

### Contents

Foreword

Preface

Acknowledgments xix

xvii

Contributors

xxi

Abbreviations and Acronyms xxv

**Overview**Anwar Shah

### Part I Ensuring Integrity and Improving the Efficiency of Public Management



,	
B. Guy Peters	
Central Place of Accountability in Governing	15
The Shift to Performance-Based Accountability	19

The Shift to Performance-Based Accountability A Strategy for Change 21

Performance-Based Accountability

15

188

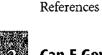
Barriers and Perverse Consequences 27
Conclusions 30
Notes 31
References 31



# Efficiency, Integrity, and Capacity: An Expanded Agenda for Public Management? 33

Willy McCourt

Generating Commitment to Public Management Reform
Creating the Conditions for Public Management Reform
How Should Reforms Be Introduced and Sequenced?
Conclusion: Embedding Reforms
55
Notes
55



#### Can E-Government Make Public Governance More Accountable? 59

55

Helmut Drüke

Accountability in Public Governance 60
E-Government as a Comprehensive Concept of Modernization 62
Fostering E-Government and Accountability Conclusions 81

Notes 84
References 84



#### Networks and Collaborative Solutions to Performance Measurement and Improvement in Sub-Saharan Africa 89

Mark A. Glaser

The Need for a Systems Approach to Community

Improvement 90

From Government to Governance: Networks and

Collaborative Solutions 107

113

Goals and Performance Targets

Performance-Based Budgeting 116

Tools for Engaging Citizens and Respecting Public Values

122

78

Improving Government Performance in Sub-Saharan
Africa 124
Redefining Performance through Collaborative Networks 125
Notes 127
References 127

# Part II Strengthening Oversight and Combating Corruption



### The Role of Political Institutions in Promoting Accountability 135

Rob Jenkins

Key Concepts in Accountability Systems 136
Institutions: Functions, Pitfalls, and Innovative Remedies 148
Key Trends Affecting Efforts to Improve Accountability
Systems 170
Diagnosing Accountability Failures in Political Institutions 176
Notes 179
References 179



#### Legal and Institutional Frameworks Supporting Accountability in Budgeting and Service Delivery Performance 183

Malcolm Russell-Einhorn

The Importance of Effective Citizen Voice to Budgeting and Service Delivery Performance 185

Cross-Country Experience with Legal and Institutional Frameworks That Support Citizen Voice Mechanisms

What Kinds of Mechanisms and Conditions Create Effective

Citizen Voice? 205

Case Studies on Strengthening Citizen Voice Mechanisms to Improve Service Delivery 212

Conclusions 224

Annex: The ARVIN Framework 225

Notes 227

References 229

320

7	
	7

### **Tailoring the Fight against Corruption to Country Circumstances** 233

Anwar Shah

What Is Corruption? 234

What Drives Corruption? 236

What Can Policy Makers Do to Combat Corruption? 243

Conclusions: Don't Use the "C" Word 249

Notes 250

References 250



#### **Disrupting Corruption** 255

Omar Azfar

Dealing with Incidental Corruption: Principal-Agent Theory

versus the Economics of Crime 256

The Sale of Jobs and Its Effect on Mechanisms of

Accountability 258

Dealing with Systemic Corruption 260

Case Study Evidence on Systemic Corruption 272

Elections and Revolutions 276

Recommendations 277

Notes 281

References 282



#### **Corruption in Tax Administration** 285

Mahesh C. Purohit

Causes of Corruption in Tax Administration 286

Administering Tax Policy 288

Impact of Corruption 290

Combating Corruption in Tax Administration 292

Conclusions and Policy Recommendations 298

Notes 300

References 301



### Corruption and Fraud Detection by Supreme Audit Institutions 303

Kenneth M. Dye

The Rise in Fraud and Corruption 303

The Need for a Change in Audit Emphasis 305

What Are Fraud and Corruption? 307

The International Organization of Supreme Audit Institutions'

Interest in Fraud and Corruption 309

Anticorruption Policies 310

Types of Audits 311

Detecting Fraud 314

Reporting Fraud and Communicating with Management

Recommendations for Improving SAI Anticorruption

Performance 320

References 321

## 11

### Public Sector Performance Auditing in Developing Countries 323

Colleen G. Waring and Stephen L. Morgan

Elements of a Performance Audit 324

Conducting the Performance Audit 333

Conducting Performance Audits in Sub-Saharan Africa 349

Notes 356

References 357



#### The Growth of Parliamentary Budget Offices 359

John K. Johnson and F. Rick Stapenhurst

The Role of Legislatures in the Budget Process 360

Examples of Specialized Legislative Budget Offices 361

Potential Value and Functions of Independent Budget

Offices 371

Why Is the Number of Independent Budgeting Offices

Growing? 372

2.1 3.1 5.1

5.2

5.3

5.4

6.1

6.26.36.4

8.1

Units 373
Conclusion 376
Notes 376
References 377
Strengthening Public Accounts Committees by Targeting
Regional and Country-Specific Weaknesses 379
Riccardo Pelizzo and F. Rick Stapenhurst
Legislatures and Public Financial Accountability 380
Organization of PACs across the Commonwealth 381
What Factors Contribute to the Success of a PAC? 383
Obstacles to Effective Performance and Possible Ways of
Overcoming Them 391
Notes 392
References 393
Index 395
The Four Phases of Civil Service Reform in Sri Lanka 35
Using E-Government to Fight Corruption around the World 71
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina
Using E-Government to Fight Corruption around the World  Citizen Efforts to Improve the Electoral Process in Argentina and the United States  152
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa,
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National Agreement of 1992 198
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National Agreement of 1992 198 The Everyday Effectiveness of the Peruvian Ombudsman 200
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National Agreement of 1992 198 The Everyday Effectiveness of the Peruvian Ombudsman 200 Goa's Right to Information Act 202
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National Agreement of 1992 198 The Everyday Effectiveness of the Peruvian Ombudsman 200 Goa's Right to Information Act 202 Promise and Pitfalls of Noninstitutionalized Participation:
Using E-Government to Fight Corruption around the World Citizen Efforts to Improve the Electoral Process in Argentina and the United States 152 Civil Society Achievements in Mexico, South Africa, and Zambia 156 Does Participatory Budgeting Increase Accountability in Brazil? 157 Political Interference in Prosecuting Corruption in Malawi 162 Local Government Participation under the Uruguay National Agreement of 1992 198 The Everyday Effectiveness of the Peruvian Ombudsman 200 Goa's Right to Information Act 202

Considerations in Establishing Effective Legislative Budget

8.2	Fighting Corruption Indirectly in Indonesia 265
9.1	Causes of Corruption in Tax Administration
	in Bulgaria 286
9.2	The Nature of Tax Fraud in India 289
9.3	Using Information Technology to Streamline Services and
	Reduce Corruption in India 295
9.4	Using an Independent Agency to Combat Corruption 296
10.1	The Risks of Whistle-Blowing 318
11.1	Does the Drug Abuse Resistance Education (DARE)
	Program Work? 332
11.2	Conducting a Performance Audit of Child Immunization
	Services at the Local Level 335
11.3	Cost of Child Immunization Services Clinic Staff: Site Visit
	Fieldwork Plan 345
FIGURES	
6.1	Six Dimensions of Background Constraints 194
6.2	Voice Expression and Accountability Effects 206
6.3	Key Functional Institutions Necessary for Effective Stakeholder
	Participation/Consultation 209
11.1	Government Program Elements and Performance Aspects
	Subject to Audit 328
11.2	Interaction among Elements of an Audit Finding 348
TABLES	
2.1	Application of Political Model of Reform to Civil Service
	Reform in Sri Lanka 37
2.2	Forces Driving and Restraining Civil Service Reform
	in Morocco 38
2.3	Responsibility for Staff Management in Central Government
	Agencies (Commonwealth Structure) 43
2.4	Sequencing of Public Management Reforms 53
3.1	Dimensions of Good Governance 63
3.2	Characteristics of Countries with "Restricted Stateness" 67
3.3	Ways in Which E-Government Contributes to
	Good Governance 69
4.1	Output Reporting by the Fairfax County Police Department 97
4.2	Output Reporting by the Fairfax County Fire and
	Rescue Department 98

Output Reporting by the Fairfax County Community and
Recreation Services Cost Center 100
Output Reporting on Fairfax County Integrated Services
Community Initiatives 108
Key Laws, Policies, and Institutions Supporting
Voice Mechanisms 189
The ARVIN Framework: A Way to Assess the Enabling
Environment for Civic Engagement 225
Priorities for Anticorruption Reforms Given Level of
Corruption and Quality of Governance 243
Empirical Evidence on Success of Selected
Anticorruption Programs 245
Relevance of Anticorruption Programs Given Country
Circumstances 247
Examples of Anticorruption Efforts Suggested by the
Economics of Crime and by Principal-Agent Theory 257
Alternatives to Traditional Mechanisms of Accountability in
Countries with Systemic Corruption 262
Rules That Might Have Prevented Democracy from Being
Subverted in Belarus 274
Types and Examples of Audit Findings 327
Pre-audit Information-Gathering Activities and
Their Benefits 336
Vulnerability Assessment of Risks Facing Child Immunization
Services 338
Performance Objectives Based on Assessed Risks of Child
Immunization Program 340
Methodologies for Gathering and Analyzing Data 341
Finding Elements, Data, and Analysis Methods Needed to
Conduct Performance Audit of Child Immunization
Program 343
Caveats about Conducting a Performance Audit 351
Characteristics of Selected Independent Budget Offices 375
Percentage of PAC Chairs Who Report that PAC "Frequently"
Achieved Various Results, by Region 384
Percentage of PAC Chairs Who Consider Various Formal
Factors "Very Important" to PAC Success, by Region 385

4.3 Output Reporting by the Fairfax County Park Authority

- 13.3 Percentage of PAC Chairs Who Consider Alternative Compositional Factors "Very Important" to PAC Success, by Region 388
- 13.4 Percentage of PAC Chairs Who Consider Various Practices and Procedures "Very Important" to PAC Success, by Region 389