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“Effective and efficient management of state finances constitutes a crucial duty of any government. A state’s monies pay for important public services such as education, healthcare, law enforcement, public roads and railways.”

EXECUTIVE SUMMARY

This study seeks to investigate stakeholder perception of applying the public participation approach to the management of public finances, specifically with regards to the operations of the Office of the Auditor-General (OAG), in order to improve accountability and transparency in public fiscal matters.

The study and its findings are based on extensive research, including: a comprehensive desk review of relevant international and national literature; a range of key informant interviews with financial sector and media representatives, parliamentarians, government officials and civil society; and a supplementary questionnaire-based survey with selected stakeholders.

Effective and efficient management of state finances constitutes a crucial duty of any government. A state’s monies pay for important public services such as education, healthcare, law enforcement, public roads and railways. Without functional public services, society would be severely hampered in its overall economic and social development. In addition, citizens would see little need for or value in contributing to the government’s coffers.

State finance plays an important role in national economies, especially in developing countries. Government funds are an important source of financing for public development projects such as bulk water infrastructure.¹ Such budgetary development expenditure can also be a useful policy tool to stimulate local economic growth, as well as support businesses and job creation. All these factors underscore the need for competent management of public finances. For democratic states in particular, it is important that governance mechanisms are put in place that ensure that public finance is not only managed sensibly, but also in a transparent and accountable manner. After all, state revenue comes from taxpayers, businesses, ordinary citizens (via standard tax on goods and services), public services and regulatory fees.

Citizens and residents want – and have a right – to know what this money is utilised for. Ideally, evidently poor management or the outright corrupt handling of public finances should lead to negative consequences for the officials and politicians involved, as well as reforms on public spending. Thus, the transparent and accountable management of public finances should lead to a better use of public monies for all citizens, curb mismanagement and corruption and result in an overall more effective and responsive public sector.

The practical application of competent fiscal management in the public sphere, is grounded in national legal frameworks and the existence of specific government institutions, such as a public audit office, the Ministry of Finance (MoF) and Parliament, who are tasked with ensuring fiscal management and oversight. Nevertheless, international experience has shown that such mechanisms are oftentimes inadequate in ensuring a high level of transparency and accountability regarding the use of public monies.

¹ Smith, Jana-Mari. “N\$3bn for water security.” Namibian Sun. May 27, 2019.



Even industrialised and mature democratic nations struggle to address wastage and maladministration of public finances, with elected representatives and officials often turning a blind eye to audit recommendations. There is adequate evidence that this issue is also affecting Namibia's public sector.

Partly as a result of this condition, as well as broader governance developments over the past decades, various stakeholders and organisations globally have called for reforms of how states manage and account for their public finances. One example concerns the push to make government budgeting processes more transparent and inclusive – an endeavour promoted by the International Budget Partnership (IBP), a non-profit organisation.² The drive for fiscal management reform in the public sector has not passed public auditors by, and in response many states have developed and expanded the audit activities conducted by their respective Supreme Audit Institutions (SAIs). SAIs have, for example, focused increased efforts on publicising and communicating their work since the 1990s.³ The rise and increasing sophistication of performance auditing in the public sector is another development of the fiscal reform agenda.⁴

A further undertaking to improve transparency and accountability in fiscal matters is the introduction and application of public participation into the operations of SAIs. Engagements with stakeholders as well as the broader public utilise methods such as town-hall meetings, consultations with interest groups and associations, and formal complaint mechanisms. International evidence suggests that public and stakeholder engagement opportunities improve governance outcomes in many areas of public concern.

Globally, most SAIs are still at the beginning phase of implementing comprehensive and formal public engagement efforts as part of their operations. Public auditors and institutions face many challenges in implementing such efforts. Nevertheless, there are global examples of individual SAIs integrating novel ways of engaging with stakeholders and the wider public, while still maintaining the institution's independence and mandate. Acknowledging both the relevance of public participation and the challenges in its implementation, international organisations such as the United Nations and the International Organization of Supreme Audit Institutions (INTOSAI) have endorsed the approach, and developed guidance and support programs for its application in member countries and SAIs. Namibia's OAG as well MoF have undertaken tentative steps in this regard: the former has drafted a stakeholder strategy, while the latter has conducted limited engagements on fiscal matters with stakeholders including on the recent annual budget formulation.

Overall, however, stakeholder engagement opportunities in Namibia on public finance management and oversight is very limited, and primarily consist of basic consultations. Public engagements in general are non-existent apart from occasional public parliament committee meetings questioning representatives of public entities on use of monies. This study has found that there is a clear demand among stakeholders for more and meaningful public engagement opportunities with the state entities that manage public finances, including the MoF, Parliament and the OAG.

“Stakeholder engagement opportunities in Namibia on public finance management and oversight is very limited, and primarily consist of basic consultations.”

² <https://www.internationalbudget.org/>

³ Köse Ömer H. and Baimyrzaeva Mahabat. The Role of Supreme Audit Institutions in Improving Citizen Participation in Governance. In *International Public Management Review*. Vol. 15, Iss. 2, 2014. 79.

⁴ Daujotait Dalia and Macerinskien Irena. Development of Performance Audit in Public Sector. Conference paper, 5th International Scientific Conference: Business and Management, May 2008. 178. <https://www.researchgate.net/publication/237772531>



“In general, among most stakeholders there appears to be great dissatisfaction with the long-standing status quo in public finances”

Furthermore, stakeholders have identified an overall need for the government to improve transparency and accountability with regards to the management and oversight of public funds. The majority of informants that partook in this study called for improved oversight measures, with many advocating for legal reforms. There was, however, no clear consensus on where these legal powers should be situated and what they should entail.

In general, among most stakeholders there appears to be great dissatisfaction with the long-standing status quo in public finances, including the failure to prioritise transparency and accountability especially among state-owned entities (SOEs), and a host of public audit recommendations that are never applied. Finally, the study also found a woefully low level of awareness and understanding of the public fiscal realm, among both specific stakeholders and decision-makers, as well as the wider public.

While this study has identified and confirmed many of the challenges and shortcomings with regards to transparency, oversight and accountability in public finances in Namibia, there are a number of positive factors which can provide the foundation for improving the overall situation regarding public fiscal matters. These can be summarised as follows:

- A well-established, functional OAG with a strong legal mandate anchored in the Constitution.
- An established norm of conducting public and stakeholder engagements around public as well as private sector projects and issues. Some engagements have also been conducted between stakeholders and the government on fiscal matters.
- Key governance institutions, including the Office of the Auditor-General and the Ministry of Finance, have voiced their support of the public participation approach, as part of this study.
- Stakeholders in sectors including financial services and the media have indicated interest in furthering consultation efforts with government entities around fiscal issues.
- A broad consensus among most informants, including parliamentarians, that the current status quo of transparency and accountability in public finances is inadequate and requires urgent and comprehensive reform.
- Regulators are aware of deficits in the accounting practices in the public sector and seek to address these together with private stakeholders, such as the Namibia Institute of Professional Accountants (NIPA) by establishing a dedicated and accredited training regime.
- The Namibian state is party to international laws which affirm public participation as a pillar of good governance. As a result, international organisations offer a raft of resources including guidance and standards for individual nations seeking to adopt and implement public participation.

RECOMMENDATIONS

1. Government institutions and relevant stakeholders should implement the public participation approach in a deliberate and formal manner with regards to public fiscal management.
2. Key public entities tasked with fiscal management and oversight in the public sector, including the MoF, OAG and Parliament, should be more proactive in communicating and raising awareness among the broader public about the importance of transparent and accountable fiscal management in the public sphere.
3. In the medium--to long-term, regulators should consider revising and strengthening the legislation governing the management and administration of public finances. Legislators should consider mechanisms which could compel public entities to improve fiscal management and controls. In the same vein, the Audit Bill should be revised.
4. Any envisioned reform of fiscal regulations must go hand-in-hand with the provision of adequate human and financial resources for the relevant public entities tasked with their application. Measures could also include capacity building and requesting specific technical assistance around fiscal oversight from donors.
5. Civil society, professional associations, media and other interest groups should actively support and encourage key government regulators in addressing fiscal management and oversight issues. Crucially, these stakeholders should aim to improve overall transparency and accountability in the public sector. These efforts could be subsumed under a broad coalition among stakeholders for improved coordination and impact.
6. There is a need to address issues within the broad working culture of the public service and elected representatives pertaining to transparency, accountability and public presence. Many citizens lack trust in government institutions and performance, specifically with regards to maladministration and corruption. This leads to various negative consequences for governance outcomes and the country's democratic development. An overall focus on raising competence levels, accountability and ethical conduct within the public service should be a national priority.

“Effective public participation is considered a core component of modern democratic societies,⁶ with an emphasis on participation, discussion and transparency to address national issues, as well as come up with solutions and plans for the future.”

INTRODUCTION

Over recent decades, nation states across the globe have had to contend with increasing calls by a wide range of stakeholders and individuals to be given a voice, be consulted or otherwise be involved in governance decisions that affect them.⁵ There are various benefits to this development of stakeholder engagement or public participation approaches in both the public and private sphere. Participation activities among the public and communities can, for example: build public legitimacy and support for a project or policy; lead to the formulation of a better-quality programme; and educate and raise awareness among the general public. Effective public participation is considered a core component of modern democratic societies,⁶ with an emphasis on participation, discussion and transparency to address national issues, as well as come up with solutions and plans for the future. According to Kathryn Quick and John Bryson:

“In democracies, citizens are presumed to be important stakeholders in that they are able to participate either directly or indirectly through elected representatives in the formation, adoption and implementation of the laws and policies that affect them. Public participation thus is a fundamental part of the public–government relationship in democracies.”⁷

Public and stakeholder engagement can also contribute to building public trust and knowledge among the public regarding state actions, projects and policies. Namibia has itself experimented with and applied various public participation methods both in the public and private sector. Indeed, the growth of powerful non-state actors and the multifaceted challenges confronting societies all necessitate a broader, more inclusive and transparent decision-making process to enable good governance.

Countries across the globe have established state audit institutions to examine and verify the financial accounts of the government. State auditors are primarily concerned with public finances, and the assets and resources held and utilised by governments. This includes revenue from taxpayers, tax revenue from businesses, state assets and liabilities, as well as revenues generated by state agencies such as public enterprises. Internationally, these audit entities are collectively referred to as Supreme Audit Institutions (SAIs). In Namibia, the OAG constitutes a SAI. With regards to good governance, it is broadly accepted that SAIs play an important – if often underappreciated – role in government administration. Regular and proper audits of government institutions provide a financial yardstick for the performance of the public sector.

In practice however, the oversight of public finances often falls far short of what should be expected under good governance principles. The challenges of achieving adequate transparency and accountability on fiscal matters in the public sphere are manifold, and constitute a worldwide problem. In response, states have sought to reform their institutions and legal frameworks tasked with fiscal matters, including SAIs, since at least the 1980s. While progress has been made, especially by mature democracies, much remains to be done and Namibia is not exempt.

Besides lengthy and complex legal reforms, one approach that could improve budget transparency and accountability is public participation. The core aim of this study is therefore to explore the acceptance, utility and practicality of deliberately introducing this approach in Namibia’s public sphere concerned with fiscal management and oversight.

⁵ Cornwall Andrea. Unpacking ‘Participation’: models, meanings and practices. In Community Development Journal Vol 43, No 3, July 2008. 269.

⁶ Quick Kathryn S. and Bryson John M. Chapter 12: Public Participation. In Torbing, Jacob and Ansell, Chris (Eds) Handbook in Theories of Governance. 2016. 3.

⁷ Ibid. 1.



BRIEF OVERVIEW OF THE STUDY METHODOLOGY

The research design of this study is based on the principles of applied research. Applied research or science can be roughly defined as an undertaking that seeks to analyse and provide solutions for a specific problem. This type of research is less concerned with the creation or testing of theories, but rather focuses the inquiry onto a defined challenge or set thereof with the aim of establishing applicable solutions. Due to their utility in presenting practical solutions to identified problems, applied research methodologies are often used by businesses, agencies and research organisations.⁸

In terms of specific research methodologies, applied research makes use of empirical methods to collect verifiable observations and data. Different methods can be applied in one project, giving researchers the flexibility to collect a wide range of data over a specific time.⁹ In addition, the establishment of and combining or comparison of numerous data points across the methods is advantageous, as it both enriches the analysis and demonstrates relevance. The study encompasses the following three research methods to generate data: a comprehensive desk review, semi-structured interviews and a questionnaire-based survey. The latter component, it must be noted, is supplementary to the preceding components, on which the studies' findings primarily rest.

These methods are widely used by think-tanks, universities and similar research organisations. The individual aspects and structure of each of the study methods will be briefly outlined in the relevant sections. In addition, this report presents additional data regarding interest areas that were uncovered during the research process. These encompass themes or issues related to the topic. These are detailed usually in 'info boxes' throughout the text, and serve as supplementary information in the study.

⁸ <https://research-methodology.net/research-methodology/research-types/applied-research/>

⁹ https://en.wikipedia.org/wiki/Applied_science



STUDY LIMITATIONS

This study follows the principles of applied research methodology, which are less concerned with strict academic method standards. Therefore, the size and selection of questionnaire-survey and key informant participants are not based on a mathematical formula to guarantee representation. Instead, for these components, the study design is guided by practical considerations such as keeping the information level manageable for the questionnaire, and ensuring good accessibility to key informants. Nevertheless, the researchers endeavoured to include a wide range of participants and stakeholders from different institutions, industries and interest groups to ensure a fair representation and a diversity of opinions.

It must be noted that the study faced numerous obstacles and delays, particularly during the data collection process. Many of these impediments were grounded in the worldwide Covid-19 pandemic which broke out at the start of 2020. Namibia's national lockdown restrictions and following restrictive regulations on public life during the course of the past year drastically limited project components such as stakeholder engagement and interviews with key informants. Most of these challenges could be addressed through alternative means; interviews were carried out via telephone, while stakeholder consultations around the survey design and questions took place in small groups with adherence to appropriate pandemic regulations. Unfortunately, the epidemic did curtail plans to hold a final stakeholder meeting on the study draft for verification purposes. However, a comprehensive draft of the study was circulated to all interviewees and relevant institutions for comment via email. Overall, the research process was not overtly delayed by the pandemic emergency.

One issue that negatively impacted the research process was a noticeable reluctance from identified key informants and representatives from some institutions to partake in the data collection process. When approached, these persons cited various reasons for being unable or unwilling to partake in the study; the Public Accountants' and Auditors Board (PAAB) stated that availing members for an interview could compromise its independence. While this wasn't a novel issue for IPPR, it appeared particularly pronounced for this study, and could speak to the potential conflict or controversy attached to examinations of public fiscal accountability and transparency. Despite the reluctance of some informants and representatives, public monies consistently spark public debate and discussion, whether it concerns their allocation in the national budget, or their eventual use.

THE OFFICE OF THE AUDITOR-GENERAL: OVERVIEW, MANDATE AND IMPORTANCE¹⁰

Namibia's OAG is tasked with auditing the Namibian government's accounts. In other words, the institution carries the responsibility of examining and verifying all financial statements, accounts and records compiled and held by government ministries, authorities and agencies. Specifically, this duty extends to all government bodies that have been established through law enacted by Namibia's parliament, and are also referred to as 'statutory bodies'.¹¹

Proper and regular auditing of government institutions is vital since audits provide a financial yardstick for the performance of the public sector. Financial conduct also is a good indication of the overall performance of the government in general. The Institute of Internal Auditors (IIA), in a report on audits and public sector governance states that:

*"Auditing is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are managed responsibly and effectively to achieve intended results, auditors help public sector organisations achieve accountability and integrity, improve operations, and instil confidence among citizens and stakeholders."*¹²

It follows that the reasonable performance of Namibia's state institutions is to a great extent contingent on close, continuous financial oversight by an independent, public audit entity – in this case the OAG. The establishment and broad role of the AG are laid out in the Namibian Constitution under Article 127, which states among other duties that:

*"(2) The Auditor-General shall audit the State Revenue Fund and shall perform all other functions assigned to him or her by the Government or by Act of Parliament and shall report annually to the National Assembly thereon."*¹³

The exact roles and powers of the AG are detailed in the State Finance Act 31 of 1991 (See Info Box 1). In addition, the Act specifies procedures to be followed by the OAG when carrying out its duties, such as how and when audit reports should be submitted to the Minister of Finance (MoF). The Minister in turn bears responsibility for handing the audit reports on to the National Assembly (NA), to be tabled and discussed by Parliament.¹⁴

"Proper and regular auditing of government institutions is vital since audits provide a financial yardstick for the performance of the public sector. Financial conduct also is a good indication of the overall performance of the government in general."

¹⁰ Note: this and the next section - Limits and Shortfalls of Public Fiscal Oversight: A global problem; makes liberal and extensive use of: Remmert Dietrich. The Role of the Auditor-General in Tackling Corruption. 2020. <https://ippr.org.na/publication/the-auditor-generals-role-in-tackling-corruption/>

¹¹ <http://www.oag.gov.na/governing-legislation>

¹² IIA, Supplemental Guidance: The Role of Auditing in Public Sector Governance, 2012. 5.

¹³ GRN, The Constitution of the Republic of Namibia, 2018. 68.

¹⁴ GRN, State Finance Act 31 of 1991 as amended by Public Service Act 13 of 1995, November 1, 1995. 21 – 2.



Audit and performance reports, once tabled, are usually referred to the NA's Standing Committee on Public Accounts for discussion; internationally such committees are commonly referred to as Parliament Accounts Committee (PAC), an acronym that this study will use from hereon out. In theory, PAC has an important role to play in fiscal oversight: for example further interrogating audit findings; holding public and stakeholder meetings; calling on senior government officials (such as Ministers and CEOs of public enterprises) to respond to concerns voiced in respective audits; and so forth.¹⁵ PAC then reports its own recommendations, based on its work and OAG audits, to the NA for debate.¹⁶ If the recommendations are adopted by Parliament, PAC then has the duty to monitor and report on the implementation of said recommendations.¹⁷

Other state entities, especially the MoF, also play important roles in public fiscal oversight. The Anti-Corruption Commission (ACC) and the Prosecutor General constitute other important partners to the OAG and MoF, when it comes to investigating and possibly prosecuting government entities where mismanagement of public monies is evident. However, previous research suggests that pro-active coordination between the OAG, ACC and law enforcement agencies is limited.¹⁸

Furthermore, in terms of public enterprises, many oversight functions (of both fiscal matters and performance) rest with the appropriate line ministries and the Ministry of State-Owned Enterprises, as stipulated in the Public Enterprise Governance Act of 2006, amended in 2016.¹⁹

It is necessary to emphasize that the OAG possesses considerable powers with regards to accessing and securing financial and performance information from public entities. It can also determine the scope of an audit, and is not limited to what the respective public institution that is being audited thinks is appropriate to submit. However, the OAG is not sanctioned to undertake any activities that go beyond audit functions. After completion of an audit, the Auditor-General makes specific recommendations describing how the financial oversight shortfalls of the audited institution should be addressed, based on the findings of the audit. The duties of the OAG are effectively complete once the audit reports have been submitted to the NA via the MoF. Therefore, the implementation and enforcement of public audit recommendations rests with the audited entity, as well as other relevant bodies such as the NA and appropriate line ministries.

Why is this so? It is crucial to realize that any SAI needs to be independent and objective when carrying out audits (See Info Box 2). An audit should be an impartial and, ideally, unemotional and sober assessment of an audited entities' financial performance. International literature and audit standards contend that this can only be done if the auditor is removed from any management responsibilities with regards to the audited entity. In other words: an auditor should never be involved in implementing any audit recommendations as this would compromise their objectivity.²⁰

¹⁵ <https://www.parliament.na/index.php/national-assembly/committees/national-assembly-standing-committees>

¹⁶ For a detailed discussion on PACs and their operations in Southern Africa see: Pelizzo Riccardo and Kinyondo Abel. Public Accounts Committees in Eastern and Southern Africa: A Comparative Analysis. In *Politics & Policy*, Volume 42, No. 1. 2014.

¹⁷ <https://www.parliament.na/index.php/committee-on-public-accounts-na>

¹⁸ Remmert. 21 & 23.

¹⁹ For a detailed discussion on legal reforms and challenges with regards to SOE governance in Namibia See: Weylandt Max. SOE Governance in Namibia: will a hybrid system work? November 2016. And Weylandt Max. Public Enterprise Governance in Namibia: An updated situation analysis. September 2017.

²⁰ For a discussion on public audit requirements and the importance of SAIs independence and objectivity see: Remmert. *The Role of the Auditor-General in Tackling Corruption*. 2020.





INFO BOX 1: SUMMARY OF DUTIES AND POWERS OF AUDITOR-GENERAL

The Auditor-General is tasked with the investigation, examination and audit of the account books, accounts, registers or statements which are to be kept or prepared in terms of any law in connection with the receipt, custody, banking, payment or issue of money, stamps, securities, equipment and stores by any statutory institution and which are in terms of any law to be investigated, examined and audited by the Auditor-General. The full duties of the Auditor-General are detailed in the State Finance Act 31 of 1991.

The Auditor-General has to satisfy him or herself:

- That all reasonable precautions have been taken to ensure that all moneys, to which the investigation, examination and audit relate, are collected;
- That the laws relating to the collection of such moneys have been complied with;
- That all reasonable precautions have been taken in connection with the receipt, custody and issue of, and accounting for, stamps, securities, forms having a face or potential value, equipment, stores and other movable goods;
- That expenditure or payments in respect of which authorisations or approvals are required in terms of this Act or any other law have been incurred or made, under and in accordance with such authorisations or approvals, and have been supported by adequate vouchers or other proof; and

The Auditor-General may in his or her discretion, determine the extent of any investigation, examination and audit, and require any person to appear before him or her and avail information as deemed necessary in regards to the investigation, examination and audit in question;

The Auditor-General or any competent person employed in the office of the Auditor-General:

- Shall have access to information which they may deem necessary for an investigation, examination and audit in terms of this Act;
- May request such particulars, accounts and statements as he or she deems necessary for such an investigation, examination and audit;
- May, without payment of any fee, investigate and make extracts from, or copies of, any book, voucher or document which he or she deems necessary for such an investigation, examination and audit;
- May investigate whether any moneys in question have been expended in an efficient, effective and economic manner;
- May investigate and enquire into any matter, including the efficiency of internal control measures, connected with expenditure chargeable to, and revenue to the benefit of, the State Revenue Fund or the funds of the statutory institution concerned; and
- May administer an oath to or accept an affirmation from any person whom he or she thinks fit to interrogate in connection with an investigation, examination and audit in terms of the Act, or in connection with any other matter which the Auditor-General deems necessary for exercising his or her powers, or performing his or her duties.

The President may require the Auditor-General to investigate, examine and audit any body, association or organisation other than a statutory institution, as if such body, association or organisation were a statutory institution.

If, by reason of, the President is of the opinion that such account should be excluded from a detailed examination due to the confidential nature of any account; the President may, determine to what extent the investigation, examination and auditing thereof is to be carried out and which vouchers are to be made available for such an audit.²¹



²¹ Adapted from: <http://www.oag.gov.na/governing-legislation> & GRN, State Finance Act 31 of 1991 as amended by Public Service Act 13 of 1995, 20.



“Almost all nations, including wealthy and mature democracies, struggle significantly with poor administration and management of public finances.”

LIMITS AND SHORTFALLS OF PUBLIC FISCAL OVERSIGHT: A GLOBAL PROBLEM

There would be very little need for this study if the public fiscal oversight system prevalent today in most countries were effective or even merely adequate. On the contrary, almost all nations, including wealthy and mature democracies, struggle significantly with poor administration and management of public finances. The challenges are often extensive, and include legislatures that hardly review audits and neglect their oversight duties, parliamentarians lacking fiscal know-how, recalcitrant executives, and ruling party parliamentarians who want to maintain their government’s power and reputation.²² These issues hamper true fiscal accountability i.e. government entities and officials taking responsibility for performance, including where such performance falls short (the latter resulting in tangible consequences such as mandating institutional reform to improve accountability or forced resignation and prosecution of officials and boards of state entities).

Closely related to accountability failures, is the lack of transparency around many national budget processes and state finances in general. Arguably, without good transparency there cannot be any decent accountability since the latter is based on the former. In other words: without comprehensive and measurable audit and performance information, the level and adequacy of accountability cannot be determined. Besides parliament and government officials, the media, businesses, financial industry, civil society and the broader public should have broad and convenient access to public audit and performance reports. The Open Budget Survey (OBS), an initiative that assesses public budget transparency and oversight on a global scale, notes that there have been some improvements in its latest survey from 2019. The average global score for budget transparency has increased by 20 percent for 77 countries accessed between 2008 and 2019. While this seems positive, the latest average score falls short of what OBS considers to be the minimal acceptable score for budget transparency, which is a minimum score of 61 out of 100.²³ OBS asserts that while countries have pursued progressive reforms of the budget process over the past decades, these are in general too slow and timid to effect urgent change.²⁴

Even though many states have committed themselves to ensuring fiscal transparency and accountability, for example, under the United Nations General Assembly Resolution 69/228,²⁵ the majority fall far behind this goal. The OBS 2019 report finds that, of 117 surveyed countries, only 31 (or 26 percent) score high enough for sufficient budget transparency. The vast majority, constituting the remaining 86 countries (74 percent), demonstrate insufficient budget transparency.²⁶ Many countries also perform poorly with regards to legislative review of audit reports, with one-third not discussing audits at all.²⁷

²² Ramkumar Vivek, “The Rise of the Activist Auditor”, August 1, 2017. <https://www.internationalbudget.org/2017/08/rise-of-the-activist-auditor/>

²³ IBP. Open Budget Survey 2019. March 2020. 12. <https://www.internationalbudget.org/open-budget-survey/reports>

²⁴ Ibid, 14.

²⁵ https://www.un.org/ga/search/viewm_doc.asp?symbol=A/RES/69/228


²⁶ IBP. Open Budget Survey 2019. 24 – 5. <https://www.internationalbudget.org/open-budget-survey/open-budget-survey-2019-0>

²⁷ Ibid, 14.



Namibia is a middling country in terms of budget transparency, being ranked number 51 out of 117 countries by the 2019 OBS (See Table 1). Namibia has an overall score of 51 out of 100, failing to achieve the minimum score of 61 necessary for sufficient budget transparency criteria.²⁸ Notably, Namibia scores very poorly in the sub-category of public participation scoring 0 out of 100 points.²⁹ Overall, opportunities for the public to partake in the budget process are extremely limited worldwide. However, there are countries such as South Korea, New Zealand and the United Kingdom that allow for moderate or increased public participation in the national budget process.³⁰ Indeed, all of Namibia's neighbouring countries carry out some form of public participation around the national budget, albeit limited.

Table 1: Open Budget Survey 2019 Scores by Category: Namibia³¹



Total Average Transparency Score (or open budget index)	Public Participation	Oversight: Legislature & SAI	Oversight: Legislature	Oversight: SAI	Independent Fiscal Institution: (Yes/No)
51	0	46	31	78	No

Notably, OBS also classifies Namibia's OAG as a non-independent institution.³² This is worrisome since a SAI's lack of legal independence make it susceptible to interference often for political reasons and can impede or compromise its impartiality. The President of Namibia has considerable discretionary powers over the OAG's operations, which can be used to shield public entities from audit scrutiny (See Info Box 1).

Finally, it is positive to note that well-performing countries in the OBS rankings can be found in almost all regions of the world and not all of them are wealthy, Western nations. Countries such as Indonesia, Bulgaria, Peru and South Africa score 70 points or more on the OBS budget transparency index.³³

²⁸ Ibid, 20, 81.

²⁹ Ibid, 84.

³⁰ Ibid, 48.

³¹ Compiled from: IBP. Open Budget Survey 2019, 84.

³² Ibid, 84.

³³ Ibid, 24.





INFO BOX 2: RECOMMENDED KEY ELEMENTS OF PUBLIC SECTOR AUDIT

According to the Institute of Internal Auditors (IIA): *“To protect the public interest, every public sector entity requires independent audit activities providing a range of assurance and advisory services — from financial attestation, to performance and operational efficiency — whether through the use of internal or external audit services, or a combination of the two. The public sector audit’s mandate should be as broad as possible to enable it to respond to the full scope of the entity’s activities.*

Although the means to accomplish them will vary, all public sector audit activities require:

- *Organisational independence,*
- *A formal mandate,*
- *Unrestricted access,*
- *Sufficient funding,*
- *Competent leadership,*
- *Objective staff,*
- *Competent staff,*
- *Stakeholder support, and*
- *Professional audit standards.*

The public sector entity must establish protections to ensure that audit activities are empowered to report significant issues to the appropriate oversight authorities. One means of accomplishing this protection is through the creation of an independent audit committee. To preserve independence, public sector auditors’ advisory services should never assume a management role. Moreover, auditors must maintain independence and objectivity for any subsequent audits conducted where advisory services have been provided previously.”³⁴



³⁴ IIA. 8.



WHAT IS PUBLIC PARTICIPATION AND WHY DOES IT MATTER?

As already highlighted in the introduction, public participation has become an established approach to involve stakeholders and the wider public in governance aspects – including policy development, legislation, performance assessments, and decision-making processes – in recent decades. This trend of governments and public bodies seeking some form of engagement with the general public or stakeholders has become entrenched in governance worldwide, and especially in democratic states.³⁵ In a democratic society, some form of open public dialogue and regular engagement between citizens and leaders is indispensable to uphold a democratic dispensation.

Quick and Bryson, quoting Freeman, defined the concept as follows:

*“Public participation in governance involves the direct involvement – or indirect involvement through representatives – of concerned stakeholders in decision-making about policies, plans or programs in which they have an interest.”*³⁶

The word stakeholder refers to individuals, groups or organisations that could influence or be affected by governance decisions. It is a deliberately broad term and can encompass everybody from the general public, to specific interest groups, communities and public organisations, or private businesses. It is important to emphasize that public participation is not simply the provision of information utilising a ‘one-way’ channel; ‘participation’ denotes some form of conversation or dialogue, and an exchange of ideas, data and opinions between two or more parties. Such activities can also be described as ‘engagement’.

Furthermore, the participation approach can best be understood as an ongoing process as opposed to a once-off event. Ideally, public or stakeholder participation constitutes a number of engagements that are “transparent, inclusive and accountable”, and results in some degree of influence over the final decision and outcome.³⁷

Participation approaches entered the development mainstream in the 1970s³⁸; researchers such as Sherry Arnstein sought to capture participation methods used by the US Civil Rights movement and other community groups to advance the rights and power of minorities and disenfranchised people, as well as gain more access to government and break down “elitist institutions.”³⁹ In the 1980s discussion centred on ‘self-mobilisation’ i.e. people taking initiative independently from an outside organisation, and thus retaining control over resources.

“Public participation is not simply the provision of information utilising a ‘one-way’ channel; ‘participation’ denotes some form of conversation or dialogue, and an exchange of ideas, data and opinions between two or more parties.”

³⁵ Quick, Kathryn S. and Bryson, John M. 2 - 3.

³⁶ Ibid. 1.

³⁷ UNESCAP. Effective Stakeholder Engagement for the Agenda 2030: Training Reference Material. August 2018. 12.

³⁸ Cornwall, 269.

³⁹ Quick and Bryson, 2.



“Well designed and implemented participation processes can lead to improved trust between participants and decision-makers, and thus improve future engagements on other issues.”

During this period scientists were often concerned that ‘*participation efforts*’ were often misused as a pretence of public engagement, while the main decisions about a project or policy had already been taken. Concern was also raised about the misuse of the concept by authorities as a way to settle communities with extra responsibilities for which they had little skills and resources.⁴⁰

In principle, public participation describes a method that can be utilised to shift at least some control over governance decisions from authorities to the people.⁴¹ This is arguably beneficial and necessary, not only due to the already mentioned democratic make-up of many nation-states, but also as a result of the transformation of governance. Social scientists have argued that government responsibilities have become increasingly diffused across a network of ministries and agencies as well as non-profit organisations and businesses. Therefore “*governance has moved beyond government*”⁴² and requires a revised governance framework to meet the needs of the expanded network, and increased expectations and demands from the wider public. Consequently, public participation is seen as the approach to fill out a more appropriate and responsive governance framework.⁴³

Worldwide, there are many positive examples of public participation and its beneficial impact on governance, countries, citizens and communities. Public engagement and consultation efforts can, among other things: enhance public interest and raise awareness; inform the general public; improve public understanding of challenges and lead to the exploration of further solutions; and improve the development of plans and policies which will rest on better and more inclusive data.

Moreover, well designed and implemented participation processes can lead to improved trust between participants and decision-makers, and thus improve future engagements on other issues. Participants can also provide valuable information to decision-makers, providing an alternative view on an issue and motivating problem-solving efforts. Finally, public participation can also contribute to a more equitable distribution of limited resources.⁴⁴



⁴⁰ Cornwall, 270 - 3.

⁴¹ Cornwall, 271.

⁴² Quick and Bryson, 1.

⁴³ Ibid.

⁴⁴ Ibid, 3 - 4.



INFO BOX 3: CHARACTERISTICS OF STAKEHOLDER AND COMMUNITY ENGAGEMENT

According to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the International Association for Public Participation (IAP2), there are four defining characteristics of stakeholder and community engagement, which are:

1. **PURPOSEFUL:** *An intentional process that has a clear objective and is mostly planned.*
2. **INFLUENTIAL:** *Provides opportunities to shape decisions and actions of individuals, communities and/or organisations.*
3. **ITERATIVE:** *Recognises the interrelationships between the decisions, and actions of organisations, stakeholders, communities and individuals.*
4. **COLLABORATIVE:** *Recognise of the rights and responsibilities and roles of organisations, stakeholders, communities and individuals.*⁴⁵

UNESCAP and IAP2 further note that:

“The basic difference between Stakeholder and Community Engagement and Communication (as in the practice of public relations) is influence. Community engagement must mean that stakeholders will have an impact on decision making and outcomes.

*Communication campaigns inform stakeholders but lack opportunities for influence. It is possible to communicate without the need to engage. However, it is not possible to engage stakeholders without some form of communication, and a communication strategy is usually needed to support engagement planning.*⁴⁶



⁴⁵ UNESCAP, 7.

⁴⁶ Ibid, 8.



THE THEORY AND PRACTICE OF PUBLIC PARTICIPATION

Public participation remains a fairly malleable concept, encompassing a wide range of public or stakeholder engagement practices. This is reflected in the many ways in which the approach is conceptualised and implemented in practice.⁴⁷ However, over the decades the practice has become increasingly professionalised. Discussion in the social sciences has moved from voicing significant doubt about the utility of the method, to increasing recognition backed by evidence that *“when it is well done it can be very beneficial for decision-making, citizenship and inclusion.”*⁴⁸

Given the wide range of potential positive impacts that the public participation approach can bring to governance, it is no surprise that its practiced worldwide and across various sectors and levels of government. At the same stage it must be acknowledged that the method is not a silver bullet for the multitude of governance challenges in today’s democratic societies. Conducting public and stakeholder participation requires resources, skills and time; however, these factor in of themselves do not necessarily guarantee success. For example, Andrea Cornwall astutely lists a number of participatory initiatives that resulted in unintended consequences or failed outright in achieving any constructive consultations; failed attempts for which the organizers cannot be necessarily blamed.⁴⁹ Maria Fernandes-Jesus and her co-authors echo similar concerns – noting that while today public participation is seen *“intrinsically”* as good, its appropriate design and application remains highly contested.⁵⁰

It is therefore perhaps unsurprising, given the complexities and challenges in conducting public participation activities, that many authorities and governments struggle to do so or try outright to subvert and control any public engagement process.

*“There is no formula for good participation. Unlike cars, which despite different models and updates operate in more or less the same way with predictable results even in different environments, public participation is not based on a fixed, reliable technology. Instead, public policy problems, the participants, methods for organizing the process and other features of the context interact uniquely in every setting.”*⁵¹

Since the late 1960s, scientists have developed various and increasingly sophisticated typologies of participation, which focus primarily on deliberate and formal ways of participation and the intentions of those who initiate such engagements.⁵² They include the simple *‘participation ladder’* by the aforementioned Arnstein (1969), Jules Pretty’s list of participation types (1995) and Sarah White’s forms of interest in participation (1996). All these typologies focus on different aspects of and concerns around the concept of public participation. Arnstein’s ladder was concerned with classifying levels of participation, ranging from no engagement and tokenism to actual citizen control – issues that still affect participation efforts. For example, the Canadian oil exploration company ReconAfrica, in carrying out exploratory drillings in Namibia’s ecological sensitive Kavango basin, has been accused of utilising public participation activities as a mere *‘smokescreen’*, given the flippant way company representatives have responded to environmental concerns and criticism from local experts, the public and the media.⁵³

⁴⁷ Fernandes-Jesus Maria, Castro Seixas Eunice and Carvalho Anabela. Beyond the hindrances: experiences of public consultations and the possibility of ethics and relevance in participation. In *Comunicação e sociedade*. 36, 2019. 58. <http://journals.openedition.org/cs/1543>

⁴⁸ Quick and Bryson, 1.

⁴⁹ Cornwall, 274 – 5.

⁵⁰ Fernandes-Jesus, et. al. 36.

⁵¹ Quick and Bryson, 6.

⁵² Cornwall, 270.

⁵³ Steffen, Frank. *“Eigentor der Firma ReconAfrica.”* In *Allgemeine Zeitung*. February 9, 2019. <https://www.az.com.na/nachrichten/eigentor-der-firma-reconafrika-2021-02-09/>



The typology developed by Pretty extends Arnstein’s focus on ‘limited/bad to involved/good’ participation types. The former can be deemed as undesirable insofar as trying to realize potential benefits for society as a whole when engaging with the public and stakeholders. From Petty’s typology of participation (See Table 2), it is evident that public participation can take many forms depending on a range of factors. Arguably, the most important factor is the level of influence and decision power that is afforded to the actual process and its participants. Table 2 characterises a range of typical engagement types, participation tools and the actual power that engagements can have over possible outcomes. Besides providing a suitable context and frame to think about participation types, such typologies also provide measuring yardsticks that can be compared to current examples of participation initiatives, to gauge their actual usefulness.

Table 2: Pretty’s typology of participation⁵⁴



Type	Characteristics of each type
Manipulative participation	Participation is simple pretence; people who engage have no power and legitimacy
Passive participation	Participants are just informed about decisions or actions that have already been taken
Participation by consultation	Participants give their general inputs or answer questions; participants have no decision power & there is no obligation to utilise their info
Participation for material incentives	Participants engage by contributing resources such as labour; participants have little control over the process or project
Functional participation	Participants engage to meet certain predetermined goals; can be interactive and involve some decision-making by participants; however, main decision has already been taken
Interactive participation	Participants control and determine the process and goals of the engagement Participation is seen as a right not just means-to-ends; participants make all decisions and allocate resources; they have a active stake in achieving and maintaining goals
Self-mobilization	Participants take the initiative to engage and collaborate; they source and control own resources; external contacts can provide advice and aid, but process and decisions remain under participants’ control

⁵⁴ Adapted from: Cornwall, 272.



“While the idea and practice of public participation has been fairly well established worldwide, researchers and implementers continue to grapple with a range of challenges.”

At the same time, typologies have their limits; clear classifications and attributes on paper do not necessarily reflect real-world realities. Cornwall notes, for example, that the differences between identified participation types often become blurred and various types of participation can be observed in one project or undertaking alone. Furthermore, participation can mean different things for those who organise, partake in or review information of the participation process.⁵⁵ A similar point is raised by Fernandes-Jesus and her co-authors, who observe that motivations and experiences of individuals in participation processes are often neglected by researchers, in favour of determining and categorising the results of public participation efforts.⁵⁶

While the idea and practice of public participation has been fairly well established worldwide, researchers and implementers continue to grapple with a range of challenges. An exhaustive discussion of these issues and concerns, however, goes beyond the scope of this study. Nevertheless, it is important to provide a brief overview over some of the more pertinent and current problems, as well as possible solutions. Besides the concerns previously mentioned, Quick and Bryson, referencing a host of papers by fellow researchers, describe four key issues currently facing public participation in theory and practice, which are briefly outlined below:

1. Legitimacy

Participation initiatives need to be seen as credible and trustworthy by the participants; unfortunately, this is often not the case. Engagement processes judged to be illegitimate can severely alienate the public and stakeholders from the government, and negatively impact any project or policy decisions taken. To achieve legitimacy, theories of public participation focus on quality dialogues which are clear, present logical arguments and are well structured. In addition, participation processes which are fair, transparent and demonstrate openness to public concerns and inputs are of import. Which is more important – quality dialogue or a fair process – remains up for debate.

2. Representation and Inclusion

Ensuring diverse and representative participation in an engagement process remains a significant challenge. Often, participant events neither make an effort to attract diverse and marginalised voices, nor seek broad representation. Attendance mostly boils down to individuals who regularly attend similar events, are familiar with the process, and are comfortable with public events. Furthermore, an inclusive process can only be achieved if participation goes beyond mere ‘consultation’ i.e. the solicitation of stakeholder input and information. Instead, an exchange of ideas, opinions and information has to take place between all parties concerned. Meeting adequate representation and inclusion targets requires prior analysis of stakeholders and “*the active management of conflict and power*”, which can bring with it its own problems.

⁵⁵ Cornwall, 273 – 4.

⁵⁶ Fernandes-Jesus, et. al. 60 – 1.



3. Expertise and Participation

Broad participation often raises various concerns centred around the utility and practicality of the outcome. What place and function should expertise and know-how play in governance decisions if public participation takes centre stage? Giving less weight to experts in a deliberation process can lead to unrealistic and impractical results. Likewise, engagements can lead to the dominance of specific interest groups and their views, which may run counter to solutions benefitting the wider society.

4. Designing Effective Participation Processes

Context – the nature and placement of the public issue, policy or initiative – the participants, the engagement organisers and engagement's structure and other features all interact differently for each participation effort. While practitioners and researchers have designed various guides, there are arguably no universal methods that, when applied, guarantee a successful participation process. Scientists and practitioners continue to grapple with the challenges of designing engagement processes that meet expectations and negate barriers, while remaining practical.⁵⁷

The points above constitute a brief summary of challenges and debates facing the public participation approach over recent times. Within the frame of this study there are two aspects that should be highlighted further and are related to the issues mentioned above. They are of a practical nature and are therefore appropriate to discuss, given both Namibia's past experience with public participation and the information gathered during the study. The two aspects concern the selection of participants or *who* participates in engagement efforts, as well as the type of engagement activities taking place or *how* the participation process is conducted. Broadly speaking, these two aspects are mentioned in some form throughout the literature on public participation reviewed for this study, underlining their importance.

The choice or selection of participants is a crucial component of engagement efforts, as it has significant bearing on the scope and outcome of the participation process. Many participation typologies do not take this aspect into account.⁵⁸ Deliberations that include only government and public enterprise representatives will provide different information about a topic or issue than a dialogue between municipal officials and town residents. From a practical point of view, it is not possible to include every public member and stakeholder in an engagement process.⁵⁹ Therefore, care must be taken in terms of attendance to ensure a representative, diverse and sensible make-up. It is therefore important to consider the context of the issue, policy or project, existing knowledge of stakeholders, general public interest and other factors when planning engagement activities.

Besides *who* participates, much rests on *how* the public participation process is structured. Design and tool choices for engagement efforts with stakeholders or the wider public can have a significant impact on the outcome. Today, there is a wide range of tools used for participation purposes, which is undoubtedly a positive development for the approach.

⁵⁷ Quick and Bryson, 4 - 6.

⁵⁸ Cornwall, 275.

⁵⁹ Ibid, 276 – 7.



More ‘traditional’ tools include public town-hall meetings, consultations with professional organisations and associations, breakfast meetings with business representatives, and formal calls via media channels requesting comments in writing. Some examples of modern engagement tools are e-surveys gauging preferences and opinions from stakeholders sent via email, sourcing public views utilising social media, and establishing a citizen advisory board. The examples above illustrate that participation tools provide various means to reach out and solicit input, both directly and indirectly. The former – such as a public meeting – can be advantageous when a frank, open exchange of ideas and opinions is required; the latter – for example, a survey – is useful to better quantify responses and gauge sentiments from respondents.

However, all tools have their drawbacks and their respective use needs to be carefully judged against the context in which they are to be applied. For example: expecting residents to partake in an e-survey who live in an area with poor access to information technology and internet connectivity makes little sense, and could even lead to a backlash from the local community when authorities claim they sought engagement. Moreover, the choice of tools act as a filter which can act as an exclusionary or inclusion mechanism, as they can both incentivise or act as a barrier to participation, depending on a group’s demography, wealth, location and so forth.⁶⁰

In conclusion, no public participation process will be able to capture the public’s view, level of knowledge, and feelings on a given topic with absolute objectivity and complete representation. Furthermore, the extent to which the public and stakeholders should partake and be involved in a public issue, policy or project remains contested. Nevertheless, public participation has become an important component of good governance in democratic states the world over; comprehensive and genuine public participation efforts matter in modern public policy and administration. Citizens and interest groups want to have a say in day-to-day governance that goes beyond standard national election cycles, or the occasional town-hall meeting with politicians (See Info Box 4). In practice, researchers advocate seeking to achieve a balance with regards to representation, diversity and inclusion, while the participation tools themselves need to take into account context and circumstances.⁶¹ Finally, the approach should be kept flexible as engagement “*processes should be designed and redesigned based on new knowledge and experience*” to continuously improve the approach.⁶²

⁶⁰ Cornwall, 276.

⁶¹ Jibladze Gvantsa, Romelashvili Elene, Ana Chkheidze, Modebadze Eva and Mukeria Mariam. Assessing Public Participation in Policymaking Process. WeResearch, n. d. 12 – 3. <https://www.researchgate.net/publication/350342963>

⁶² Quick and Bryson, 6.





INFO BOX 4: WHEN SHOULD PUBLIC PARTICIPATION BE APPLIED?

It bears mentioning that not all public issues and initiatives necessarily require an extensive public participation component to ensure broad societal benefits. Indeed, there are likely examples where public participation can be counterproductive – and decision-making power alone is best left to experts, senior civil servants and elected government representatives.

Two obvious examples would be response measures to an urgent national emergency such as a natural disaster, or in times of war. However, there is a limit to such clear examples. After all, so many public decisions directly or indirectly impact peoples' lives that it would be hard to find issues that do not warrant at least some form of public participation. Moreover, this study did not uncover literature that provided a 'hard and fast' list of themes and public issues for which some form of public participation was recommended or dissuaded. Instead, the global trend for public and stakeholder participation points towards a wholehearted and broad application of the approach.

Perhaps the strongest indicator of this trend is embedded in the United Nations' (UN) Resolution Agenda 2030 established in 2015. The Agenda 2030 encompasses the 17 Sustainable Development Goals (SDGs), which guide and prescribe targets to be achieved by member states to ensure a sustainable future for humankind. The development of the SDGs underpinned by extensive and wide stakeholder consultations and engagements.⁶³ Furthermore, the implementation of the Agenda 2030 specifically calls for and mandates the active involvement of a wide range of stakeholders both public and private. The resolution explicitly states that:

*"...sustainable development requires the meaningful involvement and active participation of ...all major groups: women, children and youth, indigenous peoples, nongovernmental organisations, local authorities, workers and trade unions, business and industry, the scientific and technological community, and farmers, as well as other stakeholders, including local communities, volunteer groups and foundations, migrants and families as well as older persons and persons with disabilities."*⁶⁴

The SDGs, it can be argued, are a set of very comprehensive goals that speak to a vast multitude of globe-wide challenges, public issues and efforts, including: poverty, good health and well-being, clean water and sanitation, affordable and clean energy, sustainable cities and communities, and so on.⁶⁵ With such weighty and broad goals, it would be difficult to identify themes that should not include a public participation component as opposed to those which should.



⁶³ https://en.wikipedia.org/wiki/Sustainable_Development_Goals

⁶⁴ UNESCAP, 8.

⁶⁵ https://en.wikipedia.org/wiki/Sustainable_Development_Goals



“Research has shown that a more transparent public budgeting process improves public engagement, and promotes a more equitable use of state resources and overall better management of public monies.⁶⁷”

PUBLIC PARTICIPATION AND PUBLIC FINANCE: INTERNATIONAL EXPERIENCE AND GUIDANCE

As in many other areas in governance, public participation has gained increasing relevance in public finance, specifically around budgeting, transparency and accountability. For example, internationally there has been a long-standing push for governments to enable a more transparent and inclusive approach when formulating the annual national budget. The International Budget Partnership (IBP), an independent organisation and initiator of the OBS, works towards realizing empowered citizens who have influence in and are engaged with respective national budget processes. One of the IBP’s core initiatives is to improve government accountability by strengthening poor communities’ ability to grasp and monitor public finances in a number of countries.⁶⁶

The IBP argues that research has shown that a more transparent public budgeting process improves public engagement, and promotes a more equitable use of state resources and overall better management of public monies.⁶⁷ Indeed, the ability by the public and stakeholders to closely scrutinise state budgets, including their development, implementation and assessment, has become an important aspect in demonstrating good governance according to the Organization for Economic Co-operation and Development (OECD). The OECD is an intergovernmental organisation whose member states are predominantly wealthy democracies. It asserts in a 2014 document on ‘budgetary governance’ that:

“...the budget is a contract between citizens and state, showing how resources are raised and allocated for the delivery of public services. Such a document must be clear, transparent and credible if it is to command trust, and to serve as a basis of accountability. ...A sound budgeting system is one which engenders trust among citizens that the government, in the broad sense, is listening to their concerns, has a plan for achieving worthwhile objectives, and will use the available resources effectively, efficiently and in a sustainable manner in doing so.”⁶⁸

The document further notes that public budgeting draws on inputs from all levels of society including from the legislature, ministers, civil servants, civil society and “increasingly, from citizens themselves.” Furthermore, such a budget process itself is integral to modern good governance, and both relies on as well as supports its key pillars: integrity, openness, accountability, strategic planning and participation.⁶⁹

⁶⁶ <https://www.internationalbudget.org/about-ibp/#1591735240927-82e88079-c41f>

⁶⁷ IBP. Putting the Public Back in Public Finance: IBP Vision for equitable and accountable budgets, Strategic Plan 2018 – 2022. 4. <https://www.internationalbudget.org/wp-content/uploads/strategic-plan-ibp-2018-2022.pdf>

⁶⁸ OECD. Draft Recommendations of the OECD Council on: The Principles of Budgetary Governance. July 2014. 1. <https://www.oecd.org/gov/budgeting/Draft-Principles-Budgetary-Governance.pdf>

⁶⁹ Ibid, 1.



From the selected information presented on public finance and budgeting by the IBP and OECD, it is evident that public participation has a significant and growing role in public fiscal transparency and accountability. While it is clear that government budgeting processes have dominated international dialogue, research and guidance with regards to public participation and public finance, it is also increasingly being acknowledged that public engagement efforts should also feature in the auditing and performance appraisal of public monies. After all, the expenditure and fiscal performance of a national budget is as important as its formulation, if not more so.

The OECD document's recommendations state, among other things, that comprehensive budget information should be made widely available to citizens – including an “end-year report” which details actual budget expenditures. The OECD also notes that regular audited year-end and performance reports are crucial for both parliament and citizens to ascertain what has been spent on what, and how effective these measures were. The importance of such information cannot be underestimated, since it is essential for guaranteeing proper oversight and accountability of public finances.⁷⁰ Central players in the oversight of government finances are, of course, national SAIs. As the public participation approach has become more prominent in the public budgeting process, it has also begun to bear on SAIs and their work.

On a global scale, various international government organisations (IGOs), donors and international non-government organisations (INGOs) have officially recognised the positive role that public participation can play in the auditing of public finances. The leading advocate for this approach appears to be INTOSAI. This organisation is an umbrella body representing SAIs worldwide, with 195 members.⁷¹ The organisation stresses its autonomy and independence as a professional and non-political entity. INTOSAI is a permanent organisation, with the following objectives:

- To provide mutual support to SAIs;
- To foster the exchange of ideas, knowledge, and experiences;
- To act as a recognised global public voice of SAIs within the international community;
- To set standards for public sector auditing;
- To promote good national governance; and
- To support SAI capacity development, cooperation and continuous performance improvement.⁷²

The international clout INTOSAI commands in the public audit sphere is perhaps best reflected in its development and establishment of global standards for public sector auditing. For example, INTOSAI's work has resulted in the introduction of the International Standards of Supreme Audit Institutions (ISSAI) framework in 2007.

“Central players in the oversight of government finances are, of course, national SAIs. As the public participation approach has become more prominent in the public budgeting process, it has also begun to bear on SAIs and their work.”

⁷⁰ Ibid, 3 & 5.

⁷¹ <https://www.intosai.org/about-us/members>

⁷² <https://www.intosai.org/about-us>



Since then, the framework has been developed extensively by making use of the members' experience and expertise on a voluntary basis for the benefit of all SAIs, as well as resources from other professional standard-setting bodies such as the International Federation of Accountants (IFAC). The ISSAI framework includes guidance on different audit types and can today be considered as a "first comprehensive set of standards for public-sector auditing."⁷³ ISSAI framework is now referred to as Framework of Professional Pronouncements (IFPP). While INTOSAI's standard setting approach has not been without challenges,⁷⁴ the IFPP is extensive and worldwide recognised. This framework is made up of various levels of standards including founding principles, core principles for SAIs' operations and audit guidelines specific to public sector audit.⁷⁵ It could therefore be argued that INTOSAI's IFPP has evolved into an internationally recognised, professional and authoritative set of comprehensive standards tailored to SAIs.⁷⁶

In terms of stakeholder and public participation approach, INTOSAI has, for over a decade, advocated for the approach's application in the operations of SAIs. Consequently, the organisation has since 2007, issued a range of statements, hosted conferences and developed standards and guidance documents regarding participation and related topics. To begin with, INTOSAI's pronouncements spoke to SAIs' responsibilities in reporting on their work, and the importance of maintaining institutional independence when engaging with stakeholders and citizens.⁷⁷ Initially the organisation's language broadly emphasized communication and transparency, as opposed to proactive engagement. Fairly soon, however, the organisation began implicitly incorporating the public participation approach in its standards and general communication. At the 2011 UN/INTOSAI symposium, members convened under the theme "Effective practices of co-operation between Supreme Audit Institutions and citizens to enhance public accountability." These regular meetings are organised jointly by INTOSAI and the United Nations Department of Economic and Social Affairs (UN DESA), with the aim of improving government accountability.⁷⁸ While stipulating that SAIs independence constituted a key condition to any public engagement efforts, the 2011 symposium also:

"...underlined that SAIs must incorporate citizens' concerns and communicate effectively to the public, and issued a series of practical recommendations which included:

- (i) the dissemination of audit reports directly to citizens;*
- (ii) presenting audit findings in accessible non-technical language;*
- (iii) raising public awareness about public oversight;*
- (iv) promoting citizen participation through feedback and complaint mechanisms;*
- and*
- (v) strengthening relations with external stakeholders."⁷⁹*

⁷³ Kanga K. and Andaleeb Shefali. "Role of the International Organisation of Supreme Audit Institutions (INTOSAI) in Standard Setting for Public Sector Auditing." In Journal Of Government Audit and Accounts. Issue 9, August 2018. n. p. https://cag.gov.in/uploads/journal/journal_journal_journal_August_2018/intosai-public-sector.html

⁷⁴ Ibid, n. p.

⁷⁵ <https://www.intosai.org/focus-areas/audit-standards>

⁷⁶ Kanga, et. al. n. p.

⁷⁷ EIP. Supreme audit Institutions and Stakeholder Engagement Practice: A stocktaking report. September 2014. 13 & 15.

⁷⁸ Ibid, 14.

⁷⁹ Ibid, 15.



The following UN/INTOSAI symposium in 2013, explored the opportunities to strengthen public accountability presented by engaging the public and looked at practical challenges of communicating SAI's work. Some regional institutions representing SAIs have positioned themselves positively with regards to public participation. Both the Asian Organization of Supreme Audit Institutions (ASOSAI) and the European Organization of Supreme Audit Institutions (EUROSAI) have recognised the importance of effective communication with external stakeholders to strengthen fiscal accountability and transparency in respective strategic plans.⁸⁰ Many such regional bodies for SAIs work closely with INTOSAI with mostly similar aims, aside from standard-setting. Currently the global umbrella organisation recognises seven such regional bodies, including the African Organization of Supreme Audit Institutions (AFROSAI).⁸¹

Consequently, selected SAIs in various localities have begun to incorporate some component of stakeholder engagement into their operations. Thus, for example, a survey carried out by the National Audit Office of Estonia (NAOE) in 2018, found that of 38 SAI respondents – 80 percent – possessed strategic plans which mentioned stakeholder engagement, as well as guidelines on carrying out such engagement activities. Moreover, the survey points towards a “growing awareness” among respondents of the advantages that can be afforded to public auditing processes by SAIs conducting participatory activities in a more systematic and dialogue orientated manner.⁸² Summarising the survey findings, the author Eva-Maria Asari of NAOE states that:

“...results demonstrate SAI engagement approaches are becoming more institutionalized and are moving toward participatory involvement — going beyond a simple dissemination of audit results. This includes collecting stakeholder views on audit planning and soliciting feedback throughout the audit cycle.”⁸³

It should be noted that NAOE survey respondents constituted over 60 percent of SAIs based in developed states in Europe, while only two were in African states. Nevertheless, regions containing more developing and lower-income nations have also begun to incorporate aspects of stakeholder engagement and public participation. The Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS) for example, carried out a comprehensive diagnostic in 2017 of SAI members and their progress in implementing “good practices of citizens engagement.”⁸⁴ The need for such a diagnostic emanated from the advocacy and guidance on an international level by, among others, INTOSAI and the UN General Assembly, as well as work conducted by OLACEFS's own ‘Technical Commission for Citizen Engagement’ (CTPC in Spanish).

The document recognises the importance for SAIs in establishing and improving “mechanism[s] of citizen engagement”, as these can lead to positive outcomes in audit management and public auditing.⁸⁵

⁸⁰ Ibid, 16.

⁸¹ <https://www.intosai.org/about-us/regional-organisations>

⁸² Asari Eva-Maria. Inform-Consult-Involve-Collaborate-Empower: International survey uncovers stakeholder engagement definition, use and impact. In the International Journal of Government Auditing. Volume 46, No. 1. Winter 2019. 19 – 20.

⁸³ Ibid, 21.

⁸⁴ OLACEFS. Diagnosis of the implementation of impact indicators of good practices of citizen engagement of the members of the CTPC of OLACEFS 2017. June 28, 2017. 11.

⁸⁵ Ibid, 16 – 8.



“The literature reviewed for this study does list numerous specific benefits as concrete reasons for SAIs to implement and advance stakeholder and public engagement.”

As an example, the study finds that 10 out of 11 participating regional SAIs possess complaint mechanisms which give citizens an opportunity to raise specific issues, submit petitions and make audit proposals, thereby impacting their respective SAI's audit plans. Six of the surveyed public audit institutions presented data that showed the inclusion of citizen audit suggestions in the annual audit plans or “*control plan*” i.e., allowing for public suggestions of which government agency, ministry or enterprise should be audited.⁸⁶

The literature reviewed for this study does list numerous specific benefits as concrete reasons for SAIs to implement and advance stakeholder and public engagement. These include among others:

- Building understanding and trust among citizens around the public audit process, strengthening SAIs legitimacy and independence
- Improving SAIs operational efficiency as stakeholders can identify issues of mismanagement, underperformance or corruption
- Pressure the executive and legislature into taking the work and audit recommendations of SAIs more serious⁸⁷



⁸⁶ Ibid, 27 – 8.

⁸⁷ INTOSAI. Guidance on Supreme Audit Institutions' engagement with Stakeholders. n. d. 13. <https://www.idi.no/elibrary/well-governed-sais/sais-engaging-with-stakeholders/697-idi-sais-engaging-with-stakeholders-guide/file>

CURRENT LIMITS OF THE PUBLIC PARTICIPATION APPROACH IN SAIS' WORK: FORMAL AND PRACTICAL CHALLENGES

Despite advocacy of the public participation approach by international and regional organisations active within the public audit sector, it remains underutilised and underappreciated by many SAIs worldwide. For example, INTOSAI's latest *Global SAI Stocktaking Report 2017* found that of 139 SAIs involving stakeholders in audit follow-ups, only 22 percent engaged civil society. The same report notes a significant decline in the publication of audit reports worldwide. Thus, in the last stocktaking report in 2014, 70 percent of SAIs availed at least 80 percent of all audits publicly, compared to only 49 percent of SAIs doing so in 2017.⁸⁸ It would be reasonable to predict the worsening of transparency and accountability of public finances in many states, as well as hampered public engagement opportunities. Adequate information is a key requisite for meaningful engagement processes, especially with regards to public finances; without information, participation activities are at best platforms to gather basic and unsubstantiated opinions.

The survey carried out by NAOE mentioned in the previous section, finds that surveyed SAIs predominantly conduct one-way engagements, for example through questionnaires. Such tools however, don't provide for in-depth dialogue and deliberation on a public issue or undertaking, which constitutes a far more meaningful participation process. Moreover, the survey states that few public audit bodies prioritize engagement with citizens, favouring government organs such as the executive instead.⁸⁹ Overall, this study was only able to locate a small amount of literature that presented real-life examples of SAIs engaging with stakeholders and the public. Most of these studies were carried out in the early years of the past decade. Furthermore, there is also a set of guidance documents on stakeholder engagement aimed at SAIs, to strengthen and guide the implementation of public participation in the public audit process. While these documents make reference to various examples of stakeholder engagement activities by individual SAIs, such as in Argentina, South Korea and Senegal,⁹⁰ it is evident that SAIs worldwide find it challenging to incorporate public participation into their operations as recommended by INTOSAI and the UN.

“Adequate information is a key requisite for meaningful engagement processes, especially with regards to public finances; without information, participation activities are at best platforms to gather basic and unsubstantiated opinions.”

⁸⁸ INTOSAI. *Global SAI Stocktaking Report 2017*. n. d. 4.

⁸⁹ Asari, 20.

⁹⁰ INTOSAI. *Guidance on Supreme Audit Institutions' engagement with Stakeholders*. 22 – 3.



“SAIs have had to and continue to contend with the adjustment and expansion of their formal role as public auditors.”

Besides the theoretical and applied difficulties of planning and conducting meaningful participatory activities detailed earlier in this report, researchers have identified a number of substantial challenges facing public audit institutions in this regard. It must also be noted that it is fairly clear from the literature sourced for this study that the public participation approach is fairly new to SAIs. The ISSAI 12 (now referred to as INTOSAI-P 12) document for example, which promotes principles of stakeholder engagement and effective communication for SAIs, was only endorsed in 2013.⁹¹ It is therefore unsurprising that indicators for stakeholder and public participation from various assessments over the past decade, show only a limited overall uptake and application of the approach globally. Government institutions the world over are hardly known to adopt novel governance methods and tools swiftly; most state bureaucracies are, by their nature, slow to adapt and resistant to change.

In addition, SAIs have had to and continue to contend with the adjustment and expansion of their formal role as public auditors. This phenomenon can be attributed to long-running changes in the governance approach of democratic states, roughly encompassed by the good governance principles mentioned earlier in the study. Moreover, there has been an overall emphasis on improved performance by public entities, and making public services more responsive and accessible by moving them closer to citizens. These approaches are referred to as New Public Management and decentralisation, respectively.⁹² However, detailing the transformations taking place in governance over the past decades goes beyond the scope of this study. Suffice to say that states and international organisations have sought to reform SAIs and their roles since at least the 1980s. Primarily this has resulted in a widened scope for public auditors, reflected in the establishment of performance and compliance audits as opposed to SAIs carrying out only traditional financial audits.⁹³

This ongoing reform process of SAIs has arguably been positive in that it has encouraged public auditors to become more proactive and effective in demonstrating transparency and accountability through their work. By adopting quality international audit standards, building capacity, improving stakeholder engagement, and strengthening their independence, SAIs are better placed to ensure that their audit recommendations are taken seriously and to make meaningful contributions to citizens' lives. At the same time, transformation has also given rise to increased challenges and conflicts for SAIs; demands for additional audits and standards strain the capacity and resources of public audit institutions. Similarly, stakeholder communication requires additional staff and financing, and can impact an institute's independence. This broader context must be taken into consideration when discussing SAIs and public participation.

⁹¹ EIP, 14.

⁹² Quick and Bryson, 7.

⁹³ Johnsen Åge. Public sector audit in contemporary society: A short review and introduction. In *Financial Accounting & Management*. 2. 2019. <https://doi.org/10.1111/faam.12191>



CURRENT LIMITS OF THE PUBLIC PARTICIPATION APPROACH IN SAIS' WORK: FORMAL AND PRACTICAL CHALLENGES

With regards to participation in particular, researchers and audit organisations have documented a number of challenges and concerns encountered by SAIs, such as:

1. Threat to SAIs independence when engaging with stakeholders
2. Conflicting and unfeasible expectations from stakeholders
3. SAIs' mandate limitations
4. Potential higher costs and delays of audits
5. SAIs' limited capacity and know-how for engagement activities
6. Overall poor awareness and understanding among the public regarding the role of SAIs⁹⁴

Simply expecting SAIs to adopt progressive stakeholder and public engagement mechanisms ignores the broadly challenging environment in which public auditors operate. This has been recognised by among others INTOSAI – which has designed specific support programs for its members as well as guidance documents to address this deficit. Internationally, there appears to be a broad consensus among governance organisations and researchers that while tangible challenges do exist in SAIs applying the public participation approach, these are not insurmountable. In the same vein, the need for SAIs to maintain their institutional independence should not necessarily conflict with a more proactive stance by public auditors to promote their outputs and advocate for more actions by governments on audit findings.⁹⁵ Indeed, apart from increased stakeholder and public participation, there are additional ways of promoting SAIs work.

⁹⁴ Compiled and adapted from various sources including: INTOSAI. Guidance on Supreme Audit Institutions' engagement with Stakeholders. 24 – 6. and Köse and Baimyrzaeva. 85 – 6.

⁹⁵ Ramkumar, 2017.



“It is fortunate that Namibia, as a relatively young democracy, has established a fairly robust normative tradition of stakeholder and public engagement.”

REGULATIONS AND EXPERIENCES WITH PUBLIC PARTICIPATION IN NAMIBIA

Namibia is no stranger to the public participation approach. While it is difficult to pinpoint when, where and for what purpose public engagement activities first took root in independent Namibia, it can be assumed that some form of formal or informal stakeholder and public participation efforts have been undertaken in the country in the past two decades – and likely even longer. However, many of these activities would not have been labelled as such. Even pre-independence meetings between municipal officials and a town’s residents or business representatives could be classified as a basic participation event. From today’s perspective, these events would likely be deemed severely flawed, given the lack of an overarching, democratic and equitable political system.

In Namibia it can be assumed with a fair amount of certainty that the majority of public participation comprises fairly basic activities that aim to mostly inform and to gather some opinions from the public. This should not necessarily be deemed a negative situation. Firstly, it is fortunate that Namibia, as a relatively young democracy, has established a fairly robust normative tradition of stakeholder and public engagement. Anecdotal evidence suggests that citizens want and often expect to be given the opportunity, particularly with regards to issues that they are concerned about or which impact their lives directly. However, this does not mean that people are always given an opportunity to voice their opinion or be consulted in a formal way on a public issue, policy or project.

Nevertheless, statistics from Afrobarometer, a Pan-African research network which conducts regular and comprehensive perception surveys across the continent, indicate that the majority of Namibian respondents have attended or would like to attend a community meeting. Over 52 percent stated that they had attended such a meeting in many cases multiple times in the past year. A further 35.6 percent of respondents said that they had not attended a meeting, but would like to if given a chance. Similarly, most respondents noted that they had or would be willing to meet *“together with others to raise an issue.”*⁹⁶ These data are sourced from Afrobarometer’s latest perception survey conducted in the country in August 2019,⁹⁷ and while it does not conclusively prove the existence of a normative participatory mechanism, it does support the assertion that people would embrace such a mechanism.

The school cluster system provides a clear example of an early governance approach that encompassed public participation and stakeholder engagement in the country post-independence. This approach was solidified in the mid- and late 1990s in an effort to improve the quality of public education and management of schools. In short, by clustering schools in close proximity to each other into a single administrative unit, education officials hoped that schools’ principals and staff would support each other’s work, share knowledge and pool resources for improved education and administrative outcomes.⁹⁸

⁹⁶ Afrobarometer. Summary of Results: Afrobarometer Round 8 survey in Namibia, 2019. 2019. 35.

⁹⁷ Ibid, 2.

⁹⁸ Dittmar Fritz, Mendelsohn John and Ward Viv. The school cluster system in Namibia. 2002. 1.



Crucially for the purpose of this study, the cluster system sought to enhance democratic participation and decision-making in and by the school community. Democracy, after all, was one of the core objectives outlined in the government's education policy of 1993 titled *Toward Education For All*. In a report detailing the components and advantages of the school cluster approach, Fritz Dittmar and his co-authors observe that:

*“Democratic participation promotes the involvement of teachers, parents, school communities and learners in the education process. This happens most effectively when decentralisation is focused not only on the region, but also on the school community. One important role of clusters is to bring different people together and thus enhance their participation in schooling issues. Cluster centres also provide venues for various participatory activities, such as in-service training, school board training, and the organisation of sports and cultural events.”*⁹⁹

Another aspect of the school cluster system worth highlighting is the emphasis on improving the accountability and transparency of school management and effectiveness by improving community involvement. Parents, guardians and other community members were encouraged to contribute to school administration in addition to being given added responsibilities.¹⁰¹ Individual community members, such as school board members, were therefore able to influence decisions pertaining to the management of cluster schools. In some respects, this system epitomises the pinnacle of public participation, with the possibility of transferring significant decision-making power to local school communities and citizens. That being said, in practice, the ‘final say’ likely remained largely with school principals and education officials. To an extent, the cluster approach represents the public participation theory of self-mobilisation, and various positive impacts on education and school management have been attributed to the school cluster system.¹⁰²

Another useful example of public participation practiced in Namibia centres around environmental protection and conservation. Namibia's environmental legislation and policies are buttressed by a considerable number of international treaties to which the country has acceded. These treaties are referred to as Multilateral Environmental Agreements (MEAs) and are often administered by United Nations agencies. MEAs grant both benefits and obligations to members; the latter require states to implement the respective stipulations regarding resources and finance, while the former can include the transfer of know-how and technology as well as funding.¹⁰² Moreover, MEAs provide members with an extensive, authoritative and global reference framework with regards to environmental protection and good governance.

International environmental law, which is reflected in many MEAs, rests on a set of general concepts and principles which, crucially, include the right of individuals to information, participation and access to justice.¹⁰³ Besides being party to many MEAs, Namibia's supreme legal framework – the Constitution – explicitly recognises international law under Article 144. Thus, international legislation can directly be applied in the country as long as it conforms to the Constitution overall.¹⁰⁴

⁹⁹ Ibid, 30.

¹⁰⁰ Ibid, 12 – 3 & 6.

¹⁰¹ See: Dittmar Fritz, et. al.

¹⁰² Ruppel Oliver C. Introduction to International Environmental Law. In *Environmental Law and Policy in Namibia*. Ruppel Oliver C., and Ruppel-Schlichting Katharina (Eds). Third edition 2016. 65.

¹⁰³ Ibid, 62 & 4.

¹⁰⁴ Ibid, 55.



“Government, at times, has also been accused of ignoring and side-lining public and community input”

Consequently, public participation is enshrined in Namibia’s own environmental legislation. This is not simply a cursory inclusion based on general governance principles; sustainable environmental management concerns a vast range of stakeholders and hence a multitude of often conflicting views and interests. Sensible management of the environment “*seeks to find a balance that meets the needs of the environment and stakeholders.*”¹⁰⁵ While challenging, public and stakeholder participation tools can and do greatly contribute to measured and sound decision-making around sustainable development, nature conservation and protection.

Based on the points above, community involvement and stakeholder participation are key principles listed in Namibia’s Environmental Management Act (EMA) No. 7 of 2007. The EMA furthermore outlines industrial “*listed activities*” – such as but not limited to mining, waste disposal and forestry – which can result in a considerable negative impact on the environment. A listed activity is, by law, required to meet specific conditions before it can be approved, including conducting an Environmental Impact Assessment (EIA) and certification. An EIA process “*must involve extensive stakeholder engagement*” and if the project application is successful and realized, further ongoing engagements are required by the Act.¹⁰⁶ As a result, some form of public and stakeholder participation activities have become standard practice for a vast range of economic projects, industries and infrastructure developments.

While the EMA’s mandated public participation and stakeholder consultations for listed activities have undoubtedly led to stronger environmental protection as well as improved transparency and accountability, they have also resulted in significant animosity and conflict within Namibia’s society around controversial developments. One such project seeks to mine phosphate from the country’s offshore seabed.¹⁰⁷

More recently, exploratory drilling for oil and gas in Namibia’s ecologically-sensitive north-eastern Kavango Regions by the Canadian company Reconnaissance Energy Africa (ReconAfrica), has resulted in considerable public criticism by local experts, environmentalists and media representatives who allege that the company intentionally limited public and stakeholder activities and withheld EIA information.¹⁰⁸

Government, at times, has also been accused of ignoring and side-lining public and community input, most recently regarding the reparation negotiations between Namibia and Germany on the 1904-1908 genocide of the Herero and Nama people during the country’s colonial occupation. The controversy surrounding the negotiations between the two governments has been especially fraught, with representatives from the affected communities vehemently criticising the process as exclusionary and ignoring the views of the public.¹⁰⁹ Many of these issues reflect concerns and aspects discussed at length in the ‘*The Theory and Practice of Public Participation*’ section of this study. The local examples above also underline the need for authorities as well as businesses to very carefully consider and prepare for engagements with the public and stakeholders, lest they be accused of running sham events and risk incurring significant loss of public trust and reputational damage.

¹⁰⁵ Garrard Svenja, Heyns Piet, Pfaffenthaler Michelle and Schneider Gabi. Environmental Awareness for Sustainable Development: a resource book for Namibia, 2017. 157.

¹⁰⁶ Ibid, 115, 57 & 70.

¹⁰⁷ See for example: Smit Ellanie. “Thousands denounce phosphate mining.” In Namibian Sun, October 2, 2018. <https://www.namibiansun.com/news/thousands-denounce-phosphate-mining2018-10-02/>

likela Sakeus. “Civil society applauds phosphate suspension.” In The Namibian, June 22, 2018. <https://www.namibian.com.na/178752/archive-read/Civil-society-applauds-phosphate-suspension>

¹⁰⁸ Steffen Frank. “ReconAfrica muss vors Obergericht.” In Allgemeine Zeitung, May 10, 2021. <https://www.az.com.na/nachrichten/reconafrika-muss-vors-obergericht2021-05-10/>

¹⁰⁹ Tjitemisa Kuzeeko. “Reparations: Govt, communities at odds.” In New Era, May 31, 2021. 1 – 2.





INFO BOX 5: PRACTICAL EXAMPLES OF PUBLIC AND STAKEHOLDER PARTICIPATION

Public institutions, including SAIs, have access to a broad range of international guidance, tools and supporting literature to plan for and implement public and stakeholder participation efforts. Public participation requires resources, time and skilled staff. Therefore, it is important that such efforts are planned out properly prior to implementation. In this regard, it has become standard practice worldwide for both the public and private sectors to establish various stakeholder engagement plans or strategies.

1. Complaints' mechanisms

It appears that such mechanisms are one of the preferred ways for SAIs to engage with the public – for example, most SAIs in South America have established such a channel.¹¹⁰ A complaints mechanism in the form of a dedicated email address or hotline can be a valuable tool for SAIs. This mechanism, if properly formalised, advertised and promoted, can channel citizens' ideas and concern to SAIs. It is important that the complaints mechanism is formalised and well publicised via all possible media channels, and on the respective SAI's website, to ensure that citizens are aware of its existence.

2. Use of social media

Social media is an excellent tool to raise awareness and share information with large segments of the public. However, it needs to be monitored carefully to avoid misuse or irrelevance.

3. Public and stakeholder surveys, and focus groups

Surveys and focus groups are a good way for SAIs to extract specific information from stakeholders, both about their shortcomings and success. They can also lead to deeper and stable relationships with stakeholders. Focus groups can also be utilised to identify areas of improvement by the SAI.¹¹¹ The design and implementation of such tools have the advantage that they can be controlled and tailor-made to serve individual SAI's needs.

4. Formal discussion forum for external stakeholders

Formal discussions with stakeholders take engagement further, because they create space for more in-depth and critical dialogue. Having regular forums and sharing the proceedings with the general public could be a valuable method of sharing information. Public auditors could, for example, use such a forum to deliberate on performance issues in the public sector with civil society and business representatives. Some interviewees of this study supported such stakeholder specific engagements in Namibia, but noted that efforts had to be made to ensure broad representation and regular feedback from the OAG.

5. Citizens' advisory committees

Forming advisory committees of members of civil society and professional audit institutions would give SAIs access to a dedicated, diverse and well-informed group of stakeholders. In this way, a few individuals can represent a much wider group of people and stakeholders, and limited the administrative burden on SAIs.¹¹² Civil society and professional audit associations could be approached to nominate committee members to ensure broad representation from the start, instead of SAIs relying on the government for nominations.



¹¹⁰ OLACEFS. 27.

¹¹¹ INTOSAI. Guidance on Supreme Audit Institutions' engagement with Stakeholders. 66. <https://www.idi.no/elibrary/well-governed-sais/sais-engaging-with-stakeholders/697-idi-sais-engaging-with-stakeholders-guide/file>

¹¹² <https://www.epa.gov/international-cooperation/public-participation-guide-citizen-advisory-boards>



SUMMARY OF KEY INFORMANTS' RESPONSES

As outlined in the methodology section of this report, one of the core components of this study comprised numerous, in-depth interviews with key informants in Namibia. Given the very technical and specialised topic, the study's authors sought to select knowledgeable individuals in the finance industry and from regulatory agencies who play central roles in public fiscal oversight. IPPR approached professional bodies and associations in the audit profession for comment. In addition, the study approached numerous members of parliament (MPs) who have experience with public fiscal oversight, and serve or have served on the PAC. Finally, interviews were also conducted with media representatives who are a crucial stakeholder with regards to informing the general public, and acting as a 'watchdog' over government actions. Information from one civil society consultant knowledgeable in public participation was also included. Interviews took place face-to-face or telephonic while some organisations such as the OAG and the MoF chose to respond in writing (See Appendix 1). In total 19 individual or institutional responses were gathered for this study. All key informants were asked a set of general study questions, and were also given the opportunity to emphasize aspects and issues around the broad topic of public fiscal audit and oversight that they thought pertinent. Information imparted during stakeholder meetings is also included where it speaks to a relevant topic.

To facilitate the presentation and analysis of the many diverse comments and opinions gathered from interviewees, relevant information has been grouped into themes. These are listed below and are discussed in further detail in this section.

Key themes emanating from key informant interviews:

1. General observations on OAG and public fiscal auditing
2. Public participation in OAG's work
3. Stakeholder participation
4. OAG independence
5. Public fiscal oversight effectiveness
6. Opinions on strengthening OAG and overall fiscal oversight
7. Regulations and legal mechanisms

1. General observations on OAG and public fiscal auditing

All respondents were broadly aware of the OAG and its mandate. However, it was notable that even with the study's careful selection of knowledgeable respondents, not every person displayed an in-depth understanding of the OAG's work. Nevertheless, all respondents – hailing from the financial service industry, media and civil society – did voice a wide range of concerns regarding the operations, makeup and mandate of Namibia's public audit institution.

It should be noted however that many of these observations, particularly those centred around the OAG's mandate, concerned outside factors over which the institution had only limited or no influence. In turn, the majority of government institutional representatives who agreed to either an interview, submit written responses or participate in a stakeholder meeting, echoed the observations from respondents not in public service. For example, they acknowledged that the OAG faced various challenges in carrying out its mandate. However, the two groups of respondents placed different emphasis on specific issues as well as possible solutions. It was also noticeable that respondents from the public sector were in general more economical with their responses and provided few details.

While this was partially understandable given the perceived sensitivity around the topic of public finances (See Info box 6), it is unfortunate as it limits the overall usefulness of the information provided. Nevertheless, government entities did provide some crucial insights for the study.

The study also sought to gain comments and insights from MPs with experience in the PAC, as noted above. The MPs provided important information in terms of Parliaments' duties and interaction with public audits, as well as challenges faced by Parliament in holding government institutions accountable regarding expenditure and financial management. It is important to underline that this study aimed to include views from MPs representing opposition parties and the ruling party.

Few respondents commented directly on how they respectively perceived the quality of the OAG output. Jo-Maré Duddy, a senior journalist from Namibia Media Holdings (NMH),¹¹³ and Lesley-Anne van Wyk, a civil-society consultant,¹¹⁴ overall felt that the OAG met its role and provided respectable audits and financial information on public finances.

Regarding the quality of OAG audits and financial information, some private respondents raised concerns regarding capacity and other shortfalls at the institution. For example, Cameron Kotze, Chartered Accountant and council member of the Institute for Chartered Accountants of Namibia (ICAN), noted that the OAG in general awarded tenders for audit work to small firms unaffiliated with ICAN, as these constituted the cheapest bidders.¹¹⁵ In his opinion, these firms lacked ICAN members' expertise and insight into international standards, resulting in negative impacts on the audit output of OAG audits carried out by contractors. Essi Herbst, CEO of the Namibia Institute of Professional Accountants (NIPA), stated that the OAG faces capacity challenges with regards to adequately trained personnel, affecting public audits. She did however stress that OAG was aware of this issue, and was working together with relevant stakeholders, including NIPA, to address it.¹¹⁶ The lack of capacity for public audits was also mentioned by representatives of the Anti-Corruption Commission (ACC),¹¹⁷ while the Ombudsman John Walters, stated categorically that in his view, all state entities were hampered in their operations by capacity and human resource challenges.¹¹⁸

A key takeaway from the study was the fact that almost all respondents expressed dissatisfaction with the current state of public fiscal transparency and accountability in Namibia. In general, concerns centred around the lack of accountability in state fiscal matters; to the extent that public audits and recommendations seldom resulted in any visible improvements, and were usually ignored with impunity by most public auditees. Indeed, no key informant contradicted this assertion.

Members of the media, as well as most members of the financial industry in particular, stressed the poor overall state of fiscal accountability. Duddy stated that in her view, government institutions tasked with fiscal accountability such as the MoF, OAG and Parliament faced a massive credibility issue due to lack of visible action.¹¹⁹

“Almost all respondents expressed dissatisfaction with the current state of public fiscal transparency and accountability in Namibia.”

¹¹³ Interview with Duddy Jo-Mare. Windhoek, January 11, 2021.

¹¹⁴ Interview with van Wyk Lesley-Anne. Windhoek, February 1, 2021.

¹¹⁵ Interview with Kotze Cameron. Windhoek, February 4, 2021.

¹¹⁶ Interview with Herbst Essi. Windhoek, February 8, 2021.

¹¹⁷ Interview with representatives of the ACC. Windhoek, March 10, 2021

¹¹⁸ Interview with Walters John. Windhoek, January 14, 2021.

¹¹⁹ Interview with Duddy Jo-Mare.



Edward Muumbu, journalist at the Namibian Press Agency (NAMPA), observed that the OAG had been reduced to an institution that simply dropped off documents at Parliament and that nobody was being held accountable.¹²⁰ Similar views were also expressed by Bruce Jansen from Simonis Storm Securities (SSS), a stock broker and wealth management firm,¹²¹ and Rowland Brown from the financial service firm Cirrus.¹²² The former noted that the OAG produced a lot of reports annually, however said reports lacked impact. Brown said that little was being done to improve fiscal transparency in the public sector, citing especially a lack of public documentation on the use of government funds by State Owned Enterprises (SOEs).

Some government representatives also voiced concerns around the state of fiscal accountability in the public sector. ACC staff members of the Public Education and Corruption Prevention department, under Christine Liswaniso, noted that many public servants lacked understanding of the OAG's role and the institution's importance in good governance¹²³ – a take reflected by a representative from the Namibian Institute of Public Administration And Management (NIPAM).¹²⁴

Former chairperson of the National Assembly's PAC, Mike Kavekatora from the Rally for Democracy and Progress (RDP) party, expressed his long-standing frustration at the overall situation, stating that recommendations made by the PAC based on OAG audit findings were legally not enforceable, and therefore often ignored by state agencies.¹²⁵ This observation was also made by the current PAC chairperson Dudu Murorua, from the United Democratic Front (UDF) party.¹²⁶

2. Public participation in OAG's work

Informants had mixed views on stakeholder and public participation in the OAG's work. While most interviewees supported the notion that the approach should play a bigger role in the management of public finances, many expressed caution, voicing concern regarding applying the method too extensively and liberally. Overall, representatives from the ACC, OAG and MoF stated that more public engagement in the OAG's work is preferred. In a written response, the Auditor-General Junias Kandjeke, outlined a fairly progressive definition of public participation:

“Public participation in the external audit is the process by which public concerns, needs, and values are incorporated into SAIs' decision making. It is a two-way communication and interaction, with the overall goal of better decisions that are supported by the public.”¹²⁷

He further stated that he would support the development of SAIs engaging with citizens, as they were key stakeholders of the institutions.¹²⁸

¹²⁰ Interview with Muumbu Edward. Windhoek, February 16, 2021.

¹²¹ Interview with Jansen Bruce. Windhoek, January 25, 2021.

¹²² Interview with Brown Rowland. Windhoek, January 19, 2021.

¹²³ Interview with representatives of the ACC.

¹²⁴ Comment Amadhila Beatus. Stakeholder meeting with public sector officials. Windhoek, March 4, 2021.

¹²⁵ Interview with Kavekatora Mike. Windhoek, February 22, 2021.

¹²⁶ Interview with Murorua Dudu. Windhoek, December 24, 2020.

¹²⁷ Written response to IPPR fiscal transparency project questionnaire by Kandjeke Junias. Email, February 3, 2021.

¹²⁸ Ibid.



It was also evident that a considerable number of respondents, particularly from the government, were unclear about public participation as defined by international agencies and academics. Notably, ACC¹²⁹ and MoF¹³⁰ representatives' responses implied that public participation should primarily be utilised as a tool for raising awareness of the OAG's importance and work. While the information aspect of public participation is an important component, as a stand-alone practice it is outdated and does not count as an adequate participation mechanism – as outlined earlier in this study.

A small minority of informants questioned the use of public engagement by the OAG; a media representative felt that, while the approach had merits, it was *"too early"* to be utilised by Namibia's SAI.¹³¹ Brown from Cirrus did not see the need to utilise the approach in the confirmation of public finances, but also stated that state expenditure needed to be far more transparent to the general public, and public engagement could play a role. An example would be providing feedback on budget expenditure to SOEs such as Air Namibia – information which, according to him, is often unavailable from the government.¹³²

The new Deputy Minister of MoF and deputy chair of the PAC, Hon. Maureen Hinda-Mbuende from the SWAPO party, did not endorse stakeholder and public participation in the public fiscal finance sphere. Instead, she proposed that a focus on internal procedures and processes would improve fiscal discipline and management.¹³³ This view ran counter to the majority of views from media and financial services informants, who broadly felt that promises to improve public fiscal management by the government over the years had consistently failed in meeting expectations. Journalist Duddy observed that the business sector was especially distrustful of the government's public commitments to address fiscal mismanagement and raise accountability.¹³⁴

Many informants expressed concern about the level of understanding of government finances by the general public. The knowledge level on fiscal matters was judged to be poor overall among the country's population. Following this logic, public participation would have to start with informing the public of the basics in terms of delving into the complexities and technicalities of public finance, budgeting and auditing. For example, the ACC representatives noted that the general public and many civil servants lacked basic understanding regarding the OAG's work and its importance to good governance.¹³⁵ Duddy from NMH stated that many journalists struggled to comprehend the OAG's often very technical reports, and she was certain that this also applied to many members of the public as well as MPs.¹³⁶

"Many informants expressed concern about the level of understanding of government finances by the general public. The knowledge level on fiscal matters was judged to be poor overall among the country's population."

¹²⁹ Interview with representatives of the ACC.

¹³⁰ Written response to IPPR fiscal transparency project questionnaire by Nakale Martinus. Email, February 15 & March 18, 2021.

¹³¹ Interview with media representative. Windhoek, April 26, 2021.

¹³² Interview with Brown Rowland.

¹³³ Interview with Hinda-Mbuende Maureen. Windhoek, May 5, 2021. ¹³⁴ Interview with Duddy Jo-Mare.

¹³⁵ Interview with representatives of the ACC.

¹³⁶ Interview with Duddy Jo-Mare.



“The majority of informants saw the need for the OAG to engage more with the public and stakeholders in general.”

Based on the previous point, the majority of informants saw the need for the OAG to engage more with the public and stakeholders in general. Public participation was seen as just one method in this regard. Interviewees from various sectors stated that the OAG should be far more proactive in availing information, raising awareness, educating and engaging the public and stakeholders through available mediums. Both Duddy¹³⁷ and Brown¹³⁸ suggested that media houses could act as valuable information conduits for the OAG’s work; the former even suggested that media could be used as a feedback loop – providing input concerning public finance from the public back to the institution. Muumbu from NAMPA¹³⁹ and Eric van Zyl from the financial service firm Irwin, Jacobs, Greene Ltd. (IJG),¹⁴⁰ stated that media representatives should be capacitated by the OAG to interpret audits better to the public. Both also stated that the OAG’s website should be reworked to be more user-friendly and attractive. The Auditor-General himself admitted in his written response that more could be done by his office to enhance fiscal transparency, such as media briefings.¹⁴¹ OAG staff at a study stakeholder meeting did note that the media was identified as one of the OAG’s key stakeholders in its draft *Stakeholder Engagement Strategy*, which also mandates increased engagement with and training for media workers.¹⁴²

3. Stakeholder participation

The study confirmed some of the practical difficulties thrown up by broad public participation, such as knowledge gaps and low levels of education, insufficient human resources and logistical constraints. Informants were also asked about their opinion with regards to the OAG engaging with specific stakeholders to make the process more manageable, and possibly improve the quality of the deliberations. Few informants commented directly on this. Those who did respond were supportive overall, but also voiced concerns particularly around representation and the usefulness of such engagements to the stakeholders’ themselves.

For example, Jansen from SSS noted that consultations should be broadly representative and not focus on specific sectors;¹⁴³ a take also supported by Muumbu¹⁴⁴ and IJG’s van Zyl.¹⁴⁵ Jansen also cautioned that such engagements should go beyond the usual ‘talk-shops’ i.e. stakeholders should expect action and feedback from the OAG on their inputs.¹⁴⁶ He pointed to an important aspect in public participation which has been alluded to earlier: the public and stakeholders can quickly tire of engagement efforts especially if there is no tangible gain or improvement of the issue at hand. Both Jansen¹⁴⁷ and NAMPA’s Muumbu¹⁴⁸ were of the opinion that such engagements had to be well planned and designed to be valuable.



¹³⁷ Ibid.

¹³⁸ Interview with Brown Rowland.

¹³⁹ Interview with Muumbu Edward.

¹⁴⁰ Interview with van Zyl Eric. Windhoek, January 28, 2021.

¹⁴¹ Written response to IPPR fiscal transparency project questionnaire by Kandjeke Junias.

¹⁴² Comment OAG representative. Stakeholder meeting with public sector officials.

¹⁴³ Interview with Jansen Bruce.

¹⁴⁴ Interview with Muumbu Edward.

¹⁴⁵ Interview with van Zyl Eric.

¹⁴⁶ Interview with Jansen Bruce.

¹⁴⁷ Ibid.

¹⁴⁸ Interview with Muumbu Edward.

Jansen noted that, while stakeholder engagements with the government had become more common in the country, they were not yet deliberate enough. He stated that in his view, for example, an adequate national public-private dialogue had not materialised yet.¹⁴⁹ Finally, Kotze from ICAN cautioned in expecting too much input from accountants, stating that qualified chartered accountants in particular were overtly busy given the profession's small size country wide.¹⁵⁰

4. OAG Independence

One concern raised internationally about public participation in SAIs' work is that overt engagement could compromise auditors' independence. A few respondents spoke to this concern, with ACC representatives noting that audits had to be conducted confidentially. However, findings and recommendations of public audits should be made public.¹⁵¹ Brown conceded that some fiscal information was of a sensitive nature, but stressed that where public monies were concerned, transparency should be of primary concern.¹⁵² Herbst from NIPA made a similar observation, stating that not just tax-payers but all citizens and residents – who paid Value-Added Tax (VAT) imposed by the government on goods and services – had a right to know how public revenue was utilised.¹⁵³

The OAG, in its written response, noted the institution had put in place ISSAIS standards to ensure the organisation's impartiality and independence, including an ethics code (ISSAIS 130) which all staff were expected to adhere to. He noted further that while the public could be given insight into audit planning, the decision on the extent and scope of any audit would rest with the OAG.¹⁵⁴

Notably, some respondents raised concern about the OAG's independence with regard to the institution's legal mandate. A few informants even felt that the institution was not completely free from outside political interference and manipulation. However, little evidence was provided for this view. For example, RDP MP Kavekatora, felt that a lack of internal auditors at local and regional authorities and limited decentralisation hampered fiscal management at this level – with negative consequences for the OAG's work, and little apparent interest by the government to address this issue.¹⁵⁵ Muumbu noted that the OAG's budget was still dependent on the central government and that the Auditor-General's term was perhaps too long to maintain a critical and independent stance.¹⁵⁶ The concern around independence of the OAG does correlate with OBS's classification of Namibia's SAI's as a non-independent fiscal institution (See Table 1) and the President's discretionary powers over the operations of the OAG (See Info Box 1).

“A few informants even felt that the institution was not completely free from outside political interference and manipulation.”

¹⁴⁹ Interview with Jansen Bruce.

¹⁵⁰ Interview with Kotze Cameron.

¹⁵¹ Interview with representatives of the ACC.

¹⁵² Interview with Brown Rowland.

¹⁵³ Interview with Herbst Essi.

¹⁵⁴ Written response to IPPR fiscal transparency project questionnaire by Kandjeke Junias.

¹⁵⁵ Interview with Kavekatora Mike.

¹⁵⁶ Interview with Muumbu Edward.



5. Public fiscal oversight effectiveness

The majority of informants acknowledged, to varying degrees, that the oversight of public finances in the country had various shortcomings. Even more worrisome, many interviewees either alluded to or stated directly that the public fiscal oversight system had been hamstrung for years, and that reform attempts had mostly failed. Perceived reasons for this were diverse and often contradictory. However, while Namibia's public audit institution came in for criticism, most blame was directed at other institutions. Media representatives took issue with the PAC and Parliament in general; Duddy stated that in her view, parliamentary committees, their reports and recommendations hardly ever made an impact regarding identified issues.¹⁵⁷ Kotze from ICAN felt that Parliament and associated committees often lacked fiscal acumen and thus failed to realize the consequences of not acting on audit recommendations.¹⁵⁸ In contrast, the Ombudsman¹⁵⁹ and Hon. Kavekatora¹⁶⁰ instead blamed the inaction of Parliament on the lack of enforcement mechanisms, noting that standing committees could only issue recommendations. Both noted that it was difficult to ensure accountability from ministers especially. The chair of the PAC Hon. Murorua, however, blamed the poor implementation of audit recommendation on the lack of litigation powers on behalf of the OAG.¹⁶¹

Some informants divulged further details which in their view further hampered public fiscal oversight. A media representative observed that OAG and PAC reports were hardly ever debated in Parliament and that MPs on the whole showed little interest in discussing fiscal issues.¹⁶² OAG staff lamented that senior government officials and ministries' Executive Directors (EDs) seldom attended debriefing sessions on audit findings.¹⁶³ A number of informants also agreed that coordination and communication between leading the public entities, including MoF, OAG, PAC and ACC, responsible for fiscal management and oversight appeared weak and likely contributed to failings on fiscal issues. This opinion was shared by MP Hon. Kavekatora¹⁶⁴ and Ombudsman Walters.¹⁶⁵ Jansen from SSS stated that he possessed little insight into the workings of these agencies, but noted that the fact that audited organisations often disputed audit findings pointed to a lack of communication.¹⁶⁶ MoF Deputy Minister Hon. Hinda-Mbuende, observed that cooperation between auditors, accountants, manager and clerks, especially at local authority level, needed to be strengthened.¹⁶⁷

6. Opinions on strengthening OAG and overall fiscal oversight

Most informants had strong opinions and made various suggestions on how to address the lack of fiscal transparency and accountability in the public sector. A few interviewees also noted some positive developments. However, the prevailing tone from many respondents implied low expectations with regards to seeing a marked improvement of the current status quo, especially over the short to medium-term.



¹⁵⁷ Interview with Duddy Jo-Mare.

¹⁵⁸ Interview with Kotze Cameron.

¹⁵⁹ Interview with Walters John.

¹⁶⁰ Interview with Kavekatora Mike.

¹⁶¹ Interview with Murorua Dudu.

¹⁶² Interview with media representative.

¹⁶³ Comment OAG representative. Stakeholder meeting with public sector officials.

¹⁶⁴ Interview with Kavekatora Mike.

¹⁶⁵ Interview with Walters John.

¹⁶⁶ Interview with Jansen Bruce.

¹⁶⁷ Interview with Hinda-Mbuende Maureen.

Nevertheless, a majority of informants made solid proposals on improving fiscal management and oversight – some of which were also being considered internationally.

However, stakeholder and public participation was not seen as a priority approach to addressing the issue. As pointed out previously, most informants saw the value in the approach as primarily informative and the raising of awareness among the public on the importance of the OAG, and prudent and transparent management of government finances. Moreover, some informants noted that public and stakeholder engagement should lead to pressure and demands on Parliament and the government as a whole. NGO consultant van Wyk noted that consultations with regional civil servants and members of the public did demonstrate that there is interest in participating in national budget deliberations.¹⁶⁸ van Zyl from IJG stated that public pressure should come to bear after the OAG had conducted its work to support the implementation of audit recommendations.¹⁶⁹ This view was also partially shared by Jansen from SSS.¹⁷⁰ Ombudsman Walters was most supportive of public participation as a way to demand more fiscal accountability from the government. He stated that, to improve the situation, civil society as a key stakeholder had to step up and exert more pressure on the government to enforce audit recommendations and investigate fiscal mismanagement at public entities.¹⁷¹

Herbst noted that NIPA had identified a great need for capacity building regarding financial management in the public sector. She stated that the OAG had reached out to NIPA to address this issue through dedicated competence training, including for its own staff. NIPA was currently in the process of finalising training components and gaining the necessary international accreditation.¹⁷² This information was partly acknowledged by OAG staff, who noted that auditors, accountants and bookkeepers at public entities and especially at regional and municipal level needed to be capacitated. They also noted that these public servants were considered key stakeholders by the OAG.¹⁷³ Private industry representatives also observed the need to improve overall bookkeeping practices. For example, Brown from Cirrus¹⁷⁴ and van Zyl from IJG¹⁷⁵ highlighted the need to improve and enforce documentation and record keeping at public entities to ensure better quality audits.

As noted previously, some informants also stated that public engagement efforts needed to be well designed and carried out. Furthermore, van Wyk observed that such engagements should take place on a formal basis. With regards to engagements with the OAG, she felt that public input towards performance audits should be considered.¹⁷⁶ A similar point was also made by Herbst from NIPA, who stated that the public would especially benefit from information sessions on results of performance audits.¹⁷⁷

¹⁶⁸ Interview with van Wyk Lesley-Anne. ¹⁶⁹ Interview with van Zyl Eric.

¹⁷⁰ Interview with Jansen Bruce.

¹⁷¹ Interview with Walters John.

¹⁷² Interview with Herbst Essi.

¹⁷³ Comment OAG representative. Stakeholder meeting with public sector officials.

¹⁷⁴ Interview with Brown Rowland.

¹⁷⁵ Interview with van Zyl Eric.

¹⁷⁶ Interview with van Wyk Lesley-Anne.

¹⁷⁷ Interview with Herbst Essi.



“Representatives from the financial service industry stated that the OAG should seek to engage a wide range of stakeholders, including those from the private sector.”

Finally In terms of stakeholder engagement specifically, representatives from the financial service industry stated that the OAG should seek to engage a wide range of stakeholders, including those from the private sector. IJG’s van Zyl suggested engaging banks, the Office of the Ombudsman and the media.¹⁷⁸ Brown from Cirrus noted that the OAG should engage more pro-actively with the management of SOEs, which are often seen as carrying considerable financial risk due to limited and outdated financial information.¹⁷⁹ Jansen noted that organisations such as SSS did not simply want to be consulted in order to criticise the government, but also to offer constructive feedback and suggestions.¹⁸⁰

7. Regulations and legal mechanisms

While public participation was judged to have its merits in terms of improving fiscal transparency and accountability, a greater majority of informants felt that better results could be obtained by establishing new, legally binding regulations and procedures. Indeed, it was surprising how consistently this opinion occurred among individual informants. Out of the 12 interviewees who responded to the question on providing the OAG or other government institutions with new legal powers on fiscal management, 10 endorsed this approach.

However, opinions on where these legal powers should be situated differed considerably. Just over 40 percent of informants stated that the OAG should be provided with some sort of legal means to enforce audit recommendations. This option was broadly supported by Jansen, Herbst, van Zyl, Kotze and Muumbu. This contrasted with the view from regulators themselves – who advocated that a public entity, besides the OAG, should be given enhanced legal powers to support audit compliance. Around 16 percent of informants favoured this option. Representatives from the ACC stated that their organisation should be given more powers.¹⁸¹ In his written response, Auditor-General Kandjeke suggested that penalties should be imposed by the PAC on entities that failed to implement audit recommendations.¹⁸²

25 percent of respondents did not necessarily call for new specific legal instruments pertaining to public finances and oversight, but simply stated that the routine non-compliance with audit and PAC recommendations by public institutions needed to be met by tangible consequences, as commonly practiced in the private sector. This view was held by Hon. Kaveketora, Duddy and Brown.

¹⁷⁸ Interview with van Zyl Eric.

¹⁷⁹ Interview with Brown Rowland.

¹⁸⁰ Interview with Jansen Bruce.

¹⁸¹ Interview with representatives of the ACC.

¹⁸² Written response to IPPR fiscal transparency project questionnaire by Kandjeke Junias.



There were only two informants who outright rejected the establishment of new legal powers or regulations to address the issue, constituting just over 16 percent of all responses. Hon. Hinda-Mbuende from the SWAPO party noted a preference for seeing powers enhanced for all governance institutions, and advocated for raising governance standards and the enhancement of risk mitigation through the improvement of internal controls.¹⁸³ UDF MP Hon. Murorua stated that legal mechanisms were already in place, but needed to be consistently implemented. He also favoured providing the OAG with additional funds to conduct forensic audits, and reworking performance audits in order to track actual impact of expenditure.¹⁸⁴

¹⁸³ Interview with Hinda-Mbuende Maureen.

¹⁸⁴ Interview with Murorua Dudu.





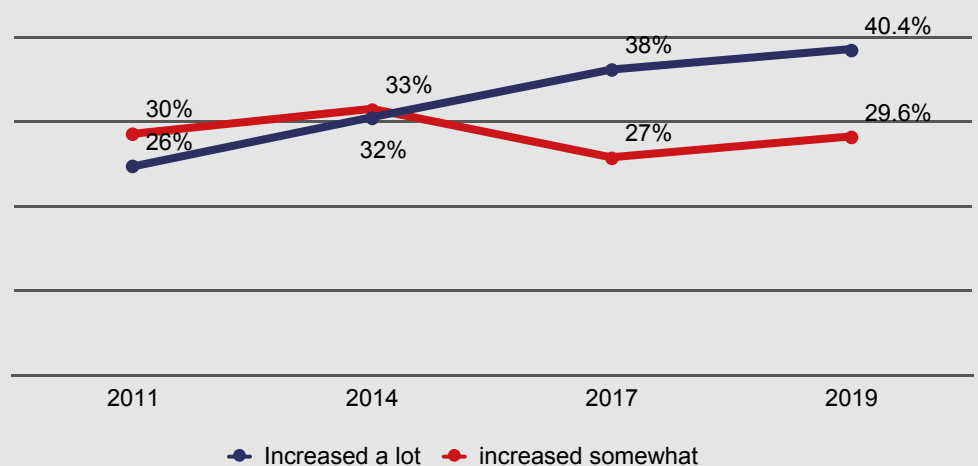
INFO BOX 6: CORRUPTION - WHY WAS THIS SUCH A HOT TOPIC?

Another key takeaway from the key informant interviews, interestingly, did not directly concern the study. In interviews, key informants almost invariably brought up the topic of corruption and mismanagement with regards to public fiscal management. While the theme is relevant for this study and, of course, concerns public finances, this report's focus rests on fiscal transparency and accountability and the public participation approach. However, it was notable that many discussions with informants raised this issue without prompting and in some instances appeared to dominate the views of respective interviewees. This raised a number of considerations, which can only be speculated on.

Firstly, Namibia has recently experienced high-profile incidents of severe corruption in the public sector – such as the 'Fishrot' scandal involving state fishing quotas uncovered at the end of 2019;¹⁸⁵ and the closure of the state-owned Small Medium Enterprise (SME) Bank after fraudulent transactions were discovered by the central bank in 2017.¹⁸⁶ Namibia's President has continuously insisted however, that corruption has not become 'endemic' and that besides a number of unfortunate cases, the country remains well governed and untainted by serious corrupt practices.¹⁸⁷

The unpicking of this issue and the extent of corruption in Namibia is well beyond this study. However, it is notable that some evidence suggests that the government is downplaying the severity of the problem. The Afrobarometer surveys in Namibia conducted in the past years document a steep rise of respondents who felt that corruption was on the increase in the country. In 2014, 38 percent of respondents stated that the level of corruption had "increased a lot" over the past year; this figure rose to 57 percent in 2017. Only a slight decrease of this number has been documented in the latest survey from 2019 (See Graph 1). Furthermore, citizens partaking in the surveys increasingly feel that the government is failing in addressing corruption. While in 2011, only 26 percent of respondents said the government is handling the issue "very badly", over 40 percent did so in 2019 (See Graph 2).¹⁸⁸

Graph 1: Corruption - increased, decreased or stayed the same over past year?



¹⁸⁵ https://en.wikipedia.org/wiki/Fishrot_Files

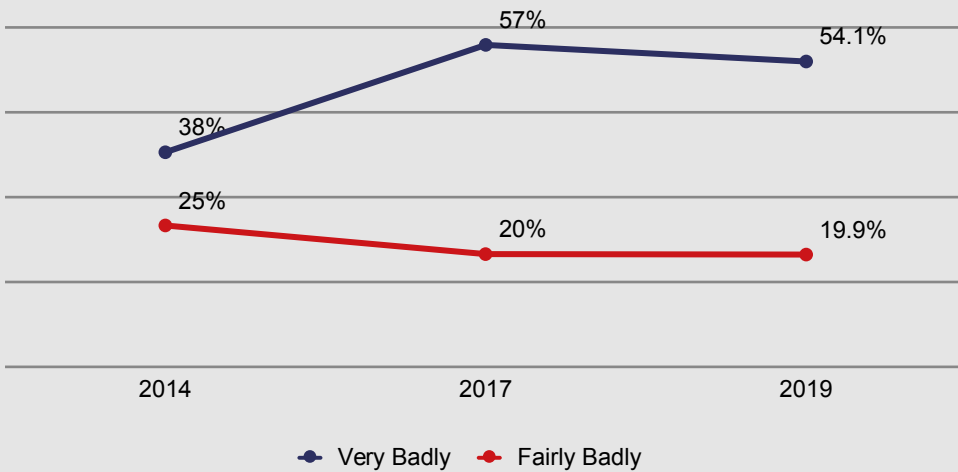
¹⁸⁶ Menges Werner. "SME Bank closure proceeds." In The Namibian, October 24, 2018. <https://www.namibian.com.na/182551/archive-read/SME-Bank-closure-proceeds>

¹⁸⁷ Links Frederico. Namibian Governance Report 2015 – 2020: Systems, Processes and Institutions. November 2020. <https://ippr.org.na/publication/namibian-governance-report-2015-20/>

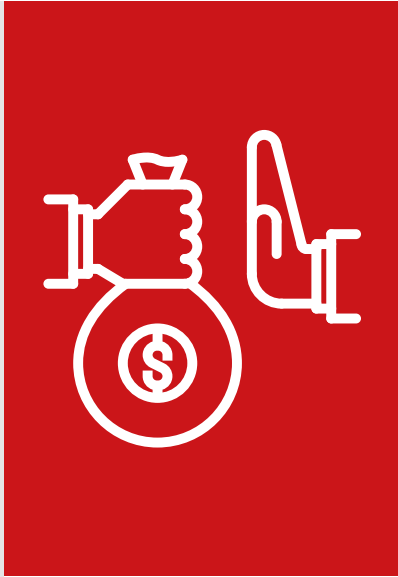
¹⁸⁸ Info Box 6: Graph 1 & 2 info compiled from Afrobarometer survey rounds. See: <https://afrobarometer.org/>

It can be argued that such surveys simply reflect subjective perceptions that are not necessarily grounded in reality. But widespread public perceptions matter. If a large proportion of citizens are of the opinion that corruption is becoming a major issue in Namibia, this can have implications for the state and governance. For example, if people feel that corruption is becoming commonplace, they could become more reluctant to pay taxes – since the perception is that state funds are likely siphoned off by officials rather than used for improving public services. The public perception of widespread corruption could also beget corrupt practices by individuals themselves as: *'everybody is doing it.'*

Graph 2: How bad/good is Government handling the matter of fighting corruption?



Besides the obvious issues around a perceived growing trend of corruption, there is a further impediment closely linked to this study. Arguably, many interviewees who were part of this study have had their opinions influenced unduly by this widespread *'corruption is growing'* perception. This might explain to some extent why many informants placed such great emphasis on the establishment of new legal mechanisms to enforce audit recommendations. This could be a hindrance, since corruption and mismanagement is only one part of public auditing and fiscal management. Ensuring compliance with fiscal rules, determining value for money, identifying wastage, making suggestions on how public services can be improved and so forth – all are equally important aspects of SAIs' operations. An increased focus and emphasis on corruption is understandable, but can also worsen the situation if other important aspects of fiscal compliance are not given enough attention.



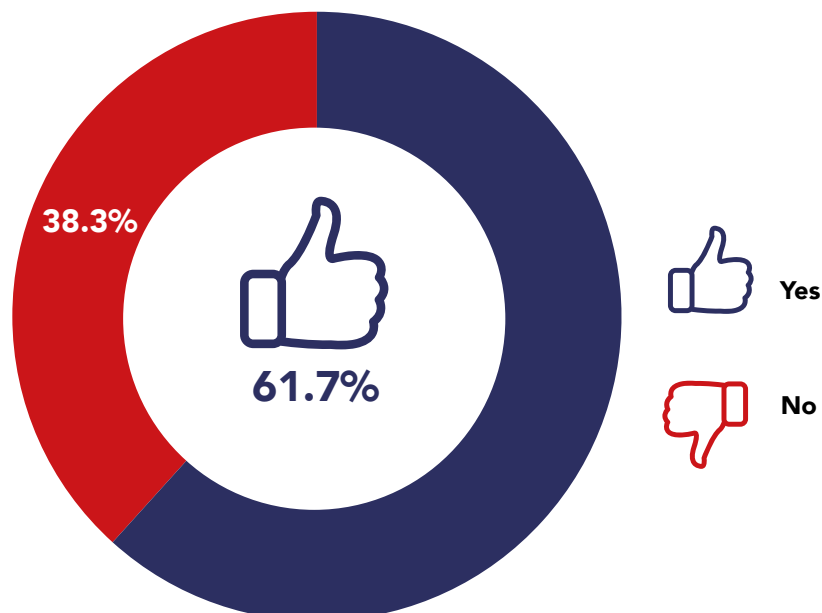
QUESTIONNAIRE BASED SURVEY: RATIONALE, DESIGN

As mentioned in the methodology, one of three core components of this study constituted a questionnaire-based survey. The survey's intentions were to add a level of data that went beyond the information gathered from desk research and opinions from key experts. At the same stage, the survey design was limited due to the technical and fairly specialised nature of the overall topic. The survey therefore targeted potential respondents from civil society interest groups and umbrella bodies, media, industry, business, financial and professional associations as well as unions. This was done to ensure that there was a high likelihood that respondents possessed at least a rudimentary understanding of public finances and the OAG.

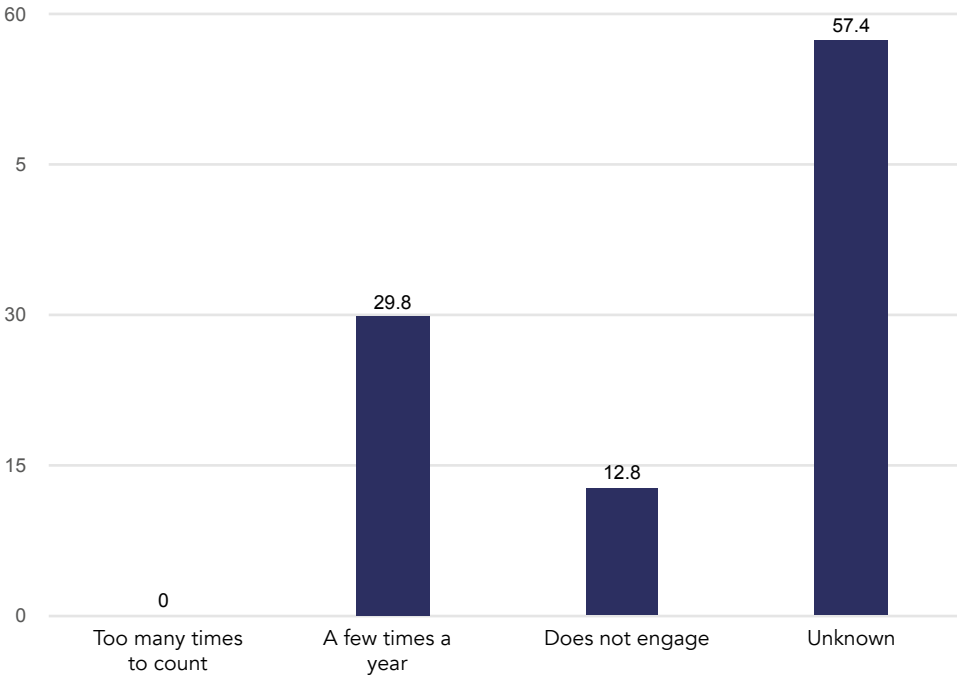
As a supplementary component to the study, the survey aimed to collect 50 complete questionnaires. While this means that the responses cannot be seen as representative, a larger survey was beyond the scope of this study. The survey sought to assess knowledge and solicit perceptions and expectations from public entities on fiscal transparency issues, including public participation. It should be noted that even with the initial selection criteria, the study team encountered considerable difficulties in locating individuals who were both willing and able to undertake the survey. While challenging, this does reinforce the opinion expressed by many key informants that public awareness and knowledge around public finance, fiscal transparency and accountability is very limited. Eventually, a total of 47 questionnaires were completed and handed back with the vast majority – over 93 percent – stating that they were aware of the OAG and its mandate.

This section will provide a brief overview of the most pertinent information collected from the questionnaire survey. Most of the data presented here in graphs are self-explanatory; however, detail is provided in text form as appropriate and the most pertinent points are summarised at the end of the section. Finally, it should be noted that the collected data has been cleaned to eliminate duplications and unnecessary information and to improve its understandability, as well as anonymised to ensure the confidentiality of participants.

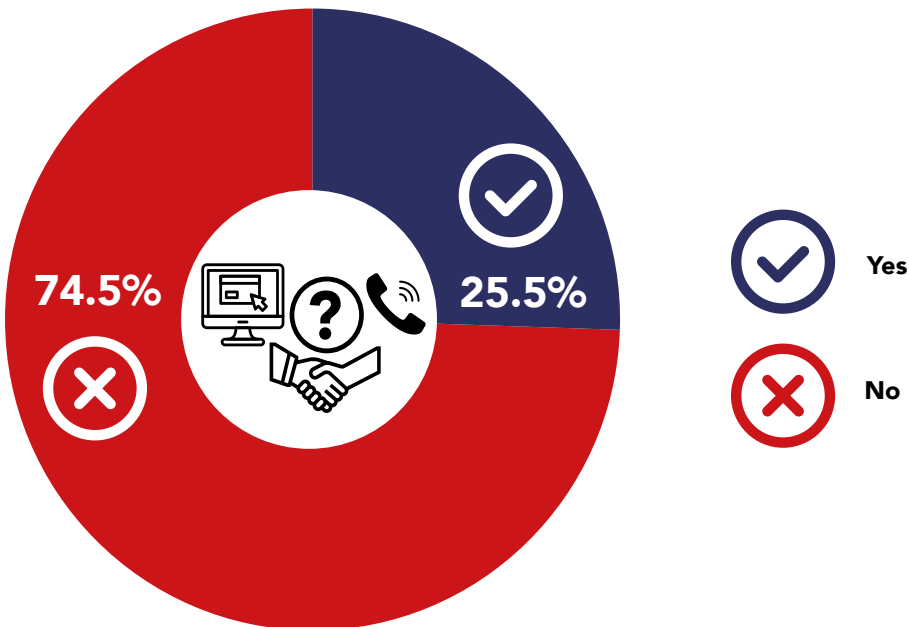
Graph 3: Do you know who the key stakeholders are of the OAG? %

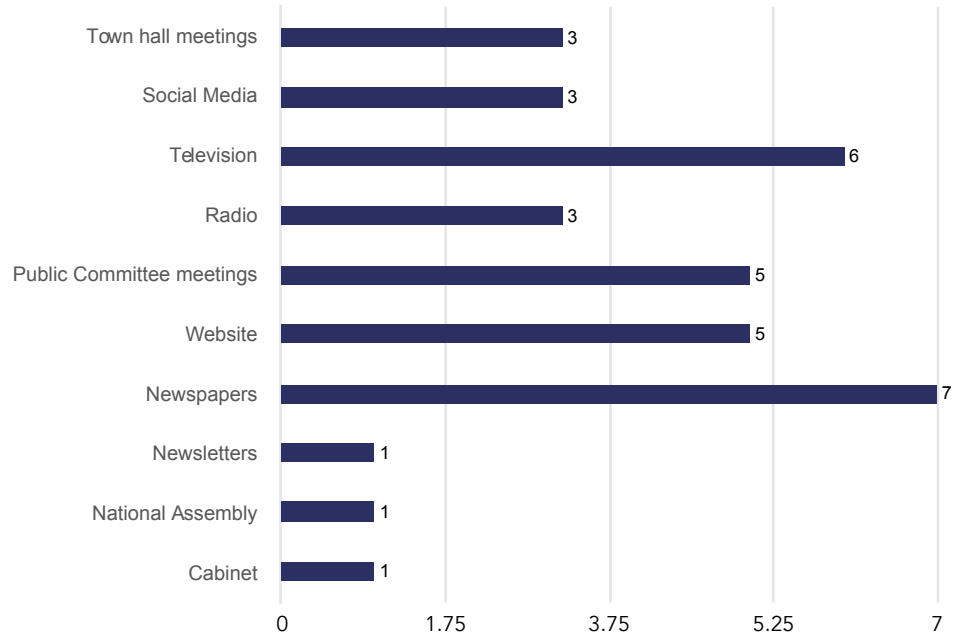


Graph 4: How often does the OAG engage with its stakeholders? %

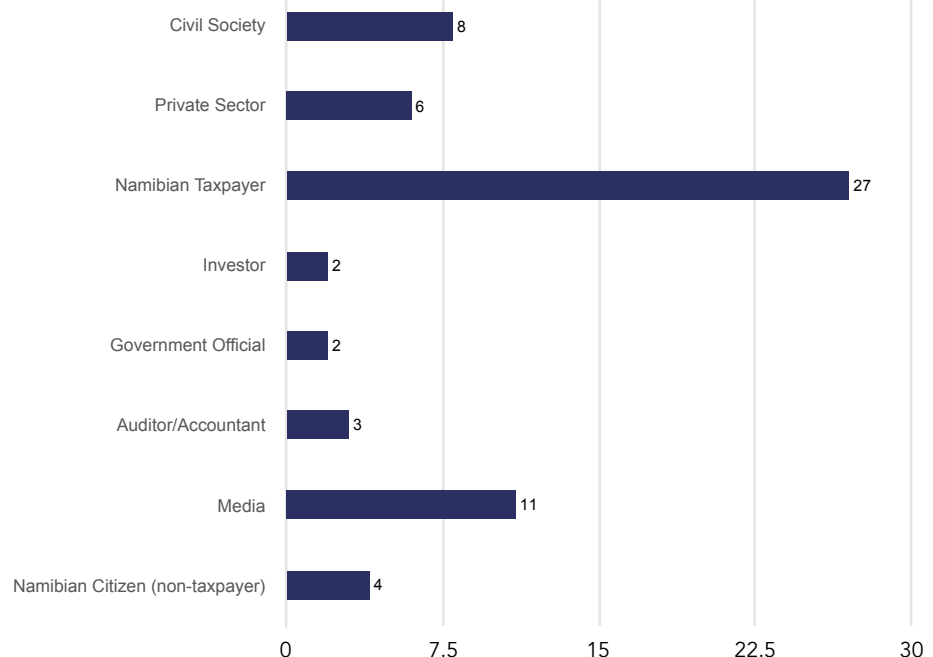


Graph 5.1: Are you aware of the different platforms the OAG uses to engage its stakeholders? %



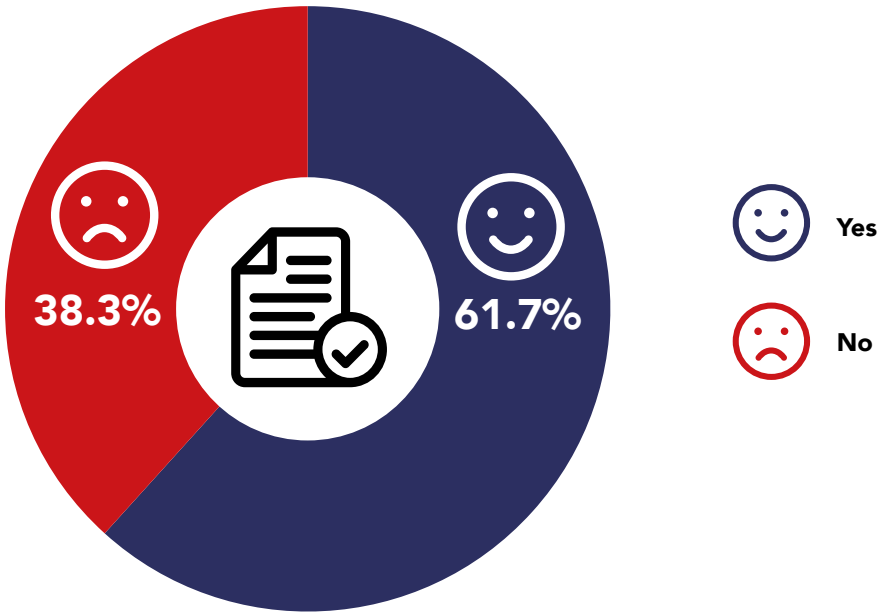
Graph 5.2: If yes, please select All options that apply.

Questions captured in graphs 5.1 and 5.2 sought to gauge awareness of the OAG's efforts to connect with stakeholders. It should be noted that options for 5.2 included both examples of good public participation, as well as such efforts that can be considered standard public relations work. While 5.2 is positive in that a number of respondents were able to mention multiple ways in which the OAG engages stakeholders, the overall indication is more sobering in that the great majority of respondents – nearly 75 percent – were not even aware of any engagement platforms (See Graph 5.1).

Graph 6: In what capacity do you engage the OAG? Select all options that apply.

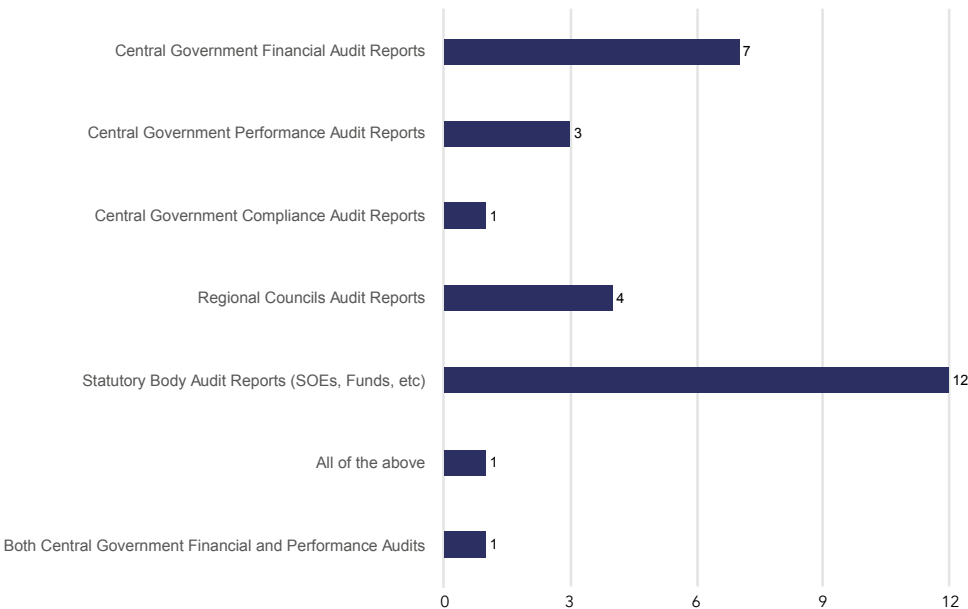
Graph 6 gives an overview of the type of respondents who completed the survey. It should be noted that respondents could choose multiple options. While this weakens the usefulness of the information slightly, as it is more defuse, it also gives respondents a more nuanced way to respond.

Graph 7.1: Is the work and information provided by the OAG relevant to your professional life? %



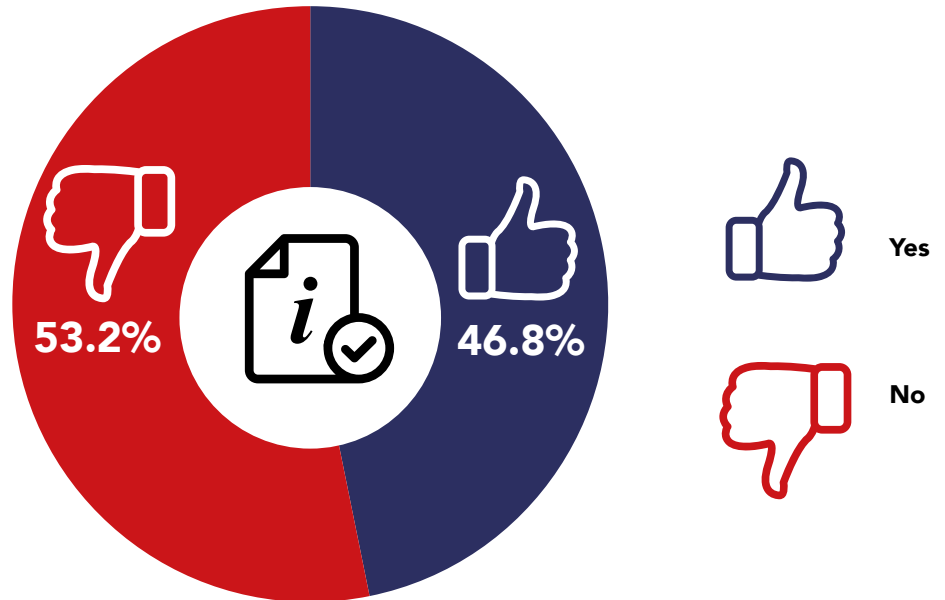
“There is wider public interest in the OAG than might be expected, especially with regards to more technical complex and demanding information, as graph 7.2 indicates.”

Graph 7.2 If yes what documents do you use most? Select all that apply.

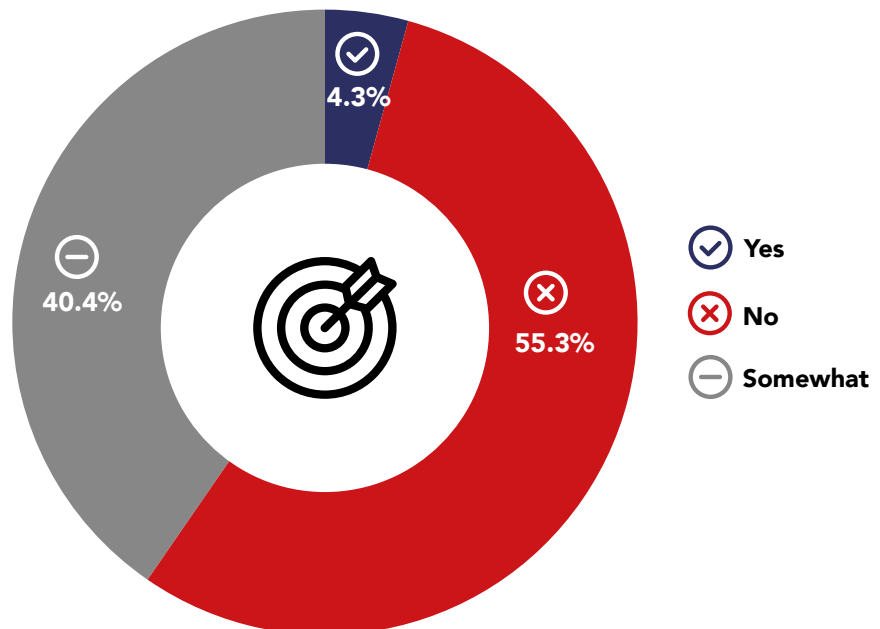


Graph 7.1 should be read in conjunction with graph 7.2. Both the graphs’ questions sought to gain insight into if and what documents were actually of interest to respondents from a professional perspective. It is perhaps encouraging to see that the interest in the OAG’s work among at least the formally educated public is fairly strong, with over 60 percent of respondents stating that OAG information is relevant to their work (See Graph 7.1). Given that the list of respondents included representatives from the media, businesses and financial service industry, this positive response is not necessarily a surprise. But it does underscore that there is wider public interest in the OAG than might be expected, especially with regards to more technical complex and demanding information, as graph 7.2 indicates.

Graph 8: In your opinion do the publicly available audits from the OAG provide adequate fiscal information on the functions & performance of public entities? %



Graph 9: In your opinion has the OAG been effective with regards to public participation? %



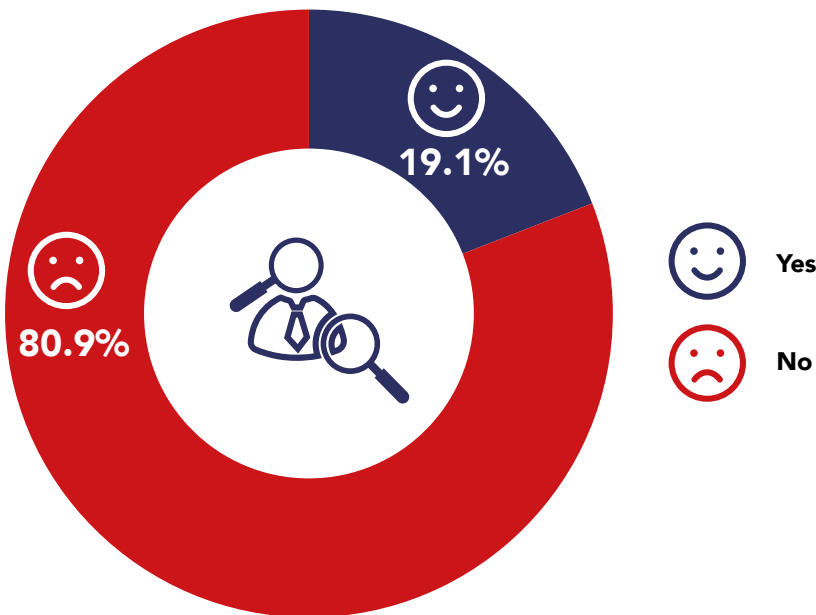
**Graph 10: Where do you see the greatest need for improvement by the OAG?
Select All that apply.**



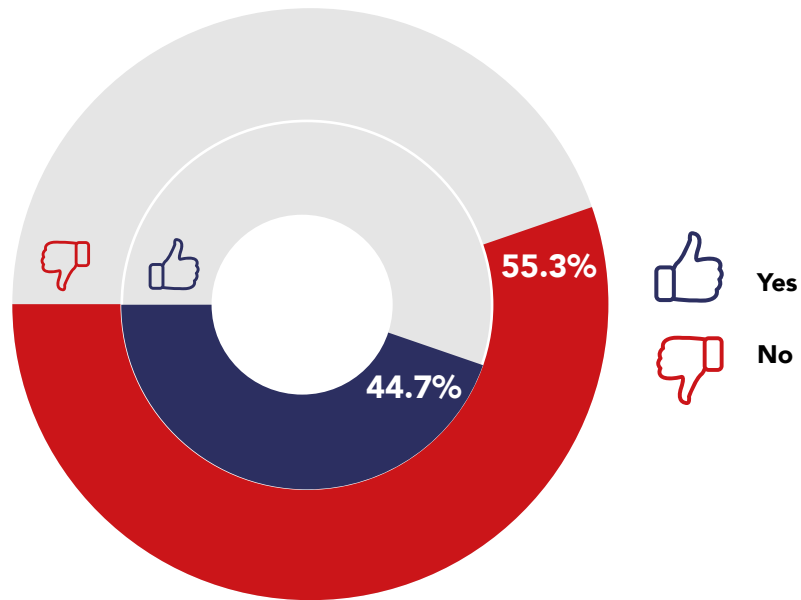
“Respondents see a significant need for the OAG to better its efforts to engage stakeholders, especially those not associated with the government, such as ministries, public agencies, SOEs and local authorities.”

Both graph 9 and 10 indicate that respondents see a significant need for the OAG to better its efforts to engage stakeholders, especially those not associated with the government, such as ministries, public agencies, SOEs and local authorities. Furthermore, as graph 10 indicates, many respondents have concrete views on what the OAG could do to address the many issues plaguing the country’s management of public finances.

Graph 11: In your opinion, does the OAG do enough to ensure its own accountability? (Such as: internal audits, publicising work, awareness raising, public engagement) %



Graph 12: Do you think the OAG is independent and free enough to carry out its role? %



Graph 11 and 12 are fairly sensitive issues but also crucial in improving our understanding of public perception around the OAG. The question in graph 11 is perhaps awkwardly phrased, however the OAG's accountability is best demonstrated to the public by what it does. The OAG might conduct all sorts of actions and deem itself accountable, however, if such work is not clearly evident to the public, then it will not necessarily be perceived as accountable and hence relevant to citizens. Graph 12 relates to the previous point; a SAI that is not pro-active in raising awareness around its work and engaging with stakeholders might be judged as compromised by the public.

SELECTED QUOTES FROM SURVEY PARTICIPANTS:

Questionnaire participants were given the opportunity to add additional comments as a response to specific questions. Below are a selection of quoted written responses to stated questions. Individual responses are anonymised to protect the confidentiality of respondents.

Question: Is there sufficient engagement with the public by OAG?

"The OAG currently operates in a vacuum. It behaves as if the mere act of publishing audit reports and submitting them to Parliament is enough."

"It is my stated opinion that the OAG needs to engage stakeholders more often and conduct quarterly performance reviews, as opposed to the current annual reviews; to pick up anomalies quarterly and initiate any remedial action more timely."

"The OAG is only visible once a year. I'm not aware of the office's online presence and representatives of that office hardly appear in the media."

"I have absolutely no clue about who the OAG is and what they do. If the efforts to increase awareness about the OAG were effective, I would have stumbled upon the information somehow."

Question: Are there adequate documents and audits available from the OAG to assess functions and performance of public entities?

"It is not clear from many annual reports (if they are available at all) of the Public Enterprises how well they are doing."

"Many reports are missing or outdated. Many reports are not in line with current accounting standards and best practice."

"There is a focus on the financials without linking this up to the performance. In general, it would appear that the OAG focuses primarily on financial aspects and does not necessarily encourage better performance."

"The jargon used is too complicated."

"Audits are never on time and they take too long to get to the public."

Question: Does OAG carry out its mandate?

"Yes, audits are carried out, but enforcing findings remains a challenge."

"OAG must have the mandate to register criminal investigations based on forensics to ACC, police and related others. Public and inter-government oversight is missing."

"The office does take full responsibility but it is hamstrung by a lack of legislative powers to ensure compliance by government entities and agencies."

"I believe the OAG tries to introduce accountability and transparency, however is highly hampered by both the bureaucracy, as well as some corrupt practices, incompetence and bad actors in SOEs and municipalities, particularly."

“As much as they deliver late, they always come through despite their recommendations not being implemented and facing non-disclosure from various public entities. The Auditor-General also does stand up firm on his findings when Ministers such as from Defence belittle his findings.”

“The OAG seems diligent in their work, but frustrated by non-compliance of some entities.”

Question: Is the OAG sufficiently independent to carry out its role?

“The political influence in public enterprises remains too strong. The dual reporting system does not work well and line ministers have way too much [sic] personal agendas that are driven via the public enterprises.”

“The entity should be housed completely outside of Government, with leadership appointed by a third party board of the Public Accountants’ and Auditors’ Board (PAAB).”



INFO BOX 7: THE AUDIT BILL – OLD WINE IN NEW BOTTLES?

The Namibian government has for many years now considered enacting a new Audit Bill. This bill would consolidate the regulations governing the country's Auditor-General under a dedicated Act, as opposed to residing under the State Finance Act 31 of 1991. The drafting and review of a new legal framework for the OAG would also give the legislature an opportunity to improve on the existing legislation, and possibly provide public auditors with more powers and clear, legal guidance when carrying out their work. Overall, very few study interviewees had any knowledge of the Audit Bill. However, given the strong opinions by the majority of interviewees of this study that public fiscal oversight mechanisms need more legal powers, this exercise would present a perfect opportunity to do so. Unfortunately, and based on current information, it appears that this effort is being wasted.

IPPR recently received a draft copy of the Audit Bill draft for review and comment. The bill was subtitled as a layman's draft and was undated. A review of the bill indicated that most of the provisions were either the same or very similar to those already reflected in the State Finance Act. There were some slight changes: for example, the draft bill does not refer to 'public statutory entities' to be audited by the OAG, but rather to 'public entities.' These are defined clearly and include, among others, ministries, local and regional authorities, as well as SOEs as laid out in the Public Enterprises Governance Act, 2006 and any public entities defined as such under Section 5 of the Public Procurement Act of 2015.¹⁸⁹ It is also noticeable that under the draft, the OAG will submit audit reports not to the MoF to be tabled in the NA, but to the Speaker of the NA.¹⁹⁰ Furthermore, the bill makes provisions for offences and penalties for anyone who "obstructs, hinders or interferes"¹⁹¹ with the OAG and its operations. However, it is not stipulated how such infractions should be reported and who should prosecute such offences besides a court of law.

The most notable change proposed by the draft bill is the creation of a new 'oversight body' under the NA and chaired by the Speaker of the NA. The Parliament Accounts Committee chairperson would be a member of the body, while a further three members would be drawn from the NA. Interestingly, the latter three members cannot be members of the executive or have voting rights.¹⁹² Needless to say, this is worrisome, as all non-voting MPs are appointed by the President. This would mean that the executive would potentially have a disproportionate and inappropriate influence over the oversight body. Moreover, it is not clear what practical role the oversight body would fulfil, as its powers are very limited, being primarily tasked with reviewing and commenting on the OAG's draft annual work plan and appointing an independent auditor to audit the OAG.

Significant improvement of powers for the OAG to carry out its role is not evident. No provision, for example, is made to obligate the OAG to refer public entities who are repeatedly presented with an adverse audit, or give a disclaimer for further investigation and prosecution, to the Prosecutor General or the ACC. There is no rule mandating the OAG to formalise and improve cooperation and coordination with other fiscal oversight mechanisms, besides the PAC.

However, it is positive to note that the Auditor-General's discretionary powers in terms of audit scope, focus and targets have been strengthened¹⁹³ and that no mention is made of the discretionary powers of the President over the OAG that are currently in force (See Info Box 1). The draft makes no mention about improving engagement with stakeholders and the public on audit matters. In its current form as made available to the IPPR, the draft bill is a fairly unambitious document that contains no innovative legal mechanism to improve public fiscal transparency and accountability.



¹⁸⁹ GRN. Public Audit Bill, Layman's Draft. n. d. 3.

¹⁹⁰ Ibid, 21.

¹⁹¹ Ibid, 24.

¹⁹² Ibid, 10 – 1.

¹⁹³ Ibid, 12 – 3 & 23.



“The push for governance institutions in the country to become more responsive and accommodating to public demands and concerns is also evident from Namibian citizens themselves.”

DISCUSSION AND CONCLUSION

This study, at its core, has sought to assess the usefulness and viability of affording a larger role to stakeholder and public participation within Namibia’s public fiscal management to improve transparency and accountability. The focus here especially rested on the country’s SAI the OAG. By necessity – this report has also touched upon many other aspects and issues including the mandate of the OAG, the theory and practice of public participation, international guidance and experience of SAIs applying public participation, the general application of public engagement in Namibia, and corruption. These are all weighty topics in their own right and this study has tried to characterise and include them into the overall description and discussion without compromising the scope and central aim of the study. Nevertheless, it cannot be discounted that further research and dialogue is needed around these and related issues. As pointed out at the start of this report, public participation as well as public finances are significant themes in their own right, and it would be negligent to discount this fact.

Internationally and within IGOs and INGOs, as discussed earlier, stakeholder and public participation has become well established, as well as in most modern democracies. It is also increasingly being utilised in developing countries, Namibia itself is no exception particularly with regards to nature conservation and natural resource management. The leading international independent umbrella body for SAIs, International Organization of Supreme Audit Institutions (INTOSAI), has also endorsed the public participation approach. While INTOSAI has committed its members – of which Namibia is one – to implement the approach, they acknowledge that this will be challenging and have responded with additional guidance and support.

Namibia’s OAG should not ignore this trend. The push for governance institutions in the country to become more responsive and accommodating to public demands and concerns is also evident from Namibian citizens themselves. This can be attested to the establishment of vocal social movements and interest groups over recent years that advocate for public action on a range of issues, including gender-based violence, freedom of speech, and nature conservation. Downplaying or outright ignoring this trend could not only harm the government’s credibility but also democracy itself. This is not an idle warning; trust in governing institutions has been steadily decreasing over the past decade. The regular perception surveys carried out by Afrobarometer, finds that public trust in government institutions is declining. For example, the percentage of Namibians who stated that they trust the National Assembly a lot or somewhat has plummeted from 74 percent in 2014 to 46 percent in 2019.¹⁹⁴ Honest and constructive public and stakeholder participation with public entities could address this deficit while also improving transparency and accountability.

¹⁹⁴ Survey Warehouse. News Release: Trust in political institutions is on the decline in Namibia, Afrobarometer survey shows. Afrobarometer. March 23, 2020. 1.



Regardless of the international and local drive for reform of public fiscal oversight measures, fiscal transparency and accountability rests on a 'chain' of responsible government institutions, most crucially the OAG, MoF, the National Assembly and PAC, as well as close cooperation and coordination with law enforcement agencies such as the ACC and the Prosecutor General. Without strong and principled leadership, capacity and resources as well as a willingness to actively collaborate and trouble-shoot issues by the majority of these institutions – it is unlikely that public fiscal oversight will improve. In addition, state funded entities (such as SOEs) and special funds require the additional cooperation of relevant line ministries and the Ministry of Public Enterprise. If this is not forthcoming and the application of corporate governance remains lacking in the public sector, many SOEs will continue to pose a severe fiscal risk to government finances.

In summary, this study has found that:

- There is mounting evidence that private stakeholders and those not affiliated with government, as well as the wider public, are increasingly dissatisfied with the status quo with regards to fiscal oversight and the management of public monies.
- Both the key informant interviews and data from the questionnaire survey demonstrate that there is considerable interest and support for applying and expanding the use of the public and stakeholder approach in the public sector with regards to fiscal management. Stakeholders want to see both an expansion and a deepening of public engagement efforts. This trend is also reflected in Namibia's wider public space, with the establishment and growth of various social movements and interest groups around various social issues. Increasingly vocal, these groups demand to be heard and involved in governance deliberations addressing these issues.
- Evidence collected during the course of this study's research phase shows that there is some level of public participation around the broad theme of public fiscal management, primarily by the MoF, PAC and the OAG. Available information indicates that these engagements are very limited in scope and utility; they are mostly ad-hoc, poorly advertised and planned, oftentimes limited to specific stakeholders and primarily aimed at informing or consulting with participants. They do not meet the international criteria which define genuine public participation.
- Informants demonstrated a clear preference for providing government entities responsible for fiscal matters with additional legal mechanisms to enforce public audit recommendations and to sanction those entities who consistently ignore such directives. However, there is considerable disagreement with regards to where these legal powers should be located.
- It was further evident from conducting this study, as well as based on information from informants, that the public – including decision makers – lack crucial knowledge and awareness regarding the importance of public fiscal management in Namibia. For its part, the OAG and its work is generally seen to have little visibility in the public eye, and an overall limited relationship with the media.
- Related to the previous point, public fiscal management, especially at local and regional authority level, is under-capacitated, and lacks resources and training; the overall capacity to conduct audits both in the public and private realms is limited. However, the OAG and stakeholders are aware of this issue and there are efforts to address this problem.

“Informants demonstrated a clear preference for providing government entities responsible for fiscal matters with additional legal mechanisms to enforce public audit recommendations and to sanction those entities who consistently ignore such directives.”

“There do exist elements and factors within the public sector that contribute towards improved fiscal transparency and accountability.”

Further to the core study findings, it has also been established that there do exist elements and factors within the public sector that contribute towards improved fiscal transparency and accountability. These include:

- A well-established, functional OAG with a strong legal mandate anchored in the Constitution.
- Relevant institutions such as the MoF and OAG have conducted basic stakeholder engagements; the latter organisation has drafted a stakeholder engagement strategy.
- Key governance institutions including the OAG and MoF have voiced their support of the public participation approach, as part of this study.
- Stakeholders in the financial service sector, media, as well as others have indicated interest in furthering consultations efforts with government entities around fiscal issues.
- Regulators are aware of deficits in the accounting practices pertaining to the public sector, and seek to address these together with private stakeholders like NIPA by establishing a dedicated and accredited training regime.
- The Namibian state is party to international laws which affirm public participation as a pillar of good governance; international organisations offer a raft of resources including guidance and standards for individual nations seeking to adopt and implement public participation.

The above points strongly hint towards a growing commitment by government entities, including the OAG, to expand and improve on current stakeholder and public engagement efforts in the near future. At the same stage, Namibia continues to grapple with significant barriers to improving public fiscal transparency and accountability, which could impede progress. Some informants, especially from the media, note that the country’s regulators are inherently slow and oftentimes display great reluctance in adopting new approaches and reforming established processes. It was also notable that hardly any informants, both from the private and public sector, were fully knowledgeable of the profound shifts and debates internationally in the public sector auditing sphere that have been taking place over the past decades. It appears that much of the country’s public auditing profession is operating in a silo – at least with regards to public participation. Unless the profession and the wider civil service is actively exposed to and convinced of the usefulness of international trends at the local level, positive change could face active resistance from those tasked to implement such reforms.

It is also questionable if the envisioned legal reforms to strengthen enforcement powers, advocated by the majority of informants, are viable or desirable. It is the clear understanding of the study’s authors that principled and quality audits can only be conducted if the auditor is strictly separated from any management capacity of the audited entity. Thus ‘requiring’ the OAG, for example, to act as an enforcer for its own audit recommendations violates one of the key principles of the auditing profession. Put differently, auditors cannot be ‘judge and jury’ at the same time. It is strange that this aspect was hardly mentioned by informants. This, of course, does not hinder the OAG to take a more proactive role in promoting audit recommendations, such as refereeing or notifying law enforcement agencies of serious fiscal transgressions by state entities. However, a thorough revision of the current Audit Bill, while respecting basic audit principles, could strengthen the legal hand of government entities tasked with fiscal oversight (See Info Box 7).

Finally, it must be underscored that public participation does not constitute a ‘silver bullet’ towards improving fiscal transparency and accountability. Indeed, in terms of public financial management, its usefulness and effectiveness still lack a large-scale basis, although there are individual good examples. Public participation is also a two-way street approach; engaged stakeholders and members of the public do eventually want to see that their efforts bear fruit. However, if the government continues to host public consultations with stakeholders without taking tangible actions or addressing the issue in question, stakeholders will eventually tire of these exercises and withdraw, leading to a loss of trust in the state and good governance overall. As the government, together with stakeholders, moves forward to improve fiscal transparency and accountability, it will be pertinent to keep this point in mind (See Recommendations section).

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APPENDIX 1: KEY INFORMANTS INTERVIEWS



#	Name:	Organisation:
Regulators		
1	Christine Liswaniso	Anti-Corruption Commission
2	Nelson Mujoro	Anti-Corruption Commission
3	Fillemon Enkali	Anti-Corruption Commission
4	Josefina Nghituwamata	Anti-Corruption Commission
5	Junias Kandjeke * **	Office of the Auditor General
6	Martinus Nakale **	Ministry of Finance
7	John Walters	Ombudsman
Financial Services Industry		
8	Rowland Brown	Cirrus
9	Eric van Zyl	IJG
10	Bruce Jansen	Simonis Storm Securities
Professional Associations		
11	Essi Herbst	Namibia Institute of Professional Accountants
12	Cameron Kotze	Institute of Chartered Accountants of Namibia
Media		
13	Jo-Mare Duddy *	Namibia Media Holdings
14	Edward Muumbu	Namibia Press Agency
15	Brigitte Weidlich	Independent Journalist
Parliamentarians		
16	Maureen Hinda-Mbuende	Deputy Minister, Ministry of Finance SWAPO
17	Dudu Murorua *	MP UDF
18	Mike Kavekatora	MP RDP
Civil Society		
19	Lesley-Anne van Wyk	NGO consultant
*	Telephonic Interview	
**	Written Response	



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The Institute for Public Policy Research (IPPR) was founded in 2001 as a not-for-profit organisation with a mission to deliver, independent, analytical, critical yet constructive research on social, political and economic issues that affect development Namibia.

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