Citizen Engagement Practices by SAIs for Public Accountability

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Walking on Two Legs

- World Bank spelt out its agenda for good governance in its report 'Governance and Development', 1992 – walk on two legs :
  - encourage greater transparency, accountability and administrative efficiency in governance
  - promote democracy, human rights and participation
- The precise mechanisms to link the latter set with the former were not very clear in 1992.
- Civil society and SAIs trying to answer the questions 'accountability to whom?' & 'through what mechanisms?'

Whats in the Compendium ?

Provides

– Reasons why SAIs need to engage <u>directly</u> with citizens

– Gives examples and innovations in the engagement of citizens by SAIs

– Mentions efforts currently being made by expert committees, under the UN-INTOSAI umbrella to forge a comprehensive framework that harnesses the renewed energies between SAIs and citizens.

Structural Problem Parliamentary 'Supremacy'

- Westminster model of Supremacy of Parliaments
  - Bill of Rights in UK, 1689, asserted the supremacy of Parliament over the monarch, and listing a number of fundamental rights and liberties – closure after elections
  - Popular Sovereignty is about voices as well as votes
- Traditionally, SAIs submit Reports to Parliament and to people <u>through</u> Parliaments
- Waning power of Public Accounts Committees and weak ineffectuality of SAIs (1950 – 1980s) resulted in
  - huge budget deficits, mismanagement
  - corruption

Problems in hierarchical accountability

- By constituting 'Public' is an abstract monolith at a national level, SAIs may have gained the respect and regard of other organs of the State but fail to meet the expectations of citizens who in fact exist in everyday life as several 'publics' and often constitute persistent minorities.

- A Divisional Court in the UK observed :
  - "Expenditure is only unlawful if it lacks authority or represents an abuse of discretion. <u>Poor value for money is not, in itself, unlawful</u> and the auditor has no specific power to force authorities to implement his value for money recommendations. His only sanction is to issue a public interest report to draw attention to unsatisfactory progress."

- Asymmetry in power relations in accountability forums as in PAC hearings often proves dysfunctional – more rules added on paper

Problems in Auditing

- Since corruption at sub-district levels is the main problem in service delivery, checking whats on the ground vis-à-vis initial books of entry is the challenge

- Problem :
  - Where do we get so many qualified auditors and how to guarantee their professional ethics ?

- Local assemblies where citizens ratify, reorient, undertake or express evaluations of state programs should feed into the processes of statutory audit.

Shared Accountability

- 'Shared accountability' -- around a decade ago the Canadian OAG rethought accountability in the context of partnering arrangements in service delivery eg. PPPs or Govt-NGOs

- In a Position Paper leading to legislation, the Australian Department of Finance and Deregulation argued:

  – Although traditional vertical and hierarchical accountability models can provide efficiency and clear lines of accountability, they have limitations when it comes to dealing with many contemporary public policy issues that require action across several portfolios and sectors.

  – Joined-up systems, which recognize the concepts of dual and multiple accountabilities, are needed to effectively address these issues

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- SAIs must heed citizens' concerns in their work and communicate findings to them accordingly so that the citizens are empowered to demand the implementation of audit findings.

- Participation between SAIs and citizens is not a secondary subject; it has to be seen as an integral part of efforts to increase accountability and to fight corruption.

- At the same time, participation between SAIs and citizen should not diminish the independence of SAIs which is one of the principles in the Lima and Mexico Declarations of INTOSAI.

UN General Assembly Resolution, 22 December, 2011

- Resolution on : "Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions."
  - recognized that SAIs need independence and protection from outside influences to safeguard objectivity
  - acknowledged the important role of SAIs to achieve national development objectives and priorities.
  - appreciated the work of International Organization of Supreme Audit Institutions (INTOSAI)
- encouraged Member States to apply the principles set out in Lima (1977) and Mexico (2007) declarations of INTOSAI
- encouraged Member States and relevant United Nations' institutions to intensify their cooperation with INTOSAI

Example – Argentina – (SAI not involved)

- Though legislations might be in place, UNDP's Human Development Report on Argentina, 2002 featured survey findings that only 1.5 per cent of the population knew that they had a right to information.

- The Citizens Audit Program was implemented between 2003 and 2009 in more than 70 municipalities (13 million inhabitants) with support from UNDP

- Main protagonists are the community and the local government, which meet in the _Civic Forum_, a plural ambit which is flexible and produces consensus and projects for the welfare of people

- Citizens and their local governments create a map of weaknesses and strengths based on the findings and opinions of the community itself, have the possibility to develop capabilities which allow them to identify tendencies in order to improve certain public practices that make the democracy one of quality.

- Human Development Report ,Argentina (UNDP, 2005) states that the level of trust of the Argentine people in institutions places the media in the first place (radio and TV), the church in the second place and Local Governments, with 32 percent acceptance rate, rank third. Far below in the scale are political parties, the National Congress and trade unions - traditional institutions mediating between society and the State .

Examples – Argentina - 2

- In Argentina, La Asociación Civil por la Igualdad y la Justicia (ACIJ) – a human rights-focused organization – successfully filed a law suit against the country's congressional commission responsible for reviewing public audits (this commission examines reports filed by the Supreme Audit Institution and initiates action based on audit recommendations) to obtain the minutes of meetings of congressional hearings.

- In its next step, ACIJ used these records to highlight the lack of action taken by the commission to require corrective action in response to audit recommendations.

Examples – South Africa

- In South Africa, the Public Service Accountability Monitor (PSAM) — a research and advocacy organization — works closely with the legislature to track government agency responses to instances of financial misconduct and corruption identified in the Auditor General's reports.

- PSAM has highlighted the large number of audit disclaimers issued by a provincial audit agency — which was unable to access financial information during the conduct of its audit — and led a public campaign that subsequently resulted in the strengthening of financial management practices within provincial government agencies.

Examples - Philippines

- A participatory audit was successfully conducted as a joint undertaking of the National Commission on Audit and a non-governmental organization called the Concerned Citizens of Abra for Good Government (CCAGG). CCAGG specializes in monitoring infrastructure projects within its province and uses the assistance of local monitors (volunteers drawn from the area) to verify that road construction projects are executed as per contract norms.

- Procurement Watch, Inc. (another non-governmental organization) , specializes in building systems of transparency and accountability into government contracting and procurement practices.

- PWI's most recent initiative is to participate with the National Commission on Audit in a pilot test of a new tool to measure corruption and inefficiency in public procurement. The tool seeks to determine the true (fair-market) cost of a publicly procured good or service and then compares that cost to what was paid for the good or service; when actual payments are higher than the fair-market value, the difference can be attributed to corruption or inefficiency. The size of the difference also serves as a precise and objective measure of the extent of the problem.

Examples – India - 1

- Due to highly skewed local power relations, problem of 'collusion' between rural manual workers and PWD officials in public works – we'll pay less and you can work less
- Illiterate workers, cooked up muster-rolls, transport and materials accounts
- A worker-peasant union formed in 1988 in Rajasthan to insist on full work and full payment of minimum wages; public hearings , sits-ins and agitations for 9 years to insist on full minimum wages for full work measured
- More social audits conducted at work-sites in Rajasthan with public hearings . During this struggle, elected local leaders refused to show accounts, saying only government audit can check
- Concerted movement for RTI began in 1996 and, after some provincial Governments passed the freedom of information Acts, Govt of India passed it nationally in 2005
- Mahatma Gandhi National Rural Employment Guarantee Act also came in 2005 – 100 days per household per year for anybody who applies for manual work

Examples – India - 2

- In one of the provinces, Andhra Pradesh, consortium of NGOs conducted social audit of MGNREGA in 2008, and since it threw up amazing findings again, an independent Social Audit Society staffed by persons from NGOs set up in 2009 with grants from provincial Government for auditing as a monitoring tool.

- CAG was also approached to send auditors to attend the public hearings and offer technical advice to social auditors

- CAG agreed to the modality that his auditors will attend some of the public hearings and take that into account in his performance audit reports on the MGNREGA program implementation

- The government-NGO partnership for social accountability – reporting to people at public hearings and to government on cases of corruption -- with CAG officials lending technical support is a practical model

- Results show wages better paid, but persistent corruption in materials purchase/transport

- Academic studies show social audit mechanism working better than in Rajasthan where the provincial government not willing to overcome objections of officials of local bodies to social audit by 'outsiders' to the village.

Example – Nepal

- World Bank's Program for Accountability in Nepal (PRAN) funds NGOs to organise participatory audits in the fields of
  - Public Financial Management: i.e. how the government handles its finances – at all levels – budgeting, fund flows, payments, accounting, auditing
  - Municipal Governance: how municipalities are governed
  - Public Service Delivery: how well are public services delivered.
- In October, 2013, workshop organized by SAI Nepal, PRAN and WBI for SAI-NGOs deliberations : as a result, SAI decided on NGO participation in performance audits

Examples - Poland

- In Poland, eminent journalists have been engaged by the SAI to determine the citizens' main interests in government financial accountability issues.

- Journalists are in touch with the people and ask them to identify the major elements of poor governance.

- Issues raised by citizens are then communicated and examined by the auditors. The auditors use an intra-net to get guidance from their expert colleagues in the fields concerned.

- The probes are also supported by internet searches of media reports to gather information on specific matters. This cooperation with the media allows SAI Poland to remain informed about citizens' current concerns.

Harnessing citizen engagement by SAIs for post -2015 SDGs

- Auditing in this complex field of global concern will require SAIs to carefully listen to two streams of knowledge that inform policies and programs of governments as well as the international community
  - (i) powerful government /corporate portals of power, and
  - (ii) the struggles of people contending with systems and governance at local levels that NGOs/CSOs table from time to time in deliberations/negotiations with governments and international development forums.
- SAIs will have to sift material from 'received disciplines' and 'insurrections of knowledge'
- SAIs will have to engage in performance auditing to gain insights and offer constructive knowledge/power to citizens and policy makers.

International cooperation

- The fact that environmental concerns do not fit into neat sovereign boundaries poses its own challenges
  - while local knowledge has to be given due regard, international cooperation and responses to environmental degradation is necessary.
- Several countries in Western Europe have started cooperating in auditing issues in sustainable development.
- Three types of cooperative auditing—joint audit, coordinated audit and concurrent (or parallel) audit.

Conclusions

- Strengthen SAIs
  - Reorient Audit as an interactive public service
  - Harness digital technologies
  - SAIs need to develop capacity for audit of sustainable development
- Support citizen engagement by SAIs
- Open up Public Accounts Committee deliberations for TV coverage
- Support citizen engagement by SAIs to fight corruption and promote SDGs

Thank you for your attention !