

**The African Peer Review Mechanism: Towards Africa's Governance
Audit**

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ABSTRACT

The concept of accountability has grown to become an integral part of a broader political and socio-economic transformation. Closely associated to it is the concept of “auditing” which has established itself as a main driving force of accountability and a core means of delivering it. The extent of the rise and expansion of “auditing” has subsequently come to influence every aspect of modern life and this has led to a situation in which practices have had to adapt to the principles of “auditing” processes. Auditing has become prevalent in both the public and private spheres and this impact has far reaching consequences. The concept of “auditing” is evident in the African Peer Review Mechanism (APRM) and is central to its review process. This thesis focuses on the concept of “auditing” in order to illustrate how the APRM has borrowed and applied insights from other disciplinary practices so as to enhance an understanding of accountability and transparency as features of “good governance” and to explicate how these concepts are conceived within the framework of the New Partnership for Africa’s Development (NEPAD). It also clarifies the relationship that exists between “peer review” and “auditing” and argues that rather than being considered as two poles marked by distance from each other “auditing” and “peer review” are closely related and mutually constitutive.

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INTRODUCTION

Context

Post-independence Africa has been characterised by widespread socio-economic crisis and political disorder, which has manifested in the form of violent conflict, poverty, instability, insecurity, corruption and poor governance. In many African countries these issues have continued to hold back progress towards development. While these woes of Africa, along with its lack of development, remain informed by the legacy of colonialism and structural factors (Kebonang, 2005:39), there is no doubt that the “general failure of Africa’s political leadership” has also contributed to Africa’s negative development performance. The legacy of colonialism created basic problems for the establishment of effective governments during the post-independent period. As Ayee (2005:15) observes, African leaders have faced the difficulties of “constructing public authority, establishing viable state institutions and creating responsive and legitimate agents of governance”. Furthermore, it has been noted that when African states won independence they had faced alarming constraints to development which included “underdeveloped resources, political fragility, insecurely rooted and ill-suited institutions, population growth and above all a climate and geography hostile to development” (Ayee, 2005:15). Although the legacy of colonialism is said to be responsible for the ineffectiveness of African governments, it should also be pointed out that African history and its subsequent lack of development cannot be an excuse for poor governance (Cilliers, 2004:31). The leaders of post-independence Africa appear to have been motivated by political and personal concerns rather than by economic and social development. As a consequence, these leaders pursued destructive policies and programs, especially in the economic sector that failed to promote development (Ayee, 2005:15). For this reason, it could be argued that “bad” policy and poor governance have also been responsible for the continent’s severe development failure.

Leadership, however, is perceived to be a key determinant in the future of Africa and only through good political leadership can radical transformation of the continent be realised. While at national level the task of promoting good leadership may be laden with difficulties (Kebonang, 2005:39), at continental level its impact is evident in the extent to which African leaders have taken the initiative to bring concrete changes to

Africa. This initiative by African leaders finds expression in the creation of the African Peer Review Mechanism (APRM) which is situated within the framework of the New Partnership for Africa's Development (NEPAD).¹ The APRM was created in July 2003 to ensure that the policies and practices of participating states conform to the values, codes and standards contained in NEPAD's Declaration on Democracy, Political, Economic and Corporate Governance as adopted at the African Union (AU) Inaugural Summit in Durban, South Africa, in July 2002 (APRM Base Document, 2003:par. 1). The APRM emerged out of the growing recognition that without collective effort sustainable development would remain illusive (African Governance Forum Document, 2006:5). Its creation, therefore, testifies to the increasing awareness regarding the importance of collective response to the problems facing the continent. It also demonstrates the commitment and determination of African leaders in "correcting the mistakes of the past in order to pursue a new development strategy" (Mephram and Lodge, 2004:125) based on the principles of transparency, accountability and good governance. As Hope (2005:1) puts it, the APRM is designed to reverse the trend of a "lack of accountability, political authoritarianism, state failure and corruption" by moving Africa to a culture of good "governance", thereby enhancing its prospects for recovery, growth and development. In line with this purpose, the APRM encourages African countries to commit themselves to a regular review of each other's performance and adherence to good political, economic and corporate governance that is considered essential for growth and development. It can be noted that over half of the fifty-three members of the AU have acceded to the APRM and within a few years of its existence it has made some significant progress towards the transformation of the continent. Perhaps the remaining states which have not become members yet are adopting a wait and see attitude to assess whether the mechanism works and that all members abide by the rules before they can acknowledge governance failure and thus join the APRM.

As a key component of the New Partnership for Africa's Development, the APRM monitors and assesses the performance of African countries in terms of their

¹ The New Partnership for Africa's Development (NEPAD) is the combination of the Omega Plan and the Millennium Partnership for the African Recovery Programme (MAP) which was adopted at the 37th Organisation of African Unity (OAU), now African Union (AU) Ordinary Session in Lusaka, Zambia in July 2001. It represents the latest attempt by African leaders to tackle the continent's lack of development on a collective basis (Ajulu, 2002:6; Gelb, 2002:2).

compliance with a number of “codes, standards and commitments that underpin good governance and sustainable development” (Hope, 2005:283). All countries that have acceded to the APRM are obliged to open up their “social, political and economic books” for “audit”² by fellow members (Kagwanja, 2004:1). In this sense, transparency and accountability as requirements for “good governance” become an integral part of the APRM. The APRM considers the improvements of governance as key in the development of the continent. In the arena of economic governance, this implies the reduction of corruption, “enhancing regulation in the financial system, and promoting sound accounting and auditing practices in the private sector”, and in the political governance arena, it means “resolving violent conflict in countries and establishing peace and security for citizens, enhancing democracy and establishing respect for human rights and the rule of law” (Gelb, 2002:26). It is against this backdrop that African leaders, having acknowledged the need for improved “governance” in Africa, agreed to subject their countries to a “performance audit” through the use of the APRM.

The instrument of “Peer Review” has been a common practice in international organisations and has been used effectively by many organisations, notably the Organisation for Economic Cooperation and Development (OECD)³ since its establishment four decades ago. The OECD uses “peer review” to assess the performance of countries largely on economic and development matters and provides recommendations to the reviewed countries on how their performance can be improved (Pagani, 2002:18). The OECD also uses “peer review” to engage countries in an open dialogue in matters of importance and, as a result, countries tend to learn best practices from each other. This method of assessment is considered to be tried and tested within the OECD (Hope, 2005:291). In Africa, the idea of “peer review” is relatively new (Mathoho, 2005:3). Whilst the thinking behind the design and function of the APRM has to a large extent been influenced by the OECD model of “peer review”, there are some significant departures from, and additions to, the African version so as to include “a comprehensive review of a country’s political, economic,

² Audit refers to a procedure whereby an independent third party systematically examines the evidence of adherence of some practice to a set of norms or standards for that practice and issues a professional opinion (Jupp, 2006:13).

³ The OECD is a 30 member forum created in 1961 to discuss, develop, and refine economic and social policy. The organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practices and coordinate domestic and international policies (Braga de Macedo, 2004:3).

corporate and socio-developmental institutions, policies and practices” (Masterson, 2007:1). The novelty of the African Peer Review Mechanism, however, lies in the fact that it is a wholesome review of the performance of a country by other countries in governance areas employing the logic of “auditing”. The idea of “auditing” is central in the APRM and it assumes a controlling process throughout its review processes.

The concept of “auditing” has been positioned within the fiscal realm, which explains why “auditors” have had to possess a sound knowledge of accountancy (Yoshim, 2002:21). However, as the concept evolved it was exported from its original context and came to be used in a wide variety of contexts. Consequently, practices of environmental, management, forensic, data, technology and performance auditing have emerged (Power, 2007:3). Since the last two decades, “auditing” has focussed on governance and come to serve as an important instrument of transparency and accountability. Governance is taken here to mean the manner in which a government exercises political power and discharges its responsibility. It also encompasses the relation between government and the public. Most importantly, it is always related to the institutions and structures that are used to discharge government’s responsibility (Wolhmuth, 1997-8:7). Such a responsibility is expected to be discharged in a transparent and accountable manner. Therefore, transparency means that “reliable, relevant and timely information about the activities of government is available to the public” (Hope, 2005:296). Transparency is associated with the concept of “openness” whereby the participation of the public in shaping and implementing government policy is encouraged and guaranteed. Transparency is crucial for accountability. Hope (2005:289) is of the view that “a system of government that is transparent is likely to be accountable”. Accountability, therefore, implies that systems are in place and are facilitated by public institutions to hold public officials to account for their behaviour, actions, and decisions (Hope, 2005:298).

In recent years, there emerged a political discourse which demanded transparency and accountability from governments in terms of their performance. This saw many governments being placed under pressure to become more accountable and socially responsible. This mounting pressure to enhance accountability was orchestrated internally by the civil society organisations and “active citizenry” which called for better performance and responsive governments (Stern, 2005:7). The reality of this

pressure has therefore forced governments to put in place mechanisms of transparency and accountability. Undoubtedly, “auditing” was considered, among others, one of the popular methods of ensuring accountability (Stern, 2005:12). Consequently, many institutions came to adapt to its requirements. Organisations, governments and regional institutions have increasingly turned to “auditing” in their quest to transform governance and enhance transparency and accountability (Power, 1997:47). It is against this background that the APRM employs “auditing” in its review processes. Understood in this context, this thesis explores how the APRM uses “auditing” to review its members.

Objectives of the study

Hope (2005:1) has observed that the emergence of the APRM “represents a sea of change in the thinking of African leaders” as they seek to reverse the status quo. Consistent with this understanding, this thesis explores the political-historical origins of the APRM within the context of NEPAD and examines how the APRM executes “peer reviews” in evaluating governance performance of its members. Most importantly, the thesis examines how the concept of “peer review” is implemented within international organisations. However, in order to emphasise the practical elements of “peer review”, the thesis draws insights from the OECD’s model of “peer review” that has served as a potential benchmark for other “peer reviews”. As its main goal the study will contribute further to the work that has been done in this field by focussing on the concept of “auditing” in order to illustrate how the APRM has borrowed and applied insights from other disciplinary practices. Since “auditing” and accountability have become part of a broader political and social transformation and have affected many spheres of life, the thesis seeks to explain this trend by describing the logic of “auditing” within the APRM’s operations. It will be argued that “auditing” assumes a controlling process in its review process as it assesses the performance of African states in terms of their compliance to established norms laid out by NEPAD.

Methodological approach and methods

The research is conducted within the interpretive paradigm. This orientation fits well within this research since it is concerned with understanding and meaning-making.

As Schwandt (2000:339) explains, “to understand a particular social action the researcher must grasp the meanings that constitute that action”. In order to find meaning in an action or to say one understands what a particular action means, requires that one interprets what the actors are doing. This thesis, therefore, seeks to discover meaning by interpreting the context of the APRM’s origin, its action of reviewing the member’s performance in governance areas, and the manner in which “auditing” has become dominant in the APRM. While understanding and meaning-making in this instance will be developed from within the context, the thesis also uses what Ricoeur (in Terreblanche and Kelly 1999:399) calls “distanciation”, which refers to the process of understanding the context from the outside. It is therefore argued that no matter how thoroughly a context can be understood from within, there are certain things about it that will be clear when it is viewed from the outside (Terreblanche and Kelly, 1999:399). This objective is achieved by the interpretation of texts.

This thesis uses documentary analysis as its method of data collection. It relies on both primary and secondary sources to explore the context of the APRM’s origin and also to examine how it executes its functions in reviewing the performance of its members. Burnham *et al.* (2004:165) classify “primary sources as sources that consist only of evidence that was actually part of or produced by the event in question”, while “secondary sources consist of other evidence relating to and produced soon after the event”. In this thesis primary sources will be used to shed light on the foundational policies of the APRM and secondary sources will be used to provide insight into the operations of the instrument.

Structure of the thesis

Chapter One provides a theoretical framework for the concepts of “auditing” and “peer review”. The environments within which these concepts are used are also briefly discussed. The evolution of “auditing” and its exportation to other situations is explained and some references to fiscal auditing are made to show how it serves as a model for other auditing practices. Peer review is compared to “auditing” and the significance of their similarities and differences is also examined.

Chapter Two discusses the concept of “peer review” within the international context with a particular focus on the OECD peer review processes. The OECD’s experience

is examined with a view to understand how it effectively implemented the review processes and was ultimately considered a success. The thesis proceeds further to discuss the political-historical origins of the APRM within the framework of NEPAD. The implementing structures and their role in the functioning of the APRM are examined. The chapter also provides a brief description of the kinds of reviews in the APRM and provides a short description of the APRM functions in terms of their different stages. It concludes by making a brief comparison between the OECD and the APRM in terms of their scope of operations.

Chapter Three explores the “nexus” of public sector reform and the spread of “audit” and relates them to the APRM in order to expand on the concept of “auditing”. The concept of the “new managerialism” and how it gave rise to the new regime of accountability and “audit” is explained and analysed. Accountability is also discussed in the context of its technical meaning in order to show how it subjected practices and processes to the dictates of “auditing”.

Chapter Four examines the APRM in practice. The operation of the APRM and the way in which it conducts the review process is described. The central focus is the concept of “auditing” in relation to the APRM using South Africa as an example. The essence of this chapter is to illustrate how some insights from one discipline can be effectively used to enhance an understanding of issues in another discipline.

Chapter One

1. Theoretical and conceptual framework: auditing and peer review

Peer review is closely associated with the idea of “auditing” and the two concepts are often used interchangeably. This chapter seeks to distinguish between “peer review” and “auditing” and to discuss the two concepts in the context of their origins. The relationship between the two concepts is also examined with a view to determine how they are mutually constitutive and some observations based on this comparison will be highlighted. Most importantly, the chapter seeks to show that, although “peer review” is an established phenomenon in its own right, it adopts the methods and practices of “auditing” and this explains why the two concepts are often regarded as synonymous. Based on the understanding that “peer review” and “auditing” are mutually determining, this thesis will refer to these concepts interchangeably, that is, reference to “auditing” will imply “peer review” vice versa.

1.1. The notion of auditing explained

1.1.1. The broad perspective of the concept

It should be mentioned at the outset that there are competing ideas of what counts as “audit” and for this reason there is no commonly agreed upon definition. Flint (1982:81) defines “auditing” as the

“systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users”.

Likewise, Gray and Mansion (1989:9) allude to the same meaning in their definition of “auditing” as

“an investigation or a search for evidence to enable an opinion to be formed on the reliability of financial and other information by a person or persons independent of the preparer and persons likely to gain directly from the use of the information, and the issue of a report on that information with the intention of increasing its credibility and therefore its usefulness”.

These two definitions are not identical, but there is an overlap in terms of the meaning which is conveyed and what seems striking is the fact that they both explicitly and implicitly contain what Power (1997:5) describes as the “most general conceptual ingredients of an audit practice”, namely, evidence, verification, criteria, opinion, independence and reporting. These concepts have been integral to “auditing” from its inception and constitute the definitional characteristics of an audit practice. Each of these concepts occupies an important position in the structure of “auditing” and it is for this reason that any form of “audit”, however defined, will incorporate most of them. Since “auditing” assumes a controlling process within the APRM and the concepts of evidence, verification, criteria, opinion, independence and reporting tend to cluster around audit function (Humphrey and Owen 200:32) thereby determining how “auditing” works within the APRM, it will be essential to provide a brief summary of each of these concepts. A further justification for the discussion of these concepts is the understanding that, while they constitute the distinguishing features of “auditing” they have also come to be recognised as cornerstones within the structure of “peer review” and as a result, form the bedrock against which the APRM carries out its reviews. Without their presence the APRM reviews would be meaningless. Although these concepts are given an independent consideration, they are closely related and should therefore not be used in isolation.

Evidence collection in “auditing” is accorded a primary role as it provides a basis for the formation of judgement and expression of an opinion. Pinero (2001:1) describes audit evidence as “the objective information collected through interviews, visual reconnaissance and documentation review” and emphasises its role in the production of an audit opinion. Similarly, Mautz and Sharaf (1961:69) acknowledged the role of evidence in judgement formation and categorise evidence into natural, created and rational argumentation. They also argue that these three broad categories are not equally compelling to the mind. Audit evidence according to these authors, influences the auditor in varying degrees from being compelling to being less persuasive.

Verification refers to the determination of truthfulness or falsity in assertions. The kind of evidence presented before an auditor consists of a series of assertions which need to be verified for their accuracy. These can only be verified by an auditor’s review, evaluation and interpretation of evidence and an overall judgement should be

grounded on such evidence. Furthermore, Power (1997:69) points out that the audited enterprise must be auditable by leaving “a trail of evidence and procedure that can be verified”. Therefore, verification and evidence are complimentary in that auditors can only verify on the basis of evidence available to them.

Audit criteria refer to the policies, practices, procedures or requirements against which the auditor compares collected evidence about the subject matter (Pintero, 2001:1). Criteria are determined in order to measure what has actually been done or performed by reference to established standards. These standards, as Mautz (in Flint, 1982:85) has argued, “whether explicitly stated or not must be sufficiently well known and accepted”. This would enable the auditor to state with confidence that the assertions do or do not measure up to standard. Criteria are determined according to a particular kind of “audit” being performed and are all to a greater or lesser degree subjective.

An audit opinion is based on the judgement reached by the auditor after a critical review of evidence. Power (1997:28) states that “the output of an audit process is an opinion” and the presumed effect of this opinion is to enhance the credibility of the audited enterprise. For an auditor to judge the propositions submitted before him in a rational manner, he will require sufficient and appropriate evidence. Sufficient evidence assures him that he is not reaching an ill-advised or hasty decision. Mautz and Sharaf (1961:68) stress the importance of adequate evidence and state that, “if the auditor makes judgement and forms his ‘opinion’ on the basis of adequate evidence, he acts rationally, by following a systematic or methodological procedure”. Only when sufficient evidence is available and only after it has been critically examined will the auditor be compelled to form a judgement and express an opinion on the truthfulness or falsity of the propositions. However, an auditor’s opinion does not serve as an assurance of the future viability of an enterprise.

Independence is considered a basic characteristic of “auditing”. In order for “auditing” to retain any value at all, it should be independent of the function it is “auditing” (Jackson and Stent, 2001:1-2). In a similar vein, the auditor must be independent in thought and action. Auditor independence is not only perceived in terms of “freedom of investigation and freedom in reporting”, but also involves “the

absence of interest in the outcome of its consequences” (Flint, 1982:93). An auditor’s opinion will be relied upon only if he is free of any bias. Power (1997:133) points out that, the auditor “may be dependent on the information from the auditee,” but his basis for drawing conclusions must always be independent. Therefore, auditor independence is a necessary requirement that should be maintained at all costs, for without it, “auditing” has no value.

The *Audit report* is a process that comes shortly after an agreement has been reached between the auditor and the auditee on the truthfulness or falsity of findings. The audit report is an attempt to communicate the fact that a minimum requirement in respect of conformance to audit criteria has or has not been achieved. Lincoln and Guba (1985:324) refer to the report as a “letter of attestation” in which the auditor certifies that both the process and the product of “auditing” do or do not fall within acceptable limits. Such reports should be documented so as to verify auditing requirements (Pinero, 2003:23). Whilst the length and details of an audit report are important, Power (1997:125) observes that much also depends on the “tone of reporting and the full use to which the report is put”. Most audit reports are published on the website of the audited entities for public interest.

It is instructive to state that all these general conceptual components of “auditing” taken together have continued to play a prominent role as audit practices proliferate in all spheres of human activity.

The financial auditing model has acted as a benchmark for other audit practices and its contribution has been significant. As Power (1997:15) notes, the “model provided by financial auditing has influenced the design of auditing practice in many other fields”. The modern form of “auditing” draws its status primarily from financial auditing with its base in accountancy. Since its inception, the focus of “auditing” has been the verification of data. The financial data of a particular enterprise is examined for the purpose of “judging the faithfulness with which [it] portray[s] ... events and conditions” (Mautz and Sharaf, 1961:15). The role of a financial auditor is to determine the accuracy of the financial records of an enterprise and the “audit process” culminates in the formation of an opinion as to whether the records reflect a true and a fair view of the enterprise’s financial position.

In a nutshell, what is expressed in this practice is the philosophy that audit evidence must be compared to audit criteria so as to determine findings (Pinero, 2003:1). This implies that the purpose of “auditing” is derived from the practice itself. Evidence is compared to criteria, so as to determine whether the audited enterprise does or does not conform to the expected conditions. Determination is therefore a finding and this can either be one of conformance or non-conformance. What is of importance is that an “audit” will always produce findings, even if what is being audited is in full conformance with criteria (Pinero, 2003:1). Auditing has been and still is conducted predominantly to determine the fundamental issue of conformance to stated criteria. It is this ideal financial audit philosophy that continues to exert its influence as “auditing” has evolved over time to become what it is today.

1.1.2. Accountability and the social role of auditing

Auditing has been discussed from a broad perspective and with some reference to financial issues. At this point it is instructive to look at “auditing” beyond this perspective and focus on its social aspect. In this sense, “auditing” functions more as a vehicle of change” (Power, 1997:91) in the name of the principles of transparency, accountability and good governance rather than as a practice of verification alone. The concept of “auditing” has undergone fundamental transformation and, over time, has surpassed its restriction to financial matters alone. Consequently, the concept has been exported to many other fields where, to varying degrees, it has acquired a degree of legitimacy, institutional stability and acceptance. This expansion of “auditing” to other areas is described by Power (1996:1) as “audit explosion” and has led to individuals, organisations, companies and government institutions finding themselves subject to intensive audit requirements. Power (1996:11) further argues that the reason this explosion has been so prominent is largely because of the transformation in the role of government and the conceptions of governance. Of course, in recent years, there has been an ever-growing demand for governments to be more accountable and responsive. This demand, together with the increasing awareness on the part of the citizens about their right to be informed, has legitimised “auditing” as an important instrument in the enhancement of accountability.

The rise of accountability as part of a wider “social transformation” (Biesta, 2004:233) and mounting demand for accountable and transparent government, has

placed many governments under a severe pressure to restructure the state and its functions. Faced with these voluminous challenges, governments have been forced to revise the “traditional accountability mechanisms” (Stern, 2005:3) that are viewed as incapable of effecting change on the functioning, performance and transparency of governance, as well as revising the creative methods of performance evaluation in order to guarantee actual accountability on the ground. Auditing is therefore considered a relevant mechanism that can create the “enabling conditions for accountability” (Centre for Good Governance Document, 2005:10). In Africa in Particular, where accountability is in serious need of improvement, the existence of the APRM has become increasingly important for “auditing” government’s performance so that they “act in ways that are broadly approved by ... society” (Hope, 2005:299). Cognisant of this rapid spread of “auditing”, Charlton (in Biesta, 2004:235) argues that the “culture of accountability has led to the situation in which practices [have] had to adapt to the principles of the auditing process”. At present, “auditing” has grown to assume a central role in government circles and other spheres of modern life. This understanding has also informed the international and continental contexts and explains why the logic of “audit” has spread to institutions such as the OECD and the APRM.

Auditing is a tool of securing accountability and control, for as McKenzie (in Flint, 2005:4) states: “without audit, no accountability, without accountability no control”. Flint (1982:85) views control through accountability as a social process and argues that “auditing” should be understood and conceptualised within the context of society and its expectations. In this sense, “auditing” is recognised as an essential tool of empowerment within the society”. The social context of “auditing” implies that the conduct or performance of an institution in diverse areas is comparable to social norms in relation to accountability (Flint, 1982:85). The society or public interest groups determine the norms of conduct and which aspects of accountability are to be subjected to the scrutiny of “audit”. The behaviour of institutions under audit scrutiny is often measured against such criteria as “honesty, transparency, legality, regularity, accuracy, truth, fairness, economy, efficiency and effectiveness” (Flint, 1982:86). However, since these criteria are subjective, the professional judgement of an auditor will always be required to interpret and link them to expected conditions.

The terms of “audit” (or audit criteria) vary according to the nature and kinds of “audit” conducted. After the criteria have been laid down, it is for the auditing process to verify that there is compliance with those standards so as to ensure accountability. The social responsibility of “auditing” therefore is to interpret dynamically (as opposed to statistically) the meaning and thus the expectation of the audit requirement as imposed by social standards or criteria (Flint, 1982:88). By investigating, interpreting and reporting on the achievements, “auditing” fulfils a social role. It is for this reason that many societies rely on “auditing” for the institutional changes it brings about and most importantly for its empowering role in the society. The practice of “auditing”, therefore, has to be conceived and exercised within a social and accountable context if it is to “evolve satisfactorily in a changing world” (Flint, 2005:287).

1.1.3. Brief overview of “audit trail”⁴ and “audit process”

Lincoln and Guba (1985) customise their narrative to fit the context of academic research in which “auditing” is employed primarily to establish the *conformability* of qualitative findings. This conceptualisation is very useful and can also be applied in other environments as well. It is for this reason that their conceptualisation is applied in this thesis to explain the concept of “audit trail” and “audit process”. These authors emphasise the importance of examining both the process of the inquiry and the product. Firstly, an auditor must examine the process by which records were kept, the purpose of which is to satisfy stakeholders that they are not the victims of what is sometimes called “creative accounting”. Secondly, an auditor should also examine the product – “the records – from the point of view of their accuracy” (Lincoln and Guba, 1985:318). This course of action amounts to what can simply be described as “audit trail” and “audit process”.

Audit Trail

All audits require that information must be collected to form an “audit trail”. Audit trail is considered a prerequisite for any “audit” to take place since its existence is valuable to provide an audit opinion. Any information collected may consist of

⁴ Audit trail refers to the fact that “careful documentation of the conceptual development of the project should leave an adequate amount of evidence that interested parties can construct the process by which the investigators reached their conclusions” (Jupp, 2006:13).

varying evidence that includes “raw data, data reduction and analysis products, data reconstruction and synthesis products, process notes, materials relating to intentions and dispositions and instrument development information” (Cutcliffe and McKenna, 2002:127). Mautz and Sharaf (1961:70) hold that some evidence “is sought out or created by the auditor, some is reasoned from other evidence, some is made available to him and other evidence will come from his line of reasoning about similarities between the instant case and others of his experience”. Evidence is therefore viewed as pivotal in the construction of “audit trail” and it is for this reason that they consider it as truth in “conformity with reality” (Mautz and Sharaf, 1961:78). Clearly the auditor will have to rely on evidence from all of these sources to assemble his “audit trail” and under no circumstances would he reject the evidence solely on the grounds of its source (Jackson and Stent, 2001:5-10). Audit trail is fundamental to the audit function since it eases the auditor’s work in drawing reasonable conclusions on which to base his/her audit opinion. Lincoln and Guba (1985:319) point out that “an inquiry audit cannot be conducted without a residue of records stemming from an inquiry”. An auditor should therefore obtain sufficient and appropriate evidence in order to reconstruct the process by which the records are kept. Overall, there will be no hard and fast rule in which the quantity of evidence needed can be precisely measured and it should not be expected that any “audit” will produce much evidence as outlined above. Nevertheless, the best audit findings and conclusions will depend upon a reliable type of evidence and carefully sought out “audit trail”.

Audit Process

Audit trail also exists to inform “audit process”. The process of “auditing” has to proceed on the basis of trail of evidence made available to the auditor. Therefore, “audit trail” and “audit process” are mutually supportive, rather than contradictory. Audit process refers to the planning and execution of the entire audit program including a report on the findings. This process follows a number of different stages of which planning is the most important (Jackson and Stent, 2001:6). Planning is the initial step around which the entire process of “auditing” is based. It encompasses the programs, procedures and methodologies of the “audit process”. This phase also includes, among others, making team assignments, deciding on working documents and addressing any unique, extenuating circumstances (Pinero, 2003:6). In this phase

an auditor seeks to gain an understanding of the reasons for the “audit” and also identifies the objectives of the “audit”. Jackson and Stent (2001:64-65) are of the view that planning will not be made in a strict order but will rather be looked at as a “holistic exercise designed to achieve an efficient and effective audit”.

Having developed an audit plan, the task of an auditor is then to obtain the information or gain knowledge about the entity to be audited. This knowledge plays a crucial role for without it an audit function can not be satisfactorily performed. It is only when a thorough understanding of the entity to be audited has been obtained that the “audit” can proceed in various, successive stages. However, since “auditing” is a two way process, it will be required of the auditee to remain available for consultation as needed and to ensure that relevant materials are arranged in a convenient and accessible manner to assist the process. Furthermore, an auditor should be thoroughly familiar with the “audit trail” as it unfolds and the linkage system that ties “audit trail” material to actual events and outcomes (Lincoln and Guba, 1985:319). The trail will probably follow the structure that has been previously agreed upon. The auditor must then make a determination of the enterprise’s “auditability” that is, he must be satisfied that the “audit trail” is complete, comprehensible and useful (Lincoln and Guba, 1985:322). The remaining task is to verify the assertions in the “audit trail” in order to reach a judgement about whether inferences based on the data are logical, and then to interpret facts. Therefore, based on the type of information provided, the auditor makes an independent assessment of documents to accomplish the agreed upon objectives of the “audit” (Cutcliffe and McKenna, 2002:127). For the “audit process” to continue successfully both the auditor and the auditee should perform all the tasks that should be carried out and observe the guiding principles set out for the process.

1. 2. Towards an understanding of the concept of peer review

For many years “peer review” has been a commonly-used practice in the academic community whereby scholarly work was subjected to a review and evaluation by experts to “ensure that it meets the expectations of a particular field or discipline” (Davis *et al.*, 2007:4). It has also been used frequently in the accounting institutions as an instrument intended to help auditors improve quality control. Many large firms also used “peer review” to ensure that their different offices implemented consistent

standards (Brown *et al.*, 2006:8). As to what it means and how it should be performed depends on the perspectives of different people and organisations. Of course, it should always be expected that “peer review” in the context of an academic community will have a different meaning to “peer review” in the context of a government department. However, more often than not “peer review” has been described and defined in terms of what it can do, such as its potential to build capacity, improve accountability and enhance greater transparency (Pagani, 2002:21). Broadly defined, “peer review” refers to “an independent scrutiny or evaluation of a professional work project or advice performed by a second, qualified professional either during the project or after its completion” (Custis *et al.*, 1997:1). Peer review in the context of an organisation can take on several forms. For instance, the review evaluation may focus on quality control systems on the one hand and compliance with policies and standards on the other. In some instances peer review programmes may be designed in such a way that both areas are evaluated simultaneously. Whether the review process is intended to evaluate quality-control or compliance, the methods and processes by which “peer review” is executed remain the same at all times. In many instances the evaluation includes the “planning, procedures, implementation, interim results, final work product and/or documentation of the project” (Custis *et al.*, 1997:1). However, there is no “gold standard” for peer review” (Davis *et al.*, 2007:7). Many “peer reviews” are designed to follow steps that are suited particularly for their intended purpose. For the purpose of this thesis, the type of “peer review” that is proposed is the one based on the assessment of performance to determine compliance. It is also of interest to mention that the review process that characterises the APRM represents an example of compliance “peer review” because countries are expected to comply with NEPAD’s norms, standards and principles.

Peer review is characterised by an atmosphere in which the actors are engaged in a cooperative venture in an attempt to persuade each other to act and comply with established standards and principles. Therefore, punishment or sanction as a means of eliciting compliance is not a viable option. Downs *et al.*, (1996:380) have observed that compliance is not all about a matter of threat of punishment but a process of interaction among the parties concerned in which the effort is to reach mutual agreement. Brown *et al.*, (2007:13) on the other hand, argue that if the reviewed member learns of potential “weaknesses or deficiencies” as identified in the peer review process and “does not correct the situation, the process is all in vain”.

However valid this argument might be, it will be crucial that instances of apparent non-compliance or performance that seems for whatever reason unsatisfactory be perceived as “problems to be solved by mutual consultation and analysis rather than violations that have to be punished” (Downs *et al.*, 1996:380). In fact, an “appropriate” corrective response by itself should be a sufficient punishment. Fogarty (1996:252) shares a similar view in his description of “peer review” as purposefully “non-punitive” and suggests that “peer review” should focus on positive improvement and education. Understood in this context, compliance therefore presupposes performance and it follows that “peer review” is intended to evaluate the performance of the members in terms of their compliance to pre-defined review criteria. The whole process is driven by persuasion and argument and this confirms why punitive measures in the “peer review” are not a requirement. This is also true for the APRM in which persuasion and argument are the primary motors of the review process.

1.3. Comparison between auditing and peer review

A comparison between “peer review” and “auditing” reveals striking similarities and differences in respect of their focus and other related aspects. Both have compliance to the criteria of professional standards as a shared characteristic. The review criteria are an integral part of most peer review systems and their use varies accordingly. As in “auditing”, member organisations participating in “peer review” have shared views on the criteria against which performance is to be evaluated. It is assumed that strong, common understanding of these standards or criteria increases commitment among participating members and prevents “uncertainty and backtracking during the review process” (OECD Document, 2003:5). The review criteria allows the reviewed members to prepare their materials in an organised fashion that facilitates the review and provides structured process that restricts the reviewers’ focus on specific aspects of the assessment (Davis *et al.*, 2007:12). Most importantly, the reviews conducted by means of set criteria help promote consistency among the reviewers (Seargent, 2003:12). While in “auditing” an assessment of records and examination of compliance to criteria are performed in order to form judgement and express opinion about the “truthfulness or falsity” of the assertions, “peer review” assesses the performance of members in terms of their compliance to established standards and principles with a view to correcting any compliance failure. This implies that “peer review” has a broader role than simply verifying compliance. The process of “peer

review” can therefore be described as primarily educational and remedial rather than disciplinary (Brown *et al.*, 2006:22). It is intended to prevent the recurrence of problems and to correct deficiencies in the practice of the member organisations.

Like “auditing”, “peer review” makes use of various methods to collect data for the review process. The “on-site visits,” document reviews and interviews are among the methods employed in “peer review”. These methods of data collection closely resemble those of “auditing” as explained in “audit trail” and “audit process” above. With regard to a country review, a review team composed of experts drawn representatively from other countries, carry out “on-site visits” to the member being reviewed (Pagani, 2002:16). The purpose of such visits is to investigate specific events and establish facts that will provide information to assist the process of review. The reviewers are also engaged in the process of document review which serves to provide a trail of evidence the reviewers rely on in order to draw their conclusions about the review process. This evidence is considered an essential prerequisite for the review process and for this reason it is important for the participating members to cooperate with the reviewers by making necessary “documents and data available” (OECD Document, 2003:4). This kind of support provided by the participating members is an expression of the existence of mutual accountability. Furthermore, the reviewers conduct interviews and engage in a continuous dialogue and “interactive investigation” with relevant stakeholders. Stakeholders may be requested to respond to questions relating to self-assessment and the programme of action (POA).

In “peer review” the dissemination of the results plays a vital role and the reporting method is mostly transparent. After the decisions are made on peer review process, the findings are communicated to the reviewed member in what is called a “review exit conference”⁵ before they are published. The reviewers are, however, obliged to review their findings with the reviewed member in order to afford him the opportunity to establish whether the review process has or has not followed the previously negotiated agreement. Furthermore, the reviewed member has “the right to hear the findings and to register concurrence or exceptions” (Lincoln and Guba, 1985:325). Most often this task ends up in agreement between the two parties and afterwards the

⁵ A review exit conference refers to the meeting that takes place after the reviewers have completed their review process. The purpose of such meetings is to communicate the results of the review process to the reviewed state and to obtain its comments on the proposed findings and recommendations before the final review report is issued (Pinero, 2001:23).

results are published. The results reflect the extent to which a particular member has or has not complied with stated criteria and the reviewers issue their recommendations thereafter. Naturally, the reviewers do not expect the reviewed to have complied with policies and procedures a hundred percent of the time (Loscalzo, 1979:81). As a matter of fact only those exceptions where there is no high degree of compliance will be reported by the reviewers. Publication of these results is made widespread so that it reaches all interested parties. In “auditing”, as opposed to “peer review”, the dissemination of audit results beyond the stakeholders is left to the auditee’s discretion. Therefore, the exclusive aspect of the review process relative to “auditing” is the public nature in which the results are disseminated.

The selection of reviewers is one of the essential components that characterises “peer review”. The reviewers are selected on the basis of their expertise. It is expected that the reviewers must possess some special characteristics which include among others, a “high level of methodological sophistication”, a substantive knowledge about the specific areas to be assessed, recognised integrity and preferably, experience as [reviewers]” (Lincoln and Guba, 1985:379). Furthermore, the reviewers must be able to provide “accurate and independent assessment of the conditions in the [organisation] being reviewed” (Kebonang, 2005:52). Brown *et al.*, (2006:24) adds that maturity is also an important qualification in that a “more mature reviewer has had exposure to greater variety of procedures” and is better positioned to understand which procedures work effectively.

In the case of a country review for example, the reviewers will be largely drawn from other countries and their selection based on a system of rotation among the participating countries. The reviewers bring with them many different backgrounds and perspectives that allow for more insightful suggestions. The reviewers may be selected to be involved in the review process early at its beginning or at its termination. There are however, potential advantages and disadvantages for the early and late involvement of the reviewers in the process. Lincoln and Guba (1985:379) are of the view that early involvement may be of “formative assistance especially in defining what should be included in the audit trail”. On the other hand, this might imply their early cooptation in the process. When a reviewer becomes involved at the termination point “he might be less involved and fairer, but may suffer from the

dearth of information that cannot be easily made up” (Lincoln and Guba, 1985:379). This process of selection is also applied in “auditing” but most “audits” tend to involve the auditor at the termination point. Even so, that choice remains open for both the reviewers and the auditors.

Conclusion

In comparing the concepts of “auditing” and “peer review” within the context of their origins, several features common to both, and some areas of difference were identified. The significance of their similarities and differences were discussed within their various contexts. This comparison has however, provided a basis from which some observations could be made. From these observations, it can be pointed out that “auditing” and “peer review” have more in common than not. Although there are noticeable differences between “auditing” and “peer review”, they are less fundamental and in most cases constitute procedural divergences rather than differences of principle. It is also observed that the focus in “peer review” is more educational and remedial than punitive. Interestingly, there is a notable trade-off between “peer review” and “auditing” in respect of methods and practices. Peer review has largely borrowed from “auditing” to the extent that it has, in some cases, become harder to determine whether a particular project merits the title of “peer review” or “auditing”. This trade-off between “auditing” and “peer review” also highlights the point that, rather than being two poles marked by a distance from each other, “auditing” and “peer review” are closely related and mutually constitutive. Therefore, it can also be argued that “peer review” and “auditing” complement one another.

Chapter Two

2. The use of peer review in the context of international organisations

In the introduction it was pointed out that “peer review” is new to Africa and that the continent has never had experience with this practice in the past. As a consequence, much is unknown about how “peer review” works. In order to understand how “peers review” works and to locate it within the African context, it is necessary to draw on the experiences of international organisations that have implemented this instrument. In this chapter the experience of the OECD will be the central focus.

2.1. International or multilateral peer review mechanism

The concept of “peer review” between states has remained largely undefined (Pagani, 2002:15) and less still has been written about it, despite its growing significance. However, “peer review”, over the years, has begun to expand and gain currency in the practice of international organisations and the expression has now assumed a specific meaning within this context (Pagani, 2002:15). The concept of “peer review” is therefore understood as “a systematic examination and assessment of the performance of the state by other states (peers). The ultimate aim is to help the reviewed state improve its policy-making, adopt best practices and comply with established standards and principles” (Pagani, 2002:15).

The manner in which the assessment is conducted is said to be “non-adversarial” because it relies on mutual trust among the participating states as well as shared confidence in the process. Since “peer review” in this context is undertaken between countries, it requires a high level of commitment and cooperation among the participating countries for it to be a success. A significant number of international organisations use “peer review” as a method of assessment and this method has become an established practice within these organisations. It is also important to note that “peer reviews” under the aegis of international organisations are often referred to as “multilateral peer review mechanisms” or “international peer review” (OECD Document, 2003:4). Specific examples of the use of “peer review” in international organisations can be found in the Asia-Pacific Economic Cooperation (APEC), the International Monetary Fund (IMF), the World Trade Organisation (WTO) and the

Organisation for Economic Cooperation and Development (OECD Document, 2003:8). Peer reviews in these bodies have the propensity to cover a variety of subject areas which often relate to “economics, governance, education, health, energy or other policies and practices” (Pagani, 2002:16). Several countries belonging to these international organisations can also be assessed at the same time with respect to a particular theme and the performance of the reviewed country may be assessed against a wide range of principles, criteria and standards. These may include for example, “recommendations and guidelines, specific indicators and benchmarks and legally binding principles” (OECD Observer, 2003:2; Pagani, 2002:18). Within these bodies, individual country peer reviews are usually conducted on a regular basis with each review process resulting in a report that assesses accomplishments, spells out shortfalls and makes recommendations (Hope, 2002:1; Hope, 2005:291; OECD Policy Briefs, 2003:2). It has also been observed that, of the available “peer reviews” in international organisations, the most common is the “assessment of a country’s performance in implementing policy recommendations and guidelines” (OECD Policy Briefs, 2003:4). It is also of importance to note that in any of these organisations participation in “peer review” may be either voluntary or compulsory.

There are three characteristics common to all multilateral peer review mechanisms. These involve, firstly, a committee of experts whose task is to examine and assess proposals, projects and other endeavours. Secondly, they represent a “collegial” form of monitoring compliance and progress. Thirdly, they entail dialogue and interactive investigation (OECD Document, 2003:7). It is important in this regard to note that the APRM, though a regional organisation, also exhibits similar characteristics in all respects. Other noteworthy aspects characterising these “peer reviews” relate to their operation. Most multilateral peer reviews operate according to a specific pattern which involves two identifiable levels, namely, the *process* in which members are assessed against specified review criteria through different stages, and the *products* which emanate from the review process which include an investigation report and a final report (OECD Document, 2003:4). However, it will be important to examine in brief these two levels of operation in order to identify and understand the common pattern that constitutes the multilateral peer review.

2.1.1 The generic operation of international peer review

The use of process and product in “peer review” represents a shift from a solely process-based evaluation characteristic of “quality assurance” “auditing”, to one which embraces the value of both process and product. According to Charlton (2002:6), quality assurance focuses upon processes to the exclusion of the “excellence of the product”. For “quality assurance” the efficiency and effectiveness of the process is more important than what the process is supposed to produce. The result is that almost any aspect of organisational performance is subjected to quantification. By contrast, “peer review” emphasises process but does not ignore the outcomes or product. The product is as important to “peer review” as the process. Through its focus on assessment, peer review processes promote transparency and meaningful dialogue which are essential for enhancing accountability of organisations or governments. Peer review processes put strong emphasis on the assessment, which in turn brings products into picture.

Process

The process of assessing members against specified review criteria begins with an investigation stage, followed by the examination stage and ends with a dissemination stage. In the investigation stage information is collected with a view to produce an investigation report. Essentially this is a “document synthesising the information collected with reference to the review criteria” (OECD Document, 2003:8). The “on-site visits” may be undertaken at this stage with a view to assist the member under review with the necessary preparations. In the examination stage, the member under review is assessed against the review criteria by the examiners. This stage occurs at the plenary meeting of the international organisation responsible for the “peer review” (OECD Document, 2003:8). The investigation report is then used at this stage as a basis for discussion and examination. The examiners examine the investigation report and hold discussions with the member under review.

Products

Peer review ordinarily includes the production of an investigation report and a final report. Towards the end of the examination stage “the examiners review the findings

with the reviewed country and write a final report” (OECD Document, 2003:8). The final report is based on the investigation report as well as the discussion held during the examination stage. The final report, which is the product of modification and consensus, is disseminated beyond the members in the last stage of the process, commonly known as the dissemination stage.

As with “auditing”, where the “audit process” involves role players such as the audit team, auditors, the client and auditee, “peer review” also involves participants. An understanding of the participants in “peer review” will further shed light on how the reviews are conducted within the international organisations, especially within the OECD’s framework.

2.1.2. Participants in Peer Review

Generally, “peer review” is deemed to be the combination of the activity of several players who are actively involved in the process. These players have collective responsibility to ensure that “peer review” is a success. The following may constitute participation in “peer review”:

The collective body

Peer reviews are undertaken in the context of the activities of a subsidiary body of the international organisation. It may be carried out by a committee, working party or other body which has decided to undertake it. In the case of the OECD, Environmental Performance Review and Economic Development review committees can be cited as examples of such subsidiary bodies (Pagani, 2002:19).

The Secretariat

Usually, all international or multilateral peer review programs utilise a Secretariat. The Secretariat is said to be the “office or people in charge of the management of the international organisation responsible for the undertaking of peer review” (OECD Document, 2003:8). The Secretariat can be regarded as the “engine” of the organisation because it carries out the most labour intensive part of the work. Its role differs according to different peer review processes, but it primarily gives support to the entire review process. This can be in the form of “organising meetings and

missions, stimulating discussions, upholding quality standards and providing continuity between individual reviews” (Pagani, 2002:20; OECD Document, 2003:8).

Member under review

This is a country belonging to the international organisation, and by virtue of being a member, is subject to a review process. In this sense, “peer review” is considered an obligation of membership. Under normal conditions, all countries belonging to the organisation are subject to “peer review” (Pagani, 2002:19). There are also individuals participating on behalf of the reviewed country who may include civil servants, representatives from ministries at different levels of government and research agencies (OECD Policy Brief, 2003:5). All member countries have a duty to cooperate with the examiners and the Secretariat in a number of important respects to ensure the success of the review process.

The examiner countries

Examiner countries constitute the officials in the relevant policy field from other countries (peers) who are involved in the evaluation process. The role of examiner countries is to represent the collective body carrying out the review (OECD Policy Brief, 2003:5). This representation takes place in the early stage of the process and the examiners have the duty to provide guidance in the collective debate itself. They are also entrusted with the task of examining the documents, participating in discussion with the reviewed country and the Secretariat (Pagani, 2002:20). Examiners also play the role of lead speaker in the debate held by the collective body. Most importantly, the examiners are expected to be objective and fair and they must not be influenced by national interests. What follows is a discussion of the OECD “peer review” within the framework of international organisations in order to examine its experience with peer review system.

2.2. The Practice of Peer Review within the OECD

The OECD model of “peer review” provides a benchmark for the African Peer Review Mechanism. As Africa is in the process of implementing an instrument aimed at helping governments improve the management of their countries, the obvious and

the convenient example to look at is the OECD. With more than forty years experience of “peer review”, the OECD can offer much needed lessons to the APRM. The OECD is known to have used “peer review” since its establishment in 1961 and this method of assessment has proved to be a success within this organisation (Hope, 2005:291). Peer review in the OECD is used to compare experiences and discuss “best practices” in a variety of areas ranging from “economic policy to environmental protection or strategies to create jobs” (OECD Policy Brief, 2003:1). If a country seeks to reduce unemployment, for example, it can learn valuable lessons from its peers on what has and has not worked.

Makanje (2003:12) notes that one of the objectives of the OECD is to foster “good governance” in the programmes of members. The OECD achieves this by conducting country reviews. What is important about these reviews is that each country’s policy in a particular area is examined by fellow members on an equal basis. In this sense, the OECD provides an environment in which countries can discuss and reflect on policy, economic and development issues in an open and transparent manner. It is evident that the OECD has distinguished itself by “peer review” which characterises its work in most of its policy areas. Many observers also argue that the OECD “invented” the modern “peer review” and for this reason it would not be an exaggeration to claim it as the mechanism’s “pioneer” (OECD Observer, 2003:1). It can be argued, therefore, that while there are several international organisations that use “peer review” as a method of assessment, the OECD has a long-standing practice of “peer review” in the international arena. The strength of this claim is clearly expressed by Pagani (2002:17) who remarks that “there is no other international organisation in which the practice of “peer review” has been as extensively developed as the OECD”. There is no doubt that the OECD has a proven record of success with “peer review” and because of this, many organisations have adopted “peer review” as a method of assessing the performance of their members. This also explains why the APRM adopted “peer review” as a method of assessment within its structures. How then has the OECD used this method for the past four decades with such success? To answer this question it will be crucial to examine the nature of “peer review” within this body and how it functions. While each “peer review” in the OECD may have its own procedure, a common pattern among them which consists of three phases - *the preparatory, consultation and assessment phases*, can be identified. These three stages

of “peer review” can also be explained using the concepts of process and product as discussed above.

The Process

The first two stages of the OECD “peer review”, the preparatory and consultation may be incorporated in the investigation stage of the process, while the last stage, the assessment, can be positioned within the examination stage.

a. Investigation stage

Preparatory phase

This stage lays the groundwork for the review. Firstly, an outline for the review is defined with standard topics and the criteria clearly stated. Secondly, a background study of the country under review is conducted. Documentation and data analysis as well as a questionnaire prepared by the Secretariat for the country under review is part of this stage. A detailed questionnaire is sent to the country in question for self-evaluation. Information is therefore collected from existing sources and from questionnaires sent to the reviewed country to capture responses by competent authorities (Kanbur, 2004:162). The questionnaire may also serve as an agenda for a dialogue in the next stage.

Consultation phase

This stage is characterised by broad consultation of various actors in the reviewed country. The Secretariat and the examiners maintain constant contact with competent authorities of the reviewed country (Hope, 2002:6). This stage is also characterised by “on site visits” which may last one week at the most. Public interest groups, civil societies, business leaders and academics may also be consulted to provide relevant information necessary to assist the review process. The phase ends with the preparation of a draft report by the Secretariat. The draft report is then sent to the country under review for factual verification. The report follows a standardised model comprising of an *analytical section*, where the country performance is examined in

detail and the individual concerns are expressed, and an *evaluation and summary section*. This sets forth conclusions and recommendations (Pagani, 2002:20).

b. Examination stage

Assessment phase

This stage is considered to be the “heart” of the review process. In this stage a collective discussion on the draft report is held by the review body. While the examiners lead the discussion, the entire body is encouraged to participate (Hope, 2002:2). This stage is recognised for its question and answer session in which the major elements of the review are vigorously dealt with. A delegation from the reviewed country, “usually headed by a minister or deputy minister answers questions from other participating countries” (OECD Policy Brief, 2003:3). In some cases, disagreements may break out over assessment or recommendations. However, the report must be debated among the members of the body, including the reviewed country in order to reach a consensus. Following discussions which may sometimes involve negotiations, the final report is adopted or simply noted by the whole body.

The Product

The output of “peer review” is the final report which is adopted in the assessment stage and therefore published in the dissemination stage. It may well be argued that since much effort in the production of the final report occurs in the assessment stage before its publication in the last stage, the two stages (i.e., assessment and dissemination) may be considered to be complementary.

c. Dissemination stage

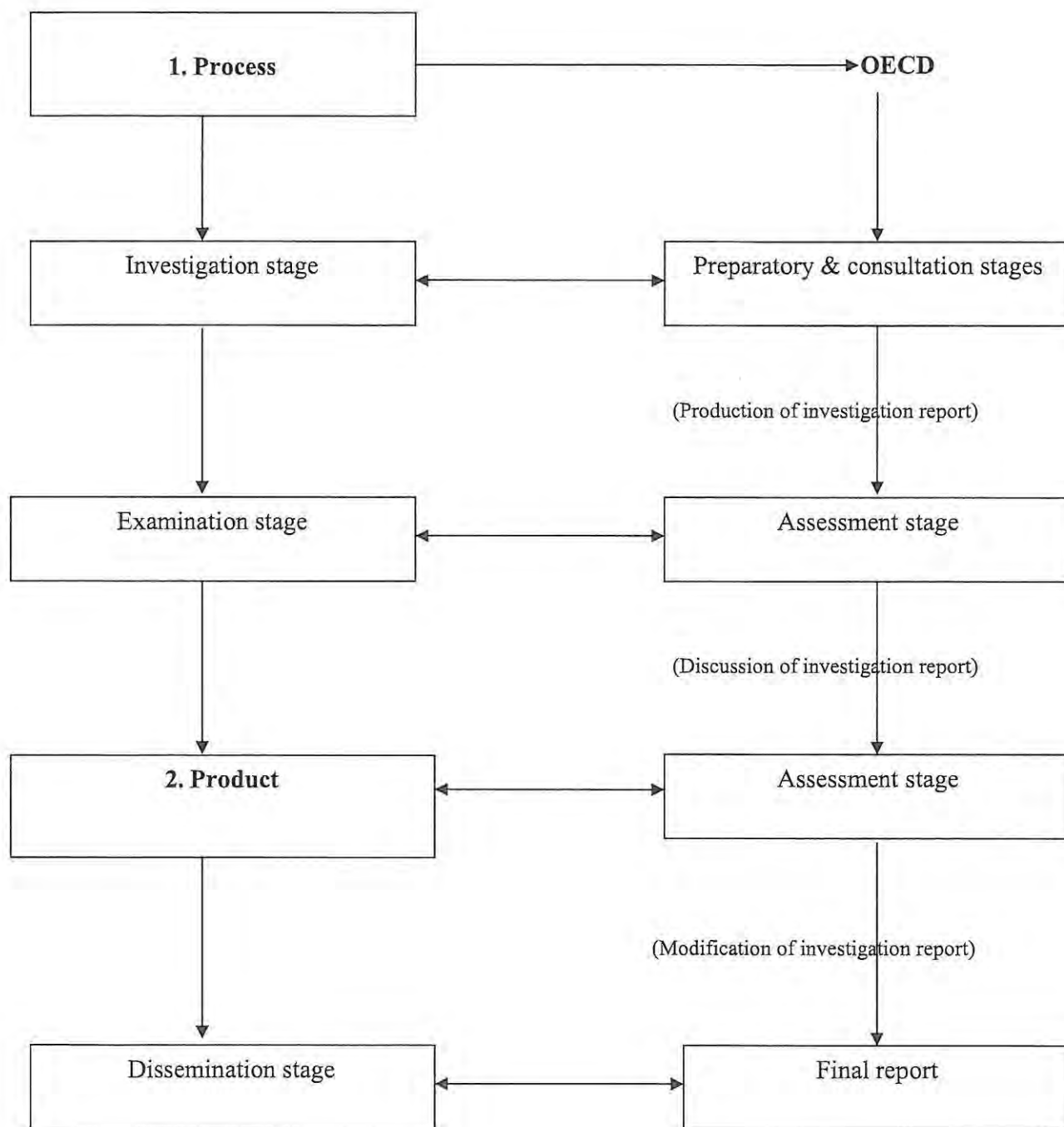
Assessment phase

Generally, the final report is a product of extensive discussion in the assessment stage and one on which all the participants have reached consensus. Often the final report is followed by a press release which summarises the main issues and recommendations for the media (Pagani, 2002:21). Other press events and briefings may also be held to

spread the findings of the review beyond the members. The reviewed country has no right to veto the contents of the report. The process of “peer review” in the OECD can be represented diagrammatically as in **Figure. 1.** (Overleaf)

The OECD model of “peer review” has been adopted by many organisations, including the APRM. At present there exists a working relationship between the OECD and the APRM. This relationship is at a mature stage and the exchanging of views and experiences on peer review mechanisms proceed on a regular basis. To further strengthen this relationship, an improved co-operation and partnership between the two organizations will be required (Heubaum, 2005:6). This type of co-operation and partnership should not be a prescriptive mechanism on the requirements necessary for the implementation of “peer review”. As Heubaum (2005:6) puts it, “its aim should not be based on lecturing Africans on how to conduct their examinations”. However, it should provide an environment in which both the OECD and APRM members can learn and benefit from each other. In any event, the APRM is envisioned to display an African character, so there should be no situation in which the OECD is fully participative in the APRM unless it is in an advisory capacity.

Figure 1. Diagrammatic representation of the review process in the OECD



2.3. The African Peer Review Mechanism in perspective

2.3.1. Background

The creation of the APRM in July 2002 was said to be a milestone in the history of the continent and also an expression of a renewed determination among the African leaders to tackle the challenges facing governance in Africa. Its creation also elicited a good deal of reaction from scores of critics, many of whom expressed pessimism about its potential to succeed both in the short and in the long-term. Some African countries were also concerned that the APRM could threaten sovereignty by allowing outsiders to pass judgement on national prerogatives. On the other hand, the instrument received a blessing from its proponents who hailed it as a “made in Africa” approach and a means for the continent to find “African solution[s] to African problems” (Deegan, 2004:365). The APRM has been so described because it has brought for the first time to the continent an exercise that seeks to hold political leadership to account. In an attempt to justify the APRM’s existence and clear misconceptions about it, Ellen Johnson Sirleaf, the president of Liberia, once remarked that “all we are doing is a review of progress and the results of those principles to which we have already committed” (Africa Recovery Document, 2003:3). Viewed in this context there can be no denying that the APRM is an exceptional experiment in the process of reform in Africa. For its perceived “innovation”, the APRM was also assigned labels by many people from different circles. Some have said that it is the “sharpest tool in the NEPAD’s box” (Juma, 2004:1), whilst others have referred to it as “a new weapon in Africa’s arsenal” (Herbert, 2003:6). Elsewhere, it has been described as “a panacea for Africa’s governance problems” (Mathoho, 2005:1) and has also been perceived to represent “a sea of change in the thinking of African leaders” (Hope, 2005:285).

The many descriptions of the APRM attest to the value the instrument possesses and the potential it has to irreversibly transform the image of governance on the continent. For many years African leaders failed to hold each other accountable, especially in governance related matters pointing to the inviolable principle of non-interference in the internal affairs of one state by another, thus abandoning their responsibility to

confront their peers for ostensible wrong doings. However, the APRM is destined to hold African governments and leaders accountable to their stated commitments and decisions as contained in the norms established by NEPAD, thereby instilling the acceptance among members that “each is, in fact, his brother’s keeper” (Herbert, 2003:6). In this way, the APRM serves as a shining example of how constructive criticism is supposed to work. Its origin can therefore be traced from the New Partnership for Africa’s Development.

2.3.2. NEPAD and the origins of the APRM

The APRM emerged in the wake of two major developments that occurred in Africa at the beginning of the new Millennium. Firstly, the transformation of the Organisation of African Unity (OAU) into the African Union (AU) in 2001, and secondly, the launching of the NEPAD programme in the same year. These developments were essentially inspired by the theory of African Renaissance that was dominant towards the late 1990s. Essentially, the vision of the “renaissance” was to “boost the existing continental framework of cooperation that would allow Africa to move forward in the 21st century” (Kouam, 2004:7). There was also the realisation that only through strengthened regional institutions would the continent be able to face the challenges of economic growth, development and governance. It is within this understanding that the regional profile in governance was elaborated and self-monitoring instruments such as the APRM subsequently created (Kouam, 2004:7). However, the most important development that had a direct bearing on the formation of the APRM was the launching of NEPAD in 2001. It should be noted that at present the APRM does not constitute part and parcel of the AU organs. This may be so because of a considered belief among the APRM members that the mechanism should retain its voluntary nature and independence so that it must be free from the political influence of the AU. Furthermore, some members of the AU have expressed concerns about the location of the APRM in Midrand, South Africa, that the country could manipulate it for its own agenda. Although the legitimacy of these concerns or claims cannot be substantiated, what is apparent is the fact that South Africa by virtue of its resourcefulness in terms of financial and human capacity is better positioned to host the mechanism. Since the background of the APRM can be understood properly within the context of NEPAD, it will be crucial here to sketch the build up towards the establishment of NEPAD which also culminated in the formation of the APRM.

NEPAD has been described as “a holistic, integrated sustainable development initiative for the economic and social revival of Africa involving a constructive partnership between the continent and the West” (Mashele, 2006:2). Originally, the programme was known as the New African Initiative (NAI) stemming from the merger between two projects, the Millennium Africa Recovery Plan (MAP) drawn by the Presidents of three countries, Abdelaziz Bouteflika (Algeria), Olesegun Obasanjo (Nigeria) and Mbeki (South Africa), and the Omega Plan drawn up by Senegalese President, Abdoulaye Wade (Taylor, 2005:37-40). The NAI programme was adopted at the 37th Summit of the Heads of States and Governments and Implementation Committee (HSGIC) of the OAU held in July 2001 in Lusaka, Zambia (Cilliers, 2002:3). At the same meeting, the HSGIC became the governing structure of the NAI programme. However, in the first meeting of the HSGIC held in Abuja, Nigeria, in October 2001, the NAI programme was subsequently renamed NEPAD which later came to be accepted as the “socio-economic development programme of the AU” (Mbeki, 2002:2). This meeting also agreed that African leaders should set up parameters for Good Governance to guide their activities at both political and economic levels. At that point, the African Peer Review Mechanism and the code of conduct were decided upon. The HSGIC, at its second meeting in March 2002 in Abuja adopted the draft report on Good Governance and Democracy as well as the APRM. It was only at the HSGIC’s third meeting in June 2002 in Rome that a Declaration on Democracy, Political, Economic and Corporate Governance was approved and subsequently the AU inaugural summit in July 2002 in Durban, South Africa, formally launched the APRM. All member states of the AU were encouraged to adopt the NEPAD Declaration and “commit themselves to abide by this new code of conduct” (Kouam, 2004:7). As Taylor (2005:42) has observed, the Declaration on Democracy, Political, Economic and Corporate Governance ostensibly established “a set of norms, values, and standards by which the African leaders participating in the (APRM) would hold each other accountable”.

2.3.3 The APRM: A brief description

Although the primary focus of this thesis is to explore the origins of the APRM, the way in which the review process makes use of the logic of “auditing” must be taken into account. Auditing has the prospects of reshaping and generating a different image

to the entity being audited. In this sense, “auditing” has a transformative function. By subjecting their members’ performance to scrutiny, the APRM engages in “peer audit” and as a result, is determined to transform the governance systems of many African countries. In order to understand further the concept of “auditing” and how it works within the APRM, it will be important first to understand the APRM.

The APRM has been described in many different ways. However, in paraphrasing the APRM base document, the APRM can be described as a voluntary compliance and mutual learning instrument acceded to by members of the AU who may wish to avail themselves voluntarily to the review process (APRM Base Document, 2003:par. 1). The document states further that the primary purpose of the APRM is to “foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration” (APRM Base Document, 2003:par. 3). This will be achieved through the sharing of experiences, reinforcement of successful and best practices, and most significantly, by identifying deficiencies and assessing the need for capacity building. In this way, the APRM can be viewed as a powerful force within the African context which aims at build a more stable and prosperous county. It is for this reason that it is valued as an African-developed initiative with the capacity to move the African continent from crisis to renewal (Hope, 2005:289). Nonetheless, participation in the APRM is open to every member of the AU and is voluntary. Once the country has acceded to the APRM it is bound to submit itself to the review process. To the extent that the APRM assesses their members’ performance in order to advance good governance, there has also been an acknowledgement that African countries are at different levels of development, therefore the performance of the countries should not be judged against a hard pass-fail system. Rather, the programme takes the circumstances of the reviewed countries into consideration. The most substantial and important contribution made by the APRM is the monitoring of fellow African countries to ensure that there is no going back on democratic transformations and political reform. While “peer review” is intended to serve as a way in which countries can learn from the experience of other neighbouring states (Deegan, 2004:365), it also secures commitment from participating countries to correct those problems identified by the review process. It is interesting to note that five years after agreeing on broad terms for assessing one another, twenty-eight African leaders have

consented to be audited under the APRM by signing a Memorandum of Understanding (MOU) (Herbert, 2003:6). At present the APRM has already completed an audit of six of its members.⁶ Although this is perceived as an achievement in the short term, the success of the APRM will be measured by the extent to which the countries put into practice the recommendations of the review process. All the countries that have acceded to the APRM are shown in **Table 1**. (Overleaf).

2.3.3.1. The implementing structures of the APRM

The APRM Organisation and Process document outlines four distinct organisational components:

a). The Committee of Participating Heads of States and Government (*The APR Heads of State Forum*)(*APR Forum*)

This constitutes the highest decision-making authority in the APRM. It is constituted by heads of states from the participating countries and it has the final say over the whole process of the review. Its mandate includes the appointment of the APR Panel and its chairperson, the management of funding, consideration, adoption, and ownership of country review reports submitted by the APR Panel, and the exercise of constructive peer dialogue and persuasion with the aim of bringing changes in a country's practice where this is recommended. In addition, the APR Forum transmits APRM reports to the appropriate AU structures in a timely manner and is obliged, through the APR Secretariat, to issue public country review reports and press releases (APRM Organisation and Process Document, 2003:par. 2).

⁶ The APRM countries that have already completed their review are Algeria, Benin, Ghana, Kenya, Rwanda and South Africa (The APRM Monitor, 2007:4).

Table 1. The AU members that have acceded to the APRM

No	Member	Date of Accession	Review completed
1	Algeria	09 March 2003	yes
2	Burkina Faso	09 March 2003	no
3	Republic of Congo	09 March 2003	no
4	Ethiopia	09 March 2003	no
5	Ghana	09 March 2003	yes
6	Kenya	09 March 2003	yes
7	Cameroon	03 April 2003	no
8	Gabon	14 April 2003	no
9	Mali	28 May 2003	no
10	Mauritius	09 March 2004	no
11	Mozambique	09 March 2004	no
12	Nigeria	09 March 2004	no
13	Rwanda	09 March 2004	yes
14	Senegal	09 March 2004	no
15	South Africa	09 March 2004	yes
16	Uganda	09 March 2004	no
17	Egypt	09 March 2004	no
18	Benin	31 March 2004	yes
19	Malawi	08 July2004	no
20	Lesotho	08 July2004	no
21	Tanzania	08 July2004	no
22	Angola	08 July2004	no
23	Sierra Leone	08 July2004	no
24	Sao Tome & Principe	22 January 2006	no
25	Sudan	22 January 2006	no
26	Zambia	22 January 2006	no
27	Djibouti	01 July 2007	no
28	Mauritania	25 January 2008	no

Source:<http://www.nepad.org/2005/news/wmview.php?artid=15>

b). The Panel of Eminent Persons (*APR Panel*)

This can be considered to be the management or executive of the APRM that directs its operations. The APR Panel is appointed to oversee reviews in order to ensure the integrity of the process. It consists of 5 to 7 eminent persons⁷ of “high moral stature ... who [have] demonstrated commitment to the ideals of Pan-Africanism”, and who have distinguished themselves in careers that are considered relevant to the work of the APRM (APRM Organisation and Process Document, 2003:par. 3). As part of its mandate, the APR Panel also oversees the selection and appointments of the APR Teams that are responsible for country reviews. It is the APR Panel that considers review reports and makes recommendations to the APR Forum.

c). The APR Secretariat

This manages the technical and administrative aspects of the reviews. It is a body responsible for the maintenance of the extensive database and information on the four areas of focus of the APRM. The Secretariat is supervised directly by the chairperson of the APR Panel at the policy level and by an executive officer in the day-to-day management and administration. The Secretariat is tasked with the responsibility of preparing the background documents for the APR Teams. It also plans and organises the country review visits and ensures that the APRM processes at the country, sub-regional and continental levels are fully documented (APRM Organisation and Process Document, 2003:par. 4).

d). The Country Review Team

The Country Review Team is appointed by the APR Panel, one of whose members heads the team. Its task is to review progress in accordance with the country's Programme of Action. The Country Review Team is constituted only for the period of the review visits and its composition and terms of reference for each visit is approved

⁷ The seven-member panel whose composition reflects a broad regional balance, gender equity, and cultural diversity was appointed in May 2003 and consists of Prof. Adebayo Adedeji (Nigeria-West Africa)- Chairperson; Ms Marie-Angélique Sevanné (Senegal-West Africa); Ambassador Butuel Abdu Kiplagat (Kenya-East Africa); Dr Graca Simbine Machel (Mozambique-Southern Africa); Prof. Mohamed-Seghir Babes (Algeria- North Africa); Dr Dorothy L. Njeuma (Cameroon-Central Africa); and Dr Chris Stals (South Africa-Southern Africa) (APRM Annual Report, 2006:ii-iii).

by the APR Panel. Its constitution is “carefully designed to enable an integrated, balanced, technically competent, and professional assessment of the reviewed country” (APRM Organisation and Process Document, 2003:par. 5).

2.3.3.2. Types of reviews in the APRM

The reviews conducted within the APRM are based on the NEPAD Declaration on Democracy, Political, Economic and Corporate Governance which identifies four key focus areas on governance. Firstly, democracy and political governance which essentially involves the promotion of democracy and its core values by members; secondly, economic governance and management which incorporates issues of public accountability, transparency and corruption; thirdly, corporate governance which deals with all aspects of banking and financial standards; and fourthly, socio-economic development which concerns itself with the eradication of poverty and the improvement of quality of life in the country under review (NEPAD Declaration Document, 2002:par. 6).

There are four types of review that are conducted under the APRM. Firstly, a base review is carried out within eighteen months of a country becoming a member; secondly, a periodic review is conducted every two to four years after the first review; thirdly, a requested review is one which any country can request as an additional review for its own reasons; fourth, a crisis review can be ordered by the APRM Forum in the event that a participating country is sliding into crisis (APRM Base Document, 2003:par. 14).

2.3.3.3. The review process in the APRM

The review process in the APRM follows five different stages. It has been pointed out earlier that “peer reviews” operate along a clearly defined pattern which incorporates two distinguishable levels, namely, the process and the product. However, in examining the operation of the APRM, its five stages will be located within this pattern, and discussion of its review process will therefore be made in respect of the two levels of process and product. The five stages are, therefore, discussed as follows:

The Process

The first two stages of the APRM are incorporated in the investigation stage of the process, while the third and the fourth stages are included in the examination stage. The last stage forms part of the product.

a. Investigation stage

Stage 1

This stage is said to be a familiarisation phase which begins with the APR Secretariat and the country under review simultaneously (but independently), compiling preliminary documents (Herbert, 2003:7). The APR Secretariat for its part will make a background analysis of the “political, economic and corporate governance and development environment” in the reviewed country. This analysis draws heavily on up-to-date information from “national, sub-regional, regional and international organisations” (APRM Organisation and Process Document, 2003:par. 7.3). The APR Secretariat, in consultation with the reviewed country, also prepares a document outlining the nation’s major issues. Meanwhile, the country under review must complete the Self-Assessment Questionnaire (SAQ) provided by the Secretariat with the inputs gathered from civil society. Following the completion of the questionnaire, the country in question will draft a National Programme of Action (NPOA) in which steps and deadlines for which the country intends to bring itself into conformance with APRM codes and standards are outlined (Herbert, 2003:7). The development of the programme must be as representative as possible. It must ensure the participation of all relevant stakeholders in the country ranging from trade unions, women, youth, civil society, private sector, rural communities and professional associations. It is also important to note that at this stage the Country Support Mission (CSM) may visit the reviewed country if necessary in order to ensure that the APRM guidelines are followed (APRM Guidelines Document, 2003:par. 17). This stage ends when the country to be reviewed has provided sufficient information including the draft NPOA to the Secretariat and the Secretariat has prepared a background document on the country and submitted the necessary documents to the APR Panel (APRM Organisation and Process Document, 2003:par. 7.6).

Stage 2

In this stage the Country Review Team visits the country under review and consults with stakeholders in different sectors, including business, academics, parliamentarians, the media and other members of civil society. This stage is informed by the analysis prepared in stage one (APRM Organisation and Process, 2003:par. 7.8). The visiting team consists of one member from the Panel of Eminent Persons, one administrator, and other representatives from the NEPAD partner institutions such as the United Nations Economic Commissions for Africa (UNECA), the African Development Bank (ADB), the United Nations Development Programme (UNDP) and other AU bodies (Grimm and Mashele, 2006:2). At the most, the country visit lasts for three weeks.

b. Examination stage

Stage 3

This stage involves the preparation of mission findings of “peer review”. The Country Review Team drafts its report and discusses its findings with the government of the country being reviewed. These discussions are meant to “ensure the accuracy of the information and to provide the government with an opportunity to react to a mission’s findings” and to put forward their own views on how the identified shortcomings may be addressed (APRM Organisation and Process Document, 2003:par. 7.4). The responses of the government are nevertheless appended to the final draft of the report.

Stage 4

This phase constitutes the submission of the APR team’s country review report to the APR Panel by the Secretariat. Having met to review the report in accordance with its mandate, the APR Panel submits its recommendations to the APRM Forum. Similarly, the APRM Forum meets to discuss and consider the report and the APR Panel’s recommendations on the appropriate actions deemed necessary (APRM Organisation and Process Document, 2003:par. 7.15).

The Product

c. Dissemination stage

Stage 5

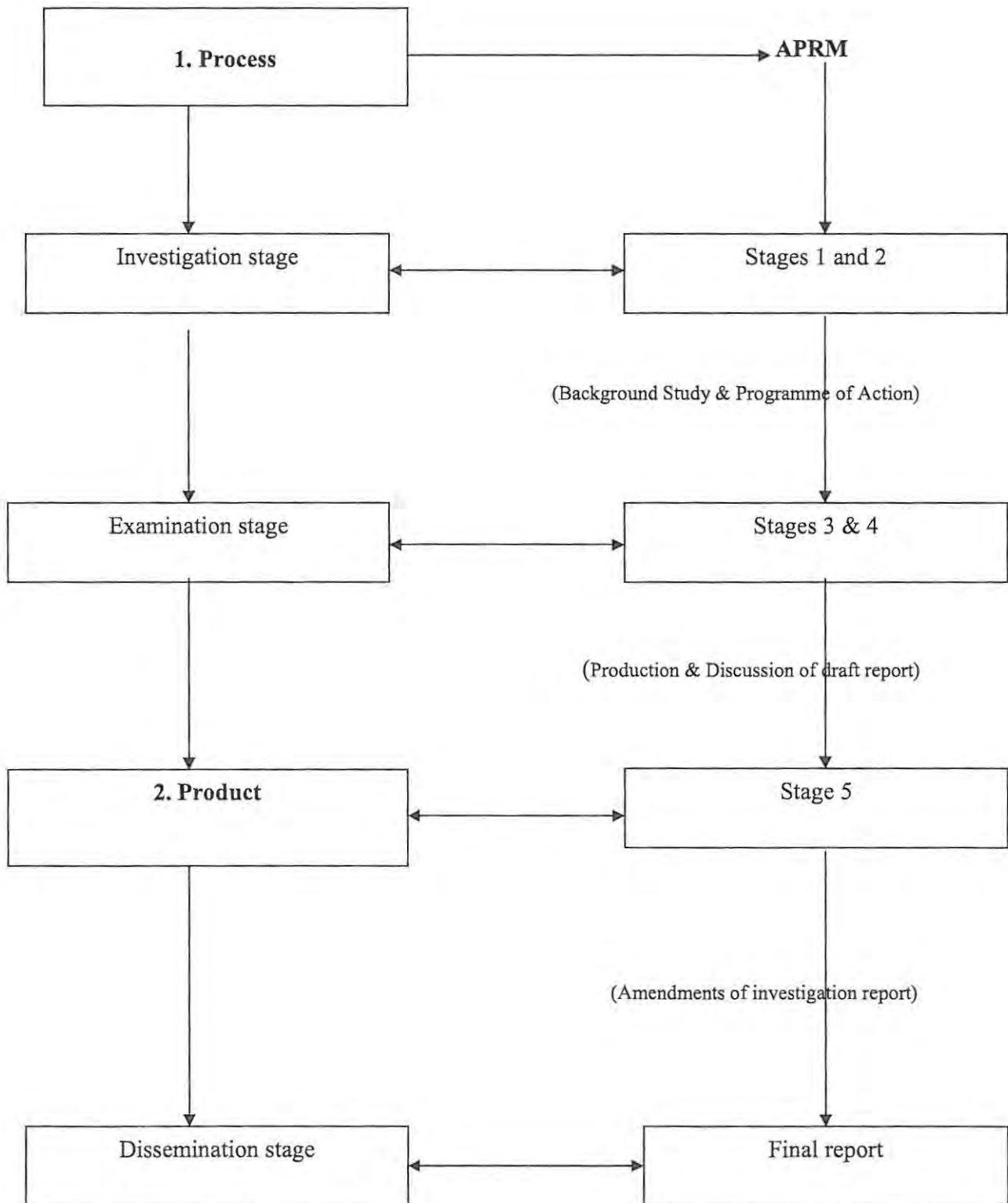
In this, the final stage, the final report which contains the recommendations of the review are made public and formally tabled in key regional and sub-regional structures of the AU such as the “Summit of the African Union, the Pan-African Parliament, Peace and Security Council, Economic, Social and Cultural Council and other relevant bodies (APRM Organisation and Process Document, 2003:par. 7.17). This stage completes the first cycle of the APRM review process for any particular country.

It is a prerequisite that every “peers review” exercise undertaken under the APRM must be technically competent and devoid of political manipulation. In addition, “peer review” must comply with the APRM’s mandate of ensuring that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards as contained in NEPAD’s Declaration document (APRM Base Document, 2003:par. 2&4). These stipulations together constitute the core guiding principle of the APRM. A diagrammatic representation of the APRM review process is shown in **Fig. 2.** (Overleaf)

2.4. Some comparisons between OECD and APRM

Although there are similarities in terms of the review process between the OECD and the APRM, differences pertain to the “content and scope of each individual review” (Heubaum, 2005:1) and with other matters such as sufficient resources for the processes to work effectively. The OECD “peer reviews” do not take the form of a full country review as in the APRM. This is because the OECD attributes the success of “peer review” to its limited scope which can be handled with ease and competence. Within the OECD, various committees operate independent “peer reviews” for different sectors and this makes these processes more focused and manageable (Kajee, 2003:11). Because the reviews within the OECD are separate, the assessors can specialise rather than review all aspects of governance at once.

Figure. 2. Diagrammatic representation of the review process in the APRM



On the other hand the APRM scope is perceived to be too broad and detailed to the extent that there are fears that the mechanism may be rendered ineffective as a result. To this end, Kanbur (2004:165) has suggested that the APRM's scope of review must be narrowed so that it can focus on that which it does well. However, many observers have argued that the broader scope envisioned for the APRM review process will afford African leaders the opportunity to perform "holistic assessments to help their peers run their countries better" (Kajee, 2003:11). This is one of the considerations that the APRM still has to grapple with and we will have to wait and see how this unfolds.

Conclusion

This chapter discussed the concept of "peer review" via international organisations and regional perspectives. The observation was made that such organisations attach value to "peer review" because of its propensity to build capacity for reform and better policies. Within "peer review", cooperation plays an important role and contributes towards compliance with policies and standards set to bring about reforms. The OECD is exemplary in its use of "peer review" over a sustained period of time and this has proved to be a workable method. For the reasons that "peer review" works, many organisations such as the APRM came to emulate the OECD and adopted "peer review" as a method of assessment. The OECD experience has shown that "peer review" provides an effective way for countries to hold each other mutually accountable. The OECD has shared its experiences with the APRM in the form of information exchange and workshops in order to help facilitate the implementation of the process in Africa. The importance of "peer review" within the APRM must be acknowledged because its implementation implies that African leaders have the courage to criticise each other in matters relating to governance.

Chapter Three

3. The new managerialism and the spread of auditing

3.1. Public sector reform and the reconstruction of the welfare state

In order to understand the concept of “auditing” and its subsequent spread in the latter part of the twentieth century, it has to be conceived within the structural changes that have taken place in the society at large and within the public service in particular. This thesis uses the nexus of public sector reform and the resultant spread of “auditing” and links them to the APRM in order to gain insight into how “auditing” influenced the APRM and how it works within that framework. The last two decades of the twentieth century have witnessed the process in which the structure of the state has undergone radical transformation. The pervasive nature of this transformation can be observed from the civil service to community organisations (Clarke and Newman, 1997:1). During this period a wave of reforms, revolutions and realignments geared towards the restructuring of public service occurred in the United Kingdom. However, it should be noted that they were not unique features of the transformation of the British state produced exclusively by its specific forces, but were a part of broader processes unfolding internationally. This radical transformation had its conditions of origin in a shift away from the form of welfare state constructed in many Western nations after the Second World War to the “new managerialism” of “post-welfarism” (Biesta, 2004:236; Clarke *et al.*, 2000:2). These changes had far reaching consequences that were not only felt by Western governments but also by the public sector and other instruments of governance in Africa. The most visible effects of this shift towards the “new managerialism” was a voracious growth of the concepts of accountability and “auditing” which came to dominate the debate towards the end of the twentieth century.

As Biesta (2004:236) puts it, “welfarism” is characterised by “public-service ethos, a commitment to professional standards and values such as equity, care and social justice and emphasis on cooperation”. Within welfarism’s establishment, the state, through processes of political representation, both “expressed and acted to defend and enhance the public interest” (Clarke *et al.*, 2000:252). Consequently, the needs and

interests of the public were understood to be represented within service organisations and through parliamentary and local government processes. However, the shift towards the “new managerialism” represented an attempt by the New Right⁸ in the UK to dislocate the welfare settlement. Clarke *et al.* (2000:252), are of the view that the effect of the New Right’s assault on the welfare settlement was to destabilize comfortable assumptions about the “homological relationship between the public, public services and the state”. Most importantly, the New Right played a dominant ideological role in reconstructing the ways in which the relationship between the public and the public service was thought about (Clarke *et al.*, 2000:252). It is not the intention of this thesis to discuss the “new managerialism” in detail but only insofar as it provides useful insights on how its ideals or ethos (especially accountability and “auditing”) have defined and shaped processes and practices in the world. The impact of the “new managerialism” on day-to-day practices, especially in the context of institutions (and perhaps society at large), is such that institutions seem to adapt themselves to the requirements of accountability and “auditing”, rather than the other way round (Biesta, 2004:24).

The “new managerialism” is perceived to be a “loose expression” (Flinders, 2001:234) and for this reason, is difficult to define. Simply put, the “new managerialism” refers to the process by which the principles, powers and practices of public services are subjected to the practice of managerial coordination (Clarke *et al.*, 2000:5). Most authors agree that the “new managerialism” is characterised by elements which prioritise market processes over state bureaucracies. These encompass a). decisions driven by efficiency and cost-effectiveness; b). attention to outputs and performance rather than inputs; c). financial transparency; d). reliance on ‘contract culture; e). disaggregating organisations and their functions; f). the enhancement of accountability to customers for the quality of service via the creation of performance indicators; g). and an emphasis on competition, especially free-market competition (Biesta, 2004:236; Clarke *et al.*, 2000:6; Flinders, 2001:234; Belfiore, 2004:191; Power, 1997:43). The restructuring of public services across a wide spectrum of welfare nations was premised on the belief that bureaucratic institutions and practice

⁸ The New Right is the concept used to describe various forms of conservative right wing thinking that emerged in the mid-to late twentieth century. Key policies of the New Right included deregulation of business, a dismantling of the welfare or Nanny State, privatization of nationalized industries and restructuring of the national workforce in order to increase industrial and economic flexibility in an increasingly global market (www.new-right.org).

impeded government performance. A strong conviction was held that public services would flourish if they modelled their management practice on the private sector (Ranson, 2003:465). This resulted in the process of restructuring in the 1980s and 1990s emphasising an increased managerial approach in the public service in order to “make it more efficient” and manageable (Belfiore, 2004:191). To this end, Flinders (2001:233) noted that “not only will this address the inefficiency and ineffectiveness of the state bureaucracy but it [will] also increase accountability directly to the individual at the point of delivery”. In the same vein, Mather (in Flinders, 2001:233) remarks that the “new managerialism” solves the efficiency and accountability problems of contemporary government. It is evident that in the process of this transformation not only did the “internal organisational forms of the state [change], but also the relationships between the state and the economy, the state and society and the state and the citizen (Clarke and Newman, 1997:1). A trend within this discourse was that relationships became contracts, citizens became consumers and accountability became synonymous with “audit” (Flinders, 2001:229). As accountability made its striking advances, “auditing” came to assume a form of detailed control.

The New Right’s prescriptions for change along the lines of market mechanisms also stressed the need for the public sector to be managed in a “businesslike” manner. It is this understanding that led Power (1997:43) to conclude that the “new managerialism” “represents a more radical programme to make the state more entrepreneurial”. This systematic attempt to make the state “businesslike” undoubtedly contributed to the spread of “auditing”. In the pursuit of turning the public sector into “business”, good business practices were adopted within the setting of public service organisations (Clarke and Newman, 1997:59). At the same time, semi-autonomous organisations were created and “exhorted to manage themselves” (Clarke and Newman, 1997:60). This meant that an increasing number of functions were being operated through organisations which were asked to imagine themselves as businesses. On the other hand, there were also powerful pressures to retain control over functions that were seen to be autonomous. These competing pressures to devolve on the one hand and to control on the other presented the government with new problems of control (Power, 1994:13). It is in this instance that “auditing” and accountability practices appeared to be the better alternatives available to reconcile these “centrifugal” and “centripetal”

forces (Flinders, 2001:249). The portability of “auditing” across diverse contexts is nevertheless apparent. As Power (1996:13-14) observes, “auditing” “symbolises [a] cluster of values: independent validation, efficiency, rationality, visibility and control”. All of these apparent virtues, have come together so as to make “audit” a central part of the “reinvention of government”.

There is no doubt that the remaking of the state and concomitant developments are behind the growing popularity of the notions of “transparency”, “performance measurement” and “accountability” that came to be so dominant in the world in the late 1990s. The increasing importance of these concepts contributed to the rise of expectations among the “beneficiaries of public services - of more transparency and (accountability) in government activities” (Belfiore, 2004:191). Hence the growing importance of “auditing” described by Power as an “explosion” producing an “audit society”. This is an era dominated by concepts derived from accountancy, and accountability is one of these concepts (Charlton, 2002:4). Ranson (2003:459) observes that the regime of accountability has been strengthened systematically so that it is no longer merely an important instrument or component within the system, but constitutes the system itself. This, then, raises a question about this new form of accountability, that is, whether it has aims and effects distinct from other forms of accountability. Charlton (2002:4) has provided two large distinct meanings of accountability and explained them as a “technical-managerial” meaning and a looser, more general or “popular” meaning. The loose or general meaning has to do with responsibility and carries connotations of “being answerable to”, while the “technical-managerial” meaning refers, narrowly, to the duty to present auditable accounts. This flexible use of accountability opens a way for the concept to be used in a rhetorically manipulative manner, that is, by shifting back and forth between technical and general meanings: In explaining this “quick-switch” process, Charlton (2002:5) provides the following clarification

“any individual or organisational problem which can be connected to irresponsible behaviour can be termed unaccountable in the general sense and then the discourse can be switched over to a technical level in which the solution to unaccountable behaviour is to set-up regular audit cycles that require comprehensive and self-consistent documentation of that behaviour. Behaviour may be rendered technically ‘accountable’ even when the real world behavioural problems that led to the introduction of audit are unchanged or exacerbated”.

This is helpful in understanding the workings of accountability and “auditing” within the APRM. However, Biesta (2004:235-236) refutes the claim by Charlton that the two meanings of accountability exist together and insists that the current hegemony of the “technical-managerial” approach to accountability has elbowed the “tradition that sees accountability as mutual responsibility” (including the professional and democratic notions of accountability) to the sidelines. Moreover, this mode of accountability has redefined all significant relationships in economic terms and hence conceives of them as formal rather than substantial relationships (Biesta, 2004:241). The focus of this thesis is on the use of accountability as it relates to government (i.e., democratic accountability). This refers to the basic democratic norms of popular participation, representation and answerability which the APRM in its effort to review its members seeks to promote and maintain. That said, the focus is also switched to the new conception of accountability in order to show how accountability at a “technical-managerial” level has influenced the APRM and also how it has subjected processes and practices to “auditing”. Certainly, the new accountability has become an integral part of African public service and has in many respects influenced the APRM. O’Neill (2002:3) describes this new form of accountability as having “quite sharp teeth”. She argues that in terms of this new accountability

“performance is monitored and subjected to quality control and quality assurance. The idea of audit has been exported from its original financial context to cover ever more detailed scrutiny of non-financial processes and systems. Performance indicators are used to measure adequate and inadequate performance with supposed precision. This “audit explosion” has often displaced or marginalised older systems of accountability”.

This regime of accountability has been growing in leaps and bounds over a couple of decades and “auditing” has been a core means of delivering it. Auditing has also become a term subsuming a range of monitoring and assessment practices (Born, 2003:67) and has become ubiquitous in the public and private spheres. It has prevailed to respond to problems of accountability and the “crisis of trust”. Hence the understanding that “audits” become needed when accountability can no longer be sustained by informal relations of trust but must be formalised, made visible and subject to independent validation” (Power 1994:9-10). Elsewhere, Power (1997:147) argues that within an “audit society” tendencies exist for “audit” to become a leading

bearer of legitimacy and to provide a source of validation for organisations and their activities, especially when it seems that other sources of legitimacy, such as community and state, are declining in influence. In this regard the validating role of “audit” often entails that “the very fact that an organisation or (government) undergoes a process of auditing becomes in itself a guarantee of legitimacy and transparency” (Belfiore, 2004:190). This also means that organisations or governments can emerge from the “audit *process*” as legitimate even though the audit *practice* employed could be shown to be highly questionable.

Auditing has also come to mean the evaluation of performance. Organisations have been required to produce *auditable* information of their activities. As a consequence, an emphasis has been placed on outputs and outcomes rather than inputs (Clarke *et al.*, 2000:255). As with organisations, pressure is being borne by governments to present auditable information on their performance, and within the African context, the APRM’s evaluative mechanism has played an increasingly important role. Ironically, and as opposed to other forms of evaluation, the APRM puts much emphasis on both inputs and outcomes. Measures of productivity are created to judge and control the performance of organisations (and also of governments) rendering them continually accountable. It is worth noting that when the emphasis is on “holding to account” as it often is, the orientation is towards efficiency and effectiveness; “creating the culture and technology of performativity that strives to “optimise performance by maximising outputs and minimising inputs” (Ranson, 2003:462).

Auditing has also established itself as a powerful instrument through which transparency can be achieved in the organisations as well as in governments. To be audited, an organisation must actively transform itself into an auditable commodity (Abrahamsen, 2004:1463). This explains why Charlton’s (2002:8) assertion that “transparent organisations are auditable and auditable organisations are manageable”. Therefore, organisations must be auditable at any price. This notion of “auditability” can be clearly observed within African governments who have rendered themselves auditable under the APRM. The “audits” conducted under the auspices of the APRM are, however, designed to engender a new form of conduct and improve governance systems within those governments. Therefore, African governments in the words of

Power (1996:1) “notwithstanding protests and complaints, have come to think of themselves as auditees”.

3.2. Locating the logic of auditing within the APRM

The new managerialism became a major component of the European public sector reform of the 1990s. Although these reforms have proceeded in different ways in different countries, there were notable commonalities for commentators to talk of the “new public management” (Power, 1997:43). To the extent that these reforms were widespread, they were also introduced into the African public sector with the same effects they had in Europe. The unintended consequences of these reforms led Ayee (2005:20) to remark that they were “an attempt to transfer to African countries all the “techniques of public sector reform” which in the Western nations had come to be known as “New Public Management” (NPM). In essence, these interventions in the form of NPM and what is perceived to be the “reinvention of government” meant that the “new managerialism” was systemically introduced in the African public sector. The most visible effects of the “new managerialism” as was pointed out earlier have been the “hollowing out of government functions” and the intensification of the regime of accountability and “auditing” with its emphasis on performance evaluation.

Clarke *et al.* (2000:258) observe that performance evaluation has taken “audit” into new and more complex areas of professional practice and service provision across almost the whole range of public services. These include policing, housing, social care, health provision and education among others. Significantly, these service provision departments have also been the point at which “audit” has taken on a more “normatively managerialist role” (Clarke *et al.*, 2000:258). The achievement of improved organisational performance through “auditing” has been converted into the province of “good management” (Clarke *et al.*, 2000: 256). Thus managers tend to exert control by means of “auditing”.

Unsurprisingly, the logic of “auditing” has not only limited its influence to the public service, but its long arm has also stretched so far as to encompass regional organisations or what Negash (2005:1) calls the “instruments of reforms” in Africa such as the APRM. Within the APRM, “auditing” has become a central practice for



the evaluation of performance to improve governance. The notion that organisational practices must be auditable at all costs also influenced governments in many important respects and this has seen “auditing” becoming conspicuous by its presence in different government activities as well as in regional organisations. The greater importance of “auditing” within regional organisations is confirmed by a significant number of African governments who have acceded to the APRM in order to be audited. That twenty-eight out of fifty-three member of the AU have accepted to be audited under the APRM bears testimony to the fact that governments have also become auditable. As it has been pointed out earlier, the non-members who have thus far not decided to accede to the mechanism may consider doing so when it has dawned on them that there is a need to acknowledge governance failure in their various countries.

The performance of many governments in Africa in respect of governance has been said to be dismal. Although the NEPAD document points to external factors such as the legacy of colonialism, the Cold War and the workings of the international system as responsible for the continent’s lack of development (NEPAD Document, 2001:par. 18), it also acknowledges in overt terms that the nemesis of Africa’s development over the years has been due to internal factors:

“Post-colonial Africa inherited weak states and dysfunctional economies that were further aggravated by poor leadership, corruption and bad governance in many countries. These two factors together with the divisions caused by the Cold War hampered the development of accountable governments across the continent” (NEPAD Document, 2001:par. 22).

For this reason, NEPAD, through the APRM, looks forward to bringing radical changes in order to reverse the situation. However, it would be expected of any instrument that hopes to bring the expected changes on the continent to embrace and implement systems of accountability that will ensure the improvement of governance and increase governments’ responsiveness. Against this background, it is therefore not a coincidence that the APRM has embraced “auditing” as a means to achieve (democratic) accountability. However, it is important to stress that while the role of “auditing” is fundamental to accountability, “auditing” mechanisms are not a “panacea for the problems of responsible government” (Flinders, 2001:259). To say this is not to devalue the potential of “auditing” but is to acknowledge that other

government functions may not be suited to “auditing”. In Flinders’ words (2001:250), “auditing” should not be viewed as an “easy solution to the more messy problems of democratic accountability”. Consistent with this understanding, Power (1997:127) has argued that more accounting and “auditing” does not necessarily mean more and better (democratic) accountability. In the same breath, the fact that “auditing” has taken place does not equal accountability itself. However, “auditing” can be illusive in that it might express the “promise of accountability and visibility” to the stakeholders and yet this promise is ambiguous. Firstly, the fact of being audited may deter public curiosity and inquiry, and secondly, the users of “audits” are often just a “mythical reference point within expert discourses” (Power, 1997:127). In this sense, “auditing” becomes “a substitute for democracy rather than its aid” (Power, 1997:127).

“Audit” requires the construction of objective, quantifiable performance criteria against which an organisation or government can be held accountable (Flinders, 2001:250). However, the designing of such criteria within government might be problematic as performance in certain areas of government cannot be easily quantifiable. Flinders (2001:250) has noted that “where outputs do not lend themselves easily to quantification there is a risk that those outputs may be neglected because of their lack of “auditability”. Similarly, Ranson (2003:470) has referred to the external imposition of targets and quantifiable outcomes as a means of improving performance as “mistaken criteria” and emphasises that they cannot deliver achievement. Instead, achievement grows out of internal goods of motivation to improve, rather than the external imposition of quantifiable targets. It is in this sense, that the new regimes of accountability and “auditing” are criticised, specifically for their embodiment of so-called “flawed criteria of evaluation” (Ranson, 2003:470). It can also be argued that in its endeavour to audit its members through quantifiable performance measures or criteria, the APRM uses processes that lean more towards a new culture of accountability.

The APRM identifies four substantive areas in the NEPAD Declaration for audit purpose, namely, democracy and political governance, economic governance and management, corporate governance and socio-economic governance. For each of these four substantive areas, key objectives which define the essential elements of the overall goal that must be achieved in a measurable way are laid down. Similarly, for

each key objective various standards and codes are set, as well as indicative criteria and examples of indicators. Standards and codes are those approved by the AU with regard to focus areas and key objectives of democracy and political governance (APRM Document on Objectives, Standards, Criteria and Indicators, 2003:par. 1.9). Others are those that are internationally recognized and apply to other focus areas and the key objectives of governance and socio-economic development. The standards and codes are meant to give guidance and reference. The indicative criteria are extensive and are articulated in terms of questions. Essentially, the criteria focus on issues to be addressed and reference points for targets to be established (APRM Document on Objectives, Standards, Criteria and Indicators, 2003:par. 1.10). Finally, the indicators are used as the means by which it is determined whether the criteria have been met. They serve to highlight aspects of the objective, standard or codes that are generally recognized as measures of performance. The operationalisation of the APRM is shown in **Table. 2.** (Overleaf)

The key performance areas of the APRM are to a certain degree amenable to quantifiable performance criteria. To the extent that these key performance areas and key objectives can be properly identified and measured, the performance of a particular country at different levels can be assessed. Most importantly, an assessment can be done over a period of time using “internally generated information” such as self assessment questionnaires and interviews by the Country Review Team (Negash, 2005:8). However, the critical question is whether such performance criteria are capable of measuring the true performance of a country in a specific area. In this regard, O’Neill (1997:14) has pointed out that within the new culture of accountability, performance criteria are often chosen for “ease of measurement and control rather than because they measure what the quality of performance is”. By the same token, Flinders (2001:250) has argued that it is the “interpretation of complex goals into measurable criteria where ‘auditing’ is at its most innovative and unsafe”. Against this background, and unless the reality indicates otherwise, it can be argued that some of the APRM performance criteria measure performance inadequately and inaccurately.

Table 2. Framework for the operationalisation of the APRM

Substantive Areas	Key objectives
Democracy and Political Governance	<ul style="list-style-type: none"> • Conflict reduction and prevention • Constitutional democracy • Protection of human rights • Uphold the separation of powers • Ensure accountable public servants • Fighting political corruption • Protection of rights of children • Protection of the rights of women • Protection of rights of vulnerable groups
Economic Governance and Management	<ul style="list-style-type: none"> • Promote macroeconomic policies supportive of sustainable development • Implement transparent, predictable and credible economic policies • Promote sound public finance management • Fight corruption • Accelerate regional integration
Corporate Governance	<ul style="list-style-type: none"> • Provide an enabling environment for economic activities • Ensure that corporations respect human rights, social responsibility and environmental sustainability • Promote the adoption of codes of good business ethics • Ensure that corporations treat all their stakeholders in a fair and just manner • Ensure accountability of corporations and shareholders
Socio-Economic Development	<ul style="list-style-type: none"> • Promote self-reliance and self-sustaining development • Accelerate socio-economic development to achieve poverty alleviation • Strengthen policies in key social development areas • Ensure affordable access to services • Progress towards gender equality • Encourage broad participation in all levels of development

Source: APRM Objectives, Standards, Criteria and Indicators

Within the new regime of accountability there is a discernable tendency for the evaluation of performance to focus on the production of comparative information through which “organisations are judged in terms of their relative success in achieving desired results” (Clarke *et al.*, 2000:257). This is mostly done through the allocation of marks, rankings on the league tables and so forth. As a result, organisations aspire to succeed by any means in order to move to the top of the league table or to obtain a better mark. Under such circumstances organisations often promote what Clarke *et al.* (2000:257) refer to as “stories of achievement” about their success. Given their competitive contexts, organisations will often showcase their success even in the face of declining resources. The pursuit of success by any means is understood to have perverse effects considering that organisations tend to concentrate on “core businesses” that directly produce measured results and withdraw from other essential functions (Clarke *et al.*, 2000:257-8). Indeed, this points to the nature of competition to which a number of organisations are embroiled. Biesta (2004:240) is of the view that the incentives of the new culture of accountability are by no means unreal. Instead of encouraging professional and responsible actions, they elicit the behaviour that suits the accountability systems as well as the evaluators. In this sense, the culture of accountability becomes deeply problematic.

Assessing performance through the method of rankings and league tables is not a phenomenon unique to public sector organisations. A host of international institutions have been involved in this practice using different criteria to rank governments in terms of their performance in many areas considered significant. Prominent among these institutions is the United Nations Development Programme (UNDP) through the use of the Human Development Index (HDI) which measures the country’s well being in three basic dimensions of human development: a long and healthy life, knowledge and decent standards of living. Other institutions that use this method are a). the Freedom House, which is said to support the expansion of freedom in the world. It is best known for its release of annual reports in which countries’ freedom is rated according to the ranking system (Stultz, 2000:2); b). Transparency International which is known to devote its work on curbing corruption and promoting transparency among governments across the world uses ranking to evaluate the level of corruption among governments (Asante-Darko, 2007:20); and c). the Mo Ibrahim Foundation which seeks to promote good governance by offering monetary incentives to African

presidents who are said to have governed their nations properly (Asante-Darko, 2007: 20).

It is worth noting that Joaquim Chissano, the former president of Mozambique, recently received the first Mo Ibrahim Foundation award for excellent leadership during his term of office. At the heart of these institutions lies the concept of “auditing”. This is expressed in the methods used by these institutions to evaluate governments’ performance in different areas. Scorecards also characterise the mode of operation of these institutions. While many critics have seen the APRM as some kind of scorecard aimed at allocating “good or bad” marks to countries, the APRM on the other hand has been explicit in its rejection of competition among its members and has pointed out that it recognises the historical context and the level of development of countries, therefore the hard “pass-fail” system as a method of evaluation is not an option. Rather, the “audit” intends to frankly “assess the country’s biggest problems, identify mechanisms of action needed and commit the countries under “audit” to fix those problems” (APRM Document on Objectives, Standards, Criteria and Indicators, 200:par. 1.4).

Conclusion

The process of reform that occurred in the public service during the late twentieth century across the world was used in this chapter to understand the concept of accountability and “auditing”. This process of reform created the conditions for the far-reaching impact of the “new managerialism” which subjects the control of public services to the practices of management and is characterized by the ideals that emphasise competition and the supremacy of the market. The new culture of accountability and “auditing” constitute the main instruments of the “new managerialism”. It is this new culture of accountability that has risen to become part of our day-to-day life and has defined and shaped every practice in the sphere of human activity to adapt to the principles of “auditing”. The new regime of accountability has spread across the world, and together with “auditing”, has become an established practice within the African public sector. These practices are noticeable within the APRM and are clearly expressed in the manner in which the mechanism “audits” its members to improve governance and accountability.

Chapter Four

4. The Case Study of South Africa

In this chapter the focus will be on the application of “auditing” by the APRM and South Africa will be used as an example of how the APRM uses “auditing”. Although South Africa is used as an example, it should be noted that the APRM’s audits are generic and are applied uniformly in all countries. Furthermore, this thesis does not in any way pretend to represent a detailed analysis of how the review (“audit”) was conducted in South Africa, but rather, attempts to provide a synopsis of the country’s review in order to demonstrate the processes and methodologies employed by the APRM. Some “audit” procedures as described in the preceding chapters will be applied and adapted to the functioning of the APRM. The chapter begins by discussing an environment suitable to “auditing” in order to examine South Africa’s review (“audit”) process within that context. It proceeds to give a brief background of South Africa’s preparatory phase for the implementation of the APRM and concludes by examining how the country’s audit was carried out in terms of the five stages outlined in Chapter Two (above), Section 2.3.3.3.

4.1 An auditing environment

It was pointed out earlier that planning is the most crucial phase which characterises the audit process. The audit plan incorporates the scope, objectives and criteria, and schedule of the “audit” (Pintero, 2001:6). Other specific details such as “what areas will be audited, when, by whom, how the report is to be formatted and distributed” and most importantly, the regularity of meetings also form part of the audit plan (Pintero, 2001:6). In its review process the APRM follows these procedures. Firstly, the APRM plans the process of peer review with all the participating states and all the programs, procedures and methodologies relating to the review are outlined in the APRM’s core documents. Secondly, all the countries undergoing a review process have to make their internal plans so that “audit” should proceed on the basis of their readiness. Lastly, in order to implement the review or (“audit”) plan effectively and perform the “audit”, all the participating countries need to understand and accept their roles and responsibilities. These responsibilities are clearly elaborated in the guidelines given to the countries in preparation for participating in the APRM (APRM

Guidelines Document, 2003:par. iv). Once the plan is prepared, the scope of the review is determined, the principles, standards and criteria are decided by the collective, the review or (“audit”) is set to be executed. In practical terms this means the collecting of information or evidence which will be compared to the criteria to assess the “degree of conformance to planned arrangements” (Pinero, 2001:12).

We should remember that the APRM has set itself a very ambitious objective in its attempt to review the performance of African countries. As it is well documented in the NEPAD Declaration, the APRM audits four areas of governance and the scope of such “audit” is expanded to include a comprehensive “audit” of a country’s democracy and political governance; economic governance and management; corporate governance and socio-economic development (NEPAD Declaration Document, 2002:par. 6). The thesis examines the APRM review process in South Africa based on these four broad focus areas and for the purpose of this chapter, the discussion of the APRM review process is based on the assumption that the mechanism has already laid the foundation for the review to begin as soon as there is any country that shows readiness. Since all the participating countries are in agreement about the audit plan and understand the scope, objectives and criteria of the review or (“audit”), there will be no engagement with the participating countries on these issues. Rather, engagement will focus on clarifying grey areas.

4.2 South Africa’s preparatory process for the peer review

South Africa was one of the first countries to accede to the APRM having signed the Memorandum of Understanding (MOU) on 9 March 2003. The signing of the MOU serves as an endorsement for a country’s readiness to submit to an audit of performance in relation to governance as stated in the NEPAD Declaration (APRM Memorandum of Understanding, 2003:par. iv.i). One of the APRM’s preconditions is that at the point of formally acceding to the peer review process, each country should clearly define a time-bound Programme of Action (POA) for implementing “peer review”. Therefore, shortly after South Africa’s accession to the APRM, intensive preparations were made to pave the way for the formal process of “peer review”. A number of strategic objectives informed the country’s approach to the APRM, namely, the strengthening of national mechanisms for the assessment of government’s

performance and that of other stakeholders, the building and popularisation of a broader sense of ownership of the process and the building of African-based experience and knowledge system (APRM Country Review Report, 2007:2).

To facilitate the implementation of the APRM and to manage the process in the country, the government established the APRM National Focal Point within the Department of Public Service and Administration (DPSA). The DPSA seemed an appropriate department to act as the APR Focal Point due to its assumed competence to “engage stakeholders from the bottom-up in an inclusive manner” (Bunwaree, 2007:7). Strategically, it was perceived to provide a common platform in which all stakeholders could be represented on an equal level. The government appointed Geraldine Fraser-Moleketi, the Minister of the DPSA, as the Chairperson of the National Governing Council (NGC). This body served to educate the public about the APRM. It also had to liaise with stakeholders at a national level and the APR Secretariat. Furthermore, the NGC became responsible for the preparation of the APR Self-Assessment report and a preliminary national POA (Bunwaree, 2007:6).

An interdepartmental committee and the interim Secretariat were also established within the DPSA with the primary objective of assisting the Focal Point to put in place the “necessary mechanism for overseeing the implementation of the APRM process in the country” (APRM Country Review Report, 2007:24). In line with the APRM requirements that performance should be evaluated on the basis of the “views and realities expressed by all stakeholders”, workshops and sensitisation activities were organised to create awareness and to chart a way forward for other stakeholders to participate in the APRM. As an endeavour to popularise the APRM the South African government went a step further and organized a National Consultative Conference on the APRM in Gauteng on 28-29 September 2005, in which a broad range of stakeholders participated. This was the first APRM conference to be held in the country, made up of the representatives of “government (national, provincial, municipal), academia, constitutional bodies and civil structures” (APRM Country Review Report, 2007:2). It was at this conference that the 15 member NGC comprising state and non-state representatives was inaugurated and officially assigned the task of presiding over the APRM in the country. One of the innovations that characterised the official launch of the APRM and for which the South African

government is credited, is the establishment of the Provincial Governing Council (PGC) in all the nine provinces. This innovation is lauded for its contribution in the way it had broadened awareness of, and participation in, the APRM. Thus far South Africa is the first country where the national APRM structures were replicated at provincial level.

As part of its objectives to make the process as participatory as possible, the South African government simplified the questionnaire and translated it into the country's eleven official languages. Most importantly, the government developed a mechanism for the dissemination of information through strategies such as "road shows, newsletters, call-ins ... [and] a song dedicated to the APRM" (APRM Country Review Report, 2007:2), and also through the use of a wide range of media communication. Since it has been recognised that embarking on the APRM process can be a challenging one, given the possible capacity constraints in participating in the mechanism, the APRM supports the countries ready to implement "peer review" by sending a Country Support Mission to assess their readiness and to "ensure a common understanding of the philosophy, rules and process of the APRM" (APRM Guidelines Document, 2003:par. 17). Although South Africa was one of the countries that received a country support mission, it had already put in place its national approach and structures before the CSM arrived. The first visit of the CSM to South Africa was in November 2005 (APRM Country Support Mission Report to SA, 2005:1). Much of its focus was on assessing the processes and mechanisms the country established to undertake a self-assessment and draft NPOA. The following is a summary of observations made in the APRM Country Support Mission Report to SA (2005:1):

- a). The appointment of a Focal Point for the APRM;
- b). establishment of the National Governing Council (NGC) and Provincial APRM Governing Councils;
- c). development of a number of tools for the implementation of the questionnaire;
- d). organizing various consultative sessions on the APRM process and tools; and
- e). articulating a Road Map and Research Plan for the APRM implementation nationally.

4.3. Performing the Audit

The APRM reviews begin with a number of processes taking place both at a country and continental level. However, it should be noted that as opposed to “auditing”, the reviewers in this instance are involved in the early stages of the review to assist the reviewed country with preparations. This is because it has been recognized that the review process is a team effort, requiring two-way cooperation and often such openness and co-operation results in a “non-adversarial” situation. After all, the goal of the review is to assess the performance of the country in order to encourage corrections and improvements where necessary and not to punish the reviewed country. With regard to the duration of the process, it is expected that the review per country will take six to nine months to complete.

Stage 1: Background research and draft plan of action

Stage one involves preparatory processes. At country level, this stage requires that the country to be reviewed takes necessary steps to prepare for the review process. As it has been shown above, South Africa had made the necessary arrangements for the process in advance. The country Self-Assessment Questionnaire (SAQ) and the POA are briefly discussed. The APR Secretariat under the direction of the APR Panel send a questionnaire on four thematic areas of governance to the country to be reviewed. The purpose of the questionnaire is to foster national self-assessment. The questionnaire is also intended to promote national dialogue on development issues and it should involve the broad participation of all relevant stakeholders as far as possible (APRM Country Self-Assessment, 2003:5). Following the preparation of a national self-assessment report, the country is also expected to formulate a preliminary POA based on existing “policies, programmes and projects” (Bunwaree, 2007:5). The POA must also reflect broad civil society input and specific time-bound commitments detailing how the “country will bring itself into line with the NEPAD objectives” (Herbert, 2003:7).

In the case of South Africa, much had been done in terms of preparations to undertake its self-assessment and subsequently draft its Programme of Action. Significant effort was taken by all the provinces to produce provincial APRM self-assessments which

were subsequently forwarded to the NGC for consolidation (APRM Annual Report 2006:6). To facilitate broad-based consultation, the government also contracted Community Development Workers (CDW) to elicit information at grassroots level. The four lead research institutions in the country were appointed to assist with the “technical component” of the self-assessment process and each was allocated a thematic area. These included the Institute for Democracy in South Africa (IDASA)[Democracy and Political Governance]; the South Africa Institute for International Affairs (SAIIA)[Economic Governance and Management]; the African Institute of Corporate Governance (AICC)[Corporate Governance]; and the Institute for Economic Research on Innovation (IERI)[Socio-Economic Development] (APRM Annual Report 2006:6). Having prepared the draft Country Self-Assessment Report (CSAR), the South African government held a series of seminars to discuss the report and a number of validation workshops both at national and provincial level before it could be submitted to the APR Secretariat. However, the final CSAR and draft NPOA were submitted to the APR Secretariat in June 2006 (APRM Country Review Report, 2007:2).

At a continental level, stage one involves a background study of the situation in the reviewed country. In order for “auditing” to be most effective, the auditors should be somewhat familiar with the specific conditions of the area to be audited. This explains why the continental APR Secretariat has to familiarise itself with the “country’s situation on governance and development status on economic, political, social and corporate areas” before the review can take place (APRM Organisation and Processes Document, 2003:par. 7.4). It is important to note that becoming familiar with the country’s situation is a precursor to determining “auditability”. To familiarise itself with the background conditions in South Africa, the APR Secretariat did not break new ground but it did engage in ordinary activities as guided by the APRM. These included gathering information on official government documents in the country; the recent self-assessments and reviews done by standards-issuing bodies and the analysis of the available information in terms of the APRM Objectives, Standards, Criteria and Indicators (APRM Organisation and Process Document, 2003:par. 7.4). The APRM Secretariat was able to gather information not only in terms of what the requirements stated, but also on the basis of what kind of information would be appropriate to verify conformance to criteria. Therefore, on the basis of the available information the

APR Secretariat in consultation with partner institutions prepared background document on South Africa.

Auditing requires that there must be a continuous engagement between the auditor and the auditee on matters of significance. Since the APR Secretariat had been conducting an independent analysis on the situation in the country, it had to arrange a meeting in which it shared its findings with the South African government and other relevant stakeholders for comment and review. Such meetings afford the reviewed country the opportunity to address any issues with regard to findings. It also alerts the country to areas where corrective action is needed immediately. However, based on the CSAR, the POA and the comprehensive background on the country, the APR Secretariat prepared an "Issue Paper" to guide the country review process. According to the APRM Country Review Report (2007:35), the "Issue Paper" is informed by five main considerations:

- a). Critical issues that are addressed in the CSAR but need reinforcement;
- b). issues that have been understated or inadequately addressed;
- c). issues identified in the past but which continue to have serious problems with implementation;
- d). issues missed completely by the CSAR; and
- e). areas of discrepancy or divergence (as is evident from cross-checking with the background paper).

The completion of the "Issue Paper" marks the end of stage one and paves the way for the fielding of the Country Review Mission (CRM).

Stage 2: Country Review Visit

This stage is characterised by a visit to a country by a team of experts known as the APR Review Team. Each country to be reviewed is assigned to one of the seven eminent persons who together with his team members consider and review reports. In South Africa, the Country Review Mission was fielded in July 2006 led by Prof. Adebayo Adedeji, and comprised 22 members from 13 African nationalities (APRM Annual Report, 2007:17). Essentially the purpose of the CRM was to examine further the "salient issues identified in the Issue Paper and the CSAR, to discuss the draft

NPOA” and to validate the national self-assessment. This stage, viewed in the context of “auditing” represents the moment at which an auditor, having obtained information and developed detailed verification procedures, performs evaluation to accomplish the agreed upon objectives of the “audit”. The task of the CRM in the country was to perform an “audit” in order to accomplish the objectives of the APRM.

However, “auditability” depends on a transparent “audit trail” from data collected via different sources. To determine “auditability”, the CRM engaged in the process of data collection through documentary analysis and interviews. Firstly, it analysed and reviewed documents (i.e., written responses to the self-assessment, POA and Issue Paper), and secondly, it sought additional information, viewpoints, additional insights and suggestions from relevant stakeholders which aimed at improving governance in the country (APRM Country Review Report, 2007:45). In general, the review of documents is part of evidence or information gathering. By analysing and reviewing documents the CRM was able to obtain relevant information that enabled the team to perform the “audit”. At the same time, the CRM also conducted individual interviews with representatives chosen from sectors involved in the implementation of the review process to understand their perspective on governance and development in South Africa. These included various stakeholders such as the “members of the NGC and PGC, cabinet ministers, members of the executive council, women’s groups, the youth groups, people with disabilities, the elderly, small businesses, faith based organizations (FBOs), trade unions, private sector companies, community-based organisations (CBOs) non-governmental organisations (NGO’s), media, academia, professional bodies, social service institutions, traditional leaders and political parties” (APRM Annual Report, 2006:17). These widespread interviews across the country also served to promote “synergy and ensured better circulation of information” (Chiko, 2007:v).

An effective “audit” should involve a “visual reconnaissance” or “walkthrough” of the area (Pinero, 2001:17). This serves to strengthen the evidence collected from other sources and can give the auditor a picture of what is happening on the ground. Most importantly the auditor can note the conditions that verify or contradict the documents. It should be borne in mind that “auditing” is not a documentation exercise. Having the appropriate documentation is only part of the story (Pinero,

2001:17). Therefore, an auditor should arrange for a brief visual reconnaissance or walkthrough of the area. The CRM however, was accorded the opportunity to visit different areas and interacted with different stakeholders. The “on-site visits” at various provinces were an important experience since it allowed the CRM to gain first hand information about the state of governance on the ground and the workings of the established PGCs. Similarly, a site visit to Lindela Repatriation Centre also formed part of “auditor awareness” about what is actually happening in the centre with regard to the conditions and treatment of illegal immigrants. The findings of the CRM were used as a basis to compile recommendations required for improvement and were later included in the final draft Country Programme of Action.

Stage 3: Preparation of the APR team’s report

Stage three is the preparation of the Country Review Team’s report. The preparation of this report is informed by the background document prepared by the APR Secretariat as well as the country review visit. The report focuses on the recommendations that will improve the country’s POA in order to accelerate the achievement of “best practice and standards and to address the weaknesses identified” (Organisation and Process, 2003:par. 7.13). It is in the nature of “auditing” that once the audit team has collected evidence and agreed on the findings, a “closing meeting” or “review exit meeting” is held with the auditee to communicate “audit” findings (Pinero, 2001:23). The purpose of this meeting is to come to agreement on the findings before closing the “audit” process. The auditee’s inputs are however important in ensuring that the audit findings are fairly presented. In addition, the auditee can also establish that recommendations are reasonable and free of any “errors or misrepresentations” (Pinero, 2001:23). If disagreement arises, the auditor has the right to present the findings as is, and the auditee can “append an exception report for the record” (Lincoln and Guba, 1985:325). In the case of South Africa, the closing meeting was held between the government and the Country Review Team (The South African Government Document, 2007:1). Lewis Rubkin, the spokesperson for the DPSA confirmed that “the discussions were to ensure the accuracy of the information and give the government ... an opportunity to react to [the] team’s findings and put forward its own views on how to deal with any shortcomings” (Moleketi, 2007:24).

As a matter of procedure, the South African government was given the opportunity to hear the findings and to register concurrence or exception. For its part, the country raised concerns around the Country Review Team's methodological approach which the government considered to be "flawed" (Moleketi, 2007:24). The government also insisted that it was commenting on the findings, as is provided for in the rules (Hartley, 2007:5). It must be indicated that in accordance with the provision of the APRM base document (2003:par. 21) which states "the review team's draft report is first discussed with the government concerned," the South African government acted within the procedure. Nevertheless, South Africa's response to the findings of the Country Review Team was interpreted in many circles as an outright dismissal of the review. It was incomprehensible to many observers that South Africa could attack the integrity of the APRM system that was largely perceived as the country's own idea. Since it is believed that South Africa will provide the lead in the implementation of the APRM, the apparent rejection of the review came as a surprise. This explains Herbert's (in Boyle, 2007:2) comment that "the government should wake up to the fact that its conduct in the peer review process is deeply damaging the nation's reputation and the APRM". In similar vein, Joe Seremane, the Democratic Alliance (DA) spokesperson on Africa, called on the government to accept the APRM's report immediately (Fabricius, 2007:4). However, in a meeting with his peers in Ghana in July 2007, the South African President emphasised that the concerns were raised in the "spirit of genuine dialogue and did not amount to a rejection of a review" (Pressly, 2007:6). He further explained that the concerns were raised in order to strengthen the process as a genuine peer review exercise. The APR Panel and the HSGIC concurred with the South African government's observations.

Stage 4: Internal presentation and discussion of recommendations

This stage begins when the Country Review Team's report is submitted to the APR Panel through the APR Secretariat. From this point the APR Panel takes over the process and drafts its recommendations which are in turn submitted to the APR Forum. The heads of states in the APR Forum then discuss the Panel's recommendations with the head of the country under review. The significance of the reviewed country's involvement in the discussion is that the process provides the country with the opportunity to own the report (Thygesen, 2002:4). Interestingly

enough, the APR Forum communicated and discussed the recommendations of the APR Panel to the head of South African government at the 7th Forum of Heads of States and Government of the APRM held at Accra, Ghana, in July 2007 (The APRM Monitor, 2007:1). The recommendations were extremely positive and acknowledged the efforts made by the South African government in the implementation of the APRM.

This phase represents a critical moment in the review process where “influence and persuasion” is exercised by peers. The effect, as described by Pagani (2002:16), is known as “peer pressure” and it is said to make “peer review” effective. One way through which the peer review process can give rise to peer pressure is by a “mix of formal recommendations and informal dialogue by the countries” (Pagani, 2002:16). The success of a review exercise also depends on how the official(s) representing the examined country in the HSGIC react to the report (Thygesen, 2002:10). Understandably, South Africa had undergone this process when President Thabo Mbeki met his peers in Ghana and accepted the recommendations of the review report. Despite anything to the contrary, the APRM Forum agreed that South Africa’s process was participatory and innovative. The Forum discussed eighteen of South Africa’s best practices worthy of emulation in four thematic areas. These included “corporate governance, Batho Pele, multipurpose community centres, the consultative budget process, performance of South Africa’s revenue service, the Johannesburg Stock Exchange (JSE), etc.”. (Misbach, 2007:4). It also recognised the progress made by the country in other areas. Issues relating to poverty eradication, unemployment, crime, race relations, HIV/AIDS and corruption were noted for the South African government to consider (Moleketi, 2007:24). In general, the APR Forum was appreciative of the progress accomplished.

Stage 5: Public release of the APRM report

This is the last stage of the review. After the completion of the fourth stage there is an interval of six months before the final report can be publicly and formally tabled in key regional and sub-regional structures of the AU. The final report is considered to be an independent document because it is published under the auspices of the APR Forum. The peer review report on South Africa has now been released for the public

by the Secretariat and is available on the APRM and NEPAD websites. It can be argued that the dissemination of the report to interested parties serves to strengthen accountability. South Africa will now be expected to report on progress made to the Secretariat every six months on how the challenges identified in the report are addressed and will table an annual report to the APR forum.

Conclusion

This chapter has attempted to demonstrate the practice of “auditing”. This was done by applying “auditing” procedures and related them to the workings of the APRM. The South African example is useful in providing a real situation for us to understand the concept of “auditing” in general. Since many political systems on the continent have not been able or willing to adequately identify problems and to find solutions for them, “auditing” (peer review) serves as a mechanism that seeks to bring a new form of governance and engender new forms of conduct among African countries. The process is not to stir revolution, regime change or to rebuke particular politicians or parties, but to engage with social and political issues that need immediate attention in African countries. This explains why many African countries have welcomed the APRM and accepted to be audited under its auspices. Although the APRM may not be a remedy to the problems of governance on the continent, it will, however, remain a means through which various governance systems can be continuously improved.

Summary and Conclusion

It has been argued in this thesis that a key determinant in the future of Africa is good political leadership and that this leadership will have to be provided by African leaders themselves. In echoing these sentiments, Cilliers (2004:5) has noted that the burden and responsibility for leadership lies squarely with African leaders. However, it is evident that African leaders have demonstrated this leadership through their collective effort in an attempt to solve the problems of development on the continent. The formation of the APRM was nevertheless a positive move which signalled a clear determination by African leaders to drive the continent towards a path of sustainable development. The APRM represents an instrument through which African leaders can hold each other accountable to the principles they have set themselves. It is clear that for many years African leaders have been guarding the principle of sovereignty so closely that under no circumstances would they have allowed interference in issues of governance in their countries. However, the APRM has brought a fundamental change which has seen African countries committing themselves to opening their books for “auditing” and most importantly, driving the process themselves (Mashele, 2006:8). Therefore the birth of the APRM represents a landmark in the history of the continent. It is a useful instrument whose time has come. It will therefore be expected that there must be a commitment on the part of African leaders to work together in order to achieve their stated objectives. If African leaders fail to hold each other strictly accountable to the new principles they espouse, the APRM will be an exercise in futility.

The trend in discussing the APRM often focuses on whether the instrument is credible and competent to deliver “good governance” or not. However, this thesis has attempted to expand this narrow analysis to include a practical approach by focussing on the concept and logic of “auditing” as a driving force within the operation of the APRM. Auditing has been explored from two different perspectives in which the focus was based, firstly, on the origins of “auditing” and, secondly, on its relation to the concept of accountability. The thesis has shown that the modern form of “auditing” has its conditions of emergence in financial auditing which served as a model for other audit practices. However, the logic of “auditing” remained the same throughout the years as “auditing” continued to undergo a metamorphosis. According to this logic, evidence is compared to criteria to determine conformity of the audited

entity to the expected conditions. The findings could either be of conformance or non-conformance. It is this logic of financial auditing that has acted as a centre of gravity as “auditing” made its in-roads into different contexts. Our attention has been drawn to the fact that within “auditing”, whether financial, academic or otherwise, there are values which have been traditionally associated with “auditing” and which constitute the basis of any “audit” function such as evidence, verification, independence, criteria, opinion and audit report. Furthermore, Lincoln and Guba (1985) have provided an exceptional example to enhance our understanding of the concept of “auditing” through what they describe as “audit trail” and “audit process”. The two processes have been shown to have complemented each other. There is no way that “audit process” can begin without the necessary evidence required to form an “audit trail”. Therefore “audit trail” and “audit process” are mutually supportive, rather than contradictory.

The use of “auditing” is also informed by the growing importance of the concept in the modern world. The concept of “auditing” has grown to such proportions that it has come to influence every aspect of human life. It is this infiltration to other areas that has informed Michael Power’s (1997) formulation of “audit explosion” and “audit society”. In his discussion of the two concepts, Power acknowledges the growing popularity of “auditing”. In his view, “auditing” has reached such a level of popularity that it has acquired “a degree of institutional stability and acceptance” (Power, 1997:3). As “auditing” increased in popularity it had to expand to cover some of the more important aspects of modern society. This meant that the concept was no longer conceived purely in terms of financial matters but was understood to have a social dimension. Understood within this new context, the audit function was not seen merely as a neutral verification process but also as an agent of change. This change was expressed in terms of precipitating transparency, accountability and good governance. Within the context of this change, the role of society becomes more pronounced as it becomes more assertive in making its voice heard and in influencing government’s decision-making processes. Accountability through pressure has become an integral part of society. As diverse pressure and demand for government accountability increased, the importance of “auditing” also gained currency. It is in this context that Michel Foucault’s quote in Power (1997:i) which states “the most boring practices often play an unacknowledged but fundamental role in society”,

becomes more relevant. This is undoubtedly true of “auditing” whose growth was largely witnessed towards the end of the twentieth century.

Our understanding was further enhanced when the concept of “peer review” was explored. It was demonstrated that “peer review” processes are primarily educational rather than disciplinary and most importantly they are driven by persuasion and argument and any form of punishment as a means of obtaining compliance should be avoided at all costs. The value of “peer review” is that it has the potential to instil in the reviewed organisation or government a sense of self-awareness. Many organisations that have undergone “peer review” emerged from the process with improvements.

A comparison of “auditing” and “peer review” revealed that there are more similarities than differences between the two processes. Auditing and “peer review” are the two instruments through which conformity to agreed upon procedures and criteria can be accomplished. Auditing and “peer review” are also similar in terms of their methods and practices. This fit between “auditing” and “peer review” underlines the extent of the relationship between the two processes such that we can talk of complementarities rather than contradictions. What is most striking with “peer review” is its transparent method of reporting and publication of its results, whilst with “auditing”, the dissemination of results is left to the auditee’s discretion. What matters most is the impact that these results have on the public. The examination of the similarities and differences between “auditing” and “peer review” leads to the conclusion that they are mutually constitutive.

The focus of this thesis on “peer review” within the framework of the international arena has shown that “peer review” has the propensity to build capacity and better policies. It is therefore not surprising that “peer reviews” have become an increasingly popular working method among international organisations. These organisations have used “peer review” to address complex and interdisciplinary issues relating to the designing and implementing of effective policies. In all cases, “peer review” has proved to be very effective. Some of the “peer reviews” emphasise peer learning through gathering information and technical assistance while others are more prescriptive and political (OECD Document, 2003:10). The OECD has a long

established practice with the system of “peer review”. It is said to be one of the international organisations with the longest history of “peer review”. As Pagani (2002:18) puts it, “peer review” constitutes the OECD’s most “distinctive and renowned working method”. It is one of its key instruments of “soft enforcement” since its creation in 1961. Every OECD member accepts the method of “peer review” in most policy areas. Within the OECD, performance is assessed against previously agreed upon criteria. It is interesting to observe how international and regional organisations have adapted “peer review” to their respective needs, and there are indeed a number of noticeable differences. Interestingly, the APRM has adopted “peer review” as a method of assessment and use it to cover almost every aspect from governance to socio-economic development.

When the OECD and African Peer Review Mechanism are compared, similarities and differences are noticed. The *modus operandi* of the two organisations involves the logic of “auditing” which is clearly expressed during the undertaking of country reviews. However, the size of the task is of great concern in the two organisations. While the OECD has a limited scope from which it operates, the APRM’s scope is expanded. The expanded scope of the review in the APRM has, however, elicited far greater interest in the mechanism to the extent that many observers have questioned whether the APRM will achieve its objective in terms of concrete measurable outcomes. However, given the relatively short period of the APRM’s existence, there exists little information to judge whether this broad scope of operation is realistic and achievable or not. On the same note, Heubaum (2005:6) also expresses concern in this regard and argues that “the potential effectiveness of the APRM will not be measured by the quality and breadth of the reviews but rather by the progress made in implementing the review’s recommendations”.

The working partnership that exists between the OECD and the APRM should be understood within the context of partnerships in general. In many cases, partnerships have tended to drift along the lines of domination in which a particular partner exercised control over the other. Such kinds of partnerships were far from being genuine. For Abrahamsen (2004:1455), a genuine partnership implies “mutual respect and equality of power and influence”. It will therefore be expected that the OECD-APRM working partnership should be characterised by the spirit of cooperation and

both organisations must be willing to learn from each other about their experiences with “peer review”.

The formation of the APRM within the context of NEPAD was also explored. This was done with a view to provide an understanding of the mechanism as a basis for understanding “auditing” and how it works within the APRM. The APRM has been able to get African leaders to subject their governments to a continuous “audit” in areas of political, economic, corporate and socio-economic governance. Countries participate voluntarily in the mechanism and they are afforded an opportunity to engage one another and share ideas on political and economic issues affecting their various countries. Furthermore, the APRM assesses its members on the basis of their shared commitments to established standards and principles. Because this assessment relies on mutual trust among the participating members it is said to be “non-adversarial”. For this and other reasons the mechanism has been described as the most “innovative” initiative ever to emerge in Africa. In general, the APRM is seen as having the potential of “irreversibly changing the face of Africa” (Kagwanja, 2004:1). Indeed, the APRM has registered a number of positive achievements during its five years of existence. Twenty-seven countries have acceded to the mechanism, five countries have completed their “audit” and the process of review has begun in another eight countries. Of fundamental significance is the fact that more countries have shown interest in acceding to the APRM.

The nexus of public sector reform has been used to show how the transformation that occurred in the public sector in the latter part of the twentieth century created conditions favourable for the rise of a “new managerialism”. This was a clear harbinger of developments to come. Unsurprisingly, the early 1990s witnessed the emergence of the new culture of accountability and the spread of “auditing” that assumed a central role in every sphere of human activity. For various reasons, the culture of accountability has been perceived as very problematic. O’Neill (2002:5) points to the fact that the new culture of accountability superimposes managerial targets on bureaucratic processes. Similarly, Biesta (2004:234) argues that it affects the way in which people relate “either as individuals or as groups or organisations”. Within these relationships the tendency is that systems, institutions and individual people adapt themselves to the “imperatives of the logic of accountability and

auditing practices". Of great significance is the fact that the "new managerialism" has extended its reach to the public institutions of Africa and regional institutions such as the APRM. As a result of the influence of the "new managerialism", the APRM has come to embrace "auditing" as a means of achieving accountability. While the mechanism uses "auditing" to enhance (democratic) accountability among its members, there is no doubt that the processes used to achieve this objective lean more towards the new culture of accountability.

Finally, the thesis focussed on the South African peer review process in order to use it as an example of how the APRM conducts its review across its members. As a result of this review process, an insight has been gained on how "auditing" works within the APRM. Although there were notable complications that characterised the review process in South Africa, it has nevertheless been described as a success. There are several reasons for the success of the APRM process in South Africa. Firstly, government provided political leadership during the entire process. This included clarifying the objectives of "peer review" and how it should be implemented. Secondly, much effort was exerted on the preparation for the review process. Lastly, the process was perceived to be inclusive in all respects. It was argued that a broad-based participation constitutes the essence of "peer reviews". The government's campaigns and sensitisation programmes resulted in the idea of "peer review" filtering down to as many people as possible. Consequently, the stakeholders were able to approach the process with a "unified vision" (Bunwaree, 2007:5).

Some "auditing" concepts and procedures have been applied and adapted to the APRM to describe the South African review process and this has helped us to understand how "auditing" works, especially within the APRM. In general, it can be concluded that the thesis has provided the best example of an interdisciplinary process in which an event in one discipline can be better understood by using insights from other disciplines.

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