

# 2015 Auditor General's Report Analysis:

## Making A Case for Active Citizen Participation in Local Public Financial Management System to Demand Their Social and Economic Rights.

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### 1.0 Introduction

The Office of the Auditor General (OAG), globally, is a critical institution pertaining to the promotion of transparency and accountability in Public Financial Management (PFM) systems. Constitutionally, the OAG is mandated to scrutinise and report to Parliament on how public resources are generated, managed and utilised to meet public needs. Generally, the OAG has been instrumental in exposing some maladministration and abuse of public funds by State Owned Enterprises (SOEs) and parastatals, government ministries and agencies and local authorities. Similarly, across the border, in South Africa, the Auditor General's office has been influential in exposing the “soaring fruitless and wasteful expenditure among municipalities”. Transparency deficits related to PFM information has elevated the significance OAG's reports. Notably, the OAG's Reports can be freely downloaded online. Other pertinent local PFM information like development plans, budgets, public procurement contracts and expenditure reports are hardly publicly available for most local authorities.

This analysis of the Office of Auditor General's 2015 Report on Local Authorities is from here on referred to as the OAG's Report. The report is divided into several parts that analyses the OAG Report from several angles. Ultimately, the goal of the analysis is to explore opportunities for improved citizen participation in local PFM system as a vehicle to promote the progressive realisation of Social and Economic Rights (SERs). Section 1 of the report focuses on the introduction and Section 2 looks at the functions of the OAG, the independence of the OAG and limitations of the audit report. Section 3 and 4 make a case for citizen participation across the whole value chains of PFM System and audit process respectively. Section 5 uses the lens of qualities of good information provided for in the constitution such as timeliness, accessibility and accuracy to analyse the OAG's Report. The impact of the OAG's findings on Social and Economic Rights (SERs) as well as the potential to leverage civil and political rights to advance responsible conduct in local PFM system are covered under Section 6 and 7 in that order. Section 8 deals with the value of the OAG's report to the Fiscal Justice or Tax Justice Campaign in Zimbabwe. Lastly, Recommendations and the Conclusion are factored in under section 9 and 10.

The notable findings from the report include the abject failure by local authorities to disclose audited financial reports timely. One out of 79 local authorities, comprising of City Council, Municipal Cities, Town Councils, Local Boards and Rural District Councils, managed to furnish the 2015 accounts for audit timely. Consequently, the OAG's 2015 report hardly contains any information on 2015 accounts for the local authorities. Allocative efficiency is deficient in a number of local authorities as most are failing to stick to the 30:70 employment costs to service delivery costs ratio. Resource mobilisation by local authority to finance social service delivery leaves a lot to be desired. Investments are not accounted for, debt collection systems are in shambles and massive water leakages are diminishing potential revenue for local authorities among other challenges.

Whilst it is remarkable that the Constitution has expanded the bill of rights to include SERs, the drawback is that the ability of citizens to claim their SERs is limited by a clause that tails every right to education, health, clean, safe and portable water along with other SERs. The clause does not make provision of these rights obligatory. It states that these rights are provided "within the limits of the resources available."

The OAG's reports also highlights some inefficiencies in revenue generation, management and utilization. Mismanagement, and not limitation of resources, is therefore one of the key stumbling blocks to the progressive realization of SERs by citizens.

The final part of the analysis has distilled recommendations that can help to strengthen citizen's participation in the public financial management especially the marginalized groups in society. Some of the recommendations are as follows;

## To Civil Society Organizations

- The Fiscal Justice or Tax Justice Campaign should take advantage of readily available and credible evidence that can be extracted from the OAG's Reports to demand the change that residents want to see in the management of scarce public resources.
- There is need for a partnership with the OAG on production of citizen friendly audit reports to promote transparency, improved public understanding and participation in public financial management systems.
- CSOs should hype the presentation of the Auditor General to Parliament prior, during and after the event to generate a lot of publicity which can help to pressure public managers, OAG and Parliament particularly the Public Accounts Committee to act responsible.
- CSOs should facilitate public debates during local government elections for councilors based on local public financial management leveraging on the findings recommendations from the OAG's Reports.

## To Citizens

- To ask hard questions that demand hard answers from aspiring candidates during the campaign period for local government elections and to elect candidates that have the integrity and the will power to implement the recommendations of the OAG.
- Should make use of the whistle blowing facility to report cases of corruption, fraud and abuse of public funds to the OAG though telephone or writing letters. Importantly, citizens can anonymously report such case.
- Should actively participate across the whole PFM cycle, from development planning, budgeting, public procurement contracting and implementation, internal and external reporting to influence responsible and fair conduct in the of public resources.
- To actively demand the implementation of the OAG's recommendations using spaces such as budget consultations, feedback meetings with councilors and where necessary, to resort to protests or marches.

## To the Office of the Auditor General (OAG)

- Should work with CSOs to raise public awareness of the audit findings and the recommendations which can generate the political will to implement the audit recommendations. This partnership should include production of citizen friendly audit reports to make information more accessible to the public.
- Should do more to involve the public during the planning phase of the audit through robust public adverts inviting the public to report cases on corruption, fraud, abuse and mismanagement of public resources to the OAG. Use of social media such as WhatsApp and a dedicated telephone line for the public to use for whistle blowing will be ideal.
- Should embrace social audits as a way of gathering audit evidence in a manner that promotes the participation of residents in the evaluation of the management of public funds by local authorities.

## 2.0 Understanding the role of the Auditor General, his or her independence and audit limitations.

### 2.1 Functions of the Auditor General

The existence and functions of the OAG are constitutionally guaranteed under Section 309 (1) and (2) respectively and read together with Audit Office Act (Cap 22:18).

Under Section 309 (2), the functions of the Auditor General are as follows:

- To audit the accounts, financial systems and financial management of all departments, institutions and agencies of government, all provincial and metropolitan councils and local authorities;
- At the request of the government, to carry out special audits of the accounts of any statutory body or government controlled entity
- To order the taking of measures to rectify any defects in the management and safeguarding of public funds and public property and;
- To exercise any other functions that may be conferred on him or her under the Act of Parliament.

## 2.2 Credibility of the Audit Report and the Independence of the Auditor General

Public confidence is impaired, ordinarily, when the auditor's independence is compromised or appears to be compromised. There are some safeguards put in place in the Constitution to protect the independence of the Auditor General. Some noteworthy safeguards include OAG is not part of the civil service; Section 309 (1) and Section 311 which explicitly expresses the OAG's independence as well as limitations to the term of office (Section 310). Significantly, as the case with most Supreme Audit Institutions (SAIs) world over, the OAG reports to Parliament. However, the extent of the independence of the OAG's is affected by the political economy of any country. For instance, the whipping system has affected the independence of Parliament in Zimbabwe thereby complicating efforts to have Parliament play an effective oversight role by following up on corruption and accountability challenges raised in the OAG reports. Similarly, there are fears that the executive can pressure the OAG not to ask hard questions on how public funds are being managed when the executive deems fit. In fact, it is noteworthy that among the functions of the OAG, Section 309 (1) (b), special audits of any statutory body or government controlled body can be carried out at the behest of government. It follows that the OAG's power are limited in so far as trying to unmask corruption in some public entities through incisive and special audits.

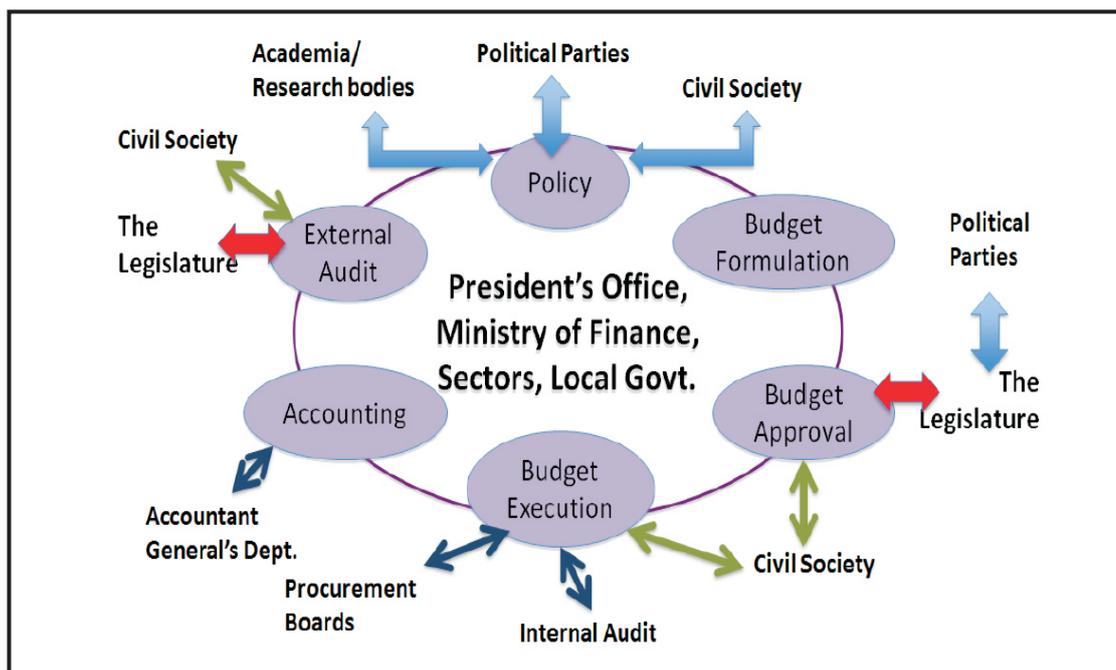
## 2.3 Audit limitations

Audit reports carry weight in the eyes of stakeholders in that the financial statements of any given entity would have been scrutinized by a highly qualified, experienced and independent professional (the auditor). However, there is a general disclaimer issued by all auditors in their reports and the OAG is not an exception. That disclaimer stems from the fact that auditors do not examine all records or transactions when gathering sufficient evidence to form an opinion on whether the financial statements presents a fair view picture of the financial operations and performance of an entity. As with other audits, the OAG's 2015 Audit Report did not examine all aspects of the local authorities' activities and procedures. The audit therefore could not have picked all forms of fraudulent activities such as forgery, collusion, defalcation and management override of controls. However, the audit is planned and performed in a manner that there is a reasonable ground to unearth any material impact of fraud or mistakes on financial statements.

### 3.0 Citizen Participation across the whole Public Financial Management (PFM): Value Chain is a must

Although this analysis uses audit reports as an entry point for citizen participation in the PFM systems to demand accountability, it must be flagged that audits are at the tail end of the public financial management system. So, using audit reports to enhance demand driven accountability in the PFM system should be complemented by citizen participation across the whole PFM value chain. That is, from policy making, budget formulation, budget implementation (expenditure), budget internal monitoring and reporting right up to external budget monitoring and tracking (See the illustration below). Importantly, Section 13 (2) of the constitution provides for the right of citizens to be involved in the formulation and implementation of development plans and programmes that affect them.

There are some interesting points to flag when determining the value of audits within the PFM system. An efficiently designed public financial management system rests on four pillars or objectives. These include fiscal discipline, allocative efficiency, operational efficiency and transparency and accountability. Fiscal discipline refers to the ability to strike the delicate balance between revenue generation and expenditure within the threshold of set debt limit or target. This is intended to avoid the debt overhang which can divert the resources meant for service delivery to the servicing of debts. Allocative efficiency is determined by the allocation of resources in a manner that is responsive to the development priorities and set targets. Operational efficiency is predominantly concerned with the value for money particularly on procurement of goods and services. Public procurement is highly susceptible to corruption, inflation of costs, poor quality provision of goods and services and undue delays in contract implementation. Lastly, transparency and accountability are concerned with information access to the public and creating spaces for social accountability such as participatory budgeting.



Through an understanding of principles of an effective PFM system, it is instructive that the analysis of the OAG's Report must look at fiscal discipline, allocative and operational efficiency, transparency and accountability. From the OAG's Report on Local Authorities, one can easily pick the allocative efficiency which is one of the pillars of an effective PFM system was flouted by a number of local authorities. Failure by a number of local authorities to comply with the 30:70 employment costs to service delivery costs is a case in point. The fact that tender procedures were not followed in some instances shows that the operational efficiency could have been violated. Considering that almost all local authorities, 78 out of 79 had outstanding accounts for audit, it follows that there is lack of transparency and accountability in the handling of finances by local governments.

#### 4.0 Citizen participation must not be limited to audit findings and advocacy on implementation of audit recommendations

A focus on citizens' understanding of the audit findings and pushing for implementation of the audit recommendations, although critical, must not overshadow the need for citizen participation in the other equally important parts of the audit process. There should be room and scope for citizens to input into the design and planning of an audit through the whistle blowing facility. Currently, the OAG welcomes reports from the public on corruption, mismanagement or abuse of public funds or resources. However, unlike the Zimbabwe Revenue Authority (ZIMRA), the OAG does not have a hotline telephone or Whatsapp facility that allows easy whistle blowing. One must either write a letter with a choice to remain anonymous or make a phone call to the OAG. Another glaring issue is that the OAG is not advertising to the public for reports on corruption or fraud. Other audit firms (albeit being private) like Deloitte and Touché are now publicly calling for citizens to report corruption and fraud.

Through social audits, the OAG can also work with CSOs to gather evidence notwithstanding some attendant challenges such as the independence of the OAG and quality of evidence gathered. Lessons can be drawn from the Commission on Audit (COA) in Philippines that has taken steps to institutionalize the Citizen Participatory Audit (CPA). The CPA approach is defined as "COA and citizens working together to conduct joint audits." Under this arrangement, citizen representatives are co-opted in the audit teams to make government more effective, transparent and accountable. During the audit process, the co-opted citizen representatives will be under the direct supervision and control of the COA. Importantly, the co-opted representatives are given the same powers and responsibilities as that of public auditors.

## 5.0 Timeliness, Accessibility and Accuracy of the Audit Information.

Basic ingredients that determine the quality of information useful for public participation to demand accountable PFM include timeliness, accessibility, accuracy and relevance of information. Remarkably, Section 194, 1 (h)) of the Constitution of Zimbabwe calls for the public to be furnished with timely, accessible and accurate information as part of the “basic values and principles governing public administration.”

### 5.1 Timeliness of Audit information

The provision of timely financial information to the public is the cornerstone for transparency and public accountability. Stale information effectively hampers the ability of citizens and CSOs to hold to account local authorities and the executive on audit findings and implementation of the audit recommendations.

#### Accounts not yet submitted for audit as at 31 May 2016

Local Authority	Total	Up to date	2015	2014-2015	2013-2015	2009-2015
City Councils	7	0	3	3	1	0
Municipal Cities	8	0	4	4	0	0
Town Councils	10	0	8	1	1	0
Local Boards	5	0	2	2	0	1
Rural District Councils	49	1	35	12	1	0
<b>Total</b>	<b>79</b>	<b>1</b>	<b>52</b>	<b>22</b>	<b>3</b>	<b>1</b>

Adapted from Appendix B table from the Auditor Generals' 2015 Report on Local Authorities

It is self-evident from the table above that nearly all local authorities fall short on furnishing the public with timely audited financial reports. Out of 79 local authorities, comprising of City Councils, Municipal Cities, Town Councils, Local Boards and Rural District Councils, only Makoni Rural District Council managed to submit its 2015 financial reports in time for audit. The majority of local authorities (52 out of 79) had not submitted their accounts for audit as at 31 May 2016. Notable, the Financial Management Act (Cap.22:09) Section 15 (2) and the OECD Best Practice for Budget Transparency prescribe that audited public financial reports of public entities should be publicly disclosed within 6 months after the end of each fiscal year. Amongst the worst performing local authorities in terms of timely submission of financial information were Insiza Rural District Council, Shurugwi Town Council and Bulawayo City who had outstanding accounts from 2013 to 2015 and Chirundu Local Board with outstanding accounts since 2009.

## 5.2 Access to information

Without access to information, citizens cannot meaningfully participate in governance systems including the PFM system. The right to information access is constitutionally provided for under Section 62. That said, accessibility of audit information pertaining to local governments is generally a challenge. Local authorities charge a fee for providing audited reports to the public which is a barrier to accessing information. There is no transparency in the fees charged to access audited reports. Generally, 3 local authorities that were asked revealed that the charges were dependent on the number of pages of the report involved without disclosing the photocopying charges per page. If commercial rates are to be applied, which could be a minimum in this case, Harare residents are supposed to fork out roughly \$10 to access the audited accounts. In addition, some local government officials are not willing to share their audited accounts publicly as they frustrate interested citizens. One resident, for instance, was told to write a letter requesting for audited accounts and to include the reasons why the audited accounts are needed.

Accessibility goes beyond availing the documents physically. In terms of availability, the OAG's 2015 report is available online and can be freely downloaded on the OAG's website. That said, internet is accessed at a cost and some Rural District Councils (RDCs) are remote with no internet access. Zimbabwe has a limited internet penetration rate of 50%, and most people in the rural areas where 67 percent or two thirds of the country's population live have no access to internet. Whilst the online availability of the OAG Report is a remarkable first step to promote transparency, it is not enough.

Information must be easily understood by outsiders for transparency to take root. Therein lies the challenge with the OAG's 2015 report. It is a voluminous and a technical document which hardly contains any info-graphics or other illustrations to make information easy for public consumption. Some audit institutions, such as the Commission of Audit (COA) of Philippines, has partnered with CSOs to produce citizen friendly audit reports in order to make audit information more user friendly. Similarly, other critical information on the budget cycle or public financial management cycle such as national and local authorities' budgets must be produced in user friendly formats in addition to the technical documents that are produced.

On the positive side, it is noteworthy that the OAG's report on Local Authorities has a summary which is fairly comprehensive and helps to reveal the key audit findings. Additionally, information on local authorities that have audits in progress or being finalized as at 31 May 2016 and accounts not yet submitted for audits as at 31 May 2016 is tabulated in Appendix A and Appendix B respectively. Consequently, the reader can easily sift through the information and pick the extent to which a particular local authority has outstanding audit reports.

To improve accessibility of the OAG's reports which are firstly presented to Parliament, lessons can also be drawn from other prominent events that involve Parliament which attract significant publicity prior, during and after, for instance, the presentation of the National Budget Statements and the State on the Nation Address. Given the significance of the OAG Reports to the public, there is therefore, need to give a more or less equal publicity to the presentation of the OAG's Reports to Parliament. Extensive live coverage on print, electronic and social media and in most local languages is a necessity. CSOs have a critical role to play by hyping the OAG's presentation to Parliament. Radio campaigns can be done around the value of the OAG Reports to interest the public and raise the levels of understanding of the audit findings and recommendations. High level publicity around the OAG's reports can positively impact on the awareness of both public managers as well as public auditors to act in a responsible manner.

### 5.3 Accuracy of information

Timely and accessible information must be accurate in order for stakeholders, citizens included, to use the information for decision making and to demand accountability. According to the OAG's 2015 Report, a number of local authorities had incomplete records and some records that did not reconcile. Hence the accuracy of the reports is affected when information is not complete and when data that is supposed to match like the bank balance and cash book balance cannot be reconciled. Bank reconciliation statements, estate accounts, asset registers and records on disposal of stands were in shambles for a number of local authorities. For instance, bank reconciliation statements were not done in some cases and where these were done, the balances could not reconcile with disparities running into millions for some local authorities such as Harare, Gweru and Mutare. Some local authorities like Mutare City were treating employment costs for workers under service delivery programmes as part of service delivery costs. This “creative accounting” distorts compliance with the prescribed 30:70 employment costs to service delivery ratio.

### 6.0 Nexus between Auditor General's reports and the Social and Economic Rights at local government level

Zimbabwe is a signatory to the International Covenant on Economic, Social and Cultural Rights (ICESCRs). Socio-economic service provision is viewed from the Human Rights Based Approach (HRBA) angle by the ICESCRs. This is significant departure from the needs or charity driven approach to the provision of socio-economic services. The difference lies in that under ICESCRs, citizens can demand or claim their right to education or health among other SERs in the event that such rights are not fulfilled by the state. Remarkably, the new constitution expanded the bill of rights to include Environmental, Economic, Social and Cultural Rights (EESCRs) in addition to civil and

political rights. As remarkable as this development is, the constitution clearly weakens citizens' powers to claim their SERs. For instance, the right to education, health, clean and portable water among other SERs, are followed by a caveat that provision of such services must be "within the limits of the resources available."

Although the above provision appears to restrict citizens' ability to claim their SERs, evidence from the OAG's findings can be useful in challenge that notion. Part of the OAG's findings point to poor revenue generation, management and utilization by most local authorities. Therefore, local authorities cannot generally cannot get away with the argument that the limitation of resources available is affecting funding for progressive realisation of SERs of the residents.

Cognisant of the risk of failure by local authorities to prioritize service delivery, government issued a directive on 30:70 employment costs to service delivery ratio. Regrettably, a sizeable number of local authorities did not stick to the 30:70 employment costs to service delivery costs ratio as highlighted the OAG's 2015 Report. These include Mutare City Council, Victoria Falls Municipality, Norton Town Council and Rural District Council Councils such as Beitbrigde, Chiredzi, Marondera, Mberengwa, Mwenezi, Rushinga, Nyanga, Umguza, Gutu, Matobo and Nkayi along with Lupane Local Board.

The allocation of funds towards employment costs means that resources meant for service delivery are diverted and this has dire consequences on the ability of local government to progressively realize the SERs of the residents. Failure by most local authorities to stick to the 30:70 employment costs to service delivery ratio diminishes resources available to fund quality education, water and sanitation services. As result, lives have been lost due to diseases like cholera and typhoid which are related to poor sanitation caused by lack by failure to collect refuse, to provide running water and to manage sewage by local authorities such as Harare City. Consequently, Community Working Health Group (CWHG), a civil society organisation, is planning to sue Harare City council on typhoid related deaths in Harare.

Inefficient revenue generation is another constrain highlighted by the OAG's Report which impact on resources available to fund service delivery programmes. Noteworthy cases include the records pertaining to debtors on land sales that were in shambles and unaccounted investments which have the potential generate more revenue for local authorities to invest in quality service delivery.

The right to safe, clean and portable water is provided for under Section 77 of the Constitution. However, poor water management systems by local authorities such as City of Harare has resulted in residents a number of days or weeks without tap water

According to the OAG's Report, Harare City Council suffered huge losses on fresh water supplies averaging 56%. Water supplied from Morton Jaffrey plant totaled 163 497 365 cubic meters whilst the billed quantity was 71 640 400 cubic meters resulting in a loss of 91 856 965 cubic meters.

The above audit findings clearly show that inefficient water management poses the great threat to the realisation of the right to water for residents in Harare. The bulky of the water lost is treated water, which means that residents are unfairly paying for water expenses that they are not consuming. On the flip side, council is also losing revenue as the lost water could have been delivered and sold to residents and shore up the local authority's coffers.

Another notable audit finding which poses significant threat to realisation of SERs of the residents is the issue of expensive debt finance for local government operations. A case in point involves Kwekwe City Council that took an overdraft facility amounting to \$4 162 349 in 2013 and the interest that accrued during that year amounted to \$1 215 349.

## 7.0 Linking the OAG's Reports with Civil and Political Rights as an entry point to advance SERs

Citizens can indirectly participate in the management of local authorities through electing councilors, a right that is constitutionally catered for under Section 277 (1). Councilors are elected representatives of the residents and they have a critical role to play in local development including local PFM system. As such, citizens should ideally use the findings and recommendations from the OAG's Reports to hold to account local councilors. One way is to ask hard questions during the elections and vote out candidates who are not pushing for the implementation of the audit findings at local government level. CSOs can be brokers by facilitating service delivery and social accountability debates among candidates to heighten the stakes on taking seriously the role of audits in local governance development processes. Across the border in South Africa, the audit findings have found their way in municipal elections and this should inspire Zimbabweans to follow suit.

## 8.0 Value of the OAG's reports to Fiscal Justice or Tax Justice Campaign in Zimbabwe

"Fiscal justice is about people having the space, voice and agency to exercise their rights, and to use this influence and monitor fiscal systems to mobilize greater revenue and increase spending for quality services"

A number of CSOs and CBOs in Zimbabwe are directly and indirectly working to promote fiscal justice or tax justice in Zimbabwe as leverage for quality social service delivery. The tax justice campaign is concerned with “Following the Money.” That is analysis and tracking of revenue, local and national budgets, expenditure and results thereof. Potentially, the OAG's reports allows for context specific advocacy on tax justice in the sense that the findings are not generic but specific to the 79 local authorities. Residents associations for instance stands to benefit through exploiting the audit findings related to their local authority. Many a times, CSOs have encountered the risk of being dismissed by government agencies upon using self-generated evidence to drive the tax justice campaign. However, the findings of the OAG can galvanize the tax justice campaign against the risk of using half backed information or information perceived to be hostile based on the regime change narrative.

Christian Aid one of the prominent international CSOs working on Tax Justice has condensed the roles of taxation under four roles known as the 4Rs. That is that Revenue raising, Redistribution, Re-pricing and Representation. These lenses are critical to advance through the analysis on the OAG's Report on Local Authorities. Section 276 (2) (b) mandates local authorities with the power to levy rates and taxes and generally to raise sufficient revenue for them to carry out their objectives and responsibilities. Sifting through the OAG's Report, one can pick that a number of local authorities are not doing enough to optimize their revenue raising potential. In turn this translates to reduced investment in service delivery programmes which greatly impact on the marginalized and poor groups in society such as women, children and the elderly. The fact that Local Authorities like Harare City cannot transparently account from revenue generated from investments such as Easy Park can imply that sources of funds that could ease the tax burden on the poor are not being fully exploited. In addition, rate payers in a number of local authorities are paying for water charges based on estimates and not accurate consumption. This has the risk of under or over charging of the residents by the local authorities.

## 9.0 Recommendations

### To Civil Society Organizations

- The Fiscal Justice or Tax Justice Campaign should take advantage of readily available and credible evidence that can be extracted from the OAG's Reports to demand the change that residents want to see in the management of scarce public resources. For instance, the OAG's 2015 Report on Local Authorities has information on councils that are not efficiently allocating resources to service delivery programs through failure to comply with the prescribed 30:70 employment costs to service delivery costs ratio.
- There is need for a partnership with the OAG on production of citizen friendly audit reports to promote transparency, improved public understanding and participation in public financial management systems.
- CSOs should hype the presentation of the Auditor General to Parliament prior, during and after the event to generate a lot of publicity which can help to pressure public managers, OAG and Parliament particularly the Public Accounts Committee to act responsible.
- To invest in social audit processes working in partnership with the OAG to promote greater citizen participation and accountability on tracking the flow of money from revenue, budgeting, expenditure and the results.
- CSOs should facility public debates during local government elections for councilors based on local public financial management leveraging on the findings and recommendations from the OAG's Reports.
- There is need for CSOs and citizens to participate across the whole value chain to promote transparency and accountability in public finance management. Starting from policy, budgeting, budget implementation right up to monitoring and evaluation of budget results.
- CSOs should improve public participation during the planning phase of an audit by encouraging public use of the whistle blowing facility offered by the OAG.
- CSOs should use the human rights based approach when analyzing how resources are being handled by local authorities to deliver quality social services.

## To Citizens

- To ask hard questions that demand hard answers from aspiring candidates during the campaign period for local government elections and to elect candidates that have integrity and the will power to implement the recommendations of the OAG.
- Should make use of the whistle blowing facility to report cases of corruption, fraud and abuse of public funds to the OAG through telephone or writing letters. Importantly, citizens can anonymously report such case.
- Should actively participate across the whole PFM cycle, from development planning, budgeting, public procurement contracting and implementation, internal and external reporting to influence responsible and fair conduct in the management of public resources.
- To actively demand the implementation of the OAG's recommendations using spaces such as budget consultations, feedback meetings with local councilors and where necessary, to resort to protests or marches.

## To the Office of the Auditor General (OAG)

- Should work with CSOs to raise awareness of the audit findings and the recommendations. This partnership should include production of citizen friendly audit reports to make information more accessible to the public.
- Should do more to publicly invite the public to report cases on corruption, fraud, abuse and mismanagement of public resources to the OAG. Use of social media such as WhatsApp and a dedicated telephone line for the public to use for whistle blowing.
- To embrace social audits as a way of gathering audit evidence in a manner that promotes the participation of residents in the evaluation of the management of public funds by local authorities.

## 10.0 Conclusion

Clearly, there is great potential for CSOs to leverage on the OAG's Reports to increase public awareness and knowledge on the implications of the audit findings on the realisation of the SERs of the residents. Evidence contained in the OAG's Report on Local Authorities is credible and can galvanize the Tax Justice or Fiscal Justice Campaign against risks of using information that can be dismissed by government as half backed, hostile or meant to push for the regime change agenda. The Constitution, admittedly, has expanded the bill of rights to include SERs. However, the clause (within the limits of the resources available) that follows each and every right to services such as education and health weakens citizens' powers to demand and claim their SERs. Innovation is therefore key in dealing with such claw-back clauses. Civil society can capacitate citizens to use civil and political rights to advance their SERs through electing councils that are responsible, with integrity and desire to take seriously the OAG's findings and recommendation. A careful scrutiny of the OAG's reports reveals that local authorities are not optimally generating revenue for development. Worse still, the few available resources are not being prioritised to efficiently invest in social service delivery and there is evidence that the resources are not well managed. In as much as the OAG's Reports offers exciting opportunities to promote active citizen participation in PFM systems, it is equally important for citizens and CSOs to participate in policy making, budgeting, expenditure and monitoring and evaluation of budget results.



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