

BUDGET TRANSPARENCY AND PARTICIPATION AT LOCAL GOVERNMENT LEVEL



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Introduction

Transparency is vital for an effective and accountable government, especially at the local government level. It engenders the trust of citizens who demand services, as well as increasing the accountability of civil servants and local government officials.

The Prime Minister's Office-Regional Administration and Local Government (PMO-RALG) is mandated with powers to oversee the formulation and implementation of various legislations, policies, guidelines and standards that are aimed at the provision of quality services which contribute to the quality of life of the community. In this regard, it is important for the PMO-RALG to monitor Local Government Authorities' (LGA) compliance with various existing laws that guide the disclosure of budgetary information to the public, such as the Local Government Finances Act of 1982 (amended in 2000) and the Local Authorities Financial Memorandum (2010).

“Every local government authority shall at its own offices and in such a manner as may be directed by the Regional Commissioner publish within its area a) the annual balance sheet and statement of abstract; and b) any report on the accounts made and signed by the auditor, within six months after the close of the financial year to which the accounts relate or within six months of the receipt of the report of the auditor, as the case may be.”

Local Government Finance Act 1982 (amended 2000), section 49.

“The Council shall undertake to publish at its own office and in the local newspaper within its area the following:

- i) The audited statement financial position; and***
- ii) The audited statement financial performance.”***

Local Authority Financial Memorandum 2010, section 31.

In 2012, Sikika conducted a study to assess the level of budgetary transparency and participation in five selected wards in each of the six districts Kinondoni, Ilala, Temeke, Kibaha, Kondoia and Mpwapwa. The information was collected through interviews with 157 local government officials and 87 healthcare providers. Data was also gathered within a month through direct observation by inspecting the information posted on notice boards at 79 health facilities and 167 local government offices.

The findings from the study revealed that local government authorities do not comply with the existing laws and regulations that direct the disclosure of budgetary information to the public, via local newspapers, for example. The majority of district authorities make little effort to share budgetary documents with the public. Despite the existence of laws and regulations to the contrary, local authorities treat this kind of information as confidential (“for office use only”). As a result, citizens are denied their constitutional rights to

have access to information, including budgetary information. Consequently, they are unable to hold the responsible officials accountable for their performance.

The objective of this policy brief is to share the key results from the study. It explores the role of the PMO-RALG in ensuring that citizens receive the budgetary information on time according to the existing guidelines for local governments. Emphasis was placed on the use of Local Government Offices' notice boards as an effective and efficient means of sharing information with citizens.

LGA's Low Utilisation of Public Notice Boards

The Local Government Finances Act of 1982 (amended in 2000) and the Local Authority Financial Memorandum of 2010 both emphasise the need to provide citizens with access to financial information ‘at its offices’ (see figure 1).

Our study considers the use of public notice boards as the most economic and effective means of sharing information in order to promote transparency. Figure 1 shows that approximately half of those local government offices and health facilities that were visited used their notice board for posting information. Only 16% of local government offices were found to have posted financial information on their boards, while health service providers did not use their notice boards for sharing financial information at all – they were mainly used for sharing health-related information (such as vaccination programmes) with the community. These observations reveal that most local government authorities do not make financial information readily available to citizens via their notice boards.

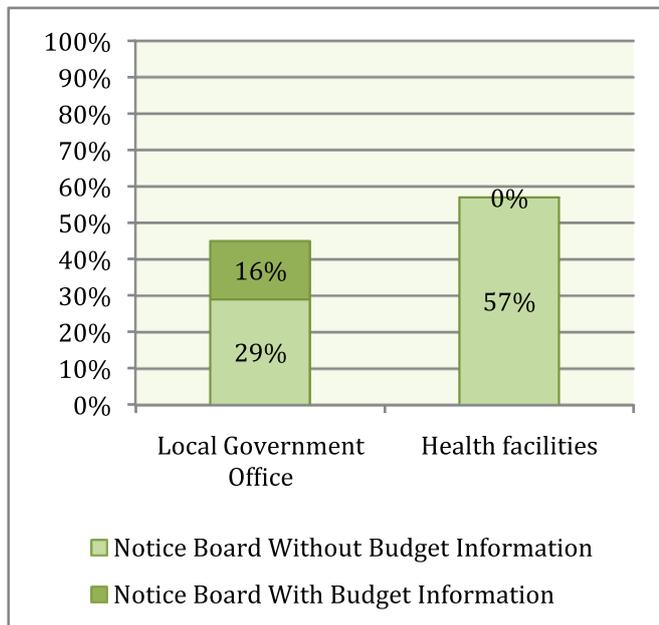


Figure 1: Budgetary Information Available on Notice Boards

Means of Information Sharing

Local government officers and health service providers stated that they employ various means to share information with the public. These include community meetings and notice boards, the

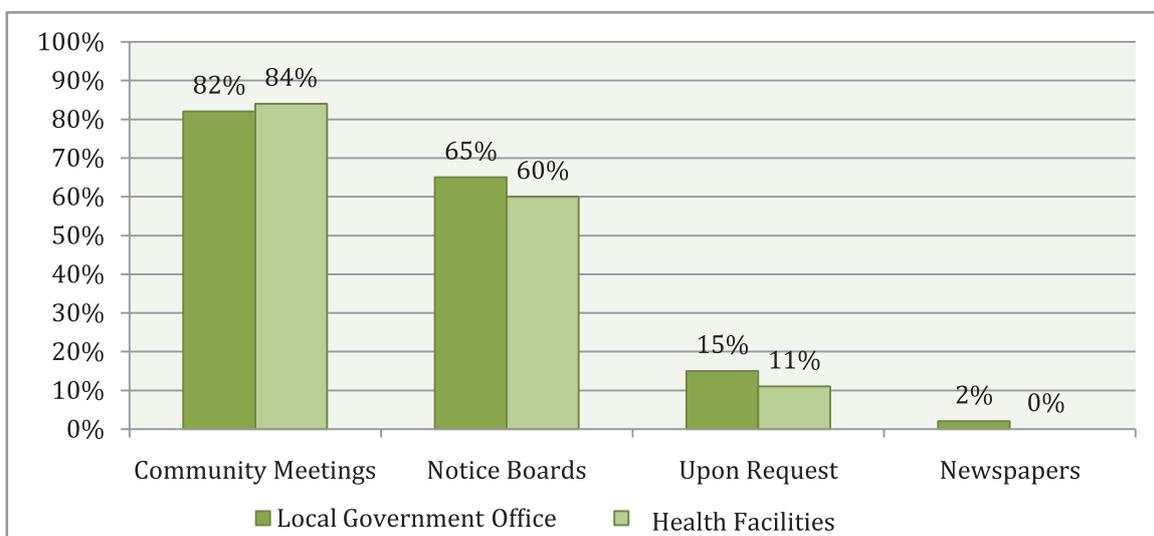


Figure 2: Means of Information Sharing

provision of information upon request, and newspaper usage for sharing information with the public (see figure 2 below).

According to their responses, local government officials and healthcare providers regard community meetings as their preferred forum for sharing information with the community, followed by the usage of notice boards. Only very few respondents stated that they use newspapers or that they provide information on request.

In the official view of Sikika, community meetings are an important means of sharing information with citizens orally. However, citizens also need to have guaranteed access to written information in order to be able to monitor and follow up on the implementation status of various projects and to hold their local government leaders and service providers to account for their performance.

Knowledge of Laws and Regulations

Our study also assessed whether the officers were aware of the existing regulations designed to promote budgetary transparency through the provision of financial documents to the community. The findings show that 87.7% of local government officials and 85% of the health service providers who were interviewed indicated that they were indeed aware of such laws and regulations.

The study also investigated the respondents' knowledge of the content of the transparency-related provisions. The list of those financial documents that are statutorily required to be shared with the public includes:

- audited statement of financial position;
- signed audit report; and
- audited statement of financial performance.

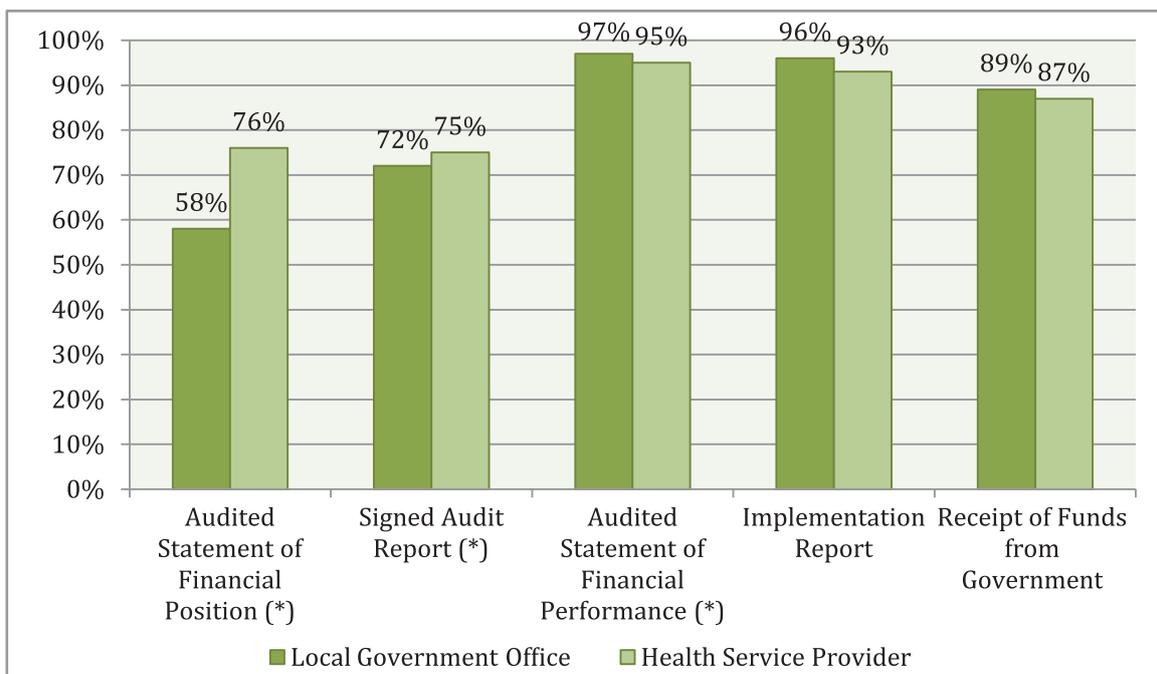


Figure 3: Understanding of Laws and Regulations

Note that the documents marked with an asterisk (*) are those budget documents which are statutorily required to be disclosed by the government institutions; the other documents are not included in the statutory requirements.

To determine whether the respondents could differentiate between those documents which are statutorily required and those which are not, our list further included:

- implementation report; and receipt of funds from the government.

The results shown in figure 3 indicate that 96% of the local government officials interviewed and 93% of the healthcare providers included in the study held the (incorrect) view that the sharing of the implementation report was a statutory requirement. Furthermore, 89% of the local government officials and 87% of the healthcare providers mistakenly believed that statutory requirements existed concerning the publication of the receipts of funds from the government. Only 72% of local government officials and 75% of health service providers held the correct view that the signed audit report needs to be shared.

These observations suggest that public officers have a limited knowledge of the existing laws and regulations that govern public access to financial information.

Conclusion and Recommendations

The study revealed that the majority of local government officials and health service providers are aware of the existence of statutory laws that direct them to share budgetary information with the public. Unfortunately, only one out of six (16%) local government offices was observed to have posted budgetary information on their notice board. According to the responses of the interview participants, they also use alternative means to disseminate information to the public, such as community meetings, newspapers, and direct request.

The PMO-RALG is the authority responsible for regulating and supervising all activities at the local government level. The Ministry needs to set, monitor and enforce clear rules and guidelines to ensure that local authorities and (health) service providers execute their activities in a transparent manner. In particular, we recommend the following actions.

Prime Minister's Office – Regional Administration and Local Government

We recommend the Ministry to remind LGAs of the need to adhere to the laws and regulations requiring the publication of budgetary information in a timely manner. Such a reminder should encourage LGAs to establish public notice boards outside their office buildings where they can be easily accessed by citizens. Furthermore, it is necessary to provide clear guidance regarding which documents should be posted, when, and for how long.

Additionally, we recommend establishing a mechanism to monitor the LGAs' compliance with existing transparency-related laws and regulations, such as the Local Government Finances Act 1982 (amended 2000) and the Local Authorities Financial Memorandum (2010).

Where compliance with the statutory provisions is found to be weak, the Ministry should take effective measures to ensure that LGAs abide by the law and start implementing the existing rules.

Local Government Authorities and Health Service Providers

At the local government level, the District Executive Director should be responsible for ensuring that all offices at district, ward and village levels have a public notice board and that these are effectively used for the posting of financial information, including the statement of financial position, the statement of financial performance, and the signed audit report of that office. The same practice needs to be applied to public hospitals, health centres and dispensaries so that their users can be assured that their resources are being used in a transparent and accountable manner.

“**Sikika** works to ensure equitable and affordable quality health care services through health systems and social accountability at all levels of government.”



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