Outline
The etymology dictionary\(^1\) explains that the term audit originates from the Latin word *audire*, which means “to hear.” *Audire* in ancient Rome referred to the "hearing of accounts," a process in which one official compared his records with those of another official.\(^2\) As many of the parties interested in the audit findings were illiterate, audits were presented orally. In modern times, auditing has evolved into a technical discipline and is now defined to refer to a process in which financial accountants use formal standards to examine the propriety of organisational finances.

Although the discipline of auditing has grown tremendously in the private sector, it also plays a very significant role in public finance. As such, Supreme Audit Institutions (SAI) receive constitutional recognition in many countries around the world. As watchdogs of public finances, the public auditors act as critical links in providing independent oversight, thereby enforcing the accountability of executive agencies to national and state legislatures and through them to the general public.

In this paper, the authors will argue that the need for *audire* – the public ‘hearing’ (meaning examination) – of government accounts is still as pressing as it ever was. Civil society can play an important role in facilitating such ‘hearings’ and in strengthening the practice of external public audits. This argument is supported by a set of case studies, which highlight how civil society organisations around the world are complementing the work of SAIs and thereby contributing to increased government transparency and accountability. The authors do not suggest that civil society organisations can replace formal audit institutions. Instead, the paper proposes that greater interaction between SAIs and civil society organisations is likely to lead to stronger budgetary oversight by both sets of institutions and strengthen a country’s governance framework.

This paper will consist of four sections. First, it will outline the role of auditing in public finance management and examine the challenges facing SAIs in developing countries. Second, it will highlight the expanding contribution of civil society organisations to public budgeting in developing countries. Third, it will examine some recent successful interventions by civil society organisations in monitoring, enforcing, and strengthening the public auditing process. Finally, the paper will draw on these auditing experiences to demonstrate how SAIs might work together with civil society organisations to strengthen oversight of public financial management.

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\(^{1}\) http://www.etymonline.com/index.php?term=audit  
\(^{2}\) http://www.fbs-sct.gc.ca/ia-vi/policies-politiques/history-histoire/history-histoire_e.asp
The role of SAIs, as public finance watchdogs has been fairly limited in many developing countries around the world. This state of affairs is the result of several factors including lack of independence from the executive; limited access to information; financial and legal constraints on SAIs; capacity and skill constraints; and poor communication between the SAI and the legislature and civil society organisations. This paper will examine how greater collaboration between SAIs and civil society organisations may help to overcome some of these obstacles that inhibit the role of SAIs in public auditing and thereby enable civil society organisations to contribute to these processes.

Over the last 10 years, the capacity of civil society organisations to understand, analyze, and influence public budgeting has grown dramatically. In over 60 developing countries in Africa, Asia, and Latin America, non-governmental organisations (NGO), think tanks (research organisations), community and grassroots organisations have been involved in the growing movement to make public budgeting more transparent and accountable.

Civil society groups engaged in budget focused work contribute to public expenditure management and oversight in several ways. First, civil society organisations provide one of the few sources of critical and independent information on the impact of the budget in poor and low income countries. Second, civil society budget groups help build literacy on public finances among citizens and facilitate discussions and debates on budgetary issues within civil society. Third, by collating, synthesizing, and disseminating information on public finances, budget groups add new data into the budget process. Finally, civil society budget groups provide training on public finances to citizen groups, the media, and legislatures, which strengthens the capacity of all of these groups for oversight and to demand accountability from government agencies.

Although civil society is a relatively new actor in public finance policy, evidence that such groups are having a positive impact on budget formulation and implementation is beginning to emerge. For example, in Mexico, a local NGO called Fundar has worked with a coalition of civil society organisations to monitor and increase the government’s commitment to reducing maternal mortality. In South Africa, the Institute for Democracy in South Africa played a substantial role in strengthening the new financial management act by insisting on the inclusion of stronger virement rules and of a provision requiring direct departmental responsibility for overspending. Similarly, the expenditure tracking work of the Uganda Debt Network has helped to curb corruption in the intergovernmental fiscal relations system in that country and to generate new information on the quality of expenditures in health and education.

To date, most civil society activity has been focused on examining the passage of the budget through the legislature and the subsequent implementation of the budget. There has been much less civil society engagement with the auditing process and the office of the auditor-general. Nevertheless, as the following case studies demonstrate, these are important opportunities for engagement between SAIs and civil society that can strengthen the oversight function of both institutions.

- In India, the Mazdoor Kisan Shakti Sangathan (MKSS) – a peasant and worker union – uses innovative public hearing forums to conduct social audits of local government expenditures in village communities.
• In South Africa, the Public Sector Accountability Monitor (PSAM) – a research and advocacy organisation – works closely with the legislature to track government agency responses to allegations of misconduct contained in the auditor general’s reports.

• In the Philippines, a participatory audit was successfully conducted as a joint undertaking of the national Commission on Audit (COA) and a non-governmental organisation called the Concerned Citizens of Abra for Good Government (CCAGG).

• In Colombia, citizen watchdog committees formed by the Auditor General’s office monitor the conduct of high-impact projects in that country.

• Also in the Philippines, Procurement Watch, Inc., another non-governmental organisation, specializes in building systems of transparency and accountability into government contracting and procurement practices.

These case studies demonstrate that civil society organisations have substantial promise in strengthening the work and impact of SAIs in developing countries. This can happen in the following ways:

– First, civil society organisations can help build citizen literacy on the SAI’s function and on issues of financial management and oversight.

– Second, SAIs could learn from the experiences of civil society organisations in tracking public funds and adapt their innovative and cost effective methodologies into public audit systems.

– Third, using the help of citizens with whom they maintain close contact, civil society organisations can identify and raise issues for the SAI to investigate.

– Fourth, civil society organisations can conduct initial investigations in cases of financial mismanagement, which in turn can be used by the SAI while performing its auditing functions. Alternatively, civil society organisations can conduct supplementary investigation on issues that have been identified by SAIs in their audit reports and strengthen the audit findings.

– Fifth, civil society organisations can help monitor the executive’s follow-up to audit reports and to subsequent decisions taken by parliamentary committees on these audit reports. Further, civil society organisations can help build and maintain pressure on the executive to enforce corrective action based on the audit findings.

– Finally, civil society organisations can provide direct assistance to SAIs by jointly conducting audit exercises such as tracking public expenditure and measuring public program performance.

The paper will conclude with a set of suggestions on how SAIs might encourage greater interest and collaboration with civil society organisations.