SIDE BY SIDE WITH PEOPLE:

Korea’s Experiences on Participatory Auditing

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The Board of Audit and Inspection of Korea (hereinafter referred to as BAI) has gradually expanded the dimensions of its cooperative relationship with the citizenry since its establishment. The BAI has gone through the information and consultation stages and has now reached the stage of partnership for decision-making with citizens. The BAI takes advice on its audit direction and formally receives audit requests from the citizens. In addition, it takes tips on fraud, waste, or mismanagement of public funds along with civil petitions and complaints from the citizens. The BAI also makes all audit reports available to the citizenry through its website. The fact that the BAI annually receives over ten thousand petitions or complaints from the citizenry and the business community well reflects the significance of this cooperative relationship. The BAI also receives about 200 audit requests per year from Korea’s citizens.

This paper addresses three key issues associated with the Supreme Audit Institution (SAI)’s engagement with citizens based on the BAI’s varied cooperation experiences with citizens: i) the values and benefits of SAI’s engagement with citizens; ii) the potential risks; and iii) practical approaches to ensure the identified values and benefits while controlling the risks.

1 UNDESA (2013) categorizes the types of interaction between SAIs and citizens as follows: (1) a one-way SAI-citizen relationship where SAIs inform citizens; (2) a two-way relationship where SAIs consult citizens; and (3) a partnership for decision-making between SAIs and citizens.
Introduction to the BAI

The BAI, established in 1963, is a highly respected public institution in Korea for its high standards for work ethics and professionalism. It plays a unique role in the national accountability and control processes in terms of operational independence, audit capacity, and audit remit. The BAI has several characteristics that may have contributed to the successful development of citizen engagements in public auditing in Korea. They are operational independence, comprehensive audit mandates, good working relationships with internal audit units, and high expectations and trust in the BAI’s work from citizens. Unlike most of SAIs, the BAI is mandated to inspect the performance of public institutions and their employees, in addition to auditing government accounts. It is thereby responsible for establishing discipline in the public sector.

Operational independence
Though the BAI belongs to the executive branch directly under the President, the BAI enjoys its complete independence in function by deciding what to audit as well as how to audit with its own authority. As its functions, status, and organization are

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2 The BAI duties and functions are to verify the final accounts of the state; to carry out financial and performance audits; to inspect the performance of public sector employees (excluding those of National Assembly, Courts of Law and Constitutional Court); to render legal decisions on accounting officers’ violations of financial regulations and protests and complaints against the actions of government agencies (adjudication); and to assess and supervise the performance of public sector internal audit units.
explicitly stipulated by the Constitution, the independence and political neutrality of the BAI have a strong foundation. Its independence in operations is also spelled out in its organic law, the Board of Audit and Inspection Act of 1963.

**Comprehensive audit mandates**
The BAI's audit mandate is well stipulated by the BAI Act and the BAI may follow public money wherever it goes. The BAI Act defines those entities subject to the mandatory audit: central government, provincial and local government, local autonomous bodies, and the Bank of Korea. The Act stipulates that those entities that have received—directly or indirectly—grants or financial assistance from any of the mandatory audit entities are also subject to the BAI's discretionary audit. As of December 2013, over 60 thousand entities are subject to the BAI audits.

The BAI is also responsible for inspecting the performance of the public institutions and their employees. This inspection function aims at improving the operation and the quality of public services. Its comprehensive access rights to documents, property, and people support the BAI's audit and inspection mandates. These comprehensive audit mandates and supporting access rights enable the BAI to respond to the citizens’ demands in a direct and timely manner, since it does not need to go through a very complex and time-taking process of citizens redress mechanisms.

**Good working relationship with Internal Audit Units (IAUs)**
The BAI, as the Supreme Audit Institution (SAI) of Korea, has been responsible for supervising and overseeing the works of internal audit units in the public sector, which contributes to building a good working relationship between the BAI auditors and the public sector internal auditors. This working relationship has been strengthened by the recent enactment of the Public Sector Internal Audit Act of 2010. The BAI's role, for instance, has been elaborated as a supervisor, a promoter, and a partner of IAUs.

The BAI works in cooperation with IAUs to conduct audits, or commission them, instead, to perform certain audits. The BAI is working to strengthen the bilateral relationship with IAUs, by giving them the authority to examine complaints and grievances filed by citizens and to report the results to the BAI. The BAI has been able to better handle citizens’ complaints and grievances as well as audit requests raised by citizens because BAI’s cooperative relationship with IAUs contributes to expediting its investigation process.

**High expectations and trust from citizens**
Incidents of corruption and mismanagement in the public sector, though occasional, have a profound impact on the public confidence and trust in government. Public trust is indeed a scarce social capital in most developing countries. Fortunately, citizens have vast confidence in and expectation of the BAI as the last resort to get things right. Coupled with a weak internal audit function due to its lack of independence and professionalism as well as deep-rooted paternalism in the public sector, citizens opt to place complaints or make audit requests to the BAI rather than to the government itself, even if the government auditors may better handle the audit requests or complaints than the BAI.
Historical Perspective

The Korean society has a long tradition of hearing people’s voice as a way of protecting people’s basic rights and preventing public officials’ corruptive acts. For instance, Sinmun—a big drum—was hung outside of the royal palace in early 15th century during the Chosun Dynasty in an effort to resolve people’s complaints directly and help stabilize their lives. By beating the drum, people suffering from injustice could voice their complaints. For a long time, Sinmun had served as a channel for the government to listen to the people’s complaints and solve them. Its tradition has been kept in many aspects of public administration.

Establishment of Civil Petition & Complaint Reception Center

The BAI has developed close ties with the citizenry since its establishment in 1963. Citizens’ involvement in the beginning, however, was confined to gathering information on fraud, misconduct, or abuse of power through citizens’ complaints and petition. As the number of citizens’ complaints increased rapidly, the BAI decided to set up the Civil Petition & Complaint Reception Center in 1971 in order to handle them.

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3 Anti-Corruption and Civil Rights Commission of Korea. ACRC Korea Annual Report 2010, p. 29. The Korean government follows this tradition and ACRC Korea operates online Sinmun or e-People (www.epeople.go.kr/) as a communication channel between the government and the citizens.
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During the 1990s, the BAI started soliciting more specific information from the target group, relying more on citizens or stakeholders to collect information on specific audit mission or government agencies to be audited. This open audit system proved to be very effective in collecting more relevant information.

In 1993, a fraud hotline (#188) was established which was intended to provide citizens with more convenient means to report information concerning abuse of public funds or complaints on administrative actions. The 188 hotline served as a model for similar operations throughout the government in Korea. As the internet became such a popular communications medium in Korea, the BAI expanded the 188 hotline to an internet-based fraud net. In February 2004, the BAI open itself to receiving complaints from the business sector on the administration’s inappropriate delays or refusals in handling permit and licensing applications.

Introduction of Audit Request for Public Interests (ARPI)

Since the late 1980s the Korean society has undergone a rapid democratization along with citizen empowerment. Citizens have become more active and involved with state decisions that would affect their daily lives and raised voices on state affairs. Citizens’ demand for a more transparent and accountable government has been steadily increased.

The civil society organizations (CSOs) have acquired public trust by challenging the authorities, siding with the weak and the poor, and safeguarding long-term values such as environmental protection, particularly when democracy was not mature and development was given a higher priority. The CSOs are still considered one of the most trustworthy public entities in Korea according to the recent polls. With active participation and support from the academic and research community, some leading CSOs in Korea are well equipped with professional experts in various areas.

During the same timeframe, the 1988 reform of the Local Autonomy Act and the Local Finance Act triggered a tidal wave of decentralization, shifting responsibilities towards the local governments from the central government, which was followed by direct election of local councils in 1991 and the popular election of governors and mayors in 1995. Other government reform measures gave more managerial freedom and discretion to public service delivery organizations. However, coupled with weak internal audit function in the public sector, these changes toward decentralization raised serious concerns over mismanagement and abuse of newly acquired authorities in the public entities in charge of service delivery.

Against this backdrop, the BAI introduced the Audit Request for Public Interests in 1996. The BAI laid down a legal foundation through its internal regulations, under which CSOs whose membership exceeds 300 or a group of citizens over three hundred can make a request to the BAI to conduct an audit on specific issues for the sake of the public interest. This audit request system is aimed at promoting public confidence in the government through peoples’ participation in the BAI’s audit work.

The BAI’s own initiative to further develop cooperation with the citizens by allowing them to make an audit request was also helped by the facts that the CSOs have played an important role in Korea as a watchdog to government operations.

Institutionalization of Citizen Audit Request (CAR)

In 2002, six years after the BAI had introduced the Audit Request for Public Interests with its own initiative based on the BAI internal regulation, the Anti-Corruption Act...
## Comparison of CAR and ARPI

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<th>Citizen Audit Request (CAR)</th>
<th>Audit Request for Public Interests (ARPI)</th>
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<td>Eligibility of audit requesters</td>
<td>• Group of citizens over 300</td>
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<td>• CSO with 300 or more membership</td>
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<td>• Matters under the local government jurisdiction</td>
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![Image of cartoon characters and icons related to the text]
was enacted for the first time in which another citizen engagement channel with the title of *Citizen Audit Request* was introduced. The BAI decided to maintain both channels of audit requests from the citizens because ARPI is much broader than CAR in terms of eligibility of requesters, audit scope, and time limit for reporting audit results.  

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4 The BAI is currently working with the National Assembly and other related agencies to integrate ARPI and CAR in order to avoid any confusion to the citizens.
BAI’s Participatory Audit System

In order to support increasing demand for audit requests, the BAI gradually expanded its investigative capacity. In 1980, the BAI established, for the first time, an audit unit designated to investigate those petitions and complaints that were submitted to the BAI Reception Center. In 2006, the Audit Requests Investigation Group was established with two audit divisions, one for petitions and complaints and the other for audit requests, which later expanded into the Audit Requests Investigation Bureau with three divisions, one regional office, and five regional centers in 2009.

The BAI plans and conducts over 150 audits on the BAI’s own initiative every year. In addition to these planned audits, the BAI carries out 20 to 30 audits out of 150 to 180 audit requests submitted by the citizens, CSOs, local councils or the heads of public entities that are subject to the BAI audit. The National Assembly, upon the approval at its plenary session, may also ask the BAI to conduct an audit on specific issues under the BAI’s audit mandates. The BAI reports 5 to 13 mandated audits to the National Assembly annually. The BAI opened three regional Civil Petition & Complaint Centers in Busan, Daejeon, and Gwangju in 2009 and two more centers in Daegu and Suwon in 2013, to make services more accessible to everyone.

As audit requests increased steadily, the audit requests investigation unit was expanded to two divisions by setting up an audit division in charge of investigating construction related audit requests.
Comparison of BAI’s Planned Audit and Requested Audit

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<td>BAI</td>
<td>Requesters</td>
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<td>Audit Scope</td>
<td>Broad/complicated</td>
<td>Specific/narrow/less complicated</td>
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<tr>
<td>Size of audit team</td>
<td>More than 10 auditors</td>
<td>1–2 auditors</td>
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<tr>
<td>Duration of field works</td>
<td>2 weeks or more</td>
<td>2–5 days</td>
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Compared with planned audits, participatory or requested audits are more narrowly focused in scope and less complicated in contents. For a typical participatory audit, an audit team consists of two to five auditors who will complete the fieldwork in less than a week. A planned audit, on the other hand, involves far more audit resources: as many as 10 auditors are teamed up and the fieldwork usually takes longer than two weeks.

At the BAI, the citizen participation in the audit process is generally limited to the preliminary or planning stage of auditing. In principle it is BAI’s policy not to allow citizens’ direct participation in the fieldwork or examination process, though the BAI relies on outside experts indirectly through consultations. Following up on the government responses to the BAI’s audit recommendations could be another prospective area of citizen participation, though the BAI has not developed a cooperative follow-up system yet.

Who is qualified to request an audit?
Unlike civil petition or complaints, the BAI restricts the qualifications of audit requesters. There are four qualifications: a group of three hundred citizens aged over 19; CSOs; local councils; and heads of public entities which are subject to the BAI audit. As the number of CSOs increases rapidly and their pursuing interests get diversified, it is stipulated that a CSO as a requester should be a non-profit and non-partisan organization that has more than 300 members.

The citizen audit request system is geared more toward the public interest rather than private interest, aiming to audit illegal and unlawful behaviors of public officials, as well as to monitor budget waste. The minimum number of audit requesters is set at 300 individuals, or a CSO composed of over 300 members, to effectively preclude abusive audit requests. This eligibility requirement also takes into consideration the limited audit resources available, as it would not be possible to audit all cases requested, and also to reduce the burden faced by public entities of being excessively audited. Whether the minimum requirement of 300 citizens is too restrictive or not is still an open question.

The heads of public entities shall request an audit in any case when it is considered difficult or inappropriate for its internal audit unit to handle the case or when there is no internal audit unit within the public entity.

What are the selection criteria?
The first and foremost selection criterion is whether the audit request pursues the public interest or not. The BAI refines the concept of public interests as “welfare or good of the general public and the whole society, not confined to certain groups or persons.” For instance, audit subjects may include cases of budget abuse in implementing public policies and projects; cases of moral hazard that delay implementation of policies or projects; cases of performance improvement; and violation of law or corruptive behavior of public servants which hampers the

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6 The Seoul Metropolitan Government of Korea, for instance, appoints outside experts in respective areas as citizen auditors and allows them to participate in the fieldwork.
public interest. Local councils as a requester may request an audit on the matters strictly under its jurisdiction.

When an audit request is submitted to the BAI, the request is forwarded to the Audit Requests Investigation Bureau. In case an in-person visit to the BAI is not possible, citizens can request an audit by mailing in an audit application with the supporting documents. As the system requires the signature of over 300 individuals, this service cannot be made available online yet.

The Bureau carefully examines the eligibility of the request and reports its preview result to the Audit Request Review Committee (ARRC) which decides whether to proceed with the requested audit or not. Audit requests that are politically motivated or pursue certain groups’ own benefits are not allowed. Any unsupported requests that do not have proper evidence to support alleged misadministration or corruption are also dismissed in order to prevent limited audit resources from being wasted.

Requesters shall be notified of the Committee’s final decision on the acceptance of audit request the within 30 days of submission. In general, an audit case shall be assigned to one of the three divisions responsible for conducting examination within the Audit Requests Investigation Bureau. When a requested audit requires more expertise and resources due to its high complexity and broad scope, it may be assigned to other audit bureaus. The BAI shall complete the investigation within 180 days of the decision made by the Committee. As for the Citizen Audit Request based on the Anti-Corruption Act, the audit results shall be completed within 60 days of the Committee decision. The requesters shall be notified of the audit results within 10 days of the completion of the audit.

Once the request for audit has been accepted by the BAI and the audit is conducted, the audit results are released to the public via the BAI website. In order to make the audit request process more transparent and accountable, starting in December 2014 the BAI is going to disclose the whole process via the BAI website.

Who handles the audit requests at the BAI?
The BAI set up the Audit Requests Investigation Bureau to exclusively handle audit requests and civil petitions and complaints. A Director-General who is supported by nine directors and about 120 staff members leads the Bureau. The Bureau receives about 150 to 200 audit requests and over ten thousand petitions and complaints annually. Experienced staff carefully examine each and every audit request to determine its auditability and eligibility. Out of 120 staff members at the Bureau, 36 members are
seconded from the central ministries, local governments, or public institutions.

The Audit Request Review Committee is composed of seven members: three BAI officials and four external experts including a Committee chair. In order to ensure impartiality and objectivity, the external members have the majority of the Committee. External experts are non-partisans who come from various backgrounds and fields of specialty: lawyers, professors, journalists and civil activists from NGOs. The BAI Chairman commissions all the external members. The committee meets once a month, and reviews eligibility of audit requests and decides on the acceptance by majority.
Values and Benefits of Participatory Auditing

Active citizen participation in auditing and enhanced participatory democracy

The graph below shows a rapidly increasing trend of audit requests over the 1996–2013 period. From the introduction of the Audit Request for Public Interests (ARPI) in 1996, the average number of annual audit requests remained around 20 until 2001, but it has increased eight-fold since then, and for the last three years, it jumped to about 180 cases per year, which can be explained by the long-awaited enactment of Anti-Corruption Act of 2002. The CSOs and citizen activists had put great effort into the enactment, such as conducting a campaign to collect a million signatures. Thus, the enactment itself brought great attention to the citizen engagement in public auditing, though it was not a critical element of the Anti-Corruption Act. The increase in the number of audit requests reflects that the citizens and the CSOs consider the participatory audit as an important vehicle to improve the transparency and accountability in the public sector, which in turn contributes to maturing participatory democracy.

7 For summary list of the potential benefits of SAI engagement with CSOs, see Cornejo, Guillan and Lavin (2013, p.4).

8 The figures discussed in this section are based on the audit requests channeled through the Audit Request for Public Interests (ARPI).
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mismanagement, but they are more likely to redress their grievances on private interests. The CSOs account for 32.3 percent of total audit requests, second to the citizens. The acceptance rate for the CSOs is 40 percent, at least twelve percentage points higher than that of the citizens. The CSOs are playing an important role as a shepherd of citizens and a watchdog of the government. Local councils, which have less power and narrower mandates than the National Assembly, have often requested audits to the BAI with a view to checking and overseeing the performance of the heads of local authorities.

Meeting citizens’ needs and redressing their grievances
As shown in Figure 2, those areas to which citizens’ livelihood are closely linked—permits and licensing, construction (mostly redevelopment projects), transportation, and environment—account for as much as 43 percent of total audit requests, which confirms the belief that most requests come from those areas directly affecting private interests. This also means that, through the participatory auditing process, the BAI serves as a troubleshooter of citizens’ complaints and grievances. The most frequently seen categories are permits, licensing, and construction, which might be considered as matters of private interest.
Citizen engagement in public auditing employs a bottom-up approach. In other words, citizens assist auditors by exposing such problems that are in dark corners and avoid the watchful eyes of auditors. Frequently requested areas such as permits and licensing, construction, and environment are also high-risk areas themselves. With the help of active participation from the citizens, government officers have come to recognize that there is much higher chance of being checked by the BAI if they have done anything wrong. These restraining effects of overseeing the public sector through the eyes of citizens may outweigh the associated costs.

**Box 1: A case of redressing citizen grievances**

Telephone users requested an audit against a telephone company when they found that they had been subscribed to expensive phone plans without their consent. The BAI found that there were more than 2 million cases of the same unauthorized subscriptions and Korea Communications Commission (KCC), the supervisory body, failed to take appropriate actions over telephone users’ repeated complaints against the illegal practices of the telephone company. The BAI notified the head of KCC of its negligent supervision and recommended to take corrective actions. The telephone company was fined and the telephone users including the requesters were fully refunded as a result of the audit.
Box 2: Cases of improving public sector administration

The Eum-seong County authority decided to allow a debt guarantee to the developers of large-scale industrial complex in the region. Concerned about the high financial risk that the County should bear in case the development project went bankrupt, the County residents requested the BAI to examine whether or not the County's decision to provide debt guarantee of 42 billion won was in compliance with relevant laws and regulations. The BAI found that the provision of debt guarantee to the private developers was illegal and ordered the Country authority to revoke its decision.
Many SAIs are still hesitant about expanding their collaboration with citizens to the stage of partnership for decision-making, citing potential risks associated with the practices of participatory auditing, such as hampering independence and/or political neutrality and use of limited audit resources in private interest areas. The question is whether there exist any effective control mechanisms so that these risks can be managed within a reasonable cost.

**Distorted purpose of audit requests**

Although participatory auditing is gaining momentum as more citizens are eager to express their interests in government affairs, some of audit requests are tilted toward pursing private interests, which may divert the very purpose of participatory auditing, protecting the public interest of citizens.

In order to preclude distorted audit requests, the BAI has established various control measures such as strengthening qualifications of requesters, defining ‘public interest’ in a rigorous way, and setting up an audit request review committee to screen the requests, etc. First, to become an eligible requester, citizens as a group should be composed of over 300 people. Second, since it is one of the key selection criteria, the BAI has also refined the concept of public interest as ‘welfare of the general public and the whole society, not confined to certain groups or persons.’ The CSOs as a requester...
should be also composed of at least 300 members and should not pursue, based on their founding charter, any particular interests in politics or their own benefits.

As the internet becomes more and more popular and people are more than willing to reveal their own opinions on any issues of their interests, it becomes much easier to form an online CSO or collect a group of cyber citizens over three hundred to raise their voices on specific issues. In fact, in Korea the number of registered CSOs soared from 3,236 in 2001 to 10,086 in 2011. The BAI, therefore, strengthened its efforts to preview the eligibility of the requests by setting up the Audit Requests Investigation Bureau in 2009. Experienced staff of the BAI carefully examined each and every audit request to determine auditability, as well as eligibility. The Audit Request Review Committee composed of internal officials and external experts decides whether or not to accept the received audit requests based on the eligibility preview report. The eligibility review process, therefore, plays a pivotal role in reducing the risks associated with participatory auditing.

Politically motivated audit requests
The local councils and the heads of local governments may also request the BAI to conduct an audit on specific issues with the aim of attaining their own political goals or agenda. Due to high visibility of BAI audits, the audit results might be used to attack or humiliate their political opponents. Therefore the audit requests made by local council tend to increase in the year prior to local election. For instance, the number of audit requests jumped to 13 in 2009 and 11 in 2013 respectively from the average number of five requests during the non-election years. Audit requests on national security or educational policy in which there exist sharp differences in opinions among different parties may be triggered by partisan reasons—using the audit request system to promote their views and gain support from the people.

In order to keep political neutrality and to meet the needs of local council, the heads of local government, as well as CSOs and citizens who have different political interests from each other, the BAI may accept the request partially after a thorough review of an audit request item. From this perspective, the Audit Request Review Committee chaired by an external expert is the key mechanism to provide an assurance to the requesters that the final decision on whether or not to accept the audit request is independently made of the BAI.

Inefficient use of audit resources
Since all the audit requests have to go through a thorough examination by BAI’s experienced staff, it is important to have viable requests and maintain a high acceptance rate. As noted before, with the emergence of online activists, the risk of wasting limited audit resources on matters of little or no public good has increased. The BAI, therefore, considers awarding various incentives including some cash prize to the requesters when their requests result in material outcomes.

Another related issue is that the citizens’ audit request, once established, will be extremely hard to pull back, even if there is a fundamental change in the audit environment, since audit request can be considered as one of the basic rights of the citizens. It would be the last thing for the top management of an SAI to face with such criticism that they do not have enough interests to protect citizens’ rights. This situation may result in inflexible resource allocation within an SAI, which in turn may cause inefficiency in the utilization of audit resources. Priorities in audit resource allocation, of course, may vary from one SAI to another by its respective mission, audit strategy and approach, as well as audit environment surrounding the SAI. Therefore, SAIs need to approach this issue more carefully and gradually than other resource allocation decisions.
Lessons Learned and Future Challenges

The experiences of the BAI’s participatory auditing show that the risks associated with the participatory auditing are manageable within a reasonable cost, though it does not necessarily imply that the BAI model works in all circumstances. The BAI was able to seize substantial benefits from the participatory auditing thanks to several factors as follows:

- Legal framework should be in place to ensure continued operation and resource inflows and to draw more attention from citizens;

- Continuous attention and support from the top management is necessary in order to help their auditors get motivated;

- Synergy effects or economies of scope can be obtained by offering various but related participatory activities. This integrated “one-stop” system can increase citizens’ satisfaction by helping an SAI better respond to the citizens’ demands;

- Enhanced access to the redress system through various online and off-line media, such as an internet based fraud net, toll-free hot line, and civil petitions and complaints reception center may encourage more active participation from the citizens;
Despite several positive developments, the participatory auditing of the BAI is still evolving and the BAI needs to respond to the following challenges:

- To promote citizen participation in public auditing while effectively precluding any attempts to pursue certain groups’ own interests from being realized;
- To develop a participatory follow-up on audit results system in which the BAI cooperates with the citizen to monitor the implementation of audit recommendations;
- To integrate the legal basis for different types of participatory auditing initiatives; and
- Last but not least, to measure the values and benefits of participatory auditing in a reliable and rigorous way and to promote the values and benefits of participatory auditing.

Potential risks associated with citizen engagement should be proactively dealt with before being launched;

Higher standards for ethics requirement for auditors are necessary, as they may have to deal with those who have direct interests on the requested issues, and not public officials. When equipped with the highest of ethical standards, auditors can effectively avoid any attempt from requesters to seize private interests in lieu of public interests;

Keeping good cooperative relations with local authorities and other service delivery organizations through their internal audit units could help expedite the whole processes; and

Well-staffed CSOs seeking public interests is a prerequisite for well-functioning of participatory auditing.


The Board of Audit and Inspection. 2013. White Paper on Citizens’ Audit Requests and Public Grievances, Seoul: Board of Audit and Inspection. (in Korean)


The World Bank Group’s Open and Collaborative Governance (OCG) Practice within the Governance Global Practice (GGP) works to make governments more effective, inclusive, and trustworthy by opening up national and local governance processes and systems to demand-side actors such as media, parliaments, and civil society organizations (CSOs) and citizens.

The OAG’s program on Public Participation in the Budget and Audit Process (PPBA) supports Supreme Audit Institutions (SAIs) and Ministries of Finance (MoF) to effectively engage with CSOs, media, and relevant parliamentary committees in order to enhance public oversight across the budget and audit cycles. The program does that by facilitating space for multi-stakeholder dialogue, raising awareness on the challenges, opportunities, and entry points for collaboration, and by supporting effective implementation of agreed-upon actions with capacity building and technical assistance. Public Participation in the Budget and Audit Process responds to the global trend of increasing collaboration between SAIs and CSOs which, if done well, promises to strengthen the quality, reliability and credibility of audit processes through public outreach and citizen engagement. The program also builds on long experience in expanding citizen engagement across the budget cycle.

Critical to sustaining momentum on this agenda is the systematic capture of good practices, and lessons learned about what works or does not work with respect to citizen engagement in budget and audit processes. This paper on the experience of the Korea Board of Audit and Inspection (BAI) is the first in a new series of PPBA learning notes that codifies good practice examples from around the world to share it among Bank’s client countries, Policy Research Organizations, Academia, Civil Society Organizations and donors. For additional information, please contact Carolina Vaira, PPBA Program at cvaira@worldbank.org.