

Emergence of Performance Auditing in Fiji, 1970-1995: A Hermeneutical Inquiry

**Nirmala D. Nath
Karen Van Peursesem
Stewart Lawrence**

Abstract

Drawing on critical hermeneutical exposition, this paper provides an understanding of the processes which led to the emergence of public sector performance auditing in Fiji. Text evidence gathered from archival documents and participant interviews is analysed to reveal how the text was used by the socially powerful actors in a symbolic manner to convey the message of the need to strengthen public sector accountability in Fiji. The paper concludes that the socially and politically influential actors such as the Auditor-General and the Public Accounts Committee used 'the concept of 'accountability' to craft a niche for performance auditing in the Fijian public sector.

Introduction

Public sector auditing has evolved over time. In line with the new public management trends most commonwealth countries have adopted performance auditing as a part of public sector audits (Flesher & Zarzeski, 2002; Gendron, Cooper, & Townley, 2001; Guthrie & Parker, 1999; Jacobs 1998; McCrae & Vada, 1997; Pugh, 1987; Radcliffe, 1998; Yamamoto & Watanabe, 1989). The traditional audit scope, primarily compliance based financial statement audits, was extended to incorporate audits of economy, efficiency and effectiveness (Nath Van-Peursem & Lowe, 2006; Guthrie and Parker 1999; Funnell and Cooper 1998, Jacobs, 1998).

Several researchers have documented historical description of how

such practices emerged and were implemented in Commonwealth countries (Flesher & Zarzeski, 2002; McCrae & Vada, 1997; Pugh, 1987; Yamamoto & Watanabe, 1989). Some have explained the emergence and development of economy, efficiency and effectiveness auditing by utilising interpretative perspectives grounded in the works of social theorists such as Porter (1981), Kingdon (1984), and Miller and Rose (1991, 1992). A few have analysed historical events and the notion of New Public Management¹ to provide an understanding of how such practices evolved.

Most of these studies revealed that the Auditor-Generals used their powers to influence the development of, and/or in successfully seeking a mandate for such audits during the late 1990s. There are also claims that the practice of performance audit was instituted in line with the New Public Management philosophy because the entities were required to identify their outputs in quantifiable and auditable terms. Some have argued that the practice emerged to hold the public sector managers accountable for the use and management of resources.

Performance auditing in the Fijian public sector was introduced in 1995 and discontinued in 1997. In 2007 the practice was re-introduced, with corresponding changes to the Audit Act, 1970.

So far, however, there has been no study on how and why performance auditing emerged in the Fijian public sector and who influenced its emergence.

This paper provides an understanding of the emergence of performance auditing in the Fijian public sector using the critical hermeneutics methodology. Following Nath et.al (2006), we call the period 1970-1995 as the emergence phase of performance auditing in Fiji. The paper explores the text and the contextual stories to reveal the various actors such as the Auditor-General, the Public Accounts Committee Members, the Parliamentarians and the media's understanding of the emergence phase. In doing so, the paper reveals how the socially and politically powerful elements of the Fijian public sector enabled the emergence phase.

In Fiji public sector auditing is based on the Westminster system of accountability. The Fijian Auditor-General (AG) is provided with manda-

¹ New Public Management (NPM) has been moulded in the image of the private sector. The emphasis in the use of public sector resources changed from a concern with legalistic conceptions of stewardship to the need to ensure that services were provided in the most efficient and effective manner. At the heart of these reforms has been a move away from an obsessive concern with accountability for inputs to outputs and outcomes. As such managers are encouraged to become results-oriented (Funnell and Cooper 1998: 8).

tory powers to undertake public sector auditing and to fulfil the accountability roles entrusted to him via the various Fijian Constitutions. In fulfilling his public sector accountability roles the AG provides assurance to the public via the Parliament that public money is spent according to budgetary appropriations. From the traditional compliance auditing under which the main consideration of the AG was to see if expenditure was as per financial regulations and parliamentary approvals, the AG extended the audit scope to the management of public sector resources (Nath et al., 2006). This indicates that he had managed to extend the scope of traditional auditing to incorporate performance auditing thus providing audit opinions on performance and management of public sector resources.

This study is grounded in the critical hermeneutics methodology (Prasad and Mir, 1999, Habermas, 1971, Ricoeur 1980; Thompson, 1981). This provides one possible way to interpret text evidence within a contextual setting to expose the hidden meanings contained within the text. It is believed that the use of critical hermeneutics, emphasising interpretation, and a critique of the ideological elements of tradition and language will unveil and reveal the hidden meanings attributed to the events that led to the emergence of public sector performance auditing in Fiji.

Methodology

Hermeneutics is the study of textual interpretation, of the manner in which we derive meaning from the unfamiliar; from the alien (Boland, 1991: 439). Critical hermeneutics seeks to unveil hidden meanings that serve the interest of the socially and politically powerful (Habermas, 1971, Ricoeur 1980; Thompson, 1981). Research using critical hermeneutics research methodology involves analysing the text as abstracted formal entities together with analysing the socio-historical contexts in which the text is imbedded (Prasad and Mir 2002).

The critical hermeneutics methodology is utilised to interpret and analyse the research findings. Such a methodological approach allows the researcher to have opportunities to interpret and critically reflect upon the linkages between the 'text' and the 'context' of the research (Herda, 1999; Prasad & Mir, 2002; Prasad, 1999; Ricoeur, 1980). To analyse the linkages between the text and the context, the researcher looks for a symbolic or metaphorical use of language (Herda, 1999; Prasad & Mir, 2002), thus seeking reality through interpretation of the text within the context in which it occurred. Reality, therefore, is subjective and socially constructed.

In the present context, therefore, through text and contextual interpretation, we understand how and why the practice of performance auditing was influenced and accepted by the Auditor-General and his staff. The critical reflection of the linkages between the text and the context also reveals the asymmetrical power relations that exist amongst the various individuals and institutions associated with economy, efficiency and effectiveness audits.

Roberts' interpretation of accountability (1991, 2001a, 2001b, 2010) is used to inform the research findings to arrive at a critical understanding of how the Auditor-Generals as accountees tried holding the government and the public sector managers to account for financial as well as for economical, effective and efficient performance. Using Roberts' interpretation of how 'accounting' is substituted for 'accountability', the study reveals how each of the three Auditor-Generals in office prior to the adoption of performance auditing, in their distinctive ways, made transparent the auditee conduct by auditing for financial compliance.

The methods used to collect text evidence for this research are consistent with the aim of acquiring hermeneutical understanding through textual interpretation. Evidence was collected from both primary and secondary sources in order to read the text to identify dominant themes and phrases which had a symbolic meaning for the research participants. Archival documents² chosen to obtain text data were those which contain text on the emergence and introduction of the performance auditing project in Fiji. A semi structured questionnaire was used to collect evidence, and purposive sampling was used to select the interviewees³. The individuals selected for the interviews were only those who participated during the emergence phase of the performance audit project as either auditors, auditees, accountees or policy makers over the 1970-1995 period, and those, like the media, who reported on the project. Evidence was collected from sources close to the performance audit project to enable the researchers to dig for deeper meanings unfolding the interests of the socially and politically influential elements of the Fijian public sector during the emergence phase of the performance auditing project.

The evidences were analyzed using a thematic approach, with the

² Archival documents used were annual reports for the Fiji Audit Office, the Auditor-General's Audit Reports, Public Accounts Committee Reports, media reports and the Asian Developments Banks Reports, the *Audit Act* (1970), various Constitutions (1970, 1990, 1997), Finance Act and the Public Enterprise Act 1996. These documents covered the period 1960 to 1997.

³ A total of 25 interviewees participated in the project.

themes being mapped into the contextual setting to reach a common understanding. The meanings of the parts of evidences are dependent on interpreter's understanding and the meaning of the whole is determined by the researcher by situating the text within its socio-political and historical context. For this research the texts - such as interviews or documentary evidence - is interpreted by situating them in their historical and cultural contexts which prevailed in Fiji during the 1970-1995 period. Text evidences from the sources become a record of the context in which the evidence was produced. In the final stages, the researcher reads for a critical interpretation of the text to unveil the hidden meanings. Readings of the hidden meanings provide insights into how the socially and politically powerful manage to maintain their interests, thus the text reveals new meanings and produces fresh relevance for the text (Llewellyn, 1993).

Research findings begin with the first level of interpretation, concerned with making sense of research evidences; this forms the entry point of the hermeneutics circle. The second level of interpretation is concerned with drawing a deeper meaning from the quotes. This is achieved by situating and explaining the statements made (quotes) within the broader socio-political and historical environment which prevailed in Fiji during the emergence phase (1970-1995) of the project thereby closing the hermeneutic circle and allowing for a critical reflection.

Using hermeneutics methodology the text explorations are presented as themes and sub-themes to elucidate what happened, and how and why it happened. These discussions bring to light the major actors and reveal how the various actors' understanding of the practice of performance auditing was shaped during the emergence, implementation and discontinuation phases. The analyses drawn from the discussions are informed by Roberts' (1991, 1996, 2001a, 2000b, 2010) critical interpretation of accountability to reveal power regimes and structures of domination constructed by actors such as the Auditor-General, Audit Office Staff, auditees, the Public Accounts Committee (PAC) Members, Members of the Parliament, the Asian Development Bank (FDB), and media in their attempt to either change or to hold to the status quo with respect to the Auditor-General's public sector accountability role.

Level One - Text Interpretation

This section describes the events, and various actors' reactions to these events illuminating how and what shaped their understanding of the emergence phase. The section presents text explorations as themes and sub-themes which emerged during the preliminary reading of the text.

Theme 1: Problems faced by the Auditor-General

The Auditor-General holds a Constitutional Office (s166-8, Constitution of Fiji) and performs an 'oversight role' which involves holding the Government accountable for the use of public sector funds and resources. The Auditor-General performs the accountability role by undertaking public sector audits and presenting the audit reports to the Parliament (s6, Audit Act, 1970), thus providing assurance to the public that public sector resources are managed in accordance with the budgetary appropriations. This is essentially a compliance audit of approved budgetary appropriations. The public sector entities audited comprise the whole of government, Ministries, Departments, Statutory Bodies, Local Government Authorities, Provincial Councils, and Overseas Trade Missions (Auditor-General's Report 1993, 1980).

The Auditor-Generals who served the public sector under different governments were Fijian citizens who encountered a number of similar problems in fulfilling their accountability roles during 1970-1995. Appendix I provides a list of the Auditor-Generals in Fiji.

The auditors during the period 1970-1995 encountered a number of problems while undertaking compliance audits. One major problem involved delayed audit completions; others included weak support, and staffing and funding constraints.

Delayed Audit Completion

In performing the accountability roles entrusted to him, the Auditor-General is expected to:

prepare and transmit to the Minister responsible for Finance within a period of eight months after the close of each financial year or such longer period thereafter as Parliament may, by resolution, appoint, a report upon his examination and audit of all accounts relating to public moneys ... together with certified copies of the statements and accounts referred to in section 11 (s12(1), Audit Act, 1970) .

The Act has provisions for allowing a longer period than eight months for the presentation of the audit report. But this is possible only by a resolution of the Parliament. Documentary evidence indicates that this provision was never used by the Auditor-Generals during 1970-1999. Section 11 of the Act states:

Within a period of six months after the close of each financial

year or such longer period thereafter as Parliament may, by resolution, appoint, the Minister responsible for Finance shall transmit to the Auditor-General the accounts and statements referred to in section 23 of the Finance (Control and Management) Act together with such other statements as Parliament may from time to time require.

A comparison of the timeframes (Sections 11 and 12 of the 1970 Act) indicates that the Auditor-General and his team have two months to audit the annual accounts from the time they receive the accounts from the Ministry of Finance. Given that the Auditor-General is the Auditor for the entire government – including ministries and departments, statutory bodies, local governments and provincial councils - the two month period could constrain the Audit Office's ability to meet this deadline.

During the years 1970 to 1974 only four out of nineteen Statutory Bodies which fell under the audit scope of the Auditor-General were audited on time (Parliamentary Paper 16/74). The audits for the other fifteen were delayed for at least three to four years (Auditor-General's Report 1978). The delay was said to be due to the 'inadequacy of staff in the Audit office' (Parliamentary Paper 35/79: 23) leading to the Office facing 'increasing difficulty in giving proper attention to the accounts subjected to audit (Parliamentary Paper 35/79: 23). Despite these delays nothing was done to improve and increase the number and quality of audit staff at the Audit Office or to change the deadline for completing the audits.

Audit Reports for some Provincial Councils⁴ for which audit is required by the Audit Act, were also not issued in a timely manner for the 1988-1992 period. Annual financial reports of at least four of the 14 Provincial Councils for the years 1988-1992 were yet to be audited in 1993 (Auditor-General's Report 1993: 8). The delay was due to these authorities not having provided the Audit Office with their annual financial accounts and statements in a timely manner (Parliamentary Paper 1/93). The Auditor-General has no authority to demand their financial accounts and statements. Instead, section 11 of the Audit Act specifies that the Minister of Finance is responsible for transmitting the annual financial accounts and statements on time. The Provincial Councils, therefore, are accountable to the Minister of Finance for timely submission of their accounts.

In his 1993 Audit Report the Auditor-General stated that for some

⁴ Fiji has 14 Provincial Councils. These are statutory bodies whose members represent indigenous villages and districts within a specified boundary in terms of ownership of land and water resources.

authorities, audit had been from one to four years behind (Auditor-General's Report. Parliamentary Paper 1/1993). The issues raised in these audits get outdated by the time they are disclosed (Parliamentary Paper 28/98: 3). According to the Finance Act (s8) and the Audit Act (s12), the Minister of Finance has the power to impose a reporting timeframe on the bureaucracies to submit their annual financial reports for audits. Despite having such powers the various Ministers of Finance in Fiji during the period 1970-1999 did not impose the deadlines.

The Asian Development Bank also expressed concerns in its 1995 report on the non-completion of audits: 'The Office of the Auditor-General (OAG) at present is unable to complete audits within a satisfactory time period after the end of the respective fiscal year, particularly where there is no statutory imposed deadline' (ADB, 1995: 1)

The Audit Office's inability to complete the audits on a timely basis was seen to be a problem to those who relied on the Auditor-General's opinions. A senior media reporter interviewed by Nath in July 2005 raised concerns about the delay of the audit reports presented to the Parliament: 'The Auditor-General presents outdated audit reports and the findings are useless as no action can be taken. It is a waste'. A similar statement was made by a senior Audit Office staff during an interview with Nath in 2005: 'We lagged behind with the preparation and presentation of Audit Reports for some years in late 1980 and the 1990s because of shortage of staff and other resources'. The staff further stated that given the length of the delays, individuals responsible for account keeping and management of resources associated with the delayed findings could not be contacted to answer auditor queries regarding the documentation of transactions and mismanagement of resources they discovered during the audit process. As such attention from real 'accountability' was, as Roberts (2010) theorised, diverted. Furthermore, the delayed presentation of audit reports implies that the audit findings contained in these could not be acted upon in a meaningful way. It is highly probable that 'individuals' responsible for account keeping and managers of resources implicated in the delayed findings would have moved or could not be contacted to provide answers to queries raised in the reports.

Weak Support

Another problem faced by the Auditor-General was that the office did not manage to obtain sufficient co-operation from government agencies responsible for the funding and staffing of the Office. Despite the provisions of the Audit Act and the various Constitutions stating that the

Audit Office is independent in performing its functions, the Audit Office continued to be dependent on the Ministry of Finance and the Public Service Commission (PSC) for operational resources. Over the period, the PSC failed to recruit suitably qualified staff for employment at the Audit Office on a timely basis while the Ministry of Finance failed to increase the Audit Office's budget despite the Auditor General's repeated requests for such increases (Audit Report 1993, 1985). Irrespective of the Constitution and laws based on a Parliamentary system, weak support from these two agencies constrained the Auditor-General in several ways during the 1970-1995 period. The Auditor General published his concerns in his Audit Reports:

As reported in 1994, limited resources prevent this Office from auditing all Government ministries/departments and offices....

The main areas of constraints are as follows:

- (i) inadequate staff in terms of numbers and quality;
- (ii) inadequate funds to meet additional equipment needs, particularly computers; and
- (iii) constraints imposed by the Public Service Commission and the Ministry of Finance despite the mandate given to this Office under the existing law (1995; Parliamentary Paper 37/96).

Staffing and funding constraints hindered the operations of the Audit Office in various ways.

Staffing

The following extracts from interviews conducted by Nath in 2005 highlight the staffing and funding concerns which prevailed at the Audit Office during the emergence phase:

The Audit Office lacked qualified staff and funds to provide quality and timely audit reports. The Ministry of Finance did not provide us with additional funds (Senior Audit Officer).

Staff have resigned and moved to other departments. This affects our audit completion. Being understaffed most of the time, we can not complete audit on time. We have to postpone travelling to other locations due to insufficient funds. All these result in late audit reports (Senior Audit Officer).

One of the interviewees pointed out the effects of an unstable government:

After the 1987 coup, the Audit Office lost skilled and qualified staff because some senior audit staff moved to other Government Ministries and Departments. Those who held overseas qualifications migrated to other countries. As a result the operations of the Audit Office suffered (Senior Officer, Ministry of Finance).

The cause for the above could be the 1987 coups. In 1987 Fiji experienced the first military coup which saw the overthrow of the democratically elected government and the imposition of a military rule. Due to the political upheaval and the introduction and implementation of the discriminatory policies by the Rabuka-led government, there was mass migration of skilled and qualified individuals from the civil service (Kumar, 1997; Sharma 1997). The discriminatory policy required that at least 50% of all civil service jobs be given to indigenous Fijians. In providing this, the PSC employed indigenous Fijians in the civil service who did not necessarily have the appropriate minimum qualifications and/or experience for the respective jobs they were employed in. As a consequence of this policy the quality of audit staff employed at the Audit Office was affected (Auditor-General's Report 1990). This was compounded by the departure of experienced staff, thereby, further weakening the Auditor-General's capabilities and powers to audit and provide audit reports within the timeframe set in the Act.

Another associated problem has been the illogical transfers of staff within the civil service. Given that the PSC is the employment authority, it can transfer staff as it wishes. Over the period, a number of staff from the Audit Office were transferred to other government departments; this included some well-qualified and senior audit staff (Auditor-General's Report 1990; interview record with Senior Officer of Ministry of Finance, August, 2005).

Acquiring and keeping appropriately skilled and committed audit staff was clearly a problem in the context of a reluctant government. This inhibited the ability of the Auditor-General to produce timely reports. Real accountabilities were obfuscated (Roberts 2001, 2010) as the Auditor-General provided delayed reports.

Funding

Lack of sufficient funding kept Audit Office staff from travelling outside of the Central regions. Consequently departments and local government authorities situated in locations outside Suva were not audited in

a timely manner.⁵ Audit department staff have noted lack of funding for out-of-station travel as an ongoing problem in producing timely audits.

The Auditor-General published his concerns on funding in his reports (Audit Reports 1990, 1992, 1993). As a result the Public Accounts Committee stated the following:

The Committee also strongly feels that sufficient funding should be given to the OAG to ensure that the Office makes physical checks where appropriate in its investigation, especially where special projects are concerned (Public Accounts Committee Report 1992; Parliamentary Paper 70/1999).

The Ministry of Finance and the PSC's relationships with the Audit Office could be interpreted in terms of 'power relations'. The Audit Office relied on the Ministry of Finance for its budgetary allocation and on the PSC for recruiting and fulfilling the staffing needs. The efficiency of the Office, therefore, depended on the other two offices, both of which were, ultimately also to be audited by the Audit Office. Both the Ministry of Finance and the PSC could exert power and control over the Audit Office by withholding timely release of funds or by not acceding to requests for funding increases, and by slowing the recruiting process for replacement of staff or denying additional staffing for the office. A senior audit officer stated the following in an interview with Nath:

Both the Ministry of Finance and the Public Service Commission have at times exerted power and control over the Audit Office by withholding funds and by slowing the recruiting process (Interview Record, July, 2005).

The problem was compounded by the Ministry of Finance's authority to control budgetary allocation for the Audit Office and by the PSC's authority to redeploy staff from the Audit Office to other government departments. Either of these government agencies could, therefore, seriously constrain the Audit Office. The extent of under-funding has not been disclosed but during 1987-1995 staffing levels at the Audit Office ranged between 55% and 75% of the total staff required (Audit Reports, 1988; 1990, 1992, 1993 and 1995). Although the Audit Office is constitutionally an independent institution, the PSC and the Ministry of Finance held

⁵ Fiji consists of 3 major islands, Viti Levu, Vanua Levu and Taveuni and various small islands with a total of 332 small islands. The Audit Office is centrally located in Suva, whereas the Government Departments are spread throughout Fiji. Travel to these offices is necessary to carry out credible audits.

power over the Office in a number of ways. The assertion of power by these two government agencies can be explained in terms of their self-seeking identity within a hierarchical accountability system (Roberts, 1996). This was one factor which led subsequent Auditor-Generals to express concerns at the weakening of the AG's accountability role, and to subsequent proposals to strengthen the Office by empowering it with the legislation to adopt performance auditing.

Theme 2: Exogenous Influence

Despite these constraints, Auditors-General Bhim [1980] and Narain [1983] during their respective tenures were inspired by developments in public sector auditing such as the introduction of performance auditing in Australia and New Zealand. They expressed the view that Fiji should follow the international trend in public sector audit developments. This included empowering it with performance audit responsibility. Bhim expressed the view as early as 1981 that Fiji should follow the overseas trend in public sector audit developments such as expanding the statutory mandate of the AG to conduct performance auditing:

A number of countries, particularly members of the Commonwealth, have even revised their audit laws in recent years to give statutory support to performance audit. Auditing in the public finance sector is no longer confined to attesting the regularity of the transactions but is increasingly concerned with economical and effective use of public sector resources (Auditor-General's Report, 1980, Parliamentary Paper 4/1981)

The Auditor-General tried as early as 1980, to bring the practice of performance auditing to the attention of the various groups associated with public sector auditing in Fiji by stating that the Commonwealth countries had revised their respective audit acts to include the practice of performance auditing.

Bhim's view on adopting performance auditing was not shared by the Fijian government or the PAC members who examine government's accounts and audit reports, and deliberate on the issues raised by the Auditor-General in his Reports. However, Auditor-General Datt reiterated the views of his predecessors in 1991:

The extension of state auditor's function into performance audit is to determine the value received from the application of resources or loss incurred by their non-application is not peculiar to Fiji alone but it is the trend in most Audit Offices of other

countries (Parliamentary Paper 29/1991).

Although the Rabuka government, which was in power when Datt was the AG, did not respond to Datt's suggestion, the new members of the reinstated PAC (1992) showed support for it:

The Committee strongly supports that value for money audits should be done so that Parliament can be informed whether or not expenditure of public funds has achieved the desired objective (Public Accounts Committee Report for 1990/1991).

In its role as an overseer of government accounts which included audit reports, the PAC did not have the power to enforce the implementation of performance auditing or to change the Audit Act to provide for such audits. PAC's support for implementation of such audits may have been driven by the audit report findings which made transparent the corrupt practices and mismanagement of public sector resources.

The suggestions by Auditor-Generals Bhim, Narain and Datt during 1980-1991 - that Fiji adopt the practice of performance auditing - was inspired by their respective associations with the International Organisation of Supreme Audit Institution (INTOSAI) and South Pacific Association of Supreme Audit Institution (SPASAI).

The Fiji Audit Office became a member of the INTOSAI in 1987 and the SPASAI in 1973 (SPASAI, Annual Report, 1995). As a member of these international public sector audit organisations, Bhim, Narain and Datt were aware of public sector audit developments. These AG's and their senior audit staff attended the meetings and workshops hosted by these organizations (Audit Report, 1986, 1992, 1994). Bhim's and Datt's expressions of interest for performance auditing was inspired by global developments in public sector auditing. But whether the AGs were seeking to promote their self-identities as being successful in introducing such audits to the Fijian public sector is not known.

The INTOSAI has a full membership of 189 countries and 4 associate members (INTOSAI, Annual Report, 2008). This organisation concerns itself with public sector audits developments and holds workshops and seminars on developments in auditing for its member countries. To support the member countries' participants to attend the seminars and workshops sessions INTOSAI provides funding sponsorship. It meets on an annual basis and is a network of the Auditors-General. Fiji is a member of this organisation and benefits from the training provided to audit staff (Audit Report 1986 and 1992).

The SPASAI has a membership of 25 countries from the South Pa-

cific, including Australia, New Zealand, Fiji, Tonga, Samoa, the Cook Island, Vanuatu, Niue and other island nations (SPASAI, Annual Report 1995). The organisation actively promotes public sector audit and developments in public sector in the island nations. The Australian and New Zealand Audit Offices provide internships to audit staff from the Audit Offices of the island states and provide technical assistance to the Island Audit Offices on request of respective governments. The member countries benefit by attending annual conferences and by workshops hosted by SPASAI. As a member of this Group the Fiji Audit staff have benefited from its exchange scheme during the 1980-1995 period (Audit Report 1995).

Some key stakeholders accepted the view that exogenous influences inspired the Auditor-General to strengthen his accountability role. Thus, a parliamentarian stated in an interview with Nath:

Our Auditor-General is greatly influenced by what happens in the Australian and the New Zealand public sector. These countries implemented performance auditing and the Auditor-General feels we should also engage in performance auditing.

A senior media reporter stated in an interview with Nath:

Our Auditor-General wants to bring in the new method of auditing practiced in overseas countries but our government departments and managers do not want the new audit because that will mean more power to Auditor-General.

And an Audit Office staff made the following point:

Fiji Audit Office is a member of INTOSAI. Member countries of INTOSAI have been involved in performance auditing in their public sector to bring in greater public sector accountability. The INTOSAI member countries revised their Audit Laws to make performance auditing mandatory. Here in Fiji we are still very much engaged in traditional audits, we need to move forward with the modern audit methodologies and the Auditor-General is keen for us to undertake such audits so that our public sector can perform better (Interview record, Audit Officer).

Based on this, one may propose that the Audit Office intended to introduce the practice of performance auditing in order to be in line with the practices of the organisation it is affiliated to. The Office is a member of the INTOSAI and the South Pacific Association of Supreme Audit Insti-

tutions (SPASAI)⁶. The Auditor-Generals of these groups meet on a regular basis and share ideas and experiences in public sector auditing.

Auditors-General Bhim, Narain and Datt intended to introduce the practice of performance auditing in order to be seen to be compliant with the practices of the important external organisations to which the Fiji Audit Office is affiliated. Being a member of the INTOSAI and SPASA Narain and Datt were aware of developments in public sector auditing and of the countries which had adopted the practice. Since other member countries such as Australia and New Zealand had adopted the practice of performance auditing under the New Public Management trend, in 1991 Datt suggested that Fiji was being left behind by not adopting the practice of performance auditing. After all, Fiji had embarked on public sector reforms in 1980 (Appana, 2007) and the adaptation of performance auditing could have been a part of the reform package. The Auditor-Generals themselves had suggested, and the Audit Office staff and media reporters held, that the Auditor-Generals were inspired by exogenous factors in suggesting the adaptation of performance auditing.

Theme 3: Revealing the Extent of Mismanagement

In their Audit Reports during the 1970-1995 period the respective Auditor-Generals revealed and reported on cases of misappropriation of funds, corrupt practices, and mismanagement of public sector resources by the various government departments and Ministers (Audit Reports 1973 to 1975, 1978, 1983 to 1985, 1992, 1993). Audit investigations regularly disclosed that some public servants were able to use public sector resources for their personal benefits such as using the ministerial cars for personal family outings and allowing their siblings to drive ministerial vehicles without any authority (Fiji Times, 1978 October 28: 3; Fiji Times 1983 June 13: 3). Audit reports, as such, are seen as 'laying bare' and making visible the auditee's conduct. As a result these reports put pressure on the government to conduct performance audits. Therefore, in 1996 the Finance approached the Auditor-General to undertake economy, efficiency and effectiveness audits of the Customs Department.

Despite these revelations no action was taken by the respective Min-

⁶ Members include Pacific Island states, Australia and New Zealand. This organization actively promotes public sector audit and developments in public sector auditing. The member countries benefit by attending annual conferences and workshops. The Australian and New Zealand Audit Offices provide internships to audit staff from the audit offices of the island states.

isters or the PSC against the offending parties. Under a Westminster system of governance as existed in Fiji for most of 1970-1995 (except the period of autocracy from May 1987 to April 1992), employees of respective Ministries are accountable for their actions to the Minister, and the Minister in turn is accountable to the Prime Minister. Apart from this hierarchical line of accountability employees in the public sector are accountable to the PSC (Public Service Act, 1970) which is their employer. Therefore reports and/or audit findings revealing mismanagement of public sector ought to be dealt with by the 'controlling authority' (Minister) and the employer (PSC) would have been expected to take action as a means of reducing and eliminating practices of mismanagement. But transparency to the Auditor-General failed to reveal problems of misappropriations in the audit information given to the Minister of Finance or PSC.

Disclosures on Mismanagement

During their tenures, Auditor-Generals Bhim, Narain and Datt made the government and the Parliament aware of the practices of mismanagement of resources in the public sector through their audit findings. The media publicized these findings drawing the attention of other interested stakeholders. One report stated:

About \$14 million of public funds had to be written off by the government during 1982-1986 according to the latest Auditor-General's report released yesterday. Between 1982 and 1986 government lost \$924, 000 through fraud, negligence and theft. Serious irregularities accounted for \$70,000. Loss and theft through government stores amounted to \$11.5 million. One of the employees used \$18,358 under the Co-operative Loan scheme for personal loan ('Report: \$14 million written off', 1989).

The bureaucrats were able to misappropriate public funds because of an apparent lack of control and lack of action against miscreants by the relevant Minister. These indicate inconsequential accountability (Roberts 2010). The Auditor-General, however, continued to reveal such practices of mismanagement because of his statutory obligation to the Parliament.

Empirical evidence shows that there was an expansion in the scope of reports by the Auditor-General prior to the implementation of performance auditing. A senior staff of the office stated that audit reports dating back to the mid 1970's, 1980's and 1990s,

contained detailed information on how the resources were managed. The Report described how some public servants and ministers used the resources for their personal use. The reports have quoted dollar amounts to indicate the extent of wastage. The extensive details in the audit reports constantly brought into open the inefficiencies and the wastage of resources by the public sector. But the Government took no action (Interview record).

The inefficiencies and wastages referred to can be understood in terms of poorly managed spending and inefficient use of resources.⁷

The PAC members' raised concerns on disclosures of mismanagement contained in the Audit Report to the Parliament and noted:

The Committee once again expresses its concern at the lack of interest displayed by a number of Heads of Departments in presenting full and accurate explanations on matters under investigation by the Committee (Public Accounts Committee Report 1992: 4).

The PAC members' claimed: 'We are disappointed to note that there are a few Ministries which have not given sufficient attention to the report of the Auditor-General' (Public Accounts Committee Report 1992: 5).

The bureaucrats' disinterest was possibly due to a lack of monitor-

⁷ Some of the coverage of the disclosures include:

Government department spent \$39,584 on equipment for undersea mineral exploration but never got the ship needed to use it ('Money wasted by government', Fiji Times, 9 October, 1975: 1)

A check on 100 drums of bitumen had shown that when delivered, 32 had been completely empty, others were half empty and none were of the full weight of 387 pounds. The loss had been known for some time but the PWD had done nothing to stop it or find out what happened ('Money wasted by government', Fiji Times, 9 October, 1975: 1)

Government lost \$4000 in renting a building which was not used ('Account System at FAB Queried', Fiji Times 13 June, 1983: 3)

Major defects were noted in the expenditure of about \$5 million allocated to the Ministry of Agriculture in 1993 after Cyclone Kina. The Audit Review of the project found defects in expenditure totalling \$5,078,637 which were incurred on activities not related to the Agriculture project for which the amount was approved ('Agriculture Misused \$5 million on Rehabilitation' Fiji Times, 30 October 1996: 5).

ing and sanctions imposed on their actions by the Ministers. The PAC noted the 'reluctance on the part of some Permanent Secretaries and Heads of Departments to take appropriate recommended disciplinary or remedial action against the offenders' (Public Accounts Committee Report 1993: 4).

The Auditor-General stated that poor record-keeping by some of the Ministries also contributed to mismanagement and fraudulent practices:

The Auditor-General, Mr Bhim says in his Report that, Government departments have shown a lack of or complete breakdown in control over their accounts due to their failure to keep proper accounts ('Accounts in chaos - Bhim' Fiji Times, 28 October 1978: 3).

It seemed that the record keeping techniques were not reviewed, allowing for laxity which in turn allowed for fraudulent practices. In effect these bureaucrats were not held to account by the Ministry of Finance for their responsibility to properly account for expenditures and by the respective Ministers for management of resources entrusted to them via Parliamentary appropriations. The Auditor-General was able to reveal these practices but did not have the statutory powers to take any action against the offenders. Transparency without authority to sanction conduct is an empty gesture (Roberts, 2001a).

Details provided by the Auditor-General in his Reports over the period were powerful revelations of the view that the practice of mismanagement was acceptable. The disclosures created a perception, perhaps even founded on reality, that public sector managers had little respect for accountability obligations. This created a more difficult environment for those who sought real audit and accountability. The media's publicity of these disclosures raised alarm in some sectors of the public and calls were made for greater accountability; this is discussed in theme 5.

Poor Control Systems

The Auditor-General's examination of financial records of most of the public sector entities revealed that the entities had poor systems of internal control. Most entities failed to keep adequate records of the use and the disbursement of public funds. The lack of such practices by some of the public sector accounting officers resulted in situations where the Audit Office staff were not able to hold them to account.

Under the Finance Act (1970), accounting officers from the Finance Ministry are responsible for undertaking internal audits in the government

departments and ministries on a regular basis. Despite the existence of such control mechanisms proper record keeping procedures were not followed by some of the public sector accounting officers. When found and reported by the audit team the application of inappropriate account keeping techniques and poorly maintained internal control systems were overlooked by the officers from the Ministry of Finance, providing evidence that of what Roberts (1996, 2001b) called, subversion of accountability.

The Auditor-General has raised concerns regarding internal checks and control systems in place within the public service entities. For example, the Auditor-General advised the PAC on his 1981 Audit Report as follows:

In my audit report ... I had commented on the necessity to have an effective system of internal control I had drawn attention to apparent shortcomings and suggested action be taken (Auditor-General's Report, 1981: 13).

The Auditor-General also commented on where and why the entities needed to have effective internal control systems in place. He had alerted the Ministry of Finance, which has the responsibility to ensure public sector entities have adequate internal control systems:

Despite assurances given by the Treasury Officers that adequate internal checks were carried out numerous discrepancies were still found in some supporting statements (Auditor-General's Report, 1988: 15).

The lack of enforcement of internal controls by the Ministry of Finance, whether this was on account of lack of expertise, or interest, or negligence, jeopardized the Auditor-General's efforts to hold the accountant's to account. The Public Accounts Committee members picked up the Auditor-General's concern:

The Ministries and Accounting Officers need to implement proper internal controls and strengthen (on) their accounting systems. The Ministry of Finance has to ensure that proper accounting controls are maintained (Public Accounts Committee Report 1983: 4).

Lack of enforcement of internal control by the Ministry of Finance demonstrates that the audit findings were not taken seriously by the bureaucrats. Such laxity alarmed the PAC; it noted:

Some accounting officers appeared not fully prepared for the questions put to them and as a result their replies were unsatis-

factory and they had to be recalled. These instances made the Committee feel that those accounting officers were not fully aware of their responsibilities (Public Accounts Committee Report 1984: 6).

Some accounting officers appeared to disregard the audit findings, or even not take the recommended charges against those breaching the procedures seriously. This nonchalant attitude appears to have been possible because policy and decision makers did not demand action from the bureaucrats.⁸

The Auditor-General has the power to report and provide opinions on the audit findings. Using this power the Auditor-General was able to report his findings on mismanagement of resources and lack of compliance with public sector financial regulations in the Audit Reports to the Parliament. The Auditor-General does not have the power to take actions to implement accountability in the public sector but his opinions on mismanagement and poor internal controls effectively drew the attention of the media and other interested parties such as the PAC to the issue of accountability.

Theme 4: Lack of Action

Despite the revelation of corrupt practices and mismanagement of funds in the Audit Reports and media's extensive publication of these events the relevant authorities appeared to take little or no action. The indifference showed a lack of real accountability. Transparency was present, but sanction was not. The lack of action on the part of the government or the Heads of Departments in effect, then, promoted the practices of mismanagement.

Ongoing Mismanagement

The existence of mismanagement of resources continued even though it had been reported by the Auditor-General over a number of

⁸ Socializing forms of accountability offer the potential to address the concerns and overcome the existence of weak internal control systems. In a socializing form of accountability open frank face to face communication takes place without fear of reprisals because there are rules which protect the informant (Roberts 2001b). The accounting officers could disclose to PAC, why the internal controls systems were weakly maintained in some of the entities if there were rules protecting them against reprisal from revealing such information.

years. A Member of Parliament stated in an interview with Nath:

The Auditor General provides details on how government departments and some government ministers waste and mismanage public sector resources. For example the Auditor-General provided detail(ed) reports on how the managers at Fiji Development Bank misused public funds in assisting Fijians and Rotumans for participation in commerce from 1982 till 1993. But no action was taken during this period (Interview record, August, 2005).

The interviewee also stated that when mismanagement was disclosed, cases of waste and mismanagement were 'not debated in the Parliament'. Fraud and mismanagement at the National Bank of Fiji (NBF) was initially revealed by Auditor-General Bhim in the early 1980's (Audit Report 1983). Reports continued till NBF's 'near collapse in 1995' (ADB, 2002: 8) but on no occasion did the Parliament or the PAC discuss this matter between 1982 and 1995. Despite having the role of an overseer of government accounts and audit reports, the PACs failed to show responsibility by holding neither the NBF managers nor the Ministry of Finance officers to account during its audit deliberations with them. Parliament's reluctance to debate this issue or to instigate further action can not be easily explained as anything other than a cover-up.

In May 1987 the PAC ceased to exist as the Parliament was dissolved. Thus, there was no Parliamentary oversight of public expenditure. This continued to 1992. During 1987-1991, audit reports and findings may have been viewed as account keeping only, thereby creating an 'appearance' of accountability (Roberts, 2003).

The Ministry of Finance, whose responsibility was to hold managers to account for improper record keeping, appeared to overlook the findings of audit reports. As such, accounting took place without moral obligations thus preventing real accountability (Roberts, 1996) as no action was taken against offenders during 1982-1993. It was only after the 1992 elections that the Rabuka-led government instigated some inquiry in the midst of media reports of fraud at NBF (Grynberg, Munro and White, 2002).

The Auditor-General acts on behalf of the Parliament and transmits his audit findings and opinions to the Parliament for it to deliberate on. The expectation is that during and after the deliberations Parliament will hold the accountors to account and impose sanctions on improper conduct. Unfortunately the process of holding the accountors to account and imposing sanctions appeared not to take place, as illustrated by the concerns expressed by a senior audit officer and a media reporter:

Compiling detailed audit report(s) takes resources and time. We did this to make the public sector effective. But so far we have not been successful because no-one was held responsible for misuse of resources (Interview Record, Senior Audit Officer, Audit Office, July, 2005).

I have highlighted the extensive audit reports of mismanagement of resources by government departments for the benefit of everyone but neither the government nor the ministers have taken any action to improve on use of resources (Interview Records, Senior Reporter, Media 1/08/2005).

The editor of Fiji's premier newspaper the *Fiji Times* wrote in 1996:

The rule of law apparently has not been brought to bear upon those who tried to subvert the system. There appears no inclination on the part of those who have been entrusted with managing public funds to be accountable (*Fiji Times* 31 Oct 1996: 6).

One of the participants pointed out that there was a lack of accountability during the post-coup and the 1990s and suggested that the problems of mismanagement of funds and resources will be reduced only when the civil service becomes accountable. This is possible if a socializing form of accountability co-exists with the current form. The government should have rules which allow the accounting officers or any civil servant to report misuse of public funds to a higher authority without fear of reprisal or dismissal. Such rules and calls for accountability are reasonable because upon employment the civil servants sign the terms and conditions of employment which demands that they be accountable for their actions (Public Service Act, 1970). A senior member of the Parliament stated in an interview that mismanagement of public funds and resources will be reduced only when the public servants, the Ministers and the Government become accountable.

The primary responsibility lies with the respective Minister to ensure that the resources appropriated to his/her ministry are used for the purposes for which they were appropriated. If resources in a Ministry are mismanaged then the Minister should seek answers. After all, governance in Fiji is based on the Westminster system of hierarchical accountability where the bureaucrat is accountable to the Minister and the Minister to the Prime Minister. The lack of action on part of Ministers and the government indicates that the Westminster system of accountability was used as

a smokescreen for real accountability. The hierarchical reporting structure encrusted the real events allowing the Ministers and the government to use accounting reports as accountability (Roberts 1996) without being morally responsible for their actions.

Accounting system

The 1983 Audit Reports recommended that the accounting system used by some public sector entities needed to be improved. Auditor-General Bhim made this recommendation because his investigations revealed that the system used by some of the entities slowed the processes of compiling data and the preparation of annual reports. The *Fiji Times* reported:

The Public Accounts Committee has recommended that the Fijian Affairs Board's accounting system should be updated and modernized so that proper records are kept and accounts are prepared before audits. The Committee says the Boards accounting system was unsatisfactory (13 June 1983: 3).

The PAC members and the Auditor-General shared these concerns and suggested that there was a need to improve the accounting system in use. The following comment was made by a participant on how the existing accounting system of some of the public sector entities could be improved:

During our compliance audits over the 1970-1993 period we have commented on the inappropriateness of the accounting system used by a majority of the entities. We have continuously recommended changes to the systems, like recording dates and actual amounts, doing reconciliations on a regular basis, updating journals, using ledgers, even using computers (Interview records, Senior Audit Officer, July, 2005).

Despite, the concerns raised by the Auditor-General and the PAC that the accounting system used by some of the public sector entities needed improvements, no action was taken by the government. Auditor General Bhim raised his concerns as early as 1976 on the inadequacy of the accounting system used by the Public Works Department and the PSC (Audit Report, 1976; 1979). Similar concerns were raised about the Ministry of Education, Central Division Drainage Board and the Suva City Council by both Auditor-General Datt and the PAC (Public Accounts Committee Report 1985; Audit Report 1983). The Auditor-General can

reveal the inappropriateness of the accounting system and the consequences of using them but is not in a position to impose any change.

While the audit reports have over a long period disclosed mismanagement of funds, no-one took any serious action. This reinforces the perception that the veneer of accountability obfuscates real events, such as people failing to act on what accounting reveals.

Theme 5: Call for Accountability

In the process of discharging the accountability entrusted to the Auditor-General via Constitutional authority, all the Auditor-Generals called for greater public sector accountability during 1970-1992. Their calls for accountability were based on the results of audit investigations and outcomes. Other interested parties, like the media and the PAC, also called for the government to change the way in which public sector resources were managed. A senior media reporter, for example, stated in an interview:

On various occasions over the 1970-1995 period the media has published Audit Report excerpts containing irregularities found in the record keeping by government departments and mismanagement of resources. Such reports are common and such occurrences were a regular feature of Fiji public servants. The public servants should not have been allowed to continue like this during for over two decades. Someone had to take some action to reduce the mismanagement and waste (Interview Records, August, 2005).

The call for follow-up action appeared to be weak because those making the calls, such as the media and the Auditor-General, were not able to lobby the support of powerful authorities such as Ministers and the Parliamentarians. The *Fiji Times* claimed that the:

1991 audit findings reveal that white collar crimes have reached alarming proportions ... it is of great concern that there is a lack of action by the authorities and the government should be held accountable for this (14 August 1993: 3).

The PAC's and the media's support for accountability strengthened the Auditor-General's position in calling for more public sector accountability. The various governments and the ministers continued to ignore such calls.

Theme 6: Call for Changes

The Audit Reports during 1970-1995 contained reports of irregularities in record keeping and mismanagement of resources by a majority of the public sector entities. The reported cases were extensively publicized by the media. The content of the Auditor-General's Reports on mismanagement and the media's publicity of these events raised alarm in some sectors of the public. The Fiji Times, for example, led a story on the report with the heading 'Accounts in Chaos'. The report included:

Government departments have shown a lack of or complete breakdown in control over their accounts, the Auditor-General, Mr Tamessar Bhim says, in his report ... cases of losses, waste, failure to recover monies and failure to keep proper accounts ... considerable improvement is needed in coverage of internal audits and procedures ... examples of government misspending, waste or accounting faults cited by Mr Bhim include: audit of records of ministerial car pool showed numerous defects and omissions in record keeping—certificates of controlling officers and signatures of drivers were nonexistent, particulars of services inaccurate ... several accounts owed by private organizations and people ... had been long outstanding ... ('Accounts in Chaos', Fiji Times 1978: 3).

A 1996 editorial of the Fiji Times stated:

The Auditor-General's Report for 1993-94 brought shock, outrage and disbelief from all quarters.... [It] showed the magnitude of mismanagement and abuse of office and even misappropriation of public funds.... What horrified most people was that the examples and occurrences cited by the Auditor-General appear to be the norm rather than the exception It makes us wonder if anything at all is being done to discourage and eradicate them. The Auditor-General certainly doesn't believe anyone with authority to arrest this trend is doing anything ... both civil servants and politicians who live off the public coffers do not believe they owe the people any explanation for their actions We need a guarantee that funds sought will be managed with utmost responsibility and care ('Editorial Comment', Fiji Times 1996: 6).

The Audit Office established that record keeping was not in compli-

ance with financial regulations. The regulations required that an asset register be maintained for assets, any disbursement of public funds be recorded and a record of services performed on assets be kept. Audit reports on lack of record keeping created a perception that public sector managers showed little accountability for their actions, requiring the Ministry of Finance to implement and monitor control mechanisms and the procedures for record keeping.

Despite the existence of such control mechanisms proper record keeping procedures were generally not followed. Accounting Officers from the Ministry of Finance are responsible for undertaking internal audits in the government departments and ministries on a regular basis. The Auditor-General had concerns on the adequacy of internal controls used by some of the public sector entities. This implied that there was a need for change. But despite the attempts of the Audit Office staff and the Public Accounts Committee to create awareness that the accounting system used by some of the public sector entities needed improvements, the respective authorities appeared to either ignore the findings and recommendations or take no action.

Based on responses of respondents in this research, increases in public sector expenditure were linked to increases in mismanagement of public sector resources. The respondents, however, implied that changing the policies on management of public sector would somehow address both problems. One participant, a senior officer from the Ministry of Finance, suggested that the private sector audit models should be used in the public sector.

The civil servants in Fiji suffer from the *malua fever*⁹. What is needed is a change in the way public sector resources are managed. When the audit findings disclose mismanagement and abuse of public resources then these should be addressed. Maybe the public sector should be audited in the same way as the private sector (Interview record).

Support for calls for performance audit was clearly emerging. Auditor-Generals Bhim and Datt had recommended performance auditing 1980, 1983 and 1991 (Parliamentary Paper 26/92: 2; Audit Reports, 1980; 1983). A senior audit office staff stated in an interview:

To improve public sector productivity and to hold the civil servants accountable the Auditor-General has for quite sometime

⁹ This refers to the habit of continuously postponing work for later attention or implementation.

suggested changes in the way the public sector resources should be managed. The Auditor-General has suggested the 'value for money audit' but this has not been implemented. Such audits will report on how the public fund was used to achieve the set objective of the entity. This is one way of making sure that the department heads use the public funds for the specified purpose (interview record).

In 1992, the Auditor-General called for changes in the way public sector auditing was undertaken. This involved amendments to the Audit Act to incorporate performance auditing. With performance auditing, audit 'would no longer be confined to accounting records but also in seeing that value for money is obtained from the expenditure of public funds' (Parliamentary Paper 26/92:2).

The Auditor-General aspired to expand compliance audits to include performance audits in order to comment on effective and efficient management of public funds. PAC members supported the Auditor-General in this:

The Committee strongly supports that value for money audits should be done so that Parliament can be informed whether or not the expenditure of public funds has achieved the desired objectives. It therefore recommends that budgetary provisions be made for such audits (Public Accounts Committee Report for 1991/1990 Parliamentary Paper 36/94)

Unfortunately this view was not strong enough to get an immediate reaction from the Parliament. In fact the calls remain unheeded until 1996 when the ADB raised this matter under a technical assistance project provided to Fiji.

The calls for expanding compliance audit to performance audit were made on the understanding that the changes would promote the management of public sector resources in an economical, efficient and effective manner. Accompanying the call for performance auditing was the suggestion for changes to the Audit Act.

To make a case for an amendment to the Audit Act, the Auditor-General stated: 'It is important to note that since the Audit Act was legislated in 1969, various changes have taken place in the field of audit with increasing emphasis on the three E's namely economy, efficiency and effectiveness of the public sector' (Parliamentary Paper 4/1981). To strengthen his argument, the Auditor-General pointed to international precedent: 'members of the Commonwealth have even revised their Audit

Laws in recent years to give statutory support to such audits' (Parliamentary Paper 4 of 1981).

As a part of the Commonwealth, the Auditor-General opined that Fiji should not be left behind with respect to audit developments. To drive home the need for change in 1992 the Auditor-General reported:

It was mentioned in para 1.3 of Volume 1 of the 1992 Audit Report that correspondence and discussions had continued with the officers of the Ministry of Finance on possible changes to the Audit Act. These changes had been reported also as far back as 1981, and repeated in 1984 and in 1990 (Auditor-General's Report-1992).

In support of the Auditor-General, the Public Accounts Committee again recommended changes to the Audit Act when it considered the Audit Reports for 1990-1991 in October, 1993 (Public Accounts Committee Report 1993).

It is likely that both the Auditor-General and the PAC called for changes to the Audit Act because of their concern that the Auditor-General was not able to hold the public sector managers accountable for use of the budgetary appropriations. The Auditor-General discharges his role through audit investigations, forming and presenting his opinions on these investigations to the Parliament. The PAC discharges its role by seeking clarifications from the managers of public sector entities on the concerns raised by the Auditor-General in the Audit Reports. Unfortunately neither the Parliament nor the Ministry of Finance supported the call for changes to the Audit Act during the 1980-1995 period. Transparency in financial accounts was not matched to transparency by government actions.

Level Two - Contextual Interpretation

This section provides a description of the broader socio-economic and political context within which the practice of performance auditing emerged in the Fijian public sector. The intention is to reveal the contextual issues faced by the Audit Office.

An understanding of the delayed completion of audit for some of the public sector entities can be gained by exploring the expansion of the Fijian public sector after Fiji's independence from Britain in 1970. On independence, Fiji retained the Westminster system of government. With time also increased the number of government departments and ministries, and the public sector workforce. The increase in the size of govern-

ment and public sector led to increased public sector spending. As the official auditor, the Auditor-General is constitutionally empowered to hold the public sector accountable on behalf of the Parliament. The Auditor-General, through his accountability role, assures the public that public funds were used by the public sector according to the budgetary allocations.

The 1987 military coup impacted on the accountability role of the Auditor-General significantly. After the coup, Fiji faced mass migration of skilled people. The Audit Office lost notable skilled auditors due to migration, as well as through reshuffles of the civil service. The coup also worsened the economy, therefore putting budgetary pressure on the government. The coup also caused a suspension of the Public accounts Committee.¹⁰ This meant that the findings raised in Auditor-General's audit reports were not scrutinised by any committee, thence no clarification on the concerns raised were sought from the public sector entities.

The Audit Office's affiliation with international organizations such as the INTOSAI and SPAISAI show that the Auditor-General and the audit staff were aware of audit developments, such as performance auditing. As members of these international organisations audit department staff and the Auditor-General may have been keen for the Fiji Audit Office to adopt the practice.

During the 1980's most countries which followed the Westminster system of governance were adopting the 'new public management' strategies to improve their public sector performance (McMaster, 2002). In line with the global trend Fiji first attempted to reform the public sector in the 1980's (Appana, 2007; McMaster, 2002). As a part of economic reforms the public sector entities had to develop corporate plans which incorporated quantifiable objectives and outputs which could be audited (McMaster 2002). It appears that the Auditor-General was following the reform trends in suggesting that 'performance auditing is 'concerned with whether the public authorities are attaining the purpose for which the budgetary programmes are approved and are doing so economically and effectively' (Parliamentary Paper 4/81). The Auditor General appeared to suggest that performance auditing will 'demand' that public sector enti-

¹⁰ The Public Accounts Committee (PAC) is a parliamentary nominated committee responsible for clarifying and seeking explanations from the government departments on issues and concerns raised in the Auditor-General's reports. During the sitting of this Committee, representatives from the Audit Office, Ministry of Finance, and the Ministry whose audit report is under consideration, are present. Audit representative provides clarification on audit findings while the Finance ministry representation provides clarifications and guidance on financial regulations to the PAC.

ties specify the objectives in quantifiable and measurable terms so that it can be audited.

Interpreting Text and Contextual Stories - Power Structure

This section interprets the text and the contextual stories to reveal how the text and the producers of the text constructed a specific regime of power relation to bring changes to the practice of public sector auditing. To reveal the power relations, the text is reread with a focus on the context to provide an understanding of the perceptions of accountability created by the producers of the text. The themes discussed in the previous section are now woven into the 'events' which prevailed in the Fijian public sector during the emergence phase.

The principal themes which emerged from the texts were (i) strengthening the accountability role of the Auditor-General; (ii) revelations of mismanagement of resources and (iii) call for greater government accountability. When situated within the socio-political and historical contexts these themes provide insights into how and why the Auditor-General, the Public Accounts Committee and other groups and individuals associated with public sector auditing tried to ensure that the public sector be held accountable, thus unveiling the structures of dominations and power regimes.

The Auditor-General is constitutionally empowered to act as the 'overseer' of the public funds and has the mandatory powers to audit public sector entities in order to hold it accountable. The audit findings and reports for public sector entities become important because the contents of these would indicate how the funds were used and where. The Auditor-General is responsible for providing assurances to the public, through the Parliament, that public funds are used in an accountable manner. But the revelations of mismanagement and abuse of public sector resources contained in audit reports, as well as lack of audit or significantly delayed audits of some departments, reinforced perceptions of a lack of public sector accountability and established a 'case' for expansion of compliance auditing to performance auditing.

The re-establishment of the Public Accounts Committee in 1992, led to greater scrutiny of the audit reports. The Committee called for greater government accountability. It also added weight to the proposals to shift from compliance auditing to performance auditing.

The close ties of the Fijian Audit Office with the Australian and New Zealand Audit Offices via its membership to both the INTOSAI and SPASAI groups, also influenced the call for embracing performance au-

ding. Through support of the SPASAI and INTOSAI, the Audit Office often sent its staff to Australia and New Zealand to gain skills and experiences in performance auditing. Both these countries had already implemented public sector performance auditing during the 1980's (Flesher and Zarzeski, 2002); as such these countries were in positions to help the Fijian Audit Office in keeping abreast of developments in public sector auditing.

The rapid adoption of the new public management strategies in Fiji following the 1987 coups also strengthened the basis for the proposals for performance auditing.

The socio-political and historical context described above suggest that the events taking place in Fiji and globally during the 1970-1995 period had a significant impact on the Fijian Auditor-General's accountability role.

Critical Reflection and Understanding

This section unveils the hidden meanings and message the producers of the text conveyed to the participants through the text during the emergence phase of performance auditing (1970-1995). The producers of the texts - such as the Auditor-General, the Public Accounts Committee Members, the audit office staff, staff of the Ministry of Finance, and the media - created a certain perception of accountability in the Fijian public sector.

The text and contextual stories conveyed the message that the Auditor-General was constrained in discharging his accountability roles and as such the public sector managers could not be held accountable. The concerns regarding the lack and/or sufficiency of staffing and funding faced by the audit office was effectively linked to the performance of the Auditor-General's accountability role. But the fact that despite these constraints, reports were regularly taken out, and that all these reports invariably highlighted abuse of public sector resources, created overly positive mindsets in stakeholders for introduction of performance auditing in Fiji. After all, the audit report findings conveyed the clear message that compliance auditing was not sufficient to hold public sector managers and/or the government accountable for the use of public resources. The powerful Public Accounts Committee and the media grew to not only agree with this outlook, but also propagate it over time. Performance auditing was endorsed as the solution.

Conclusion

In this paper, we examined a number of texts to establish the foundations of performance auditing in Fiji. Text evidences from the public sector audit reports, annual reports from the Audit Office, the Public Accounts Committee Reports, and media reports were used. The contexts of the text evidences over the period 1970-1995, particularly the socio-political and historical environment prevailing in the Fijian public sector during this period, were also examined.

Our analysis reveals that the texts relating to the accountability role of the Auditor-General grew over the period from 1970 to 1995 to increasingly contain symbolic meanings. Such symbolic meanings, as Habermas (1971) and Ricoeur (1980) stated, can be unveiled through interpretation. To unveil the symbolic meanings contained in the text we used the critical hermeneutics methodology. Critical hermeneutics methodology offers an insight into ways in which the socially influential elements of the society use the text to promote their interests.

This study offers insights into how the Auditor-General conveyed the message of the need to strengthen his accountability role in order to hold the public sector accountable. It has also examined the way the message - which at root involved detailed contents on mismanagement of public sector resources - created a wide perception of a lack of public sector accountability. With the creation of a widely accepted view on the lack of public sector accountability despite a long period of detailed reports on abuse and mismanagement of public sector resources, it was a relatively easier step to take from compliance auditing to performance auditing.

Appendix 1: Auditor-Generals in Fiji

Name	Period Served	Appointed by	Governments In Power	Served as Deputy AG before appointed as AG?
Tamesar Bhim	October 1970 – October 1984	Constitutional Services Commission in consultation with the Governor – General and the Prime Minister	Alliance Party led by Ratu Mara. (democratically elected)	Yes. Fiji
Rupendra Narain	November 1984- October 1987	Constitutional Services Commission in consultation with Governor – General and Prime Minister	Alliance Party led by Ratu Mara (democratically elected until May 1987)	Yes. Fiji
Ramesh Chandra Datt	November 1987- October 1997	Constitutional Services Commission in consultation with the President and the Prime Minister	Military Government (May 1987-Dec 1987), followed by unelected civilian government (Dec 1987-April 1992) and then elected SVT party led by Rabuka (April 1992-)	Yes. Fiji
Michael Jacobs	November 1997- October 2000	Constitutional Services Commission in consultation with the President and the Prime Minister	SVT party Led by Rabuka (to May 1999), following by elected Labour Government under Chaudhry (May, 1999-May 2000), and military regime led by Qarase (to July 2000-Oct 2000).	Yes. Australian National Audit Office.
Eroni Vatuloka	November 2000-Dec. 2009	Constitutional Services Commission in consultation with the President and the Prime Minister	Appointed as AG under Qarase led military regime (Nov. 2000-August 2001), continuing to Qarase led democratically elected Government (Aug 2001-Dec. 2006), and military regime (Dec 2007-Dec 2009).	Yes. Fiji. Transferred from Ministry of Finance in 1997. Appointed Deputy AG under Jacobs.

(Notes: Tamessar Bhim was appointed the first local Auditor-General after Fiji gained independence from Britain in 1970. Bhim resigned in 1984 on the completion of his tenure and Rupendra Narain, the deputy, was appointed the Auditor-General. Upon completion of his tenure in 1987 Narain resigned from the civil service and his deputy Ramesh Datt was appointed as the Auditor-General. Upon Datt's resignation in 1997 Mr Michael Jacobs, an Australian was appointed the Auditor-General on a 2-year contract with the support of Australian consultants who were involved with the Asian Development Bank funded institutional strengthening programme of the Audit Office).

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Nirmala Nath, is Lecturer in Accounting at the School of Accountancy, Massey University, Palmerston North. Email: n.nath@massey.ac.nz

Karen Van Peursem is Professor of Accounting at the Department of Accounting, University of Waikato, Hamilton, New Zealand.

Alan Lowe, is Professor of Accounting at the Department of Accounting, University of Waikato, Hamilton, New Zealand.

Corresponding Author: Nirmala Nath