

Strengthening Performance Audit through Civil Society Engagement

As a result of an agreement between Program for Accountability in Nepal (PRAN) and the OAG in 2013 to involve civil society in the auditing process, Performance Auditing was carried out earlier this year in collaboration with the PRAN CSOs in Kapilvastu. This collaboration promises to maximize the efficiency and impact of auditing through engagement with other stakeholders.

“It is important to reach out and hear the concerns of those for whom the budget is made. The budget is for everyone and therefore feedback is important from all corners of Nepal, particularly as the demand side is equally essential in the auditing process. That is why we are here,” said Ms. Bimala Subedi, Deputy Auditor General of Nepal during a discussion at the performance audit in Tilaurakot VDC of Kapilvastu on 28 January 2014.

Over 50 people from Tilaurakot VDC, including PRAN’s sub-grantees working in Kapilvastu district, officials from Office of the Auditor General (OAG), VDC Secretary and local media participated in the OAG performance audit to share their opinions and experiences about their VDC budget.



Ms. Bimala Subedi, Deputy Auditor General of Nepal, speaking at the event.

Objective of the Discussion

The objective of this discussion was to facilitate the engagement between the supply side (Office of the Auditor General) and the demand side (CSOs) to enhance the quality and impact of performance audit in Nepal. This interactive process helped in understanding the budgetary concerns of those at the community level so that the OAG would be able to implement the changes for better performance development at the VDC level. The discussion focused on the allocation of VDC budget and how it was planned and implemented; whether it followed the budgetary guidelines of the Ministry of Finance.

PRAN’s CSOs helped mobilize the discussion by bringing those at the local level to participate at the meeting. Through PRAN’s intervention, those present from various wards of Tilaurakot VDC expressed their honest opinions helping the auditors with the required information about the performance of the VDC secretary and the service provided by the VDC office. This ensured that the feedback that OAG received was transparent, unbiased and came from diverse sections of the society. The process helped the auditors to make informed decision for better accountability of the budget at the VDC level.

“In the previous years, we didn’t receive the promised trainings on computer literacy and sewing/ knitting which were clearly committed to us by the VDC.” expressed Geeta Srivastva of Tilaurakot Ward no. 3. “Women participation exists during the formal meetings but those of us who really know the truth about the VDC budget are not invited in those meetings. Interestingly, I never get invited to the VDC meetings, but somehow my signature and name ends up in the minutes. This is the reality of women’s participation in our VDC,” she explained.

During the performance audit, the OAG representatives asked a range of questions relating to the participation of Dalits and women in the budget planning processes, as well as issues about the prioritization of development projects in the villages and about the proper distribution of social security entitlements.

Speaking at the event, PRAN’s Coordinator, Keith D. Leslie, expressed the need for better cohesion between the community and the government offices in relation to their budget: “It is important to openly and honestly express your concerns about the budget like you did today as the GoN budget comes for your development. There is a misconception that the budget belongs to the government but it is your budget! These resources belong to the people, like yourselves. You should put your concerns and ideas on the table for all to hear.”

Impact of the Engagement between the Community and the OAG

This type of arrangement has paved way for the OAG to access information through CSOs which had not been the case before. This is the first time in the history of Nepal that OAG has worked with external stakeholders to augment the existing system of auditing. Performance Audit is one of those areas that the supply side (government) has now reached out to the demand side to improve the quality of public service delivery. It is hoped that the role of CSOs would eventually improve the quality of performance audit through the CSOs who would empower the communities to demand for better public financial management and to build a bridge between the government and the community.