

## Citizen Participatory Audit in the Philippines

The Citizen Participatory Audit (CPA) project goal was to institutionalize the engagement between the Philippines' Commission on Audit (COA) staff and citizens on participatory audit. The overall outcome was to pilot citizen-government partnerships to support the institutionalization of participatory audit in COA. Intermediate outcomes focused on establishing (1) an enabling framework, and a (2) enabling civil society to articulate its citizen agenda.

The project was designed in 2011, a few months after Benigno Aquino III assumed the presidency and declared his social contract with the Filipino people. Transparency, accountability and citizens' participation in governance became the core of the administration's efforts to enhance the openness of government and improve the performance of government agencies<sup>1</sup>. As a constitutionally independent part of the state, COA was invited to contribute in the government's reform agenda by expanding the space for citizen participation in the public audit process.

### **Context/Background**

COA's three-year (2011-2014) strategic planning exercise, identified *transparency* and *openness to citizen participation* as key facets of its own priority reform agenda. The public audit process is an important part of the compact between citizens and the state to ensure government programs are effectively and efficiently implemented and corruption and misuse are minimized. The administration's commitment to open government highlighted the important role of COA in communicating and engaging citizens more directly in the audit process.

The CPA project officially started in November 26, 2012 with a Memorandum of Agreement signed between COA and its civil society partners. The initiative used constructive engagement as an approach in working with both government and civil society. In constructive engagement, the key actors are the state and its citizens. To sustain the approach, spaces for participation have to be created where mutual trust and openness are required to facilitate meaningful and sustained dialogue and negotiation.

CPA is defined as COA plus citizens working together to conduct joint audits. Under this, citizen representatives are included in the team to make government more effective, transparent, and accountable. While this is always done under the direct supervision and control of COA, under CPA citizens and citizen groups are not outsiders. Rather, they sit on the same table, and are given the same powers and responsibilities as that of the state auditors.

In terms of numbers, it is also important to note that in 2011, the Commission on Audit only had about 7,000 state auditors that examine financial transactions of more than 61,000 government agencies. That meant that each auditor has to examine all the transactions of 9 agencies, making it virtually impossible for them to carry out their work each year. The magnitude and amount of daily transactions and the limited number of auditors has made public audit an overwhelming task.

Taking cue from the state policy to encourage non-government, community-based, or sectoral organizations to promote the welfare of the nation, COA partnered with a non-government organization, the Affiliated Network for Social Accountability in East Asia and the Pacific (ANSA-EAP), to assist in the selection of its citizen auditors in a structured and organized manner, on a no-fee and voluntary basis. A pilot activity was then developed to do a short-cycle performance audit of a government project that is of high impact and with direct benefit or concern to one of the poorest target areas in Metro Manila.

### **Actors involved**

The Citizen Participatory Audit brought together citizens and government to look into projects that have an impact on a large number of beneficiaries. Through the CPA, ordinary citizens and citizen groups were able to conduct joint audits, community surveys, community scorecard process, or provide audit-related

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<sup>1</sup>See Open Government Partnership – 2012 Action Plan

feedback as individuals. In all the CPA activities, the ANSA–EAP was the supporting actor. The main actors were the COA and the local partner organizations.

### **Resources**

During the pilot phase, CPA activities were funded by the Department of Foreign Affairs and Trade – Australian Aid (DFAT–AusAID). The grant covered the transportation, meals, and accommodation of citizen-auditors during the duration of the audit process.

As part of the audit activities, teams were formed both from the COA and from partner civil society organizations. Joint audits required that an equal number of state auditors and CSO representatives were identified. CSO representatives had to undergo capacity building training to familiarize themselves with audit and understand the processes implemented by the Commission on Audit.

Support to enhance the existing communication infrastructure also came from DFAT–AusAID. They supported the establishment of a Public Information System (PIS) that served as the primary communication link between COA and citizens and civil society groups. With the Citizen’s Desk was the initial point for receiving inquiries, complaints and feedback, the PIS was its mechanism to consolidate and respond to citizens in an efficient manner.

### **Implementation**

Relationship and trust building is the first step to be able to constructively engage with government. ANSA–EAP started with the Commission on Audit, then with civil society organizations that were interested to take part in the initiative. In time, COA and CSOs clarified their roles and responsibilities through their terms of engagement. Once these were done, getting-to-know-you sessions were organized because civil society needed to understand how the Commission on Audit operates, and vice versa. Three pilot audits were implemented to explore different models of citizen engagement. Aside from joint audits, citizens were also involved in designing surveys, took on the role as survey enumerators, and facilitated the community scorecard process, among others.

One of the major outcomes of the project was the implementation of the shared-agenda building workshops that helped influence and shape the audit agenda. Citizens and citizen groups shared their ideas for possible audit areas based from what they’ve observed in their locality. For instance road projects that were either substandard or unfinished were identified and highlighted. The recommendations of the citizens served as inputs in the Commission on Audit’s planning process.

Given its commitment, the Commission on Audit has taken steps to institutionalize CPA. To date, it proposed about US\$145,000 under its 2015 budget to fund CPA activities. Currently, we are awaiting the adoption of the proposed policy for institutionalization by COA’s Commission Proper.

### **Difficulties/Risks**

- **Securing the buy-in of top and middle management and rank and file employees must be the first order of business.** Introducing changes from traditional to participatory audit approach involves the commitment from top to middle as well as frontline COA personnel. As children of the bureaucracy, many COA officials and staff members are set in their ways and used to their processes. They need awareness, desire, knowledge, and reinforcement to make the transition to more a transparent and participatory environment. Giving careful thought to how both internal and external stakeholders can adapt to the requisite changes will help avoid a number of problems that can arise.
- **Constant review, assessment and adaptation including redesign and adjustments in previously agreed upon activities are expected to be part and parcel of the implementation processes.** During the first quarter of implementation, the team realized that engaging citizens had to be re-conceptualized based on discussions with key government officials. Instead of focusing on the traditional concept of a knowledge management system, the concept of social media was explored to complement the PIS.

- **Creating awareness and building capacities are important for sustainability.** Limited response from and capacity of citizen groups, especially at the local level, currently pose constraints on government's efforts to open up spaces for citizen participation. This can happen if there are no sustained and systematic interventions to inform people about the initiative and build capacities of citizen groups to engage in the process.

As with other donor-funded and project-driven social accountability initiatives, a key emerging challenge for CPA at this juncture is how to create interest among ordinary citizens to assess public programs, and generate more spontaneous citizen efforts to engage oversight agencies like COA. A broadly targeted capacity building effort may need to ask how individuals and citizen groups at the grassroots can have necessary skills to gather information about on-going public programs and give substantive reports to COA by using existing citizen feedback mechanisms, or access COA's regular or CPA reports and follow up audited agencies.

- **Putting more teeth into public audits.** With the entry of citizen groups into the public audit process through CPA, there is also a growing expectation that there will be increased compliance by government agencies to audit recommendations as such groups' ability to put pressure on these agencies are bolstered by COA's support and recognition.

Continued interest and support of citizens to CPA could very well depend on the results of such joint post-audit monitoring and follow up, and how CPA will be able to provide more "teeth" to COA's work by ensuring better compliance among audited agencies. There may be a need to further develop mechanisms for this post-audit stage under CPA to help ensure that citizens and citizen groups will be able to maintain pressure on concerned agencies and public officials.