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# **MEDIA AND AUDIT: STRENGTHENING PEOPLES' RIGHT TO PUBLIC RESOURCE MANAGEMENT**

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# **WORKSHOP ON AUDITING FOR SOCIAL CHANGE: AUDIT AND THE MEDIA**

## **Media and Audit: Strengthening Peoples' Right to Public Resource Management**

by  
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### **Introduction**

Auditing for social change is a powerful, recent concept that has gained wide acceptability in the minds of development planners, as well as the decision makers. From a mere accounting exercise, auditing is now increasingly looked upon as a social planning tool with an unmatched ability to measure the usefulness of investment of public resources for social change. This linkage between auditing and social change has brought the former into new focus, especially as a part of development discourse. This has naturally drawn the media into the discussion, especially to examine the relationship between media and auditing and determine how symbiosis can be developed to build more democratic, accountable, transparent, and progressive societies.

The purpose of this paper is to explore some tentative ideas in this field. First, the author presents the considerably changed context in which media currently functions. This is followed by an account of how the new context has resulted into media's own expanding vision. Finally, the paper discusses how the linkage between media and institutions of auditing, especially the SAIs (Supreme Audit Institutions), can combine with the traditional 'watchdog' role of the media to produce a somewhat more accountable government.

### **Changing Global Scene**

Participatory and transparent governance is the demand of our era. This demand has been triggered by the demise of command economies and State-centred philosophies in the post-Soviet world. Democracy has become the most universally desired and accepted political system with the representative parliament and elected government as the institutional expressions of that system.

As a consequence, people of every country now demand a greater say in the running of the affairs of State. Accompanying that demand is greater awareness of how national resources are spent and their right to know to about it. Coupled with this awareness is a rising intolerance for corruption. There is growing evidence that people are increasingly weary of their scarce resources being eaten away by vested and powerful groups and that, without addressing corruption, very little overall progress can be made. There is

gathering strength in this awareness, as a result of which governments of today and all public representative bodies are under stricter scrutiny for honesty and greater pressure for delivering 'good governance.'

Good governance is a major problem for most developing countries. The crucial challenge in achieving it is to curb corruption, which weakens all forms of administration and gradually corrodes the basic institutions that uphold the state structure. This, in turn, destroys public confidence upon which any democratic government must necessarily rest. Therefore, corruption has to be eliminated, if democracy is to deliver.

Experience has shown that among the best ways of curbing corruption is strengthening what is globally known as the Supreme Audit Institutions (SAI), the foremost among which is the office of the Comptroller and Auditor General (CAG). The parliamentary bodies like the Committees and other institutions of accountability in the governance process can also be made to play vital role in curbing corruption and ensuring good governance. The whole exercise of auditing both in the public and the private sectors has become a vital component of running a country in today's world. It may not be an exaggeration to state that world-view has undergone a dramatic shift in terms of how it looks upon the audit functions within society. Today, for democracy to deliver, audit functions have to be strengthened in every country.

### **Rising Public Expectation**

Citizens everywhere are no longer willing to be passive spectators of how their leaders run their country and especially how they spend their scarce resources. This has given birth to the notion that democracy is not only a set of political and civic rights, but also a right to proper management of scarce national resources. The recent events in Georgia, Ukraine, and Lebanon signal a new rising confidence in the general public that real power actually rests in them and when time comes and if need arises people can change the government of the day at their will.

As a result, people are no longer satisfied by just electing their leaders once every few years. They want to keep the governments of the day under constant vigilance and make them accountable during their tenure of office and not only just at the end of it when elections become due. The recent democratic uprisings follow the earlier spread of democracy that was ushered in with the fall of the Berlin Wall in the East European countries. Simultaneously, we saw the fall of dictatorship in other regions of the world like Latin America, Africa, and in the Philippines and Indonesia within the Asian region.

There has also been a significant rise in the demand for greater information from the government about everything it does. For a growing number of citizens in larger numbers of countries of the world, the 'Right to Know' is no longer a distant concept, but a practical demand, which they are crying out louder and louder for implementation. This has led to a 'Freedom of Information' act being legislated in many countries and demand for it being made in many others. The need for compulsory 'disclosure' of assets of political leaders and anyone holding elected office is being felt more and more and the

clamour for such policy directives are widespread, which was beyond imagination till the other day.

Among other things, a “Freedom of Information Act” can be considered an expression of a rising awareness that democracy also means a citizen’s right to all sorts of information connected with resource management both by the government and the private sector. It means that a citizen not only has a set of political and civic rights, but also a set of other rights that entitle him /her to knowing what is happening to their tax money, investment money, revenue money, foreign investment money, foreign assistance money, etc.

This brings the SAIs on the centre-stage of the governance process. The view of this writer is that the more importance a society or a nation gives to auditing culture, the greater will be the “rights” of citizens to resource management be established.

### **Media’s Expanding Vision and the Coming of the ‘Advocacy Mindset’**

Media generally, and particularly within the developing world, are experiencing a process of widening vision. The single most important factor contributing to this trend is the spread of democracy and representative and elected governments almost everywhere. Where these have not come about, clear signals can be discerned in the political atmosphere that such changes are on the way.

Greatly emboldened by the all round spread of democracy and the gradual and irrepressible rise in demand for ‘Right to Information’ and also encouraged by greater public awareness of the need for transparency and accountability of the government, the media themselves are no longer satisfied with their traditional role. More than ever before, they have become ‘advocates’ of democracy, rule of law, fighting corruption, cronyism, etc. Social issues, such as gender equality and those relating to human survival, have compelled the media to go far beyond their ‘information dissemination’ role to ‘public education’ role. Greater scientific findings about a ‘limit to growth’, the unwise use of natural resources, the negative impact of technologies that damage the environment, global warming, and depletion of ocean bed resources have all led to what this author would like to call the rise of ‘advocacy mindset’ in the mass media. It is no longer enough to inform about democracy and human rights, which must now be advocated to the people in order to resist their erosion at the hands of the government or extremist groups. The global anti-terrorism campaign has further contributed to what the author terms the ‘advocacy’ mind set.

The awareness that originated in the environmental issues has turned the media’s attention to issues like ‘waste’ of natural and other resources. As the media reported on the ‘waste’ of resources, it was only a matter of time before corruption would take near centre-stage in reportage. The more the media covered the story of corruption, the more it ‘discovered’ the crucial importance of the discipline of auditing and all the institutions involved in it. As demands for transparency and accountability grew the world over so did our awareness of media’s role in it. Thus today, there is a general convergence of the role of the media and the so-called audit community, especially the SAIs.

## **Media and Auditing: The Existing Constraints**

As stated in the foregoing section, an ‘advocacy mindset’ has recently evolved in the independent media. (Traditionally, media shunned “advocacy,” as it was too close to propaganda and was associated with state controlled media in the socialist or fascist states). The transformation came from covering issues related to the ecology where merely informing the public about the state of the environment was not enough. It was necessary to ‘advocate’ what needed to be done to protect it. In fact, it was necessary to undertake a sustained “campaign” for this purpose. This ‘shift’ in the mindset of the mainstream media is a major development in the world of the free and independent media.

The challenge today is to transfer the focus of that ‘advocacy mindset’ to the issue of how our scarce resources are being used by governments, decision-makers, business houses, etc. The media should not only report on corruption, wastage, misappropriation, and other related financial problems, but should also advocate its demise by creating strong public pressure to force the government to act against them. The media, with the assistance of SAIs and other ‘watchdog’ bodies with similar mandate, must also suggest alternative policy options to inform the public what they can do as an alternative.

However, before delving deep into the subject, this paper will point out some of the major obstacles that the media need to overcome for that purpose:

### **a) Culture of Openness versus Tradition of Secrecy**

There is no denying the fact that there is a tradition of secrecy in most developing societies – partly a legacy of feudalism with its social hierarchy and partly due to the Asian obsession for ‘saving face’ where truth had to be relegated to the background to “save” somebody of any social standing. Thus, it contrasts dramatically with the needs of a democratic society whose primary faith is in openness. Democracy’s core premise is that an informed public opinion is the best guarantee for making the right decisions in running a society. However unpalatable or damaging it may be in the short run, it will ultimately be of wider benefit if the public is taken into confidence.

This spirit of ‘taking the public into confidence’ imposes on governments, private corporations, NGOs the duty to share information with the public. This sharing brings with it a sense of accountability on the part of the government and all others who manage large amount of public funds.

Openness also creates a sense of self-confidence among the people in the knowledge that power of making a change ultimately lies with them. This makes ‘public opinion’ a key factor in the decision making process and subjects all government actions to public scrutiny. Media in western democratic countries normally receive information about almost all governmental actions (save perhaps those pertaining to security), because the idea that public has a ‘right to know’ has been accepted. Herein lies the biggest obstacle for the media in the developing world where information is not considered a public right but a ruler’s prerogative. Without any freedom of information act and without any

tradition of openness, media in the developing countries literally face a ‘wall’ when it searches for official information to give to the public. If that information happens to do with failure, wastage, mis-allocation of scarce resources or outright corruption, which so often is the case, then the media is totally shut out.

## **b) Archaic Legal Systems**

In most developing countries, the auditing and financial rules and regulations that operate today are still of the colonial vintage. The overall administrative set-up of the colonial era was to have command and control of the people – that was how the legal system was structured. There was no question of accountability to the people, let alone involving them in running the affairs of the state. The psychology of secrecy that permeated through everything the government did was all the more stringent in the case of financial matters. Whatever accounting and auditing there was in existence was mainly for the benefit of the rulers.

The administration that followed the independence of the former colonies inherited the same mindset that led them to retain literally the same laws and practices. The command and control psychology remain unchanged, with the only difference being that instead of reporting to the colonial master, the system now reported to the national elite. It is quite interesting to note how little things have changed in terms of government making their expenditures public. In most countries, like ours, the budgeting process brings to light some set of figures, which are mostly organised and made public simply to justify the government’s point of view, rather than from any spirit of public accountability.

Some amendments in the legal framework may have occurred over the last several decades, but the bulk of it remains totally out of tune with the needs of the modern era. In most countries, the responsibility of monitoring government expenditures rests with the office of the Auditor and Comptroller General (CAG) or some similar office. In addition, there is some sort of parliamentary oversight bodies, like standing committees on public expenditures, etc. They operate with varying degrees of effectiveness. But what is perhaps regrettably common is the absence of binding law that will ensure that the public has access to what the audit bodies are digging out. The findings of the CAG’s office are sent to parliamentary committees, who hold discussion in camera, thereby totally shutting out the public from knowing the contents of these reports, which have been prepared with public money. The extent of media coverage is totally dependent on the willingness of people in the know of things to talk informally to the media.

In the absence of any freedom of information act, all government actions are covered by the old colonial ‘official secrecy act’ which prevents public access to all official information.

There is an urgent need for creating a public demand for the enactment of ‘Freedom of Action’ or “People’s Right to Know” laws.

### **c) Corruption as a Part of Politics**

There is a rising tendency of corruption in many developing economies. The pressure of globalisation has forced many countries to lift control mechanisms without adequate legal framework to bring about a healthy free market environment. The result is that business people are now free to enjoy all the freedoms of the open market facilities without the transparency and accountability that western developed free market economies demand of their players. As a consequence of freedom without accountability, the rise of malpractice and corruption has wrought havoc in these economies.

### **d) Bureaucracy not being Performance Oriented**

In most developing countries, bureaucracy plays a pivotal role in the growth of the economy. In most of these countries, the private sector is still dependent on the job contracts dished out by the government and here-in lies the source of most of the corruption. Since bureaucracy is not performance-oriented and neither output nor efficiency will determine one's future, the speedy or accurate execution of development projects is not the goal. Siphoning off money from them is. Here, a nexus develops between the businessmen, bureaucrats, and now the representatives of the ruling party. This trio becomes a formidable combination that can operate beyond the reach of the law.

### **e) Non Transparent Business Community**

Coupled with the above is the fact that the business community in most of these countries are not transparent. The biggest proof of this is the amount of tax paid by this group. Only a fraction of the required tax is paid, while the rest is accumulated as undeclared wealth. Once a significant amount is accumulated as 'black money,' all sorts of other means are then adopted to preserve this money and generate more. This can only be done through sharing of that loot – thus the process of bribery network creation begins. Gradually everybody who has any role to play in the tax collection process becomes a member of this network and everybody lives happily except for the common people.

### **f) Criminalisation of Politics**

Regrettably, a disturbing nexus between politicians and criminals is on the rise in many developing countries. This nexus is distorting both democracy and the process of governance by institutionalising corruption. It begins with election funding, which is rising at an exponential rate in these countries. As candidates compete to outspend each other, the cost of election keeps on going up and up. Thus, elected offices are becoming "investments," which need to be "recovered" later, as spoils of the offices to which one is "elected". This has resulted in two new features in politics. First, more and more, corrupt business people with this "black money" are entering politics and easing out traditional politicians. Second, those traditional politicians who dare to remain in politics must find "black money" tycoon sponsors to underwrite their elections expenses. In fact, traditional political parties, themselves, are increasingly coming under the growing influence of these elements, thereby creating a profoundly negative impact on national politics. This process works to legitimise criminals as they earn 'respectability' by gaining elected office.

## **Media and Audit: The Possible Actions**

As stated earlier, democracy is no longer seen simply as a right to civic and political liberties, but also as a people's right to control one's own resources. As our focus changes from politics to economics and more countries enter the globalisation process, wealth creation and its utilisation take the centre-stage of public attention. Consequently, resource management has become a far greater concern for the public today than ever before. This is especially so in the backdrop of rising scientific evidence that most of our resources are limited and that some key ones among them are non-renewable. These must be utilised with the greatest of caution and in the most efficient way known to us today.

Therefore, how a government spends its resources are central to public discourse in governance. Almost as a natural corollary, it follows that the institutions that monitor the usage of resources, especially financial resources, are receiving greater and greater attention from the public. Thus, the emerging centrality of SAIs. Following are a few suggestions of the role that media can play to strengthen the role of SAIs.

### **1. Media as a Mindset Changer**

The fundamental challenge here is to see democracy in a wider meaning. So far, this political philosophy has been seen more in terms of fundamental freedoms, basic human rights, elected governments, representative parliament, etc. To all this, we must now add that democracy also means public ownership of national wealth and the right to know, supervise, and regulate how it is spent.

There is a need to reinforce public awareness that the people own national resources and not the government. We need to change the existing mind-set and transform the docility of the general public to make it far more demanding about how national resources are spent. In this mind-set changing process, the mass media can play a very vital role. The media needs to regularly carry news and articles that reinforce the point that we as citizens, voters, and taxpayers have a right to know, among other things, how our resources, especially tax money, are being used.

The media has to work towards raising public demand about their basic right to KNOW. The casual acceptance that government can keep information away from the citizens has to be vigorously challenged and a new mindset needs to be created about an open society, including the financial management aspect of it.

### **2. Media as a Resource Protector**

As stated above, media is well known for its role as protector and promoter of all sorts of freedoms and fundamental rights. Just as we need to widen the popular concept of democracy to include peoples' right to resource management, so also the media must take a far greater look into all those resource related issues such as corruption, waste, inefficiency, politicisation, and cronyism. These issues already form an important part of the media's role. The issue here is to see it in terms of overall democratic rights and not make it a subject of government's whims or a leader's magnanimous gesture. Just as it



acts as a “watchdog ” of fundamental freedoms, the media must also see its role as the guardian of public wealth with equal vigour.

### **3. Media to Ensure Transparency and Accountability in the Workings of the Government**

Of the important concepts that have been adopted to make democracy work, two fundamental ones are accountability and transparency. Just as justice must not only be done, but it must also be seen to have been done, similarly a government must not only obey all laws, but the public must see that it is obeying all laws and norms. The public must have the right to ask any questions at any time and demand information about anything, and the government must be obliged to provide it. Only then can accountability and transparency be established. If adopted, these two concepts can revolutionise the process of governance in most developing countries. As seen historically, the fear of public knowledge of any action automatically improves the quality of governance.

The most important requirement to ensure transparency is the enactment of a “Freedom of Information” act that acknowledges the public’s right to know everything that the Government does. We must work to raise public awareness of its necessity and benefits, and assist those bodies and organisations that help to mobilise public opinion behind it.

### **4. Media as the Upholder of the Law**

The legal framework within which a society operates constitutes a vital part of what may be called the ‘intellectual infrastructure’. This is among the most important “infrastructure” that a country can have. The legal environment is like gravity that influences our every action and yet most of the time we are not aware that it exists. There are three very distinct functions of the media that needs to be delineated here. The first function is to inform the public of the rights provided by the constitution and the statute books – rights as a citizen, as a taxpayer, and as a voter. Frequently, people don’t know the extent of their rights and are not aware when they have been denied or violated. The second is to play the watchdog’s role by keeping a vigilance on the government, especially on the secret services, police, and all other agencies of coercion. Regular and vigorous reporting on the ‘rights’ issues and their abuses are necessary. The third function of the media in this regard is to examine the existing laws and see, with the assistance of specialists, how adequately they serve citizens of modern society. Constant examinations of the existing laws are necessary to make them serve better the needs of citizens of 21<sup>st</sup> century democracies.

## **5. Media holding Political Parties to their Election Pledges**

The usual pattern of politics in developing countries is for political parties to promise the world to the electorate to get votes. Once an election is won, the pledges are forgotten and the voters are marginalised. In most developing countries, there are no ‘petition’ or ‘recall’ mechanisms either to bring something to the government’s attention or government or reprimand it for having broken a promise. In fact, voters are helpless between elections and can be said to be totally at the mercy of their elected representatives. The media is the only vehicle through which the public can put any pressure on the elected representatives or ruling party to fulfill their election pledges.

### **The Daily Star Experience**

Our newspaper started publishing in January 1991, with a strong belief in independence of media and social responsibility. From the outset, we took the position that straight reporting, news commentary, and editorials should be blended with ‘advocacy’ in the areas of environment, gender issues, human rights, and the overall values of democracy. This was prompted by our several bouts with military rule. We wanted to negate the possibility of similar eventuality by widespread inculcation of democratic values. In addition, the social and developmental challenges faced by Bangladesh made it only natural that a national newspaper like The Daily Star would bring a strong sense of social responsibility to journalism and have a large commitment to issues of poverty alleviation, human resource development, education, public health, etc.

However, what gained our main focus was the fight against corruption. Almost all institutions in the country became afflicted by this ‘disease’ and our overall growth performance slowed as a result. We started carrying regular reports on corruption, abuse of power cronyism, and other related subjects. We started interviewing people from all walks of life to build an atmosphere of public outcry against corruption. We made special reports on illegal occupation of land and ‘disappearing’ public parks, lakes, and open spaces in city centers. The Daily Star’s reportage made significant inroads to safeguard the urban landscape.

Our particular success has been to organise roundtable conferences on various important national issues. In these roundtables, we brought together decision makers, political leaders, professionals, researchers, stake holders, civic society members, and representatives from NGOs. In these meetings, we were able to create a sense of dialogue between various groups and by having an open and democratic discussion bring out a series of recommendations that were owned by them all. We transcribed the proceedings of the whole discussion and, after necessary editing, published them in a four page supplement as a part of the paper. Through this supplement, we shared with our general readers what the participants said in the confines of the conference room. After publication, we opened our editorial page for public comments on the discussion and also invited letters on them. To cite an example, we held a roundtable on child prisoners in Bangladesh and carried on a campaign until they were released or sent to adolescent homes, where they were supposed to have been kept in the first place. In these meetings, we try to bring in all the different parties to a controversy and encourage them to work

out their differences and move towards a solution. We have even brought together, on several occasions, our two major political parties who are perennially given to confrontational politics. However, we are yet to succeed in making them come to an agreement on important national issues.

Our roundtable experience has now become a standard practice among other newspapers and the NGO community. I propose that such roundtables could be organised in other countries on auditing and related monitoring issues and a strong public opinion can be created to support all initiatives in this direction.

In carrying on our reportage on corruption and the waste of resources, we made heavy use of the reports of the office of the Comptroller and Auditor General (CAJ). Established in 1973 under the Constitution, it performs the very important role of identifying administrative and financial irregularities and corruption in public offices. It audits the accounts of 22,885 administrative units through 10 audit directorates.

Introduction of performance audit has added a new dimension in the accountability process. Still at its infancy, performance audit is not yet fully understood by all and CAJ's office is finding it difficult to move forward with this.

Two major problems faced by CAJ are: a) the delay in reporting and b) the lack of discussion in parliament of the reports it produces. A huge time lag exists in bringing out audit reports. In many cases, there is a four to eight years time lag, which has greatly diminished the usefulness of these reports. Recently, the delay has been somewhat reduced, but the reports are still far from being current. The tragedy is that even the delayed reports are not adequately discussed in the parliament, where they are submitted through the office of the President. According to CAJ's office, as of August 2002, a total of 770 reports were submitted to the parliament of which 690 were annual reports, 75 special reports, and five performance reports. Of them only 120 annual reports, 20 special reports, and one performance report were discussed. This means that only 141 of a total of 770 reports were actually discussed. This is a good example of how the accountability process stands subverted by the parliament not doing its job on time. Efforts by the CAJ's office comes to naught when nobody takes a look at them. When corrupt officials see such a state of oversight function by the parliament, obviously they do not need to fear the auditing process.

If there is one area where the media should come out very strongly it is to advocate for greatly strengthening the office of CAJ in terms of authority, independence, resources, staff, training, and public recognition. CAJ's office must be made totally independent of all controls, both direct and indirect, from the executive branch of the state. Without this separation, the audit function cannot reach the effectiveness that is required in a 'transparent and accountable' democratic state.

## **Conclusion**

As argued earlier, democracy in the age of globalisation must be taken to mean the peoples' right over resource management. As the focus increasingly shifts toward resource generation and national economic growth, we must also now turn greater attention to issues of corruption, waste, and the inappropriate use of scarce resources. The key to doing this is strengthening the SAI and other institutions of financial management and auditing. We need to educate and create strong public opinion to set up newer institutions that can produce trained human resources in the field of auditing. It is this author's firm belief that without greater control over how our resources are being spent, without better financial management, and without greater accountability of government spending, we cannot create a better society for ourselves.

To achieve these goals, a vigorous supporting role by the media is necessary. Tremendous scope exists for effective collaboration between SAIs and the media to push forward a genuinely 'accountable and transparent' governance process without which neither democracy nor economic prosperity can attain their true potential.