

**Samoa Public Sector Improvement Facility
(PSIF)**

**SIX MONTHLY PROGRESS REPORT
1 January – 30 June 2012**

September 2012

Background

The goal of the Public Sector Improvement Facility (PSIF) is to improve the efficiency and effectiveness of Samoa's Public Service to support Samoa's national development priorities. Its purpose is to strengthen the cooperation and collaboration between public service agencies in identifying and addressing critical constraints within the GoS public sector to effective service delivery through a range of institutional strengthening initiatives.

There are four (4) components:

1. Support from identification to completion strategically identified core activities promoting public sector reform
2. Facilitate GoS response to their immediate and emerging priorities in public sector reform
3. Develop a Facility Management Unit (FMU) able to implement and manage an effective and efficient PSIF
4. The effective management of the PSIF

The PSIF program is a jointly funded program by Australia and New Zealand. The management of the program rests with the Government of Samoa. The PSIF started in 2005 as a five year program with an estimated value of ST\$30 million tala. The Tripartite Agreement binding the three partners signed in 2005 has since been extended with the PSIF now expected to be completed by the end of 2013.

This extension is to allow the completion of the four remaining activities in the approved PSIF program. These are:

- P031: Project Management Training for the Samoa Public Service, Ministry of the Prime Minister & Cabinet
- P044: Improving Policy Development & Coordination Reform Program, Ministry of Prime Minister & Cabinet
- P051: Institutional Strengthening Project (Phase I), Ministry for Revenue
- P054: Institutional Strengthening Project, Samoa Bureau of Statistics

As the current phase of the PSIF is coming to a close no additional requests for PSIF funding have been considered. The focus over the last 12 months has been on supporting the remaining activities listed above.

Key Achievements

The achievements under the different outputs in the last six months are summarized as follows

Component 1: Support from identification to completion strategically identified core activities promoting continued public sector reform an which improve the ability of the public sector to effectively deliver quality services

Output 1.4 Core program activities monitored and evaluated

- *P031: Project Management Training for the Samoa Public Sector, Ministry of the Prime Minister & Cabinet*

The results for intake III have been received. For Intake III (2011) 22 completed the Certificate IV in Training and Assessment and 20 the Diploma in Government (Project Management). This has brought the total number of completions to 68 for the Certificate in IV in Training & Assessment and 60 for the Diploma in Government. The final completion report is expected in October 2012 after which a meeting of the project steering committee will be convened to discuss what happens next.

➤ *P044: Improving Policy Development & Coordination Reform, Ministry of the Prime Minister & Cabinet*

Policy Manual finalized and noted by Cabinet. Officers in the policy section of the Cabinet Office undergone intensive familiarization and training on the content and application of the Manual using relevant case studies and actual Cabinet submissions; this on the job training and mentoring is ongoing. As a result of this training and recognized processes for preparing and managing policy, the Policy unit has produced its first ever quarterly monitoring report to Cabinet on significant projects.

1st round of public awareness sessions on the use of the Policy Manual with policy coordinators from across the service (Ministries & government Agencies) completed.

Study visit by the CEO and a Principal Policy Officer undertaken to observe the workings of the NZ Department of Prime Minister & Cabinet as well as Treasury.

The Cabinet Office completed back capturing of all 2011 Cabinet documentation onto the EDMS (Electronic Document Management System), together with 2012 documentation a total of 11,000 documents have been added to the EDMS. The total number of cabinet documents currently on the EDMS since it went live in December 2011 is over 24,000. Electronic records management is making easier for the Cabinet Office to manage, track and retrieve Cabinet documents.

Cabinet Adviser completed his inputs mid-June. A detailed summary of his inputs and achievements is documented in the Cabinet Adviser's completion report.

Ministry's Corporate Service manual completed and presented to Cabinet. Manual distributed to all divisions of the Ministry.

➤ *P051: Institutional Strengthening Project (Phase I), Ministry for Revenue*

A new operating model successfully introduced. The IRS structure has been reviewed – moved to a more 'functional' portfolio approach based around customer segments. Shared services structure has been reviewed. A new policy, forecasting and business improvement unit introduced. Customers have been segmented into large enterprise, small/medium enterprise and special audit. Customer education – proactive awareness campaign through the establishment and work of the community compliance unit.

MFR has successfully upgraded from a 10 yr old Revenue Management system to RMS7, and upgraded infrastructure/network installed, new staff intranet expected to go live at the

end of August 2012, on track to introduce new audited case selection and case management technology for audit and collections by the end of the year.

A full re-write of the Income Tax Act and Tax Administration Act to modernize and introduce self assessment for income tax completed. Passed by Parliament in June 2012, implementation date set for 1 January 2013.

Compliance improvement plan 2012-2014 completed.

Customer satisfaction is being measured and trending upward: 74% (Oct 11), 77% (Mar 12) and 82% (Jun 12). Revenue is not expected to increase during 1st phase of ISP as the focus is on setting the foundation. Revenue is expected to start increasing from 2013 onwards. PITTA regional assessment of model tax office rated MFR 'at or below baseline' in 2010; the prediction for 2012 is '80% above baseline estimate

➤ P054: Institutional Strengthening Project, Samoa Bureau of Statistics

Samoa Strategy for the Development of Statistics and public awareness campaign for its dissemination completed and submitted to Cabinet for approval. Report on the proposed restructuring of the SBS completed in Mar 12 and submitted to the project steering committee for its endorsement before being submitted to PSC for consideration.

Reviews completed of the System for Collection of Migration Data Card and the Quality of Migration Statistics. Both reviews are part of effort to enhance the quality of key macro-economic, socio-economic and demographic statistics. Reviews conducted using internationally recognized framework for assessing quality. This has instilled in SBS the importance of 'benchmarking' their performance against internationally recognized standards.

NZDIA visited in Jan 12 and conducted a review of the registration process for Births, Deaths & Marriages and identified a number of improvements to be made to IT systems, processes and records management, all of which are intended to improve SBS service to the public. A Community Awareness & Outreach program has been developed (Jun 12) to raise public awareness re the importance of births, deaths & marriage registration and the role that key stakeholders (MOH, NHS, MWCSO, Church and Women Representatives should be playing to improve the accuracy of BDM registrations.

The Facility Coordinating Committee (FCC) made site visits to the Ministry for Revenue, the Samoa Bureau of Statistics and the Ministry of the Prime Minister & Cabinet to get a sense of the progress being made in each of these activities. Each of the implementing agencies prepared thorough presentations and responded to questions.

Component 2: Immediate and emerging Priorities (IEP) - facilitate GoS response to their immediate and emerging priorities in public sector reform

- There are no IEPs currently being funded. The last IEP funded by the PSIF was P053: Review of the Ministry of Health Realignment by the Public Service Commission which was

completed in May 2011. This review of the Ministry of Health realignment was initiated by Cabinet, the purpose of which was to determine whether or not the objectives of the realignment were being achieved and recommend areas for further improvement so as to enhance the performance of the MOH and NHS in carrying out their respective roles. The Review reaffirmed the rationale behind the realignment and that the separation of services delivery from the regulatory function was validated.

Component 3: Initial Capacity Building of Facility Management Unit – to develop and implement a program of support for capacity building of the Facility Management Unit (FMU) to implement and effectively manage the PSIF

- There are no additional inputs anticipated for this component.

Component 4: Facility Management and ongoing FMU Capacity Building – effective management of the PSIF by the FMU

Output 4.4 Establish the PSIF Special Purpose Account and provide regular financial and annual audit reports to the three governments of fund activity

- The Audit Report for the Financial Year 2010-11 completed; dated the 17th February 2012 it was tabled before the FCC for their endorsement. The FCC complemented the FMU for overseeing the disbursement of more than \$6.8 million tala despite being without the services of a Senior Finance & Administration Officer for 5 months.
- FMU continues to produce monthly financial statements for the PSIF Special Purpose Account. Six monthly financial statements (covering the months Jan – Jun) completed
- A total of \$3,64,376.98 were disbursed during this period against the four remaining activities:

SBS Institutional Strengthening	1,130,831.07
MFR Institutional Strengthening	937,629.77
MPMC Policy Reform	1,435,339.57
MPMC Project Management Training	139,576.57
<u>3,643,376.98</u>	

Output 4.7 Prepare and regularly update the PSIF's Review and Forward Plan

- Progress reports for each of the remaining PSIF funded activities completed; the latest reports covering the period January-June 2012 tabled at the FCC meeting held on the 16th August 2012. The Review and Forward program continues to be updated regularly; the one for the period ending July 2012 was tabled at the FCC meeting held on the 16th August 2012

.....Issues and Challenges

Governance

- The Facility Coordinating Committee (FCC) met twice. The main points of interest being the availability of funds to meet the over programming in the PSIF and the development of a terms of reference for a detailed Review of the PSIF as it enters its final stages.
- TORs for an Impact Review of the PSIF endorsed by the FCC. It is hoped that this Review would commence in October 2012. FCC suggested the use of a selected/limited bid approach. Six advisers were suggested. However the earliest anyone of them would be available was March 2013.
- The Facility Steering Committee (FSC) has not met this year. With only four activities remaining, three of which are drawing to a close; and there being no additional funds being made available for any new activities it appears that the interest in continuing with bi-monthly meetings for the FSC has waned.

Nevertheless there is still a monitoring role for the FSC to play and once the appointments of CEOs are confirmed, steps will be taken to reactivate the FSC

Finances

- Balance in the PSIF Special Purpose Account at the end of June 2012 - \$2,482,608-27. Forecasted expenditure for July 2012 (\$750,000.00) and August 2012 (\$600,000.00) will see available funds at around \$1,100,000.00, the bulk of which are the funds for the Office of the Regulator (AUD\$500,000).

Australia and New Zealand have tranches owing (AUD\$900,000) and New Zealand (NZ\$500,000) but these are tied to the completion of the Impact Review. However now that this Review is not expected to be done until next year (2013) the timing for the handover of these funds to the PSIF needs to be reconsidered. Delaying payments will have negative implications for the momentum of the current activities.

Sustainability

- Sustainability in terms of the PSIF is the ability of the implementing agencies to maintain the processes and procedures introduced as a result of the institutional strengthening like initiatives/activities supported by PSIF funding.

Risk Management

The immediate risks identified over the next 6 months are:

- *Maintaining momentum of activities due to unavailability of PSIF funding*

Come the end of August 2012 the bulk of the funds that will be in the PSIF Special Purpose Account will be those allocated to the Office of the Regulator. Unless the Partners agree to make their next tranches available the PSIF will not be able to meet its commitments to the

ongoing activities. The PSIF activity that will be most affected is the SBS ISP as the remaining three activities are nearing completion. One way to address this risk would be to use the OTR allocated funds and have these reimbursed once the Partners next tranches are received. Another is for the Partners to agree to 'un-tie' the payment of their next tranches to the Impact Review.

Both of these options are being discussed by the FCC.

Work Plan

Workplan for the next 6-months covering the period August – December 2012

Financial Report/Acquittal

Financial acquittal prepared by the Ministry of Finance for the period January – June 2012

Public Sector Improvement Facility 6-Monthly Work Plan (Jul – Dec 12)

PSIF Governance

Activity	Description/Tasks	Jul	Aug	Sep	Oct	Nov	Dec
Facility Coordinating Committee	Provide secretariat support to the FCC – prepare & distribute agenda, schedule meetings of, prepare & distribute minutes etc; FCC meeting usually held after each FSC meeting unless a 'special meeting' is called; anticipate at 3-4 meetings over the next 6-months						
Facility Steering Committee	Provide secretariat support to the FSC - prepare & distribute agenda, schedule meetings of, prepare & distribute minutes etc; FSC expected to meet every 2 months; as PSIF programme draws to a close the frequency of meeting is expected to decline; anticipate at least 2 meetings over the next 6-months						
Special Purpose Account	Ongoing oversight of PSIF Special Purpose Account (payments, financial statements etc); financial statements are produced monthly; Review and Forward programme also updated & produced monthly						
	Audit PSIF Special Purpose Account FY 11-12 – FMU to prepare documentation; target date for audit to start – Nov 12						
Impact Review	FCC directive for a detailed review of the PSIF; TORs developed; FMU to prepare tender documentation (advertising & selection of adviser) for Tenders Board; adviser to be contracted to commence review early 2013						

PSIF Programme (Activities)

Project Management Training for the Samoa Public Sector, Ministry of the Prime Minister & Cabinet	Objective: develop practical project management expertise across the public sector; 3 planned intakes completed; no further inputs expected; Project Completion report due in Oct 12;						

Improving Policy Development & Coordination Reform, Ministry of the Prime Minister & Cabinet	Objective: strengthen capacity of MPMC to carry out core function of providing support to PM and Cabinet re whole-of-govt policy coordination & advice; project completion date – 30 Sep 12; MPMC to seek extension till Dec 12 at no additional cost							
Institutional Strengthening Project (Phase I), Ministry for Revenue	Objective: to improve the efficiency and effectiveness of tax administration; project expected to be completed in Nov 12; MFR to seek an extension till Feb 13 at no additional cost							
Institutional Strengthening Project, Samoa Bureau of Statistics	Objective: to strengthen the capacity of SBS to provide high quality statistics to enable the private/public sectors in Samoa to formulate evidence based policies to undertake economic, social and business planning; mid-term review report expected Oct 12							