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AUDITING FOR SOCIAL CHANGE IN THE CONTEXT OF THE MILLENNIUM DEVELOPMENT GOALS

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1. Introduction

Managing the public sector in today's environment of constant change has become a demanding challenge for policy makers, service delivery managers, and civil servants – a challenge that is especially daunting for those in developing countries and countries with economies in transition. Public expectations of government are changing, with demand for zero tolerance for corruption and a desire for enhanced and demonstrated results and improved responsiveness. The current trends and challenges to which governments have to respond and to which there are no boundaries include: long-term fiscal imbalance, national security, global interdependence, changing economy, demographics, science and technology, quality of life and environment, and last but not least governance. Consequently, the challenges facing the audit profession are also constantly evolving.

The United Nations, together with international financial institutions and development agencies, have for the last two decades expressed concern with the lack of governance and accountability in developing countries and have endeavoured to find responses and solutions. Although structures and mechanisms exist in all countries for ensuring public accountability, these have in many cases not been successful in resolving issues of governance.

Therefore, the ability of the traditional accountability mechanisms to effect change on the functioning, performance and transparency of governments are increasingly being openly debated. International efforts are focusing on issues of governance and accountability, and their interventions dealing with government reform range from administrative reforms to the redesign of judicial and audit institutions. In addition, the donor community is increasingly initiating projects aimed at building the capacity of civil society and citizens at large to demand accountability from the State. The focus is on strengthening public accountability through pressure from outside of governments, especially through civil society institutions.

Indeed donors are targeting for key reform areas in strengthening of parliaments, protecting the autonomy of the judiciary, improving the performance of the public sector, supporting the development of professional media, encouraging private investment, and decentralizing delivery of services. While in this context, the strengthening of Supreme Audit Institutions (SAIs) in developing countries has received some degree of attention by the donor community, not enough attention has been paid to these institutions as potential tools for promoting socio-economic and pro-poor governance. Few reform processes of SAIs have zeroed in on how the audit function could become a tool to empower citizens in furthering transparency and accountability for public spending.

This paper examines how SAIs and the audit community at large could improve their impact by taking into account the growing voices of what have become known as “alternate watchdogs,” including civil society organizations and the media. In recent years, the United Nations Department of Economic and Social Affairs (UNDESA) has taken an interest in the role that the audit institutions could play through partnerships and involvement of civil society in furthering the conventions and treaties adhered to by its Member States, encapsulated in the 2000 Millennium Development Goals (MDGs).

UNDESA is in the process of exploring how results-based audit techniques can be applied to areas of socio-economic governance related to the achievement of commitments to which UN member states have over the years subscribed, including the MDGs. Given the fact that 189 countries have subscribed to meeting the MDGs by 2015, our proposition is to ensure that the audit community in the public sector – whether internal or external audit – include in their own priorities the audit of progress and results towards achievement of the MDGs and their targets, and this within the boundaries of their respective mandates.

Joint commitments by many stakeholders are now at the centre of the achievement of MDGs, and there must be assurance that actions by all parties are carefully monitored, outcomes evaluated, and that utilization of resources are audited for their prudent and effective use. As there is a likelihood of increased donor flows, greater attention must be paid to transparency and accountability in their use. Special care must also be taken to monitor corruption and “leakage.”

2. The Evolving Role of Audit

Although structures and mechanisms exist in all countries to ensure public accountability, these have in many cases not been successful in resolving issues of governance. On the one hand, the efficiency and effectiveness with which governments are using resources are in many cases not showing improvements as major public expenditures and investments turn out to be of low impact and return. Common causes cited are widespread corruption linked with a lack of rule of law and transparency. On the other hand, poverty reduction continues to be the major development hurdle for many countries, despite decades of sustained aid.

Both citizens and development experts have argued for the need to restructure the State and its functions as a response to governance and development failures. Supreme Audit Institutions (SAIs) exist in most countries, as do provisions for internal audit and other control mechanisms within state institutions, but their effectiveness and independence have been at issue in many developing countries. Indeed, most SAIs receive constitutional recognition, and as watchdogs of public finances, act as critical links in providing independent oversight and thereby enforcing the accountability of executive agencies to national and state legislatures and through them to the general public. However, the effectiveness of SAIs has been fairly limited in many countries as a result of several factors including a lack of independence from the executive; limited access to information; financial and legal constraints; capacity and skills constraints; and poor communication between the SAI and both the legislature and civil society organizations.

Therefore, the ability of the traditional accountability mechanisms to effect change on the functioning, performance and transparency of governments are increasingly being openly debated. In addition to assistance in institutional reform and strengthening, the donor community is increasingly initiating projects aimed at building the capacity of civil society and citizens at large to demand accountability from the state. The focus is on strengthening public accountability through pressure from outside of governments, especially through civil society institutions.

At the same time, public expectations of government are changing, with demand of zero tolerance for corruption and a desire for enhanced and demonstrated results and improved responsiveness. The current trends and challenges to which governments have to respond and that have no boundaries include: long-term fiscal imbalance, national security, global interdependence, changing economy, demographics, science and technology, quality of life and environment, and last but not least governance. Consequently, the challenges facing the audit profession are also constantly evolving. Some SAIs have started to re-examine their roles and functioning in order to take into account the growing voices of what have become known as “alternate watchdogs,” including civil society organizations and the media.

The emerging issues for public administrations were presented and deliberated at the Fourth Session of the United Nations Committee of Experts in Public Administration (CEPA) from 4 to 8 April 2005 at the United Nations headquarters, the proceedings and documents of which can be accessed on the Division’s interactive website www.unpan.org. One of the main themes discussed pertains to Integrity, Transparency, and Accountability (ITA), a theme which has been at the core of SAIs’ objectives for decades. The overarching framework for the discussions was the achievement of the 2000 Millennium Development Goals (MDGs) by 2015 endorsed by all UN Member states, with focus on poverty reduction and social orientation to development (7 out of 8 goals), and on partnership for development between the private and public sectors and between Government and the citizen.

The following points deliberated by CEPA are directly linked to the theme of the Seminar:

- Citizen demands for better delivery of services and more equity has increased, as has the demand for strong, open, and participatory monitoring, evaluation, audit, and information sharing;
- Many of the existing standards and norms pertaining to ITA are either outdated or not institutionalized. The flurry of recent national, regional and international commitments, conventions, and treaties related to ethics, corruption, and money laundering and integrity demonstrate the urgency of addressing ITA issues – in many countries the adopted conventions remain to be ratified, implemented, monitored, and enforced;
- Information and communication technology (ICT) has created opportunities for information sharing and wider stakeholder response and participation/input in public policy and decision-making.

Against this backdrop, it becomes clear that the role of an independent and responsive SAI has to evolve towards the following roles:

- Assist the legislature to carry out its constitutional responsibilities and legislative oversight;
- Assist in improving the performance of government; and
- Ensure accountability and transparency of government for the benefit of the citizens.

Adopting such roles necessarily implies that SAIs cannot hide behind the past and must use their audits of past performance and activities to draw lessons for today and tomorrow. It also implies that in addition to preventing and detecting fraud, waste, and abuse, and assisting the government to become more efficient and effective, SAIs must examine the role of government, albeit within the boundaries of their mandate. Some newly created SAIs have already enshrined the latter focus in their legislation, specifying as one of their main objectives the evaluation of government policy.

A modern outlook on SAIs' roles would also imply that they lead by example and promote best practices by observing protocols, employ a constructive engagement approach with audited entities, and partner with fellow oversight and accountability organizations as well as with selected "good governance" institutions. Most importantly, to achieve real impact for the benefit of the citizens would imply some degree of engagement of the citizens and their perspectives in the audit processes. However, in the same way that most public administration systems remain introverted and lack inclusiveness in decision-making processes, many audit offices and their operations have remained a mystery and are shielded from the public eye and scrutiny.

On the positive side, the advent of performance audit has blurred the boundaries between financial and compliance audit disciplines. However, performance audit's analysis of a policy, programme or project implementation almost always has an impact on policy issues. We would like to explore during the workshop how audit can become a tool for social empowerment as a further step towards involvement by the stakeholders and beneficiaries of a programme, project, or policy in performance audits. This could be achieved through some form of participation, for example, by audits including direct contact with the beneficiaries or clients of a particular programme, project, policy, or the provision of goods and services.

Increasingly, state-of-the-art auditing calls for an examination of management, business, financial and information processes, and systems. The results of such examinations may lead to recommendations for improvement and change. In that context, the modern auditor can indeed become a catalyst for change: a lot of effort has been put in the last decade into the concept of "managing for results." Auditors have had to shift their focus to "auditing for results," i.e., reviewing whether the processes and systems are in place to "manage for results" and whether results have indeed been achieved and to what degree.

Therefore the functions of audit, evaluation, and monitoring have to complement each other where achievement of results is concerned.

In recent years, the audit function has taken an interest in governance as an integral indicator of the managerial health of the management of an organization, whether private or public. In that respect, audit standards regarding the structure, composition, role, and impact of Audit Committees have been promulgated by several audit standard bodies. More research is needed to explore to what degree Audit Committees are currently being utilized to ensure proper scrutiny of pro-poor programmes and projects, and how both governments and civil society could exploit this mechanism for greater transparency.

The Importance of Participation and Transparency. Participation and transparency are not new themes to the global discussion of issues related to public administration and governance, but they have recently acquired new urgency. The urgency stems from several reasons.

There is a growing understanding of the pivotal role that governments play in the system of social institutions responsible for human development. The UN Millennium Declaration that strongly focuses on human development, and especially on poverty eradication, puts solid public administration structures and good governance as the necessary condition to achieve each of the Millennium Development Goals (MDGs). The Heads of States and Governments pledged in the Declaration “To work collectively for more inclusive political processes, allowing genuine participation by all citizens in all (...) countries”.

On the economic side, today, the three critical roles of a state are to create an enabling environment for participating effectively in a global economy so that all segments of the population are able to benefit from international trade and investment; to focus on pro-poor policies that combat poverty and enhance the capacities of the poor to participate in productive activities; and to strengthen the capacity of public institutions to promote socially equitable economic growth. For a state to achieve the goals of people-centred growth and development, participation of people in governance and transparency that enables good governance seem crucial.

And finally, as we have entered the Age of Knowledge, with all the hopes and concerns that it brings, only genuine participation seems to constitute an adequate tool for demanding and executing the needed transformations of social institutions, so that people and information – two main assets of the Knowledge Society can develop; and, that the great resource of knowledge is used to support high level of quality and safety of life.

As to transparency per se, it often is demanded as a prerequisite of an effective anti-corruption policy. This however is only part of the picture. Lack of transparency corrupts the political system in many different ways. It makes it easier for groups with special interest to convert public value into private value. It allows the public administration to continue with wrong decisions and policies. It raises the cost for the opposition and for the citizens of participating in the political process and to be effective in changing the “management team.” Finally, to the extent that business depends on inexpensive and

open access to information to take decisions about allocation of resources, it hurts the private sector, too.

Therefore, the pressure on governments to reform, to become more transparent and to govern in a more participatory way comes from many different directions. It is only natural that the call for stronger oversight in various public processes, including those relevant to participation and transparency are being embraced by many as a possible solution.

The Audit Process Is Becoming More Engaging. Not too long ago, public demands for accountable and transparent governments in many countries of the world were made at the risk of persecution, imprisonment, or death. While repressive governments still abound, significant change is taking place in many pockets of the world, notably in Central and South America and in Africa. Civil society is growing and applying pressure for better performance; the media are demanding transparency across all sectors of society; and governments are realizing that the days of coercive politics may be numbered. Demands have centered on the need for multi-party, open, and transparent elections, deepening reforms in institutions such as the judiciary, parliament, and local government. An increasing active citizenry is championing the call for responsive government, for policies that foster democracy and development, and for a budgetary planning process that is open and subject to scrutiny. However, despite gains in democratization and commitments to improving governance, studies show that many developing countries perform badly in efforts to control corruption, efficiency of services, decentralization, and accountability in the civil service.

Accordingly, donors are targeting key reform areas, strengthening parliaments, protecting the autonomy of the judiciary, improving the performance of the public sector, supporting the development of professional media, encouraging private investment, and decentralizing delivery of services. While in this context, the strengthening of Supreme Audit Institutions in developing countries has received some degree of attention by the donor community, not enough attention has been paid to these institutions as potential tools for promoting socio-economic governance. Indeed, few reform processes of SAIs have so far zeroed in on how the audit function could become a tool to empower citizens.

The traditional view is that SAIs must abide by stringent legislative mandates, international and national standards, and that they should evolve within tradition-bound bureaucracies, even when they work within the framework of new constitutions. While all view their role as primarily promoting transparency, governance and accountability, they have generally not engaged citizens in the audit process per se. There are notable exceptions where government auditors, external and internal, have surveyed groups of citizens and where their mandate include calls for the public's denouncing of cases of abuse, mismanagement, waste, or fraud.

Neither do government external and internal auditors play an active audit role in the international commitments of their respective governments, although through the impetus of the International Organization of Supreme Audit Institutions (INTOSAI), countries have taken up audits of environmental areas including in some cases the examination of international treaties. Indeed, some SAIs have experience in regulatory auditing of

compliance with international or regional treaties, mostly in the environmental sector; some have also performed performance audits in those areas.

Modern auditing has now successfully challenged the view that audit should be carried out in the trenches and after the fact, and “flogging a dead horse” is no longer viewed as a productive exercise, if no forward looking lessons are to be drawn. Innovative inroads have been made, all within the limits of existing auditing mandates and standards, to make audit more useful to legislators, decision-makers, and citizenry. For example, the success of “joint, concurrent, or coordinated” audits where two or more countries SAIs, the national and one or more sub-national legislative offices scrutinize a particular area or sector of common interest, reporting through their respective reporting mechanisms. Also, reporting has gone a long way both for external and internal audit, where increasingly reports are not only issued on a timelier basis, but have also become highly visible through being made public.

3. Audit and the MDGs

UNDESA/DPADM is in the process of exploring how results-based audit techniques could be applied to areas of socio-economic and pro-poor governance such as the achievement of commitments to which UN member states have over the years subscribed, and which are encapsulated in the Millennium Development Goals. Given the fact that 189 countries have subscribed to meeting the MDGs by 2015, our proposition is to ensure that the audit community in the public sector – whether internal or external audit – include in their own priorities the audit of progress and results towards its achievement.

This effort is part of a programme within the Division for Public Administration and Development Management (DPADM) to promote socio-economic governance with a special focus on the public finance and the audit function, in particular. Socio-economic governance refers to institutions, institutional arrangements, procedures and processes, tools and techniques that help mainstreaming citizen’s concerns for formulation and implementation of pro-poor public policies and programmes. The programme pursues normative and analytic activities to support intergovernmental dialogue in these areas and to provide inputs to its technical assistance and capacity building programmes in the area of pro-poor governance and management.

As an example, DPADM has launched a programme on “engaged governance,” examining and promoting citizen dialogue with the legislative, executive, and judicial on such important areas as fiscal policy and budgeting. The role of civil society has also moved from participation in the design of pro-poor strategies and service delivery to acting as watchdogs to ensure governments fulfill their commitments.

One of DPADM’s newest initiatives is to make the audit function more central to pro-poor governance, with the results-based audit of MDGs as a focus area. The Division is well-positioned to take on such an ambitious project as it has already been working in this direction. For example, in the area of results-based management, it has supported the government of Sri Lanka to develop MDG based results-indicators, which will assist in more transparent oversight of its MDG related programmes.

Making Audit an Integral Part of the MDG Processes. DPADM's quest is to push innovative thinking to new limits and to make audit a more integral part of the pro-poor agenda of the international and national community. We propose that SAIs of all countries take on a lead role in auditing the MDGs, and that the internal auditors of government and non-government organizations equally take on an active role in areas of their operations that touch upon the MDG agenda.

As joint commitments by many are now at the centre of the achievement of MDGs, there must be assurance that actions by all parties are carefully monitored, outcomes evaluated, and that utilization of resources are audited for their prudent and effective use. As there is increased expectation of increased donor flows, greater attention must be paid to transparency and accountability in their use. Special care must also be taken to monitor corruption and "leakage."

Following the 2002 Monterrey Consensus, the UN and its partners have insisted on national ownership of the Goals, especially for countries with most pressing needs and low human development, without which national programmes will neither be appropriate to local conditions nor politically sustainable. National strategies for poverty reduction need to be based on specific needs, solid evidence, good data, and proper monitoring and evaluation.

To that end, over fifty developing countries have prepared Poverty Reduction Strategy Papers, (PRSPs) which provide frameworks for financing, implementing, and monitoring the strategies. These are prepared by governments but emerge from participatory processes involving the World Bank, the International Monetary Fund, and for some countries, with external partners and civil society. They are evolving tools as lessons learned are emerging from the teams involved in preparation of PRSPs. In essence, the process is designed to highlight the gap between current official development assistance (ODA) and the levels needed to achieve the Goals, and propose estimated medium term budget needs for all critical sectors linked to poverty reduction and economic growth, including health, education, infrastructure, and environmental management.

In a 17 January 2005 report released by the Millennium Project, a strategy for cutting extreme poverty and disease in the poorest countries was spelled out. It is based on existing development processes, tools, and policy vehicles, but emphasize that all these should be MDG oriented. The report reinforces the PRSP approach, but proposes a planning horizon leading up to 2015 to align with the MDG timetable. The strategy calls for the preparation of 10-year detailed and practical investment plans for meeting the goals. The report argues that this will only be possible where the national government is committed to meet the goals; and that only governments willing to sign on to a rigorous compliance regime will receive increased aid levels. It calls for results-based management of foreign assistance against the quantitative targets set for 2015, with aid to be delivered in each sector against measurable interim benchmarks on a clear calendar basis. The report calls for specific compliance guidelines that include spot audits, evaluation, and publication of performance indicators.

A great effort has been launched by the UN and its international partners since the 2000 Millennium Declaration to prepare and fine-tune monitoring and evaluation tools for the established eight goals, 18 targets, and 48 indicators and deliver related capacity building in measuring and reporting progress towards achievement of the Goals. The international community also assists countries in formulating policies and strategies, and in assessing resource needs. Training workshops sponsored by various international organizations are being held to assist government statistical offices and international teams on the ground to improve the reliability and integrity of data collection and analysis.

However, as far as the audit function is concerned, there seems so far to be little concerted and dedicated effort at the global, regional, country, or local level to engage and mobilize the external and internal audit community around the MDG processes, goals, targets and indicators – with a view to tracking related financial flows, assess utilization of resources, adequacy of decision-making and implementation processes, or ascertain results achieved on the ground. Where donor contributions are involved, auditing, like financial reporting, usually conforms to the specific donor requirements for audited financial statements. Where government resources are used, audits seem to be planned according to existing institutional audit regimes and are usually sector or project based, without special regard for the targets and indicators of the MDGs. This situation is a clear indication that national ownership of the MDGs is still not entrenched in government management and oversight processes.

Taking HIV/AIDS programmes as a case study, we have found that legislative auditors at national and sub-national levels, as well as internal auditors of ministries and institutions, have in fact performed audits related to various aspects of HIV/AIDS as part of their mandate and regular cycle of audits of public expenditure items. Those audits varied widely in approach, objectives, scope, and type of audit. Similarly, donor countries and institutions have performed or requested financial audits from recipient institutions – be it a ministry or implementing agency – according to their own specific requirements. In general, the audits dealt with financial and material matters and rarely zeroed in on performance or results achieved.

Capacity Building. As part of our programme to make the audit function central to the MDG roadmap, we have engaged in technical cooperation ventures and partnerships with audit institutions interested in exploring MDG related independent and results-based auditing from a national, local, regional, or interregional perspective. These technical cooperation ventures are not intended to enlist SAIs in servicing the financial and other reporting requirements of multilateral donors but rather to have them become stakeholders in the important challenge the MDGs present for their own countries, but also for their regions and the globe. The objective is for SAIs, through the independence they enjoy, to assess to what degree their governments and target beneficiaries have ownership of the policies and processes involved, to ensure transparency and accountability in the use of resources, and to ascertain key successes through evidence.

DPADM is exploring the following questions:

- How can audit methodology become complementary to evaluation and monitoring techniques in order to better measure results and progress towards achieving International agreements and treaties, including the MDGs?
- Can coordination of audit efforts amongst national, regional, local, and self-governing bodies be achieved for comprehensive oversight of results achieved?
- Can audit become more engaging and an empowerment tool for the citizens?

International agreements and treaties reflect key government policies on important issues, and the citizens have the right to know what has, or has not, been achieved as a result of these agreements; and to obtain accountability as to how public funds used towards implementing the agreements have been utilized. Experts agree, however, that international agreements are not always couched in clear enough language, therefore presenting difficulties in formulating objectives and clear results expectations.

While setting performance expectations and measuring results with respect to international agreements can be difficult, it is nonetheless possible. It is the only way to find out whether a particular approach works. It is well known that what is not measured cannot be managed effectively. Audits have shown that where results expectations are well defined, departments are better positioned to know the extent to which agreement objectives and desired results are being achieved. Also, where there are significant constraints or challenges to achieving desired agreements results, better transparency is required in defining and communicating what results can reasonably be achieved. However, the MDGs, while general in language, have established a set of measures and benchmarks.

The SAI needs to play a lead role in the audit of MDGs, as it ensures the highest accountability mechanism for a country's commitment to an international agreement or treaty – irrespective of the fact that non government actors are involved in MDG processes and that portions of funding allocated to the achievement of MDGs may escape the normal budget planning and execution processes. To make audit more results oriented and participatory, its methodology and process needs to be reviewed. Following are some suggested areas:

Area One: Examining and reporting on results a country has achieved under its commitment to achieve the MDGs. Examples exist where some SAIs have looked into results of international agreements, notably in the environmental area. Our proposal is for the SAI to examine whether the government has clearly assigned responsibilities for action to the lead government departments and agencies under the MDGs, and whether these department and agencies have adequate information for determining their success in meeting their portion of the goal(s) objectives. Given the broad scope of the MDGs, the SAI could adopt a phased or selective approach by sector, goal, or target. It is expected that a key ingredient is to report on whether the statement of expected results and their

measurement by the concerned government agency involved other stakeholders and most importantly the beneficiaries. This approach adopts a central government perspective and would focus on issues of national priorities vis-à-vis the MDGs and the institutional framework that drive the policy development, planning, budgeting, implementation, monitoring of MDGs, and reporting of results and impacts. A key ingredient could be the role played in these central processes by other actors and partners such as donors, the private sector and civil society, and how accountability is served throughout the MDG processes.

Area Two: Performing a lessons learned review of the adequacy of the data collection, monitoring and evaluation processes involved in government reporting on selected MDGs. Global, regional, and country reporting has proven challenging to date, as the capacity of countries to provide reliable statistics and data for monitoring trends needs to be considerably strengthened in order to provide sound measurements both of their needs and achievements. Data are currently insufficient in many countries, for many goals, for proper quantitative assessments. Sound monitoring and evaluation of progress require investments in surveys and data collection. In that respect, the UN and other agencies provide assistance to national statistical offices and other institutions involved with data collection. The innovation in this audit exercise would be for the SAI to perform this as a collaborative exercise with the relevant government internal audit and evaluation offices, as well as with the statistical offices, and to involve other stakeholders and beneficiaries.

Area Three: To perform a risk assessment exercise top-down and bottom-up within the management of MDGs, selecting a particular goal or target, or set of indicators, deemed critical for the country. Ideally, this exercise would adopt a vertical approach cutting across government boundaries to include managers, auditors, and stakeholders from central government to sub-national levels, including the community level and beneficiaries. The lines of enquiry could include any of the following: the tracking of related financial flows, the utilization of resources, decision-making, planning and implementation processes, the measurement of results achieved. The outcomes would be the following: a risk assessment matrix enabling auditors to plan their MDG related audits based on high risk areas; providing a tool for the key government managers/actors and non government managers/actors to manage related risk; to provide a forum for community participants to interact with other levels of stakeholders in identifying key risks.

Area Four: To exchange and develop audit methodologies, experiences, lessons learned, and best practices in results-based auditing of an MDG related programme. The SAI could take the lead to bring together auditors at the national and sub-national level, including non-governmental, who have some experience in auditing the sector chosen. The auditors would thus represent the central and local government, community level, as well as non-government and not-for profit organizations; and the SAI would also invite monitoring and evaluation experts in the chosen field so as to explore new methodologies for collaboration and synergies between the audit community and the monitoring and evaluation entity. The focus could include whether results have been achieved demonstrably and commensurate with the resources allocated, whether the resources and activities have been fully accounted for, and what accountability linkages and relationships exist between the various international, national, sub-national, and

community actors involved. One area for discussion could include the potential role of citizen's scrutiny of MDG expenditures and results. The issue of what resultant legal and administrative changes are necessary to evaluate and audit MDG progress and impact for and by the citizens needs also to be deliberated. The outcome would be a clarification of the concepts of ownership and accountability for the MDG processes at the national, sub-national and community levels, as well as a compendium of methodologies, lessons learned and best practices for legislative and internal auditors relative to a critical area.

Conclusion

The audit of MDGs provides enormous opportunity and scope to discuss innovative ways of making the auditors partners for social change in putting the audit profession at the heart of citizens' interests, especially in the effort to overcome poverty, diseases, and other inequalities by 2015.

Auditing could function in a more participatory and open manner, where a multi-stakeholder participation, including that of civil society and media can be envisaged. In addition, legislative oversight will also need to be strengthened. These are complex process-related issues that will necessitate careful examination and capacity building.

New areas presented for auditing pro-poor and socio-economic programmes have the potential to highlight the importance of complementary forms of oversight and scrutiny, such as results based monitoring and evaluation. It could also highlight the importance of alternate watchdogs besides the professional audit community and legislative oversight fora, such as the Public Accounts Committee of Parliament, civil society, and the media. Greater interaction between SAIs and other public audit institutions, and civil society organizations has the potential to lead to stronger oversight of a country's governance framework and the effectiveness and efficiency of its pro-poor programmes and expenditures.

The audit community needs to carefully examine how the traditional boundaries of audit can be respected while the function adopts a more pro-active stance in examining national commitments to international conventions and treaties including pro-poor and socio-economic programmes; and in what manner some forms of empowerment of and participation by civil society in the audit of social expenditures could make a difference.