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What Needs to be Done to Improve Government Accountability

insight

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Every organization—even a government—needs a vision. But who audits governments' results? Political scientists would tell you that voters do. Economists would tell you that investors do. Historians would tell you that they do. But in reality, internal auditors—unelected people who exercise enormous influence on how policies are implemented—carry out much of that oversight.

Behind Strategic Visions

The 1980s saw a convergence of forces that continues to affect governments today. The Reagan-Thatcher revolution brought to the fore the notion of governments working like companies. Michael Porter and other management gurus introduced strategic visions. A new generation of social scientists collectively developed “new public management,” with a focus on objectives and performance-based contracts. As a result of these developments, long-term (10-20 years or more) plans became popular among governments.

With such broad goals as “[becoming](#) a nation with leading, global influence by 2050,” Chinese national plans are no stranger to this type of long-term, lofty visions. The US Government Accountability Office [has](#) its own four-year

strategic plan. Ghana's government [published](#) its Vision 2020 strategy in 1995. Brunei's Sultan gave royal assent to that country's Vision 2035 in 2004. Though, unlike the highly specific central plans of, say, the USSR in the 1940s, these strategies focus on broad objectives such as "becoming a 21st-century knowledge-based economy." Successive governments must fill in the details themselves.

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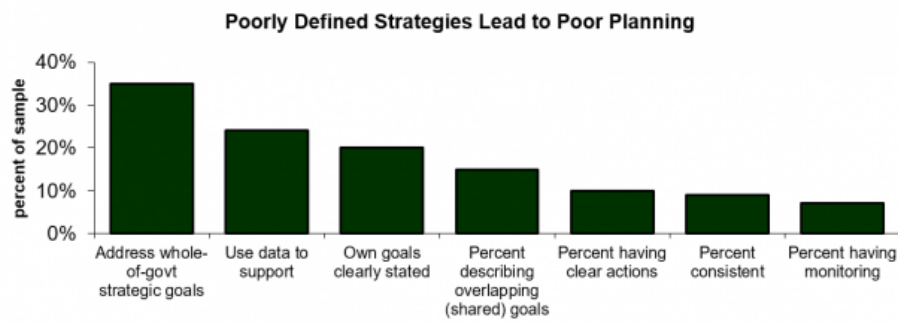
Behind these plans stands an office usually [identified](#) as the center of government. The center of government, often consisting of a small staff supporting the head of government, keeps government programs aligned to the vision. As shown in the popular American TV show *The West Wing*, these individuals (usually non-political appointees) deal with topics and crises as varied as the country's nuclear strategy, its response to a refugee crisis, fluctuating exchange rates, and a water fountain breaking down at a local school. Most importantly, they look at the budget, the list of activities each government department wants to fund with that money, and previous years' results. They may ask different departments across the government to collaborate in looking for ways to combine, split, add, or subtract programs, all based on the vision.

These broad visions and plans [have drawn](#) criticisms from many social scientists, who note the outsized influence of majorities, powerful groups, vested interests, and liberal discourse. Unfortunately, these criticisms—aside from being operationally unhelpful—often remain hidden from popular view in academic journals and specialized conferences. These drawbacks, in my opinion, make a more practical approach to assessing long-term governmental plans necessary. This is where audits come in.

What Does a Whole-of-Government Audit Look Like?

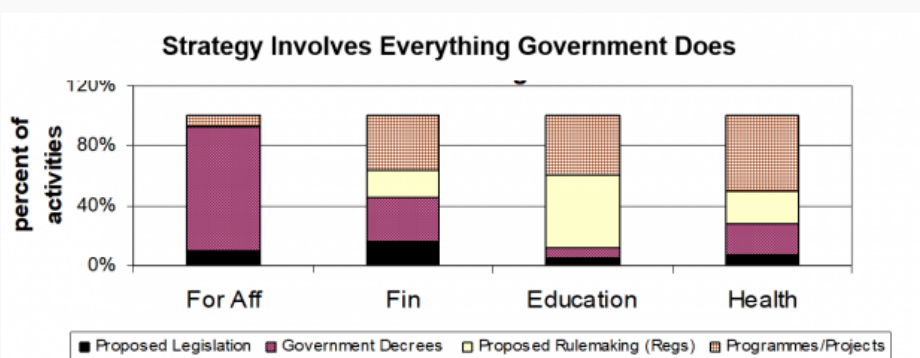
What is your government's vision? How diligently does the center of government compare agenda items with that vision? Do you know the cost-benefit trade-offs involved in the policies you read about in the news? Or their success rates? The answers to these questions can be found in an auditor's work. Auditors look at risks, quantify them, and observe how governments tackle them.

The figure below shows, for the European governments I and my team audited, the percentage of programs that matched each of the prescribed criteria. Notably, only 35% of these countries' programs aligned with strategic goals set out in the governments' visions. About 25% of these programs utilized data to measure success, and only 20% stated their own goals clearly. Fewer than 10% featured any kind of monitoring. From this, we can see that whole-of-government audits flag system-wide problems that individual audits could not.



The data in the figure come from a stratified random sample of strategic plans submitted by ministries and agencies across central governments. We have aggregated across countries in order to conceal the identity of the countries involved (though we can say each country's executive agencies submitted at least 30 strategic plans). We assessed each strategic document according to the criteria shown in the figure. We used binary categorical variables (yes or no) in order to provide data for analysis of variance later. We loosely weighted our sample by the budgetary allocation of the ministry or agency in order to weight each document by importance. If the country clearly placed an emphasis on a particular ministry, we made sure to look at its strategic document. We have rescaled these data in order to conceal the identity of the countries involved.

Whole-of-government audits often consist of mapping laws and programs from conception to delivery. The figure below shows the results of another one of our assessments, looking at the spread of strategically significant activities in four important ministries. As can be seen, this particular government's Ministry of Foreign Affairs relied on government decrees, whereas its Ministry of Health (unsurprisingly) relied on programs and projects. Everything a government does either helps the strategy—or not. Only an auditor can assess this across the whole government.



When done across a wide number of countries, the results of whole-of-government audits show precisely how much they are needed. A study done by Michal Ben-Gera revealed that 35% of European countries lacked strategic planning. In 54% of these jurisdictions, governments did not respect deadlines set out in their medium-term plans, and 20% lacked annual work plans altogether. Only 58% of these governments took minutes of their meetings. While centers of government provided recommendations to governmental departments in 73% of these countries, 46% of them refused these recommendations. These results show the long way that

countries around the world still have to go to implement a truly vision-based view of government.

Coaching from the Center

Ironically, as the situation stands today, China represents a best-case scenario for whole-of-government audits. With around 65 years of practice in vision-based governance, China has implemented myriad plans that have influenced and been influenced by its ever-changing society. But, aside from the fact that plans have been formulated and implemented without any democratic participation, there is one fatal flaw standing in the way of a true whole-of-government audit for the country: there are no reliable data. The success (or lack thereof) of China's five-year plans simply cannot be assessed without objective data.

Audit reports stay secret, especially in China.

What China has done that few other countries have is explain its broad vision to the workers and line managers on the ground—the central government understands the importance of coaching from the center. Many governments have stated long-term visions, but few have managed to instill that vision in broader society. Having trainers go to local companies to explain the programs and sell the vision goes a long way to achieving lofty goals. These trainers should be one part McKinsey consultant, one part cheerleader, and one part bean counter. Most modern multi-party democracies would chafe at the cost and degree of control required for such training. Indeed, we could learn much about coordination from China—if we were allowed to study it. Audit reports stay secret, especially in China.

A Necessary Openness

This brings us to the question of openness. We only know about the effectiveness of vision-driven plans and whole-of-government audits because European countries, cajoled by the Organisation for Economic Co-operation and Development, [made](#) their experiences public. Much of the US' experience with such plans and audits remains hidden behind state-secret laws. Even the UK shares far less than it could and should. In some other countries, an attempt by an auditor to share whole-of-government results could have deadly consequences. The fact that so few people even know about these visions and audits only underlines my point. As more countries come to see the value of whole-of-government audits, maybe they will play a bigger role in society. But first, we need the audits already completed declassified.

Note: This article's lead was amended on July 6, 2018.

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