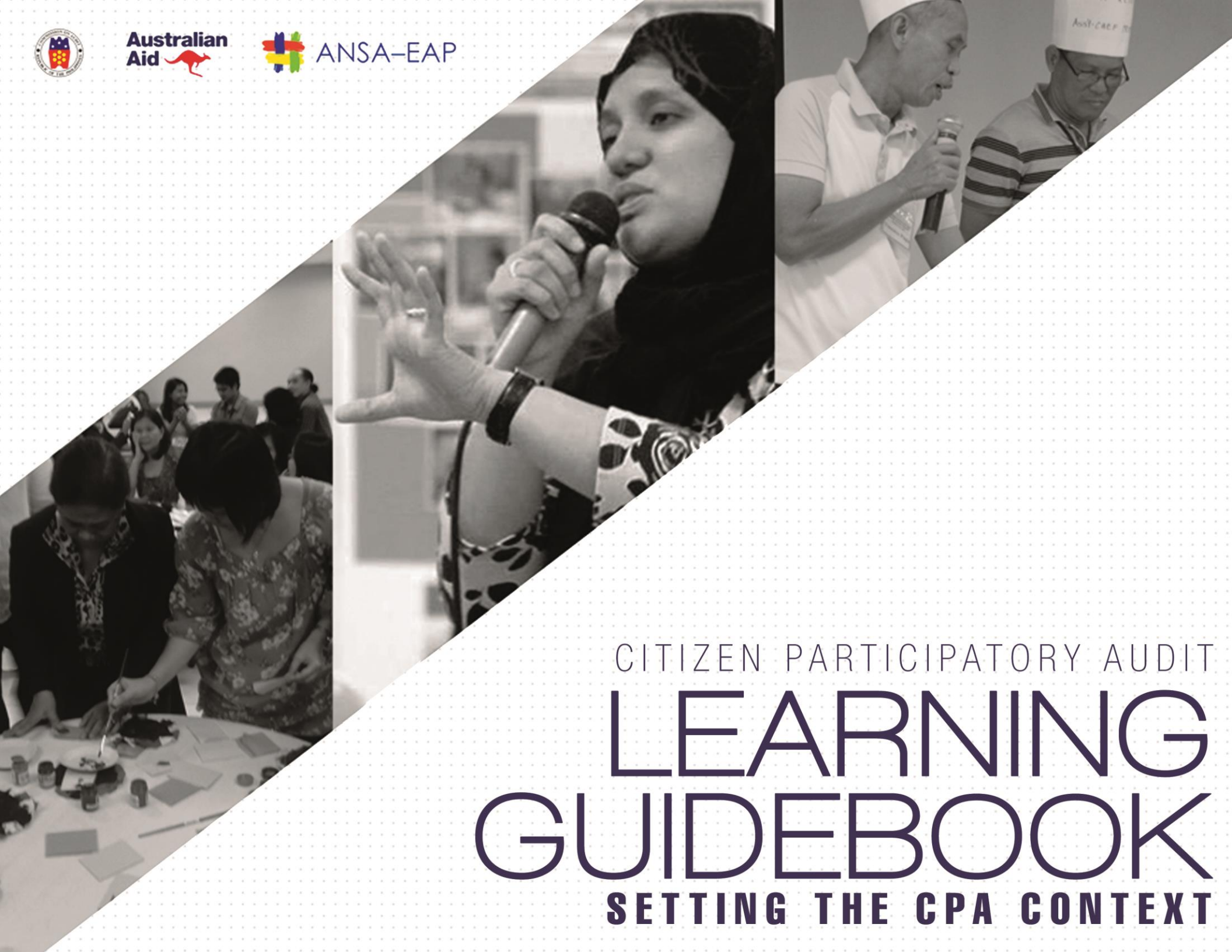CITIZEN PARTICIPATORY AUDIT

LEARNING GUIDEBOOK

SETTING THE CPA CONTEXT

SETTING THE CPA CONTEXT

CSO 101 – Understanding Civil Society and Citizen Participation

SESSION OVERVIEW

This session will surface, clarify and discuss perceptions about civil society organizations, their roles and the dynamics of their participation in the context of auditing public services.

In undertaking a few activities (sub-sessions), the following should be done: a) discussion of the intersection of the three stakeholder groups in good governance: government, business/enterprise, and civil society; and b) discussion of CSO' contribution to governance (in general) and to the CPA Project (in particular).

LEARNING OBJECTIVES

At the end of the session, participants would be able to:

- Describe the roles and relationships of the three (3) stakeholder groups in governance: government, civil society, and business/private enterprise;
- Articulate their (clarified) perception and reactions/feelings towards citizen groups or CSOs;
- Describe the history of citizen participation in Philippine development; and
- Identify a short list of the role of CSOs in the CPA project.

SUGGESTED ACTIVITIES

- 'Mood meter' on participants' perceptions of and feelings, reactions towards CSOs

- Discussion on the historical perspective, roles and contributions of CSOs

- Synthesis: Lessons learned

- Reflection/Conclusion: 'Comparing two Mood Meters'

MATERIALS/EQUIPMENT

- Improvised 'mood meter'
- Easel sheets
- Markers
- Masking tape
- Scissors
- Metacards
- Projector
- Slide presentation

TIMEFRAME

This session is designed for a four (4) hour run.

METHODOLOGY

- Small group discussions on: Mood Meter towards CSOs, lessons gained

- Lectures/presentation

- Q&A

- Reflection: "Has the mood meter towards CSOs changed?"

Suggested opening activity: 'Mood meter' on participants' perceptions of and feelings, reactions towards CSOs.

Instructions:

1. Go to the mood meters that best describes your feelings when you hear or think about the term "CSOs, NGOs, etc."

2. As a group (under a feeling), discuss and share stories or experiences why each member feels that way about CSOs/NGOs. Deepen your discussion.

3. Using the mood meter, measure how happy/sad/angry your group feels, and report the highlights of your group sharing (5 mins).

CONTENT

The government, the private sector, and the civil society

Three (3) political actors are involved in governance, namely:

- The State – representing the public good
- The corporate sector – represents private interest
- Citizens – represents civil society or private for public good

Defining CSOs

CSOs are defined differently by various authors and organizations:

- *"Civil society is composed of autonomous associations which develop a dense, diverse and pluralistic network. As it develops, civil society will consist of a range of local groups, specialized organizations and linkages between them to amplify the corrective voices of civil society as a partner in governance and the market"* **(Connor, 1999 as cited by Briones, 2013).**

- It is "*a wide array of nongovernmental and not-for-profit organizations that have presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious, or philanthropic considerations*" **(World Bank, n.d. as cited by ANSA-EAP, 2010)**

  It is (David, 2008 as cited by ANSA-EAP, 2010).
- *"distinct from the government and the private sector and consists of a diverse range of individuals, groups, and non-profit organizations. They operate around shared interests, purposes and values with a varying degree of formality and encompass a diverse range—from informal unorganized community groups to large international labor union rganizations*" **(Asian Development Bank, 2013)**

Overarching goal of CSOs

CSOs in the Philippines have three (3) overarching goals:

- To make claims and demands on the government based on certain organizational principles and interests

- To serve as an alternative to government in providing services to the people

- To serve as self-help organizations where members help each other

Sub-categories of CSOs

TIP FOR FACILITATOR: Ask the participants, "What do you think is the difference between a CSO and an NGO?"

- **People's organization (POs) -** (*also known as community-based organizations*) usually a membership-based organization formed on a voluntary basis (occasionally with full-time staff). They represent marginalized groups, often organized based on sector, issue, or geographical area. The Philippines' policy environment has provided venues for broader participation of POs. For instance, POs maximize opportunities stated in the Local Government Code of 1991 to engage local government units through local government bodies, as well as the Party List Law of 1996 for possibilities of formal participation (through proportional representation) in the Lower House of Congress.

Some example include labor unions, homeowners' associations, transport federations

- **Development non-government organizations (or simply NGOs)-** "intermediate agencies and institutions that operate with full-time staff complement and provide a wide-range of services to primary organizations, communities and individuals."

In the Philippine setting, NGOs and POs usually work together.

- **Think Tanks, Policy Research Institutes, and the Academe-** basically engaged in research and policy advocacy. Apart from policy development, some think tanks in the Philippines today also delve into the specifics of national and local policy implementation.

- **Cooperatives-** are "organized to meet common economic and social needs through the operation of a jointly-owned and democratically controlled enterprise" (CSRI, 2011). They are not entirely "non-profit" as they generate incomes and split dividends to its members who are primarily economically-

challenged, usually aimed at self-help and economic empowerment.

- **Media Non-profits-** They help in building the capacities of CSO advocates on media relations, communications, and monitoring of elections, corruption, transparency, accountability, among others.

The following also falls under the CSO category:

- Foundations and social welfare organizations
- Civic clubs

- Religious orders/congregations

- Political parties

- Mass organizations

- Social Movements

- Coalitions and network of CSOs and umbrella organizations

The role of CSOs in advancing Good Governance

CSOs can work toward good governance at different levels:

    a) policy;

    b) project implementation or enforcement; and

    c) evaluation

How citizen groups can promote good governance:

- By exerting influence over government by shaping public opinion toward public institutions

- By giving citizens opportunities to communicate issues and concerns. By supporting marginalized sectors in order to participate in the process of negotiations for change in the government. This can be done through the following activities:

    o   Analyzing and advocating policies;

o   Managing regulation and monitoring of state performance and the action and behavior of public officials;

o   Supporting citizens in identifying and articulating their values, beliefs, civic norms and democratic practices;

o   Mobilizing constituencies, particularly the vulnerable and marginalized sectors, to participate more fully in politics and public affairs; and

o   Doing development work to improve their own well-being as well as of other communities.

The Legal Framework for CSOs

The 1987 Philippine Constitution provides the legal framework for the participation of CSOs in government affairs as articulated in these provisions:

- Article II, Section 23: "*The State shall encourage non-governmental, community-based, or sector organizations that promote the welfare of the nation.*"

- Article XIII, Section 15: "*The State shall respect the role of independent people's organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means […]*"

- Article XIII, Section 16: "*The right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms.*"

Many laws also recognize and promote CSO participation in the country's development. Among these are:

- Local Government Code of 1991

    o   provides participation of CSOs in local governance, for instance, in local development

planning and policy-making and in the delivery of social services.

o   mandates the formation of local development councils and other local special bodies (including the local health and school boards) that must have CSO members.

o   For some administrative orders of the central government implementing constitutional provision and the LGC on citizen participation, require that all councils in all levels should be represented by various CSOs.

- Social Reform and Poverty Alleviation Act of 1997

    o   Created the National Anti-Poverty Commission (NAPC)—a coordination and oversight body chaired by the President of the country to ensure that social reform addresses the basic inequities in the country. NAPC has 14 sector representatives that are elected by and accountable to assemblies of sector CSOs and their elected sector council.

- Philippine Volunteer Act of 2007

    o   policy to promote participation of the various sectors of the Philippine society in order to attain national development and international understanding.

CSO registration in government is not legally mandatory, and many people's organizations and other small organization actually do not do so. However, only registered organizations gain a legal status that allows them to enter into contracts, open a bank account, and raise public funds.

Four (4) government agencies provide primary registration for CSOs to get legal and juridical personality:

1**) Securities and Exchange Commission (SEC)** for many types of CSOs;

2) **Cooperative Development Authority (CDA)** for various types of cooperatives;

3) **Department of Labor and Employment (DOLE)** for labor unions, labor federations, and rural workers' associations in accordance with the Labor Code of the Philippines; and

4) **Housing and Land Use Regulatory Board** for homeowners' associations (HOAs) based on the Magna Carta for Homeowners and Homeowners' Associations.

CSOs who wish to take on particular activities need secondary registration/accreditation, licenses or permits from other government agencies (e.g. DSWD, DOH, DepEd, CHED, TESDA). Registered CSOs are required to submit annual reports, including audited financial statements to their registration agency. However, not all agencies manage to effectively monitor all CSOs registered to them. Most of the time, they can only investigate CSOs when complaints are filed against them, or when they are involved in irregularities frequently reported by media.

In 1998, six of the largest NGO coalitions in the country established the Philippine Council for NGO Certification

(PCNC) to certify NGOs based on specific standards. (ADB, 2013)

CSOs in CPA

Figure 1. The Spectrum of Citizen-Government Engagement (Briones, 2014)

Citizen Participatory Audit (CPA) is guided by the principles of Social Accountability, defined as the "constructive engagement between citizens and government in monitoring government's use of public resources to improve service delivery, protect rights, and promote community welfare" CPA does not adopt anti-corruption where citizens take on the role as watchdogs, sometimes associated with "finger-pointing" and "blaming-the-other"; nor co-optation as a strategy to silence the opposition.

Opportunities for CSO engagement (Talavera, 2012)

	AREA OF PARTICIPATION	METHOD OF PARTICIPATION
Civil Society Organizations (CSOs)	Whistle blowing	Detection of potential cases of corruption in public expenditure and reporting to SAIs
	Public awareness campaign about the aims and benefits of social audit	Using the media, public forums, door-to-door visits
	Build citizen literacy on public financial management	Training management (e.g. on the basics of financial management)
	Independent Budget Analysis (IBA)	Research, advocacy and dissemination of information on issues related to official budgets
	Participatory public expenditure tracking (PPET)	Tracking how the public sector spends the money that was allocated to it
	Participatory Performance Monitoring (PPM)	Citizen and community scorecards that solicit user feedback on the performance of public services
	Open up communication channels to report cases as potential subjects for formal audit	Dialogues with SAIs
	Public pressure	Publicizing SAI's audit recommendations to pressure government to take action
		Monitoring of implementation of audit recommendations
		Transmitting relevant information to government officials who are in a position to act on it
		Undertaking intensive public awareness program (e.g. interactive web-based platforms linked to mobile phone technology)
	Assist in performance auditing	▪ Initiate and facilitate the audit ▪ Gather information ▪ Collate information ▪ Distribute information

	AREA OF PARTICIPATION	METHOD OF PARTICIPATION
		- Conduct public hearings - Prepare formal report and distribute to senior state government officials, the media, and other groups engaged in anti-corruption campaigns
		Develop performance indicators
		Designing data gathering instruments (e.g. questionnaires)
		Augment limited SAI capacity to undertake performance audits
		Convene public dialogue meeting(s) to allow community members to discuss the evidence with authorities or service providers, and to plan and implement changes
		Follow up with public officials regarding the proposed changes or remedial actions
Non-government organizations (NGOs)	Capacity building of CSOs and individuals	Specific training courses on the procurement law to capacitate them to monitor public procurements
	Capacity building of SAI	Training in the use of audit tools (e.g. tool to determine the true (fair-market) cost of a publicly procured good or service and compare that cost to what was paid for the good or service)
Communities	Assist in performance auditing	Assist in data gathering and processing data - Key informant interviews - Household surveys - Public hearings - Providing feedback on poor practices of government organizations - Recommending changes
		Acting as citizen auditors (designated by the SAI or service

	AREA OF PARTICIPATION	METHOD OF PARTICIPATION
		provider) to validate complaints and grievances filed by citizens
		Social audit to discuss the legitimacy of public expenditures
		Selecting or developing indicators for specific programs/ projects; and collection of evidence in relation to the agreed indicators
	"Integrity Circles" composed of respected men and women from local communities selected through community consultation	Systematic consultation for empowered "suggestions" to government organizations
Specialists or Subject Matter Experts / Academe / Think Tanks / Policy Institutes	Assist in performance auditing	Unbundle information and collect and analyze data using techniques that will guarantee credibility and objectivity
		Share professional knowledge in relation to audits conducted by the SAI
		Development of meaningful audit findings that can be understood by all stakeholders and used to shed light on a policy/program/ service/issue and provide appropriate recommendation
		Produce high quality research including the analysis of the vulnerabilities/risks that enable grand and administrative corruption, benchmarking institutional performance against international standards and best practices
		Integrity/Transparency Index for individual government offices
		Service performance index to rate and rank government services on a variety of scales including coverage, quality and citizen satisfaction
Media	Advocacy work	Provide public access to information

	AREA OF PARTICIPATION	METHOD OF PARTICIPATION
		Evoke strong citizen/ public support
Development partners/ Donors (e.g. WB, ADB, JICA, USAID, UNDP)	Technical assistance programs	▪ External expertise, ▪ Training, ▪ Capacity building, ▪ Necessary equipment to assist SAIs in carrying out their functions more effectively.
		Fund support for conducting audits
	Higher-level policy pressure	Conditionalities linked to policy lending or budget support
Advisory Committee composed of experts from all walks of life who are active in civic groups	Offer advice on SAI's audit direction or on audit-related policies	
	Communicate concerns and suggestions from external parties	

Engaging CSOs in CPA

The Commission on Audit (COA) Memorandum on the *Operational Guidelines for the Citizen Participatory Audit project* (2012) Section IV identifies specific criteria for CSOs and CSO members. It also spells out the role and functions in CPA engagement

According to the memorandum, CPA partners with CSOs that:

1. Has no conflict of interest vis-a-vis the project subject of the audit as per definition of RA 9184 or the Government Procurement Reform Act;

2. Has complied with tax laws, rules and regulations, as applicable;

3. Should be willing and ready to engage with the Government even without remuneration;

    b. Has managed and completed programs and projects,

    c. No adverse feedback or information about the organization and their leaders, officials and members, and

    d. No criminal or civil cases.

4. Can mobilize their staff, members, volunteers, and other partners for this project;

5. Are able to show their strong presence in their area of operation;

6. Has established track record and credibility:

    a. Has existing or previous partnerships with government agencies,

TIP FOR FACILITATOR: It would be best if a copy of the memorandum is distributed to the participants for easier reference. On this topic, it shall be cleared that the CPA follows a certain criteria in partnering with CSOs as one mechanism, for instance, to protect the credibility of audit findings and manage expectations.

REFLECTION

Suggested activity: Small Group Discussion

Instructions:

1. Identify and discuss any insight and/or lesson gained from the inputs and the discussions:

   • Concepts and definitions of the term "CSO"

   • Role of CSOs in governance and development

   • How CSOs operate

   • Ethical practices of CSOs

   • Implications of CSO participation in the CPA project

2. Write these on idea cards (follow the IDEA CARD RULES)

3. Post these on the board

CONCLUSION

Suggested activity: Has the CSO mood meter changed?

Instructions:

1. Taking note of the discussions, go to the mood meters that best describes your feelings when you hear or think about the term "CSOs, NGOs, etc."

2. As a group, compare and discuss each members' mood meters' 'then-and-now', then come up with one measure (per group).

3. Report highlights of your group sharing (5 mins).

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For more information, you may visit the following websites:

www.coa.gov.ph

www.i-kwenta.com

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