ABSTRACT:

This paper provides an understanding of the processes which led to the emergence of public sector performance auditing in Fiji. Drawing on the hermeneutical exposition textual evidence gathered from archival documents and participant interviews is analysed with the focus to reveal how the text was used by actors such as the Auditor-General, the media, the public accounts committee, the ADB and others to create the perception ‘of the need for performance auditing’. The paper concludes that the socially and politically influential actors such as the Auditor-General and the Public Accounts Committee used ‘the concept of ‘accountability’ to craft a niche for performance auditing in the Fijian public sector.

Keywords Auditor-General, Accountability, Hermeneutics, Performance Auditing, Public Sector.
1. INTRODUCTION

Public sector auditing has evolved over time and in line with the new public management trends most commonwealth countries have adopted performance auditing as a part of public sector audits. Performance auditing in the Fijian public sector was introduced in 1995 and then discontinued, then in 2007 the practice was implemented with corresponding changes to the 1970 Audit ACT. This paper attempts to trace and provide an understanding of the emergence of performance auditing in the Fijian public sector using the critical hermeneutics methodology. The paper has labelled the period from 1970 to 1995 as the emergence phase. This has been done using the Nath et.al (2007) study which details the historical development of public sector auditing in Fiji from 1874 to 2003. The paper explores the text and the contextual stories to reveal the various actors such as the Auditor-General, the Public Accounts Committee Members, the Parliamentarians and the media’s understanding of the emergence phase. In doing so the paper reveals how the socially and politically powerful elements of the Fijian public sector enabled the emergence phase.

The paper is structured in the following way; the next section briefly explains what motivated the need to explore how the text and the contextual stories illuminate each other to provide an interpretation of the emergence of performance auditing. This is followed by a discussion on methodological consideration and the research methods used. The fourth section discusses and analyses the research findings and finally a conclusion is proposed.

2. MOTIVATION FOR THIS RESEARCH

In Fiji public sector auditing is based on the Westminster system of accountability. The Fijian AG is provided with mandatory powers to undertake public sector auditing and to fulfil the accountability roles entrusted to him via the various Fijian Constitutions. In fulfilling his public sector accountability roles the AG provides assurance to the public via the Parliament that public money is spent according to budgetary appropriations. In Fiji the AG extended his audit opinion from matters of financial compliance to the management of public sector resources (Nath et.al. 2006). This indicates that AG had managed to extend the scope of traditional auditing to incorporate performance auditing thus providing audit opinions on performance and management of public sector resources in Fiji. So far there is no empirical study on how and why performance auditing emerged in the Fijian public sector.

The researcher felt that current studies on public sector auditing in Fiji raises the issue that traditional auditing expanded into performance auditing (Nath at el 2006) but does not inform how ‘performance auditing came into being’. In order to address the gap between the expansion in the roles of the Auditor-General and how performance auditing became a part of this expansion, the researchers were motivated to investigate and provide insights into how the practice emerged.
This study is grounded in the critical hermeneutics methodology because this methodology provides one possible way to ‘interpret text evidence’ within a contextual setting to expose the hidden meanings contained within the text.

It is believed that the use of critical hermeneutics, emphasising interpretation, and a critique of the ideological elements of tradition and language will unveil and reveal the hidden meanings attributed to the practice and the events that led to the discontinuation of the performance auditing project that served the interests of the socially and politically powerful.

3. RESEARCH METHODOLOGY AND METHODS

Hermeneutics is the study of textual interpretation, of the manner in which we derive meaning from the unfamiliar, the alien (Boland, 1991 p.439). Critical hermeneutics seeks to unveil hidden meanings that serve the interest of the socially and politically powerful (Habermas, 1971, Ricoeur 1980; Thompson, 1981). Research using critical hermeneutics research methodology involves analysing the text as abstracted formal entities together with analysing the socio-historical contexts in which the text are imbedded (Prasad and Mir 2002).

Critical hermeneutic researchers draw upon the five key concepts to explain the existence of reality and knowledge gained through the processes of interpretation. The key concepts are derived from the hermeneutic circle which concerns the ontological and epistemological debates surrounding theory. The hermeneutic circle is defined ‘ontological condition of understanding; proceeds from a commonality that binds us to tradition in general and that of our object of interpretation in particular; provides a link between finality and universality and between theory and praxis’, (Bleicher, 1980p. 267).

The key concepts as identified by the proponents of critical hermeneutics are: hermeneutical circle, hermeneutic horizon; fusion of horizons; rejection of author-intentionality; and critique (Prasad and Mir, 2002; Bleicher, 1980). The hermeneutic circle has been conceptualised by some scholars as a processes driven by the concepts of pre-understanding and understanding (Bleicher, 1980). The meanings of the parts are dependent on interpreter’s understandings and the meaning of the whole is determined by the interpreter and not the original author. For this research the text such as interviews, documentary evidence can only be interpreted by situating them in their historical and cultural contexts. The text evidence from the sources becomes a record of the context in which the evidence was produced.

The hermeneutic horizon refers to the historical and cultural context in which the text was written and to the researcher’s own historical and cultural context which enables the researcher to interpret text. The critical hermeneutic researcher therefore ends up in having two sets of contexts for interpreting a text. The two contexts provide the researcher with two divergent sets of views to interpreting the text. For example the researcher will interpret the text from the socio-political and historical environment that prevailed in Fiji during the emergence phase and from her pre- understanding of performance auditing gained through literature review, prior research and experiences of having lived in Fiji.

Fusion of horizon seeks to integrate the horizon of the text with that of the interpreter (Prasad and Mir, 2002). In setting the hermeneutic horizon the researcher had to deal with two horizons, one from the context of the text drawn from the industry and one from the researcher’s context. The researcher will interpret the text and then would proceed to interpret
the context. Having two sets of interpretation on hand the researcher has to seek the mutual relationship between the text and the context interpretations. The researcher seeks a mutual relationship between the two contexts by constantly comparing the interpretations of the two horizons and reaching for new meanings. Therefore fusion of horizons in critical hermeneutics is directed at the future and at changing reality rather than merely interpreting it (Bleicher, 1980. p.233).

Rejection of author’s intentionality indicates, ‘the text at all times represent(s) more than the author’s intended’ (Bliecher, 1980 p.111), therefore in the critical hermeneutics the objective of interpreting the text is not to attribute recover the original meaning of the text as intended author but to interpret the text as a subjective object. ‘All aspects of the text become subjects of analysis, including critique of authenticity, of all possible bias, and of the ideological elements of the text (Alvesson and Skoldberg, 2002, p.79 cited in Prasad and Mir, 2002 p.97). Therefore the specific motive of the author in writing the text becomes insignificant instead the text is interpreted with a motive to understand both the apparent and the hidden meaning of the text. This leads to the stage for a critical reflection and interpretation.

In the final stages, the researcher reads for a critical interpretation of the text to unveil the hidden meanings. Readings of the hidden meanings provide insights into how the socially and politically powerful manage to maintain their interests and retain the status quo, thus the text reveals new meanings and produce fresh relevance for the text (Llewellyn, 1993).

The methods used to collect text evidence for this research are consistent with the aim of acquiring hermeneutical understanding through textual interpretation (Prasad and Mir, 2002). Evidence was collected from both primary and secondary sources in order to read the text to identify dominant themes and phrases which had a symbolic meaning for the research participants (Prasad and Mir, 2002). Archival documents\(^1\) chosen to obtain text data were those which contain text on the emergence and introduction of the performance auditing project in Fiji. Semi structured questionnaire\(^2\) was used to collect evidence and purposive sampling was used to select the interviewees\(^3\). The individuals selected for the interviews were only those who participated during the emergence phase of the performance audit project as either auditors, auditees, accountees and policy makers over the 1970 -1995 period and those like the media who reported on the project. Evidence was collected from sources ‘close to the performance audit project to enable the researcher to dig for deeper meanings unfolding the interests of the socially and politically influential elements of the Fijian public sector during the emergence phase of the performance auditing project.

The text evidence collected from various sources was stored using the n’vivo program. The text was stored in one folder which had files for each of the sources of the text. This was done for easier access to read and to explore the text to identify themes and events associated with the emergence of performance auditing in the public sector. N’vivo was used to code the

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\(^1\) Archival documents used were Annual reports for the Fiji Audit Office, the Auditor-General’s Audit Reports, Public Accounts Committee Reports, media reports and the Asian Developments Banks Reports, the 1970 Fiji Audit Act, various versions of the Fijian Constitutions from 1970’s to 1995 and the 1980 and the 1987 Fiji Finance Act and the 1996 Fijian Enterprise Act were used to collect text evidence. These documents covered the period from 1960 to 1995.

\(^2\) Copies of the questionnaire can be made available on request.

\(^3\) A total of 25 interviewees participated in the project.
phrases and sentences to identify particular themes and then the themes where mapped into the contextual setting to reach a common understanding.

4. RESEARCH FINDINGS AND DISCUSSION

This section presents the empirical analysis and theorises the research findings using the critical hermeneutics methodology. The section begins with the first level of interpretation, concerned with making sense of the research evidence which forms the entry point of the hermeneutics circle. This is followed by the second level of interpretation concerned with drawing a deeper meaning from the quotes. This is achieved by situating and explaining the quotes within the broader socio-political and historical environment which prevailed in Fiji during the emergence phase (1970-1995) of the project thereby closing the hermeneutic circle and allowing for a critical reflection.

4.1 Level One - Text Interpretation

This section describes the events leading to and various actors’ reactions to these events illuminating how and what shaped their understanding of the emergence phase. The section presents the text explorations as themes and sub-themes which emerged during the preliminary reading of the text.

4.1.1 Theme 1: Strengthening accountability role of the Auditor-General

The Auditor-General holds a Constitutional Office (Constitution of Fiji, Section 148 of 1993, Section 167 of 1997 and 2000) and performs an ‘oversight role’ which involves holding the Government accountable for the use of public sector funds and resources. The Auditor-General performs the accountability role by undertaking public sector audits and presenting the audit reports to the Fijian Parliament (Audit Act, Section 6 of 1970), thus providing assurance to the public that the public sector resources are managed in accordance with the budgetary appropriations.

In performing the accountability roles entrusted to him, the Auditor-General is expected to:

prepare and transmit to the Minister responsible for Finance within a period of eight months after the close of each financial year or such longer period thereafter as Parliament may, by resolution, appoint, a report upon his examination and audit of all accounts relating to public moneys … together with certified copies of the statements and accounts referred to in section 11. [1970 Audit Act, Section 12 (1)]

This suggests that for the Audit Reports to be meaningful they should be presented within a set timeframe. The Auditor-General can effectively hold the government accountable on certain aspects of the use of public sector resources and government spending because the reports contain recent information on use of public sector resources. Some institutions, groups and individuals have expressed concerns regarding the delay of the completion of the Audit Reports of some of the public sector entities.

---with the exception of one or two, most authorities’ accounts up to 1988 have been audited and others are from one to four years behind. (Auditor-General’s Report. Parliamentary Paper 1/1993)
One possible explanation of this quote is, in the year 1993 the Audit Office had audited and presented before the Parliament the accounts of most of the public sector authorities up to the year 1988 with one or two exceptions. The concern here is the audit reports are at least five years late and the issues raised in these audits are outdated (Parliamentary Paper 28/98.p.3). The 1970 Audit Act\textsuperscript{4} has set a timeframe of eight months after the close of the financial year within which the Auditor-General is expected to present his audit reports to the Parliament. The Act has provisions for a longer period than eight months for the presentation of the report but this is allowed only by a resolution of the Parliament. Parliamentary Paper 1/1993 did not state that the Auditor-General was given extended time as allowed by section 12 of the Audit Act to audit and present the Reports.

The annual financial reports of at least four of the seven Provincial Council’s for the years 1988-1992 were as yet to be audited in 1993 (Auditor-General’s Report 1993. These authorities had not provided the Audit Office with their annual financial accounts and statements (Parliamentary Paper 1/93) and the Auditor-General has no mandatory authority to demand for their financial accounts and statements. The 1970 Audit Act section 11 specifies that the Minister of Finance is responsible for transmitting the annual financial accounts and statements of the public sector entities to the Auditor-General within a period of six months after the close of the financial year.

The Auditor-General had raised concerns on ‘outdateness’ on the content of the audit report by stating the following,

In previous years, it was found that issues raised in the Auditor-General’s reports were often somewhat ‘out of date’ so as to speak, as the reports dealt with issues that were not recent. (Auditor-General’s Report, Parliamentary Paper 28/98)


The Office of the Auditor-General (OAG) at present is unable to complete audits within a satisfactory time period after the end of the respective fiscal year, particularly where there is no statutory imposed deadline. (Asian Development Bank Report, p. 1, 1995)

The first concern is the Audit Office’s inability to complete the audits on a timely basis. The second concern is with provisions in the Statute (1970 Audit Act) itself which allows the Auditor-General to delay auditing those entities which do not have a statutory completion deadline. During the years 1970 to 1974 out of nineteen Statutory Bodies which fell under the audit scope of the Auditor-General General only four were audited (Parliamentary Paper 16/74), the audit for other fifteen were delayed for at least three to four years (Auditor-General’s Report 1978). The delay in completing the audits was due to the ‘inadequacy of staff in the Audit office’ (Parliamentary Paper 35/79 p.23) the Office also faced ‘increasing difficulty in giving proper attention to the accounts subjected to audit (Parliamentary Paper 35/79 p.23). It appears that by using the provisions set out in Section 12 of the Audit Act the

\textsuperscript{4} Audit Act (1970) section 12 sets out the time period within which the Audit Reports are to be submitted to the Parliament. The time period is 8 months after the close of financial year or such longer period thereafter as Parliament may by resolution appoint. Section 11 of the Audit Act specifies that the timeframe within which the Minister of Finance should transmit the accounts and other financial statements of the public sector entities to the Auditor-General. The Minister should transmit the financial accounts and statements within a period of 6 months after the close of each financial year.
Auditor-General contributed towards abrogating his accountability role during the emergence phase.

During the interview, the interviewees representing the various groups associated with the public sector audits had raised concerns about the delay of the audit reports presented to the Parliament. These quotes from two interviewees succinctly summarises the concerns of most.

The Auditor-General presents outdated audit reports and the findings are useless as no action can be taken. It is a waste. (Interviewee, Senior Media Reporter)

We lagged behind with the preparation and presentation of Audit Reports for some years in late 1980 and the 1990s because of shortage of staff and other resources. (Interviewee, Audit Office)

The delayed presentation of the Audit Reports implies that the audit findings contained in these could not be acted upon in a meaningful way. It is highly probable that ‘individuals’ responsible for account keeping, and management of resources associated with the delayed findings would have moved or could not be contacted to provide answers to queries raised in the Audit Reports.

The Auditor General reiterated the following concerns regarding the delays in completing audits,

As reported in 1994, limited resources prevent this Office from auditing all Government ministries/departments and offices …. However, where a law requires an account to be audited by a specified date … then every effort is made to meet the legal deadline.

The main areas of constraints are as follows:

i) inadequate staff in terms of numbers and quality;
ii) inadequate funds to meet additional equipments, particularly computers; and
iii) constraints imposed by the Public Service Commission and the Ministry of Finance despite the mandate given to this Office under the existing law.

(Extract from the Auditor-General’s Report, 1995; Parliamentary Paper 37/96)

This indicates that the yearly audits of all government departments and ministries could not be completed in the timeframe set out in the 1970 Audit Act, Section 12 (1). The following, concisely highlights the staffing and funding concerns which prevailed at the Audit Office during the emergence phase.

The Audit Office lacked qualified staff and funds to provide quality and timely audit reports. The Ministry of Finance did not provide us with additional funds. (Interviewee, Senior Audit Officer).

Staff have resigned and moved to other departments, this affects our audit completion. Being understaffed most of the times, we can not complete audit on time. We have to postpone traveling to other locations due to insufficient funds. All these result in late audit reports. (Senior Audit Office Staff)
One of the interviewees pointed out the effects of an unstable government,

After the 1987 coup, the Audit Office lost skilled and qualified staff because some senior audit staff moved to other Government Ministries and Departments. Those who held overseas qualifications migrated to other countries, as a result the operations of the Audit Office suffered. (Interviewee, Senior Officer Ministry of Finance)

The above raises two inter-related staffing constrain which appeared to have resulted from the 1987 political situation and contributed towards weakening the Auditor- General’s accountability role. In 1987 Fiji experienced the first military coup which saw the overthrow of the democratically elected government and the imposition of a military rule. Due to the political upheaval and the introduction and implementation of ‘positive discrimination’\textsuperscript{5} in civil service employment Fiji suffered from mass migration of skilled employees. Consequently the Audit Office lost qualified employees (Auditor-General’s Report 1990). The staffing constraint was compounded when the Public Service Commission reshuffled the civil service and the civil servants from the Audit Office were transferred to other government departments.

Lack of sufficient funding appeared to have led to circumstances where the Audit Office was not in a position to meet staff travelling costs outside of the Central regions. Consequently departments and local government authorities situated in various locations in Fiji\textsuperscript{6} were not audited in a timely manner. The following text from the Public Accounts Committee Report highlights the Committees concern regarding funding of the Audit Office.

The Committee also strongly feels that sufficient funding should be given to the OAG to ensure that the Office makes physical checks where appropriate in its investigation, especially where special projects are concerned. (Extract from Public Accounts Committee Report 1992; Parliamentary Paper 70/1999).

The actions of the Ministry of Finance and the Public Service Commission inhibited the Auditor-General in his attempts to strengthen accountability roles. For example, the Ministry of Finance, responsible for the budgetary allocation of the Audit Office failed to increase the budget allocation for the Audit Office (Parliamentary Paper 37/96).

The Ministry of Finance and the PSC’s association with the Audit Office could be interpreted in terms of ‘power relations’. For example the Audit Office relied on the Ministry of Finance for its budgetary allocation and on the PSC for recruiting and fulfilling the staffing needs. Therefore, for the Audit Office to operate and fulfil its statutory function, the Office is dependent on the Ministry of Finance and the PSC. It can be reasonably inferred that both the Ministry of Finance and the PSC could exert power and control over the Audit Office by withholding funds and by slowing the recruiting process.

\textsuperscript{5} Positive Discrimination was Rabuka Government’s 1987-1995 policy on employment which specified that the 50% of Civil Service jobs had to be given to the Indigenous Fijians in order to racially balance the civil service employment (Chand G. 1998). There were other aspects to this policy which are not relevant to this research

\textsuperscript{6} Fiji consists of 3 major islands, Viti Levu, Vanua Levu and Tavenuni and various small islands with a total of 332 small islands. The Audit Office is centrally located in Suva, Viti Levu whereas the Government Departments are spread over the 2 main islands Viti Levua and Vanua Levu. The Audit Staff have to travel to different parts of the two islands to undertake the audits.
The participants’ understanding of the constraints faced by the Auditor-General in his efforts to strengthen his accountability roles were shaped by the lack of funds and insufficient staff available to the Audit Office. The problem associated with the lack of funding and staffing were further compounded by the actions of the PSC and the Ministry of Finance. Although the Audit Office is constitutionally an independent institution, the PSC and the Ministry of Finance hold power over the Office.

The Auditor-General appeared to be inspired by the global developments in public sector auditing and hence expressed the view that Fiji should follow the overseas trend in public sector audit developments,

A number of countries, particularly members of the Commonwealth, have even revised their audit laws in recent years to give statutory support to performance audit. Auditing in the public finance sector is no longer confined to attesting the regularity of the transactions but is increasingly concerned with whether the public authorities are attaining the purpose for which the budgetary programmes are approved and are doing so economically and effectively (Auditor-General’s Report, 1980, Parliamentary Paper 4/1981)

…. The extension of state auditor’s function in this kind of audit is to determine the value received from the application of resources or loss incurred by their non-application is not peculiar to Fiji alone but it is the trend in most Audit Offices of other countries. (Parliamentary Paper 29/1991)

The Auditor-General tried as early as 1980, to bring the practice of performance auditing, to the attention of the various groups associated public sector auditing in Fiji by stating that the Commonwealth countries had revised their respective audit acts to include the practice of performance auditing.

Some held the view that exogenous influences inspired the Auditor-General to strengthen his accountability role. The following interview quotes summarize the interviewees concerns.

Our Auditor-General is greatly influenced by what happens in the Australian and the New Zealand public sector. These countries implemented performance auditing and the Auditor-General feels we should also engage in performance auditing. (Interviewee, Parliamentarian)

Our Auditor-General wants to bring in the new method of auditing practiced in overseas countries but our government departments and managers do not want the new audit because that will mean more power to Auditor-General. (Interviewee, Senior Media Reporter)

One of the Audit Office Staff made the following point regarding exogenous influence

Fiji Audit Office is a member of INTOSAI. Member countries of INTOSAI have been involved in performance auditing in their public sector to bring in greater public sector accountability. The INTOSAI member countries revised their Audit Laws to make performance auditing mandatory. Here in Fiji we are still very much engaged in traditional

7 INTOSAI- International Organization of Supreme Audit institution. This Organization has a membership of 160 countries. This Organization concerns itself with public sector audits and developments. It meets on an annual basis and is a network of the Auditors-General. Fiji is member of this Organization and benefits from the training provided to audit staff.
audits, we need to move forward with the modern audit methodologies and the Auditor-General is keen for us to undertake such audits so that our public sector can perform better. (Interviewee, Audit Office)

Based on this, it appears that the Fiji Audit Office intended to introduce the practice of performance auditing in order to be ‘inline’ with the practices of the ‘organisation’ it is affiliated to. The Fiji Audit Office is a member of the SPASAI\(^8\) group and INTOSAI and the Auditors-General of these groups meet on a regular basis and share ideas and experiences in public sector auditing (Auditor-General’s Report, 1993).

The performance of the Fijian Auditor-General’s accountability role during the 1970-1994 period was affected by various events and elements. The provisions in Section 12 of the 1970 Audit Act, which delayed the completion of audits of some of the entities causing a weakening of the Auditor-General’s accountability role. The staffing and funding constraints led to situations where the Auditor-General had to delay auditing entities which did not have a statutory deadline. The Public Accounts Committee noted the delays in audit completion and reiterated the Auditor-General’s request to the Ministry of Finance for increased funding. The Auditor-General himself expressed concerns on the weakening of his accountability role and in the event of strengthening his accountability role the Auditor-General suggested that it was ‘time’ Fiji Audit Office adopted the practice of performance auditing. Some actors such as the Audit Office staff and media reporters held the view that the Auditor-General was inspired by exogenous factors in suggesting the adaptation of performance auditing.

### 4.1.2 Theme 2: Revealing the extent of mismanagement

Inference could be drawn from the empirical evidence that there was an expansion on the details of content reported by the Auditor-General prior to the implementation of performance auditing. One of the participants made the following claims regarding the details in the content of the audit reporting.

The Audit Reports dated back to mid-1970s, 1980s and 1990s have contained detailed information on how the resources were managed. The Report described how some public servants and ministers used the resources for their personal use. The reports have quoted $$$ amounts to indicate the extent of wastage. The extensive details in the audit reports constantly brought into open the inefficiencies and the wastage of resources by the public sector but the Government took no action. (Interviewee, Senior Audit Officer, Audit Office)

The above could be interpreted as an indication that the Auditor-General was making the government aware that the resources were used ineffectively for over a decade. The Auditor-General did this by providing details such as the entities involved, activities and costs involved with mismanagement. The participant from the Audit Office holds the view that the government was non-responsive to the details contained in the audit reports. The Auditor-General is not able to enforce accountability or take actions against the government ministers who use public sector resources for their personal benefit because the Auditor-General does not have the mandate.

\(^8\) SPASAI—South Pacific Association of Supreme Audit Institutions. Members include island states (including Fiji), Australia and New Zealand. This organization actively promotes public sector audit and developments in public sector auditing. The member countries benefit by attending annual conferences and by workshops. The Australian and New Zealand Audit Offices provide internships to audit staff from the Audit Office of the island states.
Some had the perception that there was a ‘tradition’ in the public sector to waste resources and not be held accountable. Such perceptions existed because the Auditor-General provided detailed content on waste and mismanagement of public sector resources in his audit reports. The following highlights some of the participants’ claims on the content of the details contained in the audit reports.

Waste and mismanagement of public sector resources have been rife in the public sector for a long time. The Auditor General provides details on how government departments and some government ministers are misusing the resources, for example the Auditor-General has provided detail reports on how the Fiji Development Bank misused the public funds in assisting Fijian and Rotumans for participation in commerce but no action was taken. It is okay for the Auditor-General to give us the details but no-one is held accountable. It makes interesting reading but is not debated in the parliament. (Interviewee, Parliamentarian)

I have highlighted the extensive audit reports of mismanagement of resources by government departments for the benefit of everyone but neither the government nor the ministers have taken any action to improve on use of resources. (Interviewee, Senior Reporter, Media)

The above participants claim that the details on use and management of public sector resources contained in the audit reports ‘ought to have’ initiated some follow-up action from appropriate authorities. The participants also claim that no follow-up action was taken.

One of the participants made the following point on the contents of the audit reports

We have been improving our audit reporting for some years now; we started providing details on how departments and ministries used the funds allocated to them. The Reports for a few departments and ministries provide details on how they have effectively managed the funds and kept appropriate records. For most others the details indicate poor management and lack of records. Compiling detailed audit report takes resources and time, we did this to make the public sector effective but so far we have not been successful. (Senior Audit Officer - Audit Office)

This participant has made the assertion that though detailed reporting required resources the Audit Office undertook the task to ‘hold the public sector accountable’. The participant reiterated the view that detailed content reporting had not resulted in an efficient public sector.

The Public Account Committee’s appeared to support the Auditor-General’s calls for follow up actions on the detailed contents on use of public sector resources in the audit reports.

The Audit Reports have continuously over the previous years stated that the government departments and ministries need to better manage their resources, so that waste can be minimized and public resources used in a better way. We have supported this call by the Auditor-General and have recommended that action be taken against ministers whose departments waste resources. Our recommendations have not been actioned. (Interviewee, Public Accounts Committee Member)

The Committee’s support indicated that the Committee agreed with the Auditor-General’s opinion that there was a lack of public sector accountability. The Committee
appeared to reinforce the Auditor-General’s calls for the greater accountability from the public sector managers and the government.

The Auditor-General appeared to expand the content of his Audit Reports by providing detailed contents on the use and management of public sector resources in an attempt to hold the public sector accountable. The participants claimed that despite the details highlighting the misuse and mismanagement of public sector resources the authorities appeared to take no follow-actions.

4.1.3 Theme 3: Call for changes

The Audit Reports presented by the Auditor-General during the 1970-1990 period contained reports of irregularities in record keeping and mismanagement of resources by majority of the public sector entities. The reported cases were extensively publicized by the media. The content of the Auditor-General’s Reports on mismanagement and the media’s publicity of these events raised alarm in some sectors of the public.

For example, the media reported the following:

Government departments have shown a lack of or complete breakdown in control over their accounts, the Auditor-General, Mr Tamessar Bhim says, in his report … cases of losses, waste, failure to recover monies and failure to keep proper accounts … considerable improvement is needed in coverage of internal audits and procedures … examples of government misspending, waste or accounting faults cited by Mr Bhim include: audit of records of ministerial car pool showed numerous defects and omissions in record keeping—certificates of controlling officers and signatures of drivers were nonexistent, particulars of services inaccurate … several accounts owed by private organizations and people … had been long outstanding … (“Accounts in Chaos” Fiji Times. 1978, p. 3)

The Auditor-General’s Report for 1993-94 brought shock, outrage and disbelief from all quarters yesterday. The content of the Report … showed the magnitude of mismanagement and abuse of office and even misappropriation of public funds … What horrified most people was that the examples and occurrences cited by the Auditor-General appear to be the norm rather than the exception …. It makes us wonder if anything at all is being done to discourage and eradicate them. The Auditor-General certainly doesn’t believe anyone with authority to arrest this trend is doing anything … both civil servants and politicians who live off the public coffers do not believe they owe the people any explanation for their actions …. We need a guarantee that funds sought will be managed with utmost responsibility and care. (“Editorial Comment”, Fiji Times. 1996, p. 6)

This indicates that some government departments were said to have used inappropriate and inadequate record keeping techniques. Such practices resulted in non-compliance with financial regulations which required that an asset register be maintained for assets, any disbursement of public funds be recorded and a record of services performed on assets be kept. Lack of record keeping (Auditor-General’s Report 1995) created a perception that public sector managers showed little accountability for their actions and suggested that there was a need for the Ministry of Finance to implement and monitor control mechanisms and the procedures for record keeping.

Accounting Officers from the Ministry of Finance are responsible for undertaking internal audits in the government department and ministries on a regular basis (Public Finance and Management Act, 1989). It appeared that despite the existence of such control mechanisms
proper record keeping procedures were not followed by some of the public sector accounting officers.

The Auditor-General’s Audit Report contained the following regarding the need for an effective internal control system:

In my audit report … I had commented on the necessity to have an effective system of internal control …. I had drawn attention to apparent shortcomings and suggested action be taken. (Auditor-General’s Report, Parliamentary Paper 4/1981)

Based on the above it appears that the Auditor-General had concerns on the adequacy of internal control used by some of the public sector entities. The Auditor-General appeared to have made comments on why the entities needed to have effective internal control systems in place.

Some participants held the view that the accounting system used by some of public sector entities needed improvements. For example,

The 1981 report -- The Public Accounts Committee has recommended that the Fijian Affairs Board’s accounting system should be updated and modernized so that proper records are kept and accounts are prepared before audits--. The Committee – says the Boards accounting system was unsatisfactory. (Fiji Times. June 13 1983 p.3)

The Public Accounts Committee appeared to hold the view that the accounting system of the Fijian Affairs Board was outdated and this probably impacted on the Board’s ability to keep proper records. The Committee assumed that modernizing the accounting system would enable the Board to keep proper records and prepare its accounts in time for audits.

The following comment was made by a participant on ‘how’ the existing accounting system of some of the public sector entities could be improved

During our compliance audits we have commented on the inappropriateness of the accounting system used by majority of the entities. We have recommended changes to the systems, like recording dates and actual amounts, doing reconciliations on a regular basis, updating journals, using ledgers, even using computers. (Interviewee – Senior Audit Officer – Audit Office)

Despite, the attempts of the Audit Office staff and the Public Accounts Committee, to create awareness that the accounting system used by some of the public sector entities needed improvements the respective authorities appeared to either ignore the findings and recommendations or take no action.

The Auditor-General had alerted the Ministry of Finance (Treasury) on the lack of internal checks in the records kept by the public sector entities. For example, in his Report the Auditor-General stated:

Despite assurances given by the Treasury Officers9 that adequate internal checks were carried out numerous discrepancies were still found in some supporting statements. (Auditor-General’s Report, 1988, Parliamentary Paper 3/91, Vol. 1)

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9 Treasury Officers refers to Ministry of Finance Officers. In Fiji the Ministry of Finance is also referred to as the Treasury since the Ministry is in charge of government finances and is responsible for the implementation
The claim by the Treasury that internal checks were carried out implies that instances of
discrepancies and inadequate record keeping were either not located during the internal audits
or were overlooked. Such circumstances appeared to undermine the Auditor-General’s efforts
to strengthen his accountability role.

The Auditor-General has the powers to report and provide opinions on the audit
findings. Using this power the Auditor-General was able to report his findings on
mismanagement of resources and lack of compliance with public sector financial regulations
in the Audit Reports to the Parliament. The Auditor-General does not have the power to take
actions to implement accountability in the public sector but his opinions on mismanagement
effectively drew attention of the media and other interested parties.

The editor of Fiji’s premier news paper the Fiji Times was of the view that no-one was held
accountable for the mismanagement of resources,

The rule of law apparently has not been brought to bear upon those who tried to subvert the
system. There appears no inclination on the part of those who have been entrusted with
managing public funds to be accountable. (Fiji Times Editorial Comment 1996 Oct. 31p.6)

Another participant reiterated similar concern,

On various occasions the media has published Audit Report excerpts containing irregularities
found in the record keeping by government departments and mismanagement of resources.
Such reports are common and such occurrences have become a regular feature of Fiji public
servants. The public servants should not be allowed to continue like this. Someone has to take
some action to reduce the mismanagement and waste. (Interviewee, Senior Media Reporter)

One of the participants pointed out that there was a lack of accountability and
suggested that the problems of mismanagement of funds and resources will be reduced only
when the civil service becomes accountable. The participant called for greater accountability
in the Fijian public sector.

The reports on mismanagement of public funds and resources will be reduced only when the
public servants, the Ministers and the Government become accountable. We need
accountability in the public service and it has to start from the government. (Interviewee -
Parliamentarian)

Some participants suggested that the government should change its policies on the
management of public sector resources. Such calls were made so that public sector managers
could be held accountable.

In view of increasing public sector expenditure and increasing mismanagement of public
sector resources highlighted by the audit reports it is necessary that government pay attention
to the audit findings. The government should change its policies on the management of public
sector resources to reduce the problems of mismanagement and increases in expenditure. .
(Interviewee- Member of Parliament)

of and adherence to the Public Finance and Management Act (1970, 1989, 2000 and other variations) by public
sector entities.
The only way to ‘fix’ the problems of mismanagement of resources in the public sector is to change the way in which the resources are managed. It is about time the Department Heads and Ministers became accountable to the public. (Interviewee- Senior Officer – Ministry of Finance).

Based on the above quote it can be inferred that one of the participant’s appeared to link the increase in public sector expenditure to increases in mismanagement of public sector resources. The participant claimed that changing the policies on management of public sector would somehow address both problems. A similar view was reiterated by another participant. The participant suggested that the private sector audit models should be used in the public sector.

The civil servants in Fiji suffer from the Malua fever, what is needed is a change in the way public sector resources are managed. When the audit findings disclose mismanagement and abuse of public resources then these should be addressed. Maybe the public sector should be audited in the same way as the private sector. (Interviewee- Ministry of Finance)

Some expressed the view that the Auditor-General, in his audit reports had suggested changes in the way public sector resources were managed. The participant believed that the suggested changes should have been adopted by the respective authority. The following claim succinctly summarizes the views expressed by a few of the participants.

To improve public sector productivity and to hold the civil servants accountable the Auditor-General has for quite sometime suggested changes in the way the public sector resources should be managed. The Auditor-General has suggested the ‘value for money audit’ but this has not been implemented. Such audits will report on how the public fund was used to achieve the set objective of the entity. This is one way of making sure that the department heads use the public funds for the specified purpose. (Interviewee- Senior Audit Officer).

The Auditor-General called for changes in the way public sector auditing was undertaken. His call was for changes to the 1970 Audit Act to incorporate performance auditing. He expressed the following,

Audit would no longer be confined to accounting records but also in seeing that value for money is obtained from the expenditure of public funds. (Parliamentary Paper 26/92 p.2)

The Audit Report contents on mismanagement of public funds, weak internal controls and inadequate record keeping and the media’s publicity of these findings led to a call for greater government accountability. The Auditor-General had commented on the need for greater internal control but these comments appear to have been ignored by the authorities. Participants claimed that changes in the government’s policies on the management of public sector resources would lead to a decrease in reports of mismanagement of resources. Participants such as the Auditor-General and the Audit Office staff commented that the Auditor-General’s suggestion of the practice of performance auditing would improve public sector accountability.
4.2 Level Two - Contextual Interpretation

This section provides a description of the broader socio-economic and political context within which the practice of performance auditing emerged in the Fijian public sector. The section explains the events during which the practice emerged. The intention is to reveal the contextual issues faced by the Fijian Audit Office.

An understanding of the delayed completion of audit for some of the public sector entities can be gained by exploring the expansion of the Fijian public sector after Fiji’s independence in 1970. Fiji gained independence from Britain in 1970 and retained the Westminster system of governance. After independence, the governance structure saw the establishment of more government departments and ministries and an increase in the public sector workforce. The increase in the size of government and public sector led to increased public sector spending (Economic Statistics Publication 1970, 1972, 1975) and as the official custodian of the public sector the Auditor-General is constitutionally empowered to hold the public sector accountable on behalf of the Parliament. The Auditor-General, through his accountability role assures the public that the public funds are used by the public sector according to the budgetary allocations.

The events of the 1987 military coup appear to have impacted on the accountability role of the Auditor-General. For example Fiji, after the 1987 coup Fiji faced mass migration of skilled labour, the Fijian Audit Office lost skilled staff due to migration and a reshuffle of the Civil Service. The ‘military coup’ also affected the economic situation in Fiji, as a result government spending was tightened (Appana 2007) and funding became an issue for the entire civil service, which included the Audit Office. Another event that eventuated due from the coup was the suspension of the Public accounts Committee. The suspension of the Committee meant that the findings raised in Auditor-General’s audit report were not deliberated by the Committee and hence no clarification on the concerns raised was sought from the public sector entities.

Fiji Audit Office’s affiliation to international organizations such as the INTOSAI and SPAISAI (Parliamentary Paper 26/92) implies that the Fijian Auditor-General and the audit staff were ‘aware’ of the audit development such as performance auditing. As members of these international organisations the Audit Staff and the Auditor-General may have been keen for the Fiji Audit Office to adopt the practice.

During the 1980’s most countries which followed the Westminster system of governance were adopting the New Public Management strategies to improve their public sector performance (McMaster 2002). In line with the global trend Fiji first attempted to reform the public sector in 1980’s (Appana 2007; McMaster 2002). As a part of economic reforms the public sector entities had to develop corporate plans which incorporated quantifiable objectives and outputs which could be audited (McMaster 2002). It appears that the Fijian Auditor-General was following the reform trends in suggesting that ‘performance auditing is ‘concerned with whether the public authorities are attaining the purpose for which the budgetary programmes are approved and are doing so economically and effectively’ (Parliamentary Paper 4/81). The Auditor General appeared to suggest that performance auditing will ‘demand’ that public sector entities specify the objectives in quantifiable and measurable terms so that it can be audited.
This section interprets the text and the contextual stories to reveal how the text and the producers of the text constructed specific regime of power relations to bring changes to the practice of public sector auditing in Fiji. To reveal the power relations, the text is reread with a focus on the context to provide an understanding of the perceptions of accountability created by the producers of the text. The themes discussed in the previous section are now woven into the ‘events’ which prevailed in the Fijian public sector during the emergence phase.

The principal themes which emerged from the text were (i) strengthening the accountability role of the Auditor-General; (ii) revelations of mismanagement of resources and (iii) call for greater government accountability. These themes when situated within the socio-political and historical contexts described above provide insights into how and why the Auditor-General, the Public Accounts Committee and other groups and individuals associated with public sector auditing tried to ensure that the public sector was being held accountable thus unveiling the structures of dominations and power regimes.

The increase in the size of the Fijian public sector and increased government spending after independence (post 1970) can be linked to the Auditor-General’s accountability role. The Auditor-General is constitutionally empowered to act as the ‘overseer’ of the public funds and has the mandatory powers to audit the public sector entities in order to hold it accountable. Therefore the Auditor-General’s audit findings and Reports for the public sector entities (post 1970) become important because the contents of these would indicate how the funds were used and where. The Auditor-General is responsible for providing assurances to the Parliament the public that public funds are used in an accountable manner. The revelations of mismanagement and abuse of public sector resources contained in the Audit reports reinforced the participants’ perceptions of a lack of public sector accountability and established a ‘case’ for expansion of compliance auditing to performance auditing.

The historical events of the 1987 military coup appear to have impacted on the accountability role of the Auditor-General. For example Fiji, after the 1987 coup Fiji faced mass migration of skilled labour, the Fijian Audit Office lost skilled staff due to migration and a reshuffle of the Civil Service (Auditor-General’s Report 1988). The ‘military coup’ also affected the economic situation in Fiji, as a result government spending was tightened (Appana 2007) and funding became an issue for the entire civil service, which included the Audit Office. As a result of loss of staff the Audit Office’s operations were affected and the Auditor-General effectively delayed the audit completion of some of the public sector entities by using Section 12 of the 1970 Audit Act.

The Public Accounts Committee was suspended after the 1987 coup and the Committee was reinstated in 1992 (Public Accounts Committee Report 1993). The Public Accounts Committee – is a parliamentary nominated committee responsible for clarifying and seeking explanations from the various government departments on issues and concerns raised in the Auditor-General’s Report. During the sitting of this Committee, representative from the i) Audit Office; ii) Ministry of Finance iii)
reinstatement of the Public Accounts Committee meant that the audit findings contained in
the Audit Reports when the Committee was suspended were 'pursued' by the Committee and
the Committee raised the concerns of mismanagement reported in the Audit Reports. The
Committee appears to have called for greater government accountability. For example one of
Committee members raised the following concern

The government has to held accountable for the misuse of public sector resources, the
Auditor-General has suggested ‘value for money audits’, this type of audit will hold the
government accountable (Interviewee –Public Accounts Committee).

The Fiji Audit Office has close ties with the Australian and New Zealand Audit
Offices via its membership to both the INTOSAI and SPASAI groups. Such close links
would probably have influenced the Audit Office to send its staff to Australia and New
Zealand to gain skills and experiences in performance auditing. Furthermore these countries
had already implemented public sector performance auditing during the 1980’s (Flesher and
Zarzieski, 2002), and as such were in a position to help the Fiji Audit Office to keep abreast of
developments in public sector auditing.

During the 1980’s most countries which followed the Westminster system of
governance were adopting the New Public Management strategies to improve their public
sector performance (McMaster 2002). In line with the global trend Fiji first attempted to
reform the public sector in 1980’s (Appana 2007; McMaster 2002). As a part of economic
reforms the public sector entities had to develop corporate plans which incorporated
quantifiable objectives and outputs which could be audited (McMaster 2002). It appears that
the Fijian Auditor-General was following the reform trends in suggesting that ‘performance
auditing is ‘concerned with whether the public authorities are attaining the purpose for which
the budgetary programmes are approved and are doing so economically and effectively’
(Parliamentary Paper 4/81). The Auditor General appeared to suggest that performance
auditing will ‘demand’ that public sector entities specify the objectives in quantifiable and
measurable terms so that it can be audited.

The socio-political and historical context described above seem to suggest that the
events happening in Fiji and globally during the 1970-1995 period had an impact on the
Fijian Auditor-General’s role accountability role. The increase in the size of the Fijian public
sector and government spending presented circumstances in which the Auditor-General was
able to report his findings on the misuse and mismanagement of funds by some of public
sector entities. The findings contained in the Audit Report was highly publicised by the
media which raised alarm in some sectors of the public. The audit findings led to groups such
as the media, Auditor-General and the Public Accounts Committee calling for greater
government accountability.

Despite the 1987 coup, the public sector auditing in Fiji continued under the
Westminster system of auditing. The Auditor-General continued performing his
accountability role but faced staffing and funding constraints. Despite the constraints the
audit reports after the 1987 coup continued to highlight the misuse of public sector resources.
Once again the media reports publicised the misuse and the stakeholders called for greater accountability. The Auditor-General continuously revealed details of the misuse. With the suspension of the Public Accounts Committee, the various departments concerned with the misuse appeared to have been left unchallenged.

4.4 Critical Reflection and Understanding

This section unveils the hidden meanings and message the producers of the text conveyed to the participants through the text during emergence (1970-1995) phase. The producers of the text such as the Auditor-General, the Public Accounts Committee Members, the Audit Staff and the media created a certain perception of accountability in the Fijian public sector via the Audit Report findings and the publicity of the contents.

The text and contextual stories conveyed the message that the Auditor-General was constrained in discharging his accountability roles and as such the public sector managers could not be held accountable. The concerns regarding the lack and staffing and funding faced by the Audit office was effectively linked to the performance of the Auditor-General’s accountability role by delays in the completion of audit of some of the public sector. The Auditor-General conveyed the message of delays in audit completion in his Annual Audit reports. Such messages were ‘picked up’ by the Public Accounts Committee and the Committee recommended that the Audit Office be adequately staffed.

Despite the Staff shortage the Auditor-General revealed detailed contents of mismanagement and misuse of public funds in his audit reports. The participants interpreted the detail contents of mismanagement in the Audit report as a lack of public sector accountability. The participants accepted the messages of lack of accountability based on the Auditor-General’s audit opinions. The Auditor-General is constitutionally empowered to provide opinion on the use of resources which are based on his findings.

The Audit Report findings conveyed the message that compliance auditing was not sufficient to hold the public sector managers or the government accountable for the use of public resources. The Public Accounts Committee members and the media seemed to agree with this message. The Auditor-General appears to have coerced the stakeholders such as the Public Accounts Committee Members, some of the Parliamentarians and the media that compliance audit scope needs to expanded by the effectively.

5. CONCLUSION

In the research analysis the text evidence from the public sector Audit Reports, the Annual Reports from the Audit Office, the Public Accounts Committee Reports, media reports and relevant legislations and interview quotes from individuals associated with public sector auditing from the 1970-1995 period within the socio-political and historical environment prevailing in the Fijian public sector during the 1970-1995 period. The analysis revealed that the text regarding the Auditor-General’s accountability role and the audit findings contained in the various sources documents mentioned above and the interviewee quotes contained symbolic meanings which were unveiled through interpretation (Habermas 1971; Ricoeur 1980).
To unveil the symbolic meaning contained in the text the critical hermeneutics methodology was used. Critical hermeneutics methodology offers an insight into ways in which the socially influential elements of the society use the text to promote their self interest Habermas (1970). This study offers insights into how the Auditor-General conveyed the message of the need to strengthen his accountability role in order to hold the public sector accountable by stating the staffing and funding constraints faced by the Audit Office. To reinforce the need to hold the public sector accountable the Auditor-General provided detail contents on mismanagement of public sector resources in his audit findings thereby creating the perception of a lack of public sector accountability.

The Public Accounts Committee Members and the media shared the same interpretation of the text as the Auditor-General. That is, a lack of accountability in the public sector and hence the need to strengthen the role of the Auditor-General. The Auditor-General used the text to convey the message that the scope of compliance auditing should be extended to incorporate performance auditing.

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