AG has approved the draft etc. In the reporting also "*partly completed*" is frequent. This is even more unclear. Therefore, we have in Annex 9 tried to be more specific when it comes to where in the process the work on each expected outcome is.

This picture is continuously moving. Therefore, we have updated the status once more when it comes to the deliverables. Annex 10 shows the status of deliverables as at 2020-05-22. The deliverables are those that appear in the latest plan and budget. There are some deviations compared with the original Results framework in the Grant Agreement. The selection of deliverables has been discussed every year with the SC and adjustments have been agreed. To provide an overall picture, a column has been added to show the stage reached in each deliverable. In total, four deliverables have reached the stage of being sent for printing at 2020-05-22. The expected recipients of documents are still shown as the President, Parliament, and the NAC website. However, the political situation prevents the acceptance of audit reports and the website has not been functional since 2014. As for the submission of the reports to the Parliament and the President, the Revitalized Agreement of the Resolution of Conflict in the Republic of South Sudan provides for the Parliament (Transitional National Legislative Assembly, TNLA) to be reconstituted, which has not yet happened³⁸. Hence, the Auditor General's Report submission to Parliament and the President will be done only when the TNLA is reconstituted in accordance with the Agreement.

4.2.3 Risk management

The Evaluation Team has compared the risk analysis that was made by IDI and the NAC with relevant sources describing the situation in South Sudan during the period of preparing the project proposal and the implementation of the project respectively. The primary source we have used is the quarterly reports from the Joint Monitoring and Evaluation Commission (JMEC) and the Reconstituted Joint Monitoring and Evaluation Commission (RJMEC).

³⁸ Email from the DAG at the NAC 2020-05-29

The risk analysis in the project proposal is mainly in line with JMECs reports to IGAD³⁹. Also, the revised risk analysis is mainly in line with JMECs and RJMECs reports to IGAD⁴⁰. However, to some extent the consequences of the risks for the outputs and outcomes have been underestimated.

The “*Security for resource persons*” has been properly managed during the whole period. Also, the other risk factors have been managed to the extent that falls within IDI’s and NAC’s control.

4.2.4 Delivery mechanisms

Based on our observations in sub-section 4.1.4 our conclusion is that a mix of service mechanisms have the potential to be the most efficient in the next phase of project. Basically, we believe that training/workshops/seminars to as large extent as possible should be carried out in the NAC’s new locations in Juba and be attended by all relevant staff. This is often a more efficient method than a two-step approach where a few auditors are trained abroad who are then supposed to be trainers of their colleagues. Secondly, it is important to learn from best practice which means that exchange of experience with other relevant SAIs is also important. Thus, participating in relevant activities carried out by AFROSAI-E should be prioritized.

Distance communication technology has evolved around the world, and use has grown rapidly. Videoconferencing, blogs, webinars and software such as WhatsApp, Skype and Zoom allow groups of people with a common interest and agenda to interact, mostly without charge. However, the NAC has been far from having even a basic level of access to distance communication technology during the project period. Thus, one challenge has been the more regular coordination of the project. This could possibly have been addressed better with more regular Juba presence, or direct contact with the AG. In the next phase of project, it should be prioritized to have a project leader present in Juba.

The aim for the support from IDI has been life-line support. As noted in the Strategic Plan 2019-2024 the NAC should among others focus on strengthening the internal governance system. This requires another kind of competence than the one of audit. Thus, it is extremely important that the NAC make use of advisers in change management, organizational development, results-based management, process development and time management in the implementation of the Strategic Plan.

Quality control support was not provided as planned through the Peer-support project. One consequence is delay in having the audit reports approved by the DAG and the AG. Thus, enhancing the Quality Control Unit by advocating for adequate staffing and coaching the staff is important in the proposed project. Also, an external Quality Assurance peer review annually will raise the standard of audit reports in an early part of the process and thus facilitate the final approval of audit reports.

³⁹ JMEC Quarterly Report to IGAD on the status of implementation of the ARCSS from November 1st - January 31st 2017 and JMEC Quarterly Report to IGAD on the status of implementation of the ARCSS from February 1st - April 30th 2017

⁴⁰ Quarterly reports 2017-2019

5 Effectiveness

In this section the Evaluation Team has assessed the following evaluation question:

- To what extent have the expected SAI outputs and outcomes been met, and what factors hindered or contributed to this?
- Did outputs from the project contribute to improvements in the performance and capacity of the SAI, and what factors hindered or contributed to this?

5.1 Observations

5.1.1 Overall status of goal achievement

The Overall Project goal is to “Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan as well as to improve and sustain Public Financial Management Administration and Accounting Systems.”

The status of overall indicators of goal achievement is shown in Table 6 below.

The first indicator is “Percentage of project supported audit reports finalized and reported to the President and Parliament by NAC”. The target was 50 % by the end of 2019 but the result is 0%.

A major achievement is that by 12 March 2020 four Performance audit reports and one Special audit report on IFMIS are in process of design and printing, NAC has now received the printed reports from the selected printing Co. However, the actual reporting to the President and Parliament of the audits is not yet achieved due to the COVID-19 restrictions and the pending reconstitution of the Parliament.

Table 3: Status of overall indicators of goal achievement by 12 March 2020

Indicator	Target	Status by				Comments
		30 Sep 2017	30 Sep 2018	30 Sep 2019	12 Mar 2020	
1. Percentage of project supported audit reports finalized and reported to the President and Parliament by NAC	50 % by the end of 2019 (of a total of 6 or 9) ⁴¹	0 %	0 %	0 %	0%	By 12 March 2020 four Performance audit reports and one Special audit report on IFMIS are in process of design and printing.
2. Staff turnover among auditors and managers in NAC 2017-18.	Less than 10% annually	0 %	9%	18%	Not available	An increase of turnover from 2018 to 2019 is largely due to poor salaries and delay in payment and job motivation.

⁴¹ According to the NAC, IDI and AFROSAI-E Report Oct 2018 - Sept 2019, Final version adjusted after annual meeting December 2019, to the MFA Norway / Juba Embassy the number of project-supported audits in total can be counted in two ways: 1) All audits planned supported, which is five performance audits and four regularity audits (nine in total), or 2) All audits actually initiated in the project period, which is four performance audits and two regularity audits (six in total). Additionally, four pilot financial audits of the new manual were planned but were not yet initiated by Sept 2019.

With regard to maintaining the capacity in NAC, indicator 2 in the Table shows that staff turnover appears to have increased from 9 % in 2018 to 18 % in 2019 (from 15 to 28 persons: period October 2018 – September 2019)⁴². By the end of September 2018, the total number of staff were 160, which reduced to 153 in September 2019. At the Steering committee's last meeting in December 2019 it was noted that *"the turnover in NAC is mainly in the unclassified staff (such as drivers and cleaners). So far it has not affected the audit personnel to the same extent"*⁴³. The last report from the Peer-support project⁴⁴ states that most of the staff turnover continues to be junior support staff leaving due to the tough living conditions. Irregular salaries over the latest year continue to be one factor which has contributed to the turnover leading staff to move to better paid sectors. This is a government wide problem. However, indicator 2 refers only to auditors and managers, whereas the numbers appear to be of total staff. It is also unclear whether the numbers refer to scheduled/approved posts or actual posts filled, and if they are actual staff, whether they are actually attending office. Under current conditions, it is difficult to measure staff turnover. The Evaluation Team suspects that turnover has increased but is unable to confirm this from the evidence.

Another achievement in 2019 has been the development and launch of the Strategic plan 2019-2024. Some planned activities have not been executed, such as the annual internal sharing of knowledge within NAC, quality control support and initiation of new audits. These activities have not been executed due to other priorities in NAC and challenges in regular project communication.

At the same time NAC has built a strong fundament for its audit capacity, by customizing and finalizing the Financial Audit Manual and the Performance Audit Manual. The audit of the IFMIS system guideline has been developed and will be useful for audits in this area for many years ahead. NAC has also been able to develop plans for HR and stakeholder engagement in line with regional best practice during 2019.

5.1.2 Progress per expected outcome

In sub-section 4.2.2, the status of 16 deliverables was documented as a part of the assessment of 'efficiency' of the project.

In this sub-section the Evaluation Team has analyzed progress per expected outcome as an assessment of the project's effectiveness. For each outcome we have summarized expected outputs, indicators, baseline and progress compared with plans. The point of departure has been documented progress according to the last report from the Peer-support project⁴⁵ that we have tried to validate through checking audit reports, manuals etc at different stages of the process as well as comments from the interviewees. In some cases, the names of documents are different in different plans and on different drafts. Normally we have used the name on the final document. Also, the *"planned outputs"* are not always the same in different planning documents.

⁴² The Cooperation Agreement states that *"Since 2010, the office has undergone a substantial transformation. The number of staff has increased by approximately 100, to the current figure of 239, out of which 126 are auditors"*⁴².

⁴³ Minutes from the Steering committee meeting 18 Dec 2019

⁴⁴ NAC Peer-support project Report Oct 2018 - Sept 2019, *Final version adjusted after annual meeting December 2019*

⁴⁵ NAC Peer-support project Report Oct 2018 - Sept 2019, *Final version adjusted after annual meeting December 2019*

Outcome 1: A relevant and enhanced regularity audit function in NAC

Planned outputs

The key expected outputs for the reporting period related to the regularity audit function are:

- Regularity audit of non-oil revenue collection (customs) by the Min of Finance executed, reported and disseminated to key stakeholders
- Regularity and IT-audit of the IFMIS and closing of accounts by the Min of Finance executed, reported and disseminated to key stakeholders
- Regularity and IT-audit of the passport system and revenue collection by the Min of Interior executed, reported and disseminated to key stakeholders
- Systematic knowledge-sharing among NAC staff established in relation to regularity and IT-audit
- Guidance material developed in relation to audit of IFMIS and the consolidated financial statements

Indicators

The indicators on goal achievement and the targets are as follows:

- 1a) Number of project-supported regularity audits where data collection is completed, and a draft report produced by NAC. Target: all by the end of 2019.
- 1b) Number of project-supported regularity audits reported to the President and the Parliament. Target: 50 % by end of 2019.
- 1c) Finalization and approval of guidance related to audit of IFMIS and the consolidated financial statements. Target: Before the end of 2018.

Baseline

The Baseline is described as *“By early 2017 NAC had about 96 auditors, where the great majority were doing regularity audits.”* This baseline is not directly linked to the indicators.

Progress compared to the plans

- NAC has a financial audit manual, including working paper templates.
- NAC has a large audit backlog. Since 2011, the NAC has managed to audit and report to the President and Parliament the National Government accounts for the financial years ended June 2005 to 2008. The audit reports on the accounts of financial years ended December 2009 and 2010 are awaiting presentation to the President and Parliament.
- The audit of the accounts for the financial years ended June 2011–2013 have been finalized based on the ledger of the electronic accounting system “Free Balance”, as the Ministry of Finance has not produced consolidated financial statements covering these years.
- The initiated regularity audits of the IFMIS (Free Balance) system and the collection of customs have been completed in 2019. While the IFMIS audit report is already printed, the customs report will be compiled with other similar reports on non-oil revenue in July 2020.
- NAC has developed an Activity report of its own performance for 2005-2018, in which general challenges of lack of financial statements and financial data are reported to Parliament.
- The NAC guidance on auditing of the IFMIS is developed with support of a Kenyan and Norwegian advisor, and utilizing material developed by AFROSAI-E. The guidance describes the system in South Sudan, as well as key risks and controls to be carried out during audits. NAC has still a challenge in getting full access to the system and needs to continue its effort to get full access due to it.

However, the Parliament currently has four reports not yet deliberated and concluded upon. The Audit Report of the Bank of South Sudan for 2013 -2015 was completed, printed and delivered to the Parliament pending presentation by the Auditor General to the House.

The Government Financial Statements are not yet submitted by government, which makes completion of a financial audit impossible. In the Project, financial audits were not included in the results framework: all planned audits were regulatory or compliance audits. These focus on the regularity of transactions: they trace all receipts and payments into the IFMIS, but do not track the balances in the IFMIS ledger into financial statements.

In our view, regulatory audit capacity has been enhanced by the Project, but capacity is in danger of being lost through departure of trained staff.

Outcome 2: A relevant and enhanced performance audit function in NAC

Planned outputs

The key planned outputs related to the performance audit function are:

- Performance audit of the efficiency of service delivery by the Juba city council executed, reported and disseminated to key stakeholders
- Performance audit of the efficiency of the Juba University executed, reported and disseminated to key stakeholders
- Performance audit of local content and Constituency development fund completed, printed, reported and disseminated
- Systematic knowledge-sharing among staff in NAC established related to performance audit
- Performance audit manual customized
- Performance audit of environment in the oil sector completed, printed, reported and disseminated

Indicators

The indicators on goal achievement and the targets were as follows:

- 2a) Number of project-supported performance audits where data collection is completed, and a draft report produced by NAC. Target: all by the end of 2019.
- 2b) Number of project-supported performance audits reported to the President and the Parliament. Target: 50 % by end of 2019.
- 2c) Finalization and approval of the NAC Performance Audit Manual. Target: Before the end of 2018.

Baseline

The Baseline is described as *"About 12 NAC staff have been trained in performance audit through AFROSAI-E and have some experience in execution of audits."* This baseline is not directly linked to the indicators.

However, it could be noted that:

- By early 2017, NAC had not yet finalized a performance audit
- There was no specific department for performance audit established in NAC when the Peer-support project started
- NAC had not customized the AFROSAI-E manuals of performance and environment audit

Progress compared to the plans

- The performance audit manual has been finalized and the electronic tool PA-flow customized.
- Three out of the five planned performance audits have been completed. One ("Juba University") was agreed in the last Steering Committee meeting to be shifted to the new Project. The performance audits of Local content of the petroleum sector, the Constituency Development Fund and waste management by the Juba city council are already printed and delivered to NAC. The audit of Juba Teaching hospital supported by SAI Kenya before the project period is also printed and delivered to NAC.
- According to the interviewees NAC received positive feedback for its recommendations about the Constituency Development Fund, and this process with the auditee have the potential to lead to actions in the areas recommended for improvements.
- The pre-study of the performance audits of Juba University started in September 2019 and will be continuing in 2020.
- The planned audit of environmental management in the oil sector is yet to be initiated and needs to be considered by NAC if it should still be prioritized.

However, the intended sharing of knowledge in NAC by an annual seminar has only been executed partially by NAC as planned.

As for output 1, performance audit capacity has been enhanced by the Project, but capacity is in danger of being lost through departure of trained staff.

Outcome 3: Core audit management and HR systems in place in NAC

Planned outputs

The main expected outputs are:

- Overall annual audit plan and system for monitoring and reporting developed and implemented in NAC
- Quality control system and practices developed and implemented in NAC
- Annual SAI Performance report produced and disseminated
- NAC Human Resource Manual customized and executed

Indicators

The indicators on goal achievement and the targets were as follows:

- 3a) Establishment and use of an annual audit plan for NAC. Target: By the end of 2018.
- 3b) Annual SAI Performance report produced and disseminated. Target: By the end of 2018

Baseline

Before the Peer-support project started the NAC had developed a number of policies and procedures, including the NAC Act of 2011, strategic plan 2016-2018, HR manual, training manual, code of ethics and audit manuals. NAC staff had participated in training in these areas but still struggled to get the systems and manuals implemented. The NAC has no annual operational and audit plan.

Progress compared to the plans

- The expected outputs have mainly been worked on through a customized Management Development Programme for NAC in 2018, involving 16 managers. This led NAC to revise the strategic plan, develop the operational plan, and develop an improved annual audit plan. The

NAC has also developed a stakeholder engagement strategy and a human resource management strategy.

- According to the interviewees, the customized Management Development Programme has given the majority of NAC managers strengthened management awareness in general, which has increased their ability to successfully use and implement the plans.
- The Strategic Plan 2019-2024 was a major achievement by NAC and got positive support by stakeholders when launched.
- The NAC Human Resource Management Strategy has been chosen as the 4th best HR strategy in AFROSAI-E
- The NAC Activity Report was intended to be covering only the previous year, and then issued annually. NAC management decided in 2019 to clear the backlog by reporting on all the years 2005 to 2018. The final report is quite comprehensive including both audit work carried out as well how the NAC has tried to maintain its capacity during the difficult years since independence. The quality control procedures have been developed by NAC mainly through the customization of the Financial Audit manual.

However, the partners have not been able to establish the planned support to quality control practices.

In our view, the new Strategic Plan 2019-2024 is a major achievement which has been used to formulate a successor project to support its implementation.

Outcome 4: Key stakeholders are familiar with NAC's function, audit findings and how reports can be utilized

Planned outputs

The main expected outputs related to stakeholder engagement are:

- Key auditees sensitized on NAC function, standards, operations and findings
- PAC sensitized on NAC function, standards and operations and how audit reports can be handled by PAC

Indicators

The indicators on goal achievement and the targets were as follows:

- 4a) Number of key auditees sensitized on the NAC functions. Target: Three Ministries by the end of 2018.
- 4b) Percentage of PAC members sensitized on the NAC functions and how audit reports can be handled. Target: 80 % of PAC members by the end of 2018.

Baseline

NAC had not previously conducted any sensitization of key auditees or Parliament representatives.

Progress compared to the plans

- In mid-2017 NAC sensitized members of the PAC in Parliament, as well as selected Ministries through audit-related meetings and workshops where NAC was invited to participate.
- In 2018 NAC was supported through the Management Development Programme to develop a stakeholder relations strategy. The strategy was finalized in 2019, and the stakeholder analysis was a key fundament for the Strategic Plan 2019-2024.

However, actual sensitization and communication with stakeholders have to a limited extent been executed. The planned sensitizations of key accounting officers and MPs in mid-2019 were postponed due to an uncertain political situation.

Audit reports from the NAC have not been tabled by the Parliament after 2013. PAC has a high turnover and lacks both routines and understanding in how to handle NAC's reports. According to the interviewees, there is dire need for a more holistic approach to securing a functioning PFM-system in South Sudan. NAC wants to be a part of this; to give guidance and follow-up implementation of systems, but weak accounting systems and processes, as well as inadequate legal framework in audited entities, compromise such actions.

The results from this outcome are dependent on the wider political context.

Outcome 5: NAC is developing in line with the ISSAIs and international best practices

Expected output

NAC management and staff are contributing to regional SAI development, take part in knowledge sharing, are updated on current developments of standards and best practices and maintain a network with SAIs in the region.

Indicators

The indicators on goal achievement and the targets were as follows:

- 5a) Number of NAC staff and managers who have completed project supported AFROSAI-E training events. Target: All NAC representatives at AFROSAI-E training events complete the training in terms of participation and expected deliveries
- 5b) Sharing of knowledge and experiences from training and workshops carried out annually in seminars involving most NAC staff. Target: Annual seminars for 2017-19 carried out.

Baseline

NAC had been participating in several AFROSAI-E events and trainings. Given the challenging financial situation in early 2017, NAC was not able to participate in these events unless external support was provided.

Progress compared to the plans

In 2018 and 2019, NAC has sent delegates to several relevant training events:

- AFROSAI-E Technical Update and Refresher workshop; a general update and training for SAI managers and key auditors in various topics, including new audit manuals and tools for the region
- Strategic Review and Governing Board Meeting of AFROSAI-E; an annual seminar for top managers of each SAI in the region. Professionalization was a topic this year.
- INCOSAI in Moscow; a congress for all SAIs in INTOSAI held every third year. ISSAIs are approved and major SAI developments addressed.
- AFROSAI-E HR-training: a new training course developed using the updated regional HR-handbook.
- AFROSAI-E communications training, using regional experiences to communicate effectively with SAI and stakeholders.

AfDB funded NAC's participation in most of the events, while the Peer-support project covered costs for the AFROSAI-E training. According to the interviewees, the AFROSAI-E training fitted well with the project outcomes and initiated activities in the management development programme. However, in the interviews there were frequent complaints that the Peer-support project was

paying much less in per diem than for example AfDB. For per diems to NAC staff and managers, resource persons of regional SAIs and AFROSAI-E representatives, the AFROSAI-E Subsidization policy has applied in the Peer-support Project⁴⁶ as noted above in sub-section 4.1.4.

In 2019 it was planned to attend also AFROPAC or SADCOPAC meetings, but NAC was not invited.

The interviewees underline the importance of sharing of knowledge and experiences from training and workshops that some of the colleagues participated in. However, the seminars that were planned to be carried out annually 2017-2019 involving most of NAC were only done the first year due to various challenges.

Some of the interviewees emphasize the importance of having a more transparent process in the NAC when selecting participants for training and workshops, especially when it comes to attractive activities abroad.

With Project and DP support, opportunities for participation in national and regional training events were taken, despite complaints of differences in per diem payments.

Outcome 6: NAC's capacity development is strategically managed and well-coordinated

Expected output

The main expected outputs are:

- NAC establishes a system for ensuring coordination of donor support
- Peer support to NAC is well managed
- Lessons learned of the project identified

Indicator

- Annual meetings involving all relevant DPs carried out. Target: Annual meetings for 2017-19 carried out
- Percentage of female NAC participants in project activities⁴⁷. Target: 20 %.

Baseline

When the project started the NAC did not carry out joint meetings for its development partners (DPs).

Progress compared to the plans

- The plan was to ensure NAC's capacity development support is in line with its prioritized needs by establishing a system for coordination of donor support. The meeting in Nairobi in November 2017 where all major donors were invited to coordinate and consider new support to NAC started a new way of engaging openly with donors. A similar event was held in December 2018, with greater participation – including WB, DFID and UNMISS. In the annual meeting in December 2019 DFID and UNMISS participated.

⁴⁶ This means the NAC participants have not been entitled to per diems other than meals not provided. However, NAC participants are entitled to per diems and any other entitlements from any other funding sources, in accordance with policies and rules of the government of the Republic of South Sudan or other funding agencies regulations. Expenses on travel to field work in South Sudan for NAC staff are not covered through the project.

⁴⁷ This indicator is not in the Results Framework in Annex B to the Grant Agreement

- NAC got new support in 2018 through the AfDB, and the WB continues to provide support for audit of donor-funded projects.
- The coordination of the project through bi-weekly meetings was not carried out as planned in 2019. The consequence is that coordination and thus progress of the project has suffered in 2019. NAC has had challenges of top managers partly on leave, and for a period the focal point responsibility was shifted.
- The electricity and internet continue to be unstable. The Peer-support project paid for internet connection for the team leaders early 2019. The WB has continued to provide limited access internet in the headquarters, which is very difficult for the team members to access.

The first planned output of outcome 6 concerns donor coordination. According to the NAC and IDI, DP meetings have been carried out once every year 2017, 2018 and 2019. There is no documentation available for DP meetings 2017 and 2018. No minutes were written. According to the Final report from the Peer-support project more DPs attended in 2018 than in 2017, but there is no information on which DPs attended the meetings⁴⁸. Two Development Partners, UNMISS and UNDP, attended the DP-meeting 2019⁴⁹.

The second indicator is on gender. This indicator is, however, not included in the Cooperation Agreement nor in the Results Framework in the Grant Agreement. There has been an ambition for female representation in activities. However, the target was not met in 2018-2019. According to the final report from the project almost 30 % of NAC staff are female (47 of 153). The percentage of female NAC participants in project activities was 12 % compared with the target of 20 %. According to the final report from the project the reason is that *"it has been challenging to select relevant female candidates for project activities, given the fact that most of the female candidates are at the entry point of their employment and lacking enough experience for the project works"*. However, most of the interviewees are of the opinion that the main reasons are that most female staff are support staff and that there are actually few female auditors that are in practice available at the NAC due to the work environment.

5.2 Analysis and Conclusions

5.2.1 Overall status of goal achievement

Analysis of the overall indicators of goal achievement

The point of departure for any development programme should be the goal for the intervention; typically, a higher order development outcome (-s). The Overall Project goal is to *"Maintain and strengthen key audit-related capacities in NAC, to prepare NAC to play a strong role in the reform efforts of the Government of South Sudan as well as to improve and sustain Public Financial Management Administration and Accounting Systems."* There are two overall indicators of goal achievement for the Peer-support project. The first overall indicator of goal achievement is *"Percentage of project supported audit reports finalized and reported to the President and Parliament by NAC"*. The target was 50 %. As noted in Section 5.1 no audit reports had been presented to the President and Parliament by the end of 2019. Thus, the goal was not met. One reason for delay is that the audit process does not depend solely on the NAC and suffered from dysfunctionality in other branches of government. For instance, according to the 2018/19 Peer-

⁴⁸ According to the NAC the intention was to hold the DP meetings as an integral second part of the SC, not as a standalone meeting. The attendance of DPs is mentioned in the minutes from SC 2019 but not 2017 and 2018.

⁴⁹(Additions to) Minutes of the National Audit Chamber Peer-Support Project 3rd Annual Meeting held on the 18th of December 2019 in Palm Hotel Juba from 9:00 AM to 2:30 PM

support project report, certain key reports were sent for comments by the respective ministries in May 2019. By October 2019 the ministries had not replied, so NAC decided they would submit the reports without auditee comments.

The second overall indicator of goal achievement is *“Staff turnover among auditors and managers in NAC 2017-19”*⁵⁰. The target is *“Less than 10% annually”*. The indicator and the target seem to be adequate for *“lifeline support”*. However, it is difficult to follow the progress in the reporting as there is a mismatch between staff in general and auditors and managers specifically. Also, the numbers are not validated and differ from document to document.

The Cooperation Agreement 2017 states that *“Since 2010, the office has undergone a substantial transformation. The number of staff has increased by approximately 100, to the current figure of 239, out of which 126 are auditors”*⁵¹. At the time of our field visit in March 2020 a total of 93 auditors, including the two DAGs were listed on the latest staff list from the Ministry of Labour. However, when we were checking the list some of the listed auditors were dead or had separated in other ways, for example left the country. The actual number of auditors available for the NAC was 77. Out of these, some of the auditors were present at the NAC only occasionally or once or twice a week. If these figures are correct the number of auditors has decreased from 126 (not clear if managers are included) to 77 (managers and two DAG included). This means that at least 39 % of the auditors left the NAC during the period of the Peer-support project.

On the goal of maintaining staff capacity in NAC, the last report⁵² shows that the turnover for 2018-2019 increased from 9 % in 2018 to 18 % in 2019. In the report this is explained in the following way: *“When it comes to maintaining the capacity in NAC, indicator 2 in table 1 shows that the staff turnover for 2018-19 has increased from 9 % in 2018 to 18 % in 2019 (from 15 to 28 persons). By the end of September 2018, the total number of staff were 160, while reduced to 153 in September 2019”*⁵³. Most of the staff turnover continues to be junior support staff leaving due to the tough living conditions.” However, this explanation is about staff in general, but the indicator and target are on managers and auditors. In accordance with the definition in the indicator IDI should have measured and reported on auditors and managers and not staff in general.

The turnover figures in the last report⁵⁴ are capturing only staff who formally separated from their employment in the NAC. However, the challenge is still that many staff - even if they are not formally separated from NAC - have not been able to work, due to lack of salaries, or are not available for the NAC in practice for different reasons.

Based on the analysis above, our conclusions on goal achievement are fourfold; (1) the two overall indicators of goal achievement were not ideal for measuring the success of the project, (2)

⁵⁰ In the NAC Peer-support project Report Oct 2018 - Sept 2019, *Final version adjusted after annual meeting December 2019*, the indicator is changed to *“Staff turnover among auditors and managers in NAC 2017-18”*. Probably this is just a mistake.

⁵¹ National Audit Chamber Peer-support Project 2017-2020, Cooperation Agreement, Final version for signing 9th May 2017

⁵² NAC Peer-support project Report Oct 2018 - Sept 2019, *Final version adjusted after annual meeting December 2019*

⁵³ The percentages 9 % and 18 % are based on calculations dividing separations by the number at the end of the period (15/160 and 28/153) respectively. This is not the correct way to calculate turnover. Generally, employee turnover should be stated as an annual percentage that is calculated by dividing separations by the total staff: $\text{employee turnover} = \text{number of separations} / \text{average number of employees during the year}$.

⁵⁴ NAC Peer-support project Report Oct 2018 - Sept 2019, *Final version adjusted after annual meeting December 2019*

measurement was not based on clear definitions, (3) figures that are used in the reporting are of questionable reliability, and (4) the overall goal achievement is low.

5.2.2 Assessment of to what extent expected outcomes are achieved

Even if the Peer-support project has not achieved the project goal it may have contributed to maintaining and/or developing the capacity of the NAC. Tailored support to customize and implement manuals and utilize the obtained knowledge in the organization were part of the support. Most of the interviewees state that the training and the commitment by IDI have been important for their motivation to stay at the NAC during these difficult times.

The project also included support to NAC participation in selected AFROSAI-E events and training. This included both the annual AFROSAI-E Governing Board meetings and technical updates. These contacts with other SAIs have also been important to maintain motivation among managers and staff at the NAC, and contributed to the goal of retention of staff, though their quantitative impact cannot be measured.

If the evaluation had focused not on the project goal but only on the ambition “lifeline support” the conclusion would be that the Peer-support project has been successful in preventing the collapse of the NAC. However, as the results framework defines a number of expected results the assessment of goal achievement must be based on the outputs and outcomes that are specified for the project.

The Final report from the Peer-support project (undated, 25 April 2020?) gives the results of each of the six planned outcomes and details of planned follow up, which were reproduced in section 5.1.2 above.

The Results Framework in the Grant Agreement mentions two more outputs under this expected outcome. One is “Peer support to NAC well managed”. In the report from the Peer-support project Dec 2019 it is concluded that “the peer-support regular coordination meetings have not taken place in 2018 and 2019. This means the goal of active coordination has not been met, and implementation of planned project activities is slower than it needs to be. This must be addressed in a new project in 2020, through better internet, technical tools of NAC management, better routines and by more physical presence in Juba of the advisors”. For the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”, project management should be strengthened and more proactive through regular contacts every week between IDIs project leader and NAC leadership. Physical presence of the IDI project leader is an advantage but even more important is the proactive approach.

ICT is an integral part of internal governance. One of the NAC strategic objectives is that all staff have sufficient ICT hardware and software to do their job efficiently. This should be a prioritized part of the proposed second phase of the Peer-support project – the “NAC Strategic Change project 2020-2024”. Support to revise ICT strategies and assist in proper management of ICT projects, including prioritizing needs, procurements, training and implementation should be prioritized.

There is a general challenge to create awareness among the general public about NAC. As the audit reports from the NAC have not been tabled by the Parliament since 2013 the work of the NAC is unknown by the general public. NAC cannot send the audit reports to the media as long as the audit reports are not recognised by the Parliament. The newly developed NAC Stakeholder Engagement Strategy opts for engaging wider groups, including civil society organizations.

6 Sustainability

6.1 Observations

6.1.1 Communication with stakeholders

This sub-section is concerned with the following evaluation questions

- Have the main supporters of the NAC been identified, and efforts to strengthen and harness this support been factored into the initiative?
- Has the initiative contributed to enhancing the reputation of the NAC with key external stakeholders?

The NAC recognizes the importance of demonstrating relevance to citizens and other stakeholders in order to strengthen the NAC's capacities and effectiveness in holding government to account for the use of public resources. Up to 2017 the reputation of the NAC in the Government was growing alongside their capacity to conduct thoughtful and thorough auditing reports that fulfil international standards. More and more government entities were proactively seeking their services⁵⁵.

A stakeholders' engagement strategy 2019-2024 (also called Stakeholder Communication Strategy) has been finalised⁵⁶. This is the first Stakeholder Communication Strategy for the NAC. As part of the Peer-support project IDI sponsored the Strategy Development Workshop, which was held in August 2018 to provide guidance on key principles of stakeholder engagement and strategy development. The Strategy contains six strategic goals, strategic objectives, actionable strategies, performance measurement indicators, and factors that could hinder achievement of the set targets. However, we note that the document is silent when it comes to the baseline, lessons learnt, analysis of the present situation (more than a vague SWOT analysis) and the assumptions underlying the expected results. One of the acronyms in the glossary of acronyms is SMART. That means that expected results should be formulated in a SMART way (specific, measurable, achievable, realistic and time bound). We note that the objectives formulated in the Strategy are not meeting these requirements and (consequently) the acronym is never used in the document.

NAC's stakeholders have been categorized into eight groups in the Communication Strategy: NAC members, President, Parliaments, Audited entities, Donors, Regional bodies and other organizations, Citizens, Media and CSOs. The key message to the citizens is "You can trust NAC"⁵⁷. The main channel for most of the stakeholders to get information is the website. However, the website is not updated after 20th February 2013. The last reported event under "News" is that "the United Nations Security Council Report of the Secretary-General on South Sudan dated 8th November 2012 supports NAC". The last annual report that has been disseminated through the NAC's website was published 2012 and reports what happened in 2008.⁵⁸ It is surprising that the website is not mentioned in the section 6.2 "Stakeholder strategies" as one of the communication channels for any of the eight groups of stakeholders. However, the NAC website is mentioned as one out of five communication channels that will be considered when developing targeted communication plans and policies. It states that "NAC's website is the main tool of communication and is to be maintained by the NAC Secretariat. The website's content should be current and the site

⁵⁵ UNDP South Sudan: National Audit Chamber Using IGAD Expertise to Meet International Standards in Accountability and Transparency, Feb 28, 2017

⁵⁶ NAC: Stakeholders Engagement Strategy 2019-2024, not dated

⁵⁷ NAC: Stakeholders Engagement Strategy 2019-2024, not dated, page 13

⁵⁸ The Report of the Auditor General on the Financial Statements of the Government of Southern Sudan for the Financial year ended 31st December 2008 to the President the Republic of South Sudan and South Sudan National Legislative Assembly, not dated (2012)

*should be responsive to the needs of its users. The website should be the 'go to' source for audit-related information in the country."*⁵⁹

6.1.2 Sustainability

This sub-section is concerned with the following evaluation questions:

- Have the main threats to the existence and functioning of the NAC been identified, and efforts to counter these factored into the support?
- To what extent has the initiative contributed to the internal sustainability of the NAC as an organisation?
- Has the method of support increased the likelihood that changes to performance and capacity can be sustained?

Working in an area of conflict requires a tailored approach based on a thorough understanding of the specific context and the roles, interests, perceptions, capacities and needs of individuals and groups within it and surrounding it. Turnover in South Sudan is a government-wide problem. The turnover in NAC is mainly in the unclassified staff (such as drivers and cleaners). So far it has not affected the audit personnel to the same extent⁶⁰. But as the Evaluation Team noted above probably around 40 % of the auditors have left the NAC. However, no accurate turnover analysis has been done by the NAC to date.

The Evaluation Team has in sub-section 4.1.3 elaborated on the evaluation question "*Were risks to planned SAI outputs and contribution to outcomes appropriately identified and managed?*". In sub-section 4.2.3 the Evaluation Team has compared the risk analysis that has been made by IDI and the NAC with relevant sources describing the situation in South Sudan during the period of preparing the project proposal and the implementation of the project respectively. Our assessment is that the risk analysis in the project proposal is mainly in line with JMECs reports to the Intergovernmental Authority on Development (IGAD)⁶¹. Also, the revised risk analysis is mainly in line with JMECs and RJMECs reports to IGAD⁶². However, to some extent the consequences of the risks for the outputs and outcomes have been underestimated.

As noted above, it has been adequate to label the Peer-support project as "*lifeline support*". If the evaluation should focus only on the ambition "*lifeline support*" the conclusion is that the Peer-support project has been successful. While the Project has done a lot of good work under near impossible conditions, it is not clear that NAC would have collapsed without project support. However, as the results framework defines a number of expected results the assessment of goal achievement is based on the outputs and outcomes that are specified for the project.

Despite the label "*lifeline support*" the Peer-support project has had an ambitious results framework when it comes to building capacity at the individual level through trainings, workshops and seminars. Also, a number of deliverables for example manuals and audit reports were included in the results framework. Even if many of the deliverables are delayed, the results so far are quite good taking into account the challenged situation of the NAC. The peers from IDI, AFROSAI-E, SAI

⁵⁹ NAC: Stakeholders Engagement Strategy 2019-2024, not dated, page 21

⁶⁰ Minutes of the National Audit Chamber Peer-Support Project 3rd Annual Meeting held on the 18th of December 2019

⁶¹ JMEC Quarterly Report to IGAD on the status of implementation of the ARCSS from November 1st - January 31st, 2017, and JMEC Quarterly Report to IGAD on the status of implementation of the ARCSS from February 1st - April 30th, 2017

⁶² Quarterly reports 2017-2019

Kenya and SAI Norway have provided excellent support. However, the risks were underestimated in the project description, and many of the goals have not been fully achieved.

The Royal Norwegian Embassy in South Sudan and the United Nations Development Programme (UNDP), announced in July 2019 the signing of a three-year partnership agreement to implement a new project, Governance and Economic Management Support (GEMS), for the implementation of the Revitalized Agreement on the Resolution of the conflict in South Sudan (R-ARCSS) across the country. The project will be directly implemented by UNDP from August 2019 through December 2022 (since delayed) for a total cost of US\$ 28.3 million. A total of 38 Ministries, Agencies and Departments under the R-ARCSS will be provided with capacity development and integrity strengthening support during the period. One of the institutions to be supported is the NAC. The overarching goal of the Norway-UNDP partnership is to set South Sudan on a pathway to sustainable peace and development. The project will focus on improved state-citizens relations and effective service delivery through expertise, leadership, and capacities to implement the R-ARCSS; enabling economic and governance institutions to manage public resources in an accountable and inclusive manner; and capacitating national integrity systems to deliver their mandates. Successful implementation of R-ARCSS is supposed to create opportunities for strengthening national institutions for service delivery and entrenching peace and social cohesion in the country. R-ARCSS success hinges on political will, strong leadership, and strong institutional and human capacities. If this Norway-UNDP partnership uses the experience so far from the Peer-support project, it will increase the likelihood that changes to performance and capacity can be sustained.

6.2 Analysis and Conclusions

6.2.1 Communication with stakeholders

It is important for NAC to consider the needs and expectations of its stakeholders and the role of the NAC is to manage these expectations. One of the strategic goals in the Communication strategy is to *“Improve relations with PAC to enable greater oversight”*. The constitutional responsibility of the NAC AG is to present audit reports to the President and the National Legislative Assembly. If there are matters that require further action it is the duty of the Presidency and the Legislative Assembly to do so. Thus, it is not the responsibility of the NAC AG if the audit report is tabled or not in the Parliament or if it is discussed in the PAC or not. However, it is the responsibility of the NAC AG to submit the reports and, thus, ensure that the report can be a public document.

If the reports are not submitted the general public will get the impression that the NAC is not producing anything of importance. This impression is further underlined by the fact that nothing has been uploaded at the NAC's official website since early 2013. The last document that is available for the general public is the audit of the Financial Statements of 2008 that was reported in 2012.

In the stakeholders' engagement strategy 2019-2014 it is stated that the communication strategy will be reviewed every three years with annual progress reports. We recommend that the Strategy is reviewed after the first year for two reasons (1) the quality of the Strategy could be improved as noted in our observations above; (2) the significant changes in the underlying assumptions that can be foreseen in 2020. This underlines importance of Juba based and customized advice.

6.2.2 Sustainability

Norway has withdrawn all bilateral support to GOSS until there is more commitment to the Peace Agreement. Should IDI do the same due to the risks that the support to the NAC will not sustain? It might be argued that SAIs are often key partners for development organisations that channel their

funds through developing countries' government systems. SAIs help these organisations manage their fiduciary and development effectiveness risks. Thus, citizens, non-corrupt governments and development partners can all benefit from stronger SAIs. To what extent the initiative has contributed to the sustainability of the NAC depends among others on to what extent the government welcome a stronger NAC and the role of the NAC in the conflicts between different groups.

Therefore, some conclusions when it comes to sustainability of results are that:

- Expected outcomes, outputs and targets must be based on a realistic risk assessment
- Sometimes it is necessary to plan for more than one scenario and develop Results Frameworks for different scenarios
- The selection of indicators needs to be carefully done to really reflect the expected results of the project.

The conflict sensitivity analysis in conflict-affected countries should map and assess the relative importance of the conflict factors for the stakeholder groups concerned. The conflict sensitivity analysis and discussions around it should be included as part of the initial project design (as an example, this should include an assessment of key stakeholders, power relations and previous conflicts, as well as an assessment of who benefits and who does not benefit from the project and the implications of this). Conflict sensitivity analysis should also be integrated into the monitoring system of a project.

Through GEMS, UNDP will provide key institutions in the Government with the capacity they need to transform the public service and to provide government functions that can deliver on the peace agreement. One of the expected results of the project is improved capacity of the NAC and other targeted economic and accountability institutions. Thus, there is need to align the proposed second phase of the Peer-support project to the GEMS project.

7 Partnerships

In this section the Evaluation Team has assessed the following evaluation questions:

- Were the governance arrangements for the partnership between IDI and AFROSAI-E clear and is there room for improvement in future?
- Has the partnership between IDI and AFROSAI-E led to mutual learning regarding delivery of bilateral support to SAIs in challenged environments?

7.1 Observations

7.1.1 Partners

There are three cooperating partners in the project, and two SAIs as resource-person partners. NAC is the main partner responsible for execution of activities. IDI is primarily responsible for the funds and coordination of peer-support. AFROSAI-E is a key provider of technical support through the Management support and Stakeholder relations team and various AFROSAI-E events. Resource persons are provided by the OAGK and OAG Norway. Funding for the cooperation is provided by the MFA of Norway in addition to IDI basket funds and in-kind contributions from AFROSAI-E, the OAGK and OAG Norway.

According to the interviewees the partnership between IDI and AFROSAI-E has led to mutual learning regarding delivery of bilateral support to SAIs in challenged environments. However, there is no documented evidence on mutual lessons learned.

7.1.2 Steering committee

A Steering committee (SC) was established with the partners of the project represented, including the financial donor and providers of resource persons. The SC is led by the AG of NAC. It has been decided that the SC should meet annually to approve the annual report and plans for the project. The SC can also meet ad hoc to discuss the project and be consulted on emerging issues. So far, the SC has had the following meetings: Annual meetings 2017, 2018 and 2019. Two extra meetings, one in 2018 and one in 2019.

Monitoring of the project is done as a part of the annual reporting and meeting. The annual meeting is the main decision forum for the collaboration. Key parts of the agenda include the assessment of the achievements in the passing year and planning for the next year. According to the Agreement, outcomes of this meeting should be available by 30th November annually, in order to incorporate them in the upcoming year's work plan. However, in practice the annual meetings have taken place later.

7.1.3 Coordination team

Six Teams were established when the project started (PA-IT Team, RA- Revenue Team, PA Team, Management and stakeholder relations team, PA of local content and CDF and Coordination Team). The IGAD/UNDP resource persons were allocated to teams to enable synergies between the support these are providing, and the IDI facilitated support. AFROSAI-E has participated in the Coordination team meetings if necessary and on request from NAC and/or IDI.

To ensure smooth coordination of activities, NAC and IDI have appointed one person each who is responsible for the general management of the project. These persons represent the Coordination team. They were supposed to have regular contact every second week on phone to adjust plans and settle arising issues. However, as noted in section 5 the contacts have been less frequent. In the Final report from the Peer-support project it is concluded that *"the peer-support regular coordination meetings have not taken place in 2018 and 2019. This means the goal of active coordination has not been met, and implementation of planned project activities is slower than it needs to be. This must be addressed in a new project in 2020, through better internet, technical tools of NAC management, better routines and by more physical presence in Juba of the advisors"*.

7.1.4 Division of roles and responsibilities

The NAC has been in the driving seat in the implementation of activities and had the following key responsibilities:

- Integrate the project-related activities with the rest of the plans for the office, and ensure plans are linked to the NAC's Strategic Plan for enhancing sustainability.
- Actively monitor and follow up on the execution of activities, milestones and expected outputs in the programme.
- Ensure the availability of adequate staff and their continuity in the areas covered through the project.
- Prepare for each annual meeting a summary of progress of agreed activities and performance compare to indicators. This information could be provided as an integrated part of the new SAI performance report of NAC.

- The text to the annual report as well as a draft work plan for next year should be prepared by NAC ahead of the annual meeting.
- Invite IDI and AFROSAI-E for annual meetings in due time and include also other partners of NAC in a seminar related to the annual meeting.
- Share relevant plans, reports and agreements with other development partners.
- Develop ToRs for specific project activities, such as workshops.

The IDI has been responsible for the project grant and has had the following key responsibilities:

- Project management, including financial management and reporting to MFA Norway.
- Mobilize, provide and coordinate resource persons – maintain a dialogue with the SAIs providing in-kind support.
- Provide support and guidance to NAC in the overall management of the agreed activities, including guidance on ToRs for specific project activities.
- Arrange and pay for logistics.

AFROSAI-E has been responsible for providing technical support in several areas. AFROSAI-E has invited NAC to regional events and training as provided for in the agreement and as agreed at the annual planning meetings. According to interviewees, the governance arrangements for the partnership between IDI and AFROSAI-E have been clear.

SAI Kenya and OAGN have contributed in the project as they have provided resource persons in-kind. The advisors have been managed primarily by the NAC appointed team leader. The team leader has been responsible for ensuring the advisors are well utilized and that activities have been progressing towards the agreed outputs. IDI has, in a dialogue with NAC, coordinated with the SAIs on general issues of engagement, including preparation of the advisors for the task.

The Agreement stipulates that *“termination of the project will be considered if renewed war is making execution of cooperation activities impossible”*. As demonstrated in the Evaluation many activities have not been executed as planned and it has been extremely difficult to carry out many of the activities at all. However, the partners have agreed to continue the cooperation under these difficult circumstances.

7.2 Analysis and Conclusions

The Evaluation Team's assessment is that the governance arrangements for the partnership between IDI and AFROSAI-E have been adequate. The agreement between the three cooperating partners has been clear, with detailed descriptions of the division of roles and responsibilities. The three parties have adhered to the cooperation principles, among others to cooperate with honesty, integrity and professionalism, and respect the work, findings and representations made by each other. However, the governance process should be documented.

The Evaluation Teams assessment is that the partnership between IDI and AFROSAI-E has led to mutual learning regarding delivery of bilateral support to SAIs in challenged environments. Lessons learnt should be taken into account when drafting the agreement for the next phase and also for other cooperation agreements. Lessons learnt are included in projects' annual reports but are not systematically documented for wider dissemination within IDI or INTOSAI more generally.