

Investing In People for Social & Economic Justice

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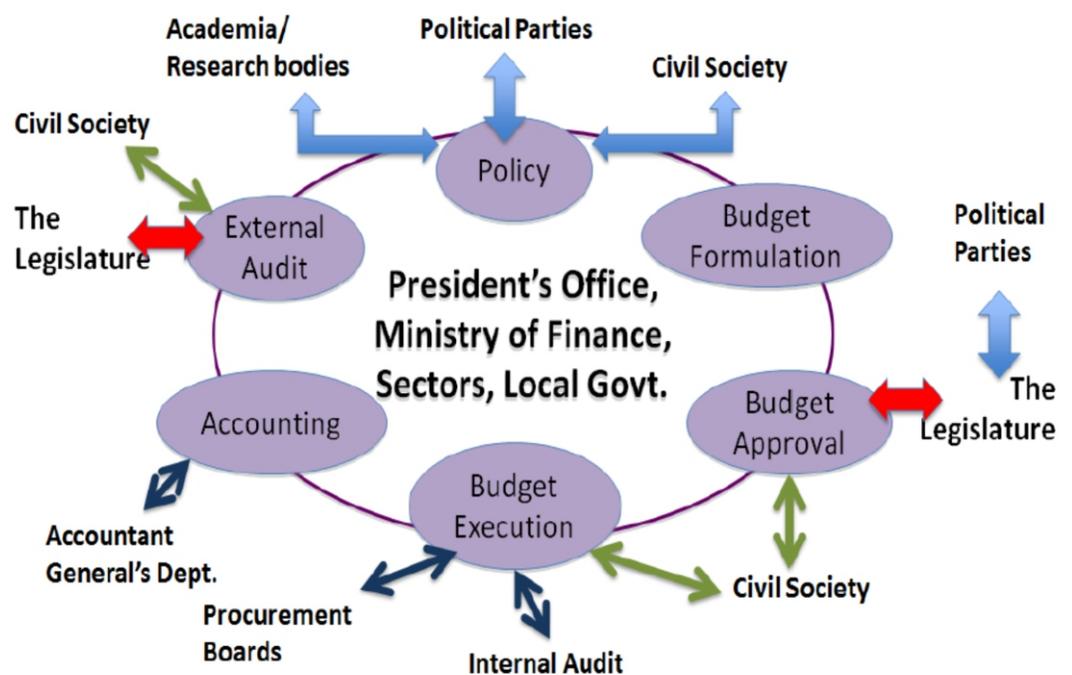


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Auditor General's Reports: Making A Case for Active Citizen Participation in Local Public Financial Management System to Demand Their Social and Economic Rights.

What is local Public Financial Management System?

- Local Public Financial Management (PFM) is a delivery value chain which starts from policy making, development planning, budgeting, public procurement contracting and implementation and monitoring and evaluation of the results.



Citizen Participation in the PFM

Why should I participate across the whole local PFM Systems?

- 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.
- Your participation as residents in policy making, development planning and budgeting will influence the setting of development priorities and budget allocations that are responsive to your needs as citizens.

- Tracking and monitoring of expenditure especially public procurement contracting will pressurise public officials and corporates to act responsibly. This can reduce corruption which negatively affects the quality of service delivery.

Who is the Auditor General (AG)?

The existence and functions of the AG's office 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
- to carry out special audits of the accounts of any statutory body or government controlled entity at the request of the government
- 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

Why should I be concerned with the Auditor General's findings and recommendations?

- **Follow the money:** because you pay rates for provision of services such as water, refuse collection and roads maintenance, it is your constitutional right to know how your money is handled to deliver such services.
- The Auditor General's findings expose important details on corruption, mismanagement and abuse of public resources by state institutions (**in this case local authorities**)
- Service delivery is likely to worsen if the public does not pressurise local government officials such as councilors and council management to act responsibly and implement the Auditor General's findings to stop corruption, mismanagement and abuse of public resources.
- Whilst the Constitution guarantees Social and Economic Rights (SERs) of the citizens, the clause "**within the limits of the available resources**" that follows every SER provision can affect the ability of citizens to claim their rights. Audit findings reveal that despite claims of resource constraints to fund health,

education services among others, poor generation, management and utilisation of public funds is a major challenge.

What are some of the key findings from the Auditor General's 2015 Report?

- **Timeliness, Accuracy, Accessibility and Credibility** are essentials that make information useful to promote transparency and accountability and almost all local authorities fell short on this measure.
- **Accounts not yet submitted for audit as at 31 May 2016**
Despite the Financial Management Act (Cap.22:09) Section 15 (2) prescribing that audited public financial reports of public entities should be publicly disclosed within 6 months after the end of each fiscal year, nearly all local authorities fall short on furnishing the public with timely audited financial reports in 2015. Out of 79 local authorities, comprising of City Councils, Municipal Cities, Town Councils, Local Boards and Rural District Councils, only Makoni Rural District Council submitted 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. Among the worst performing local authorities were Insiza Rural District Council, Shurugwi Town Council and Bulawayo City who had outstanding accounts from 2013 -2015; Chirundu had outstanding accounts since 2009.
- **30:70 employment costs to service delivery costs ratio**
The AG's 2015 Report noted that local authorities, including Mutare City Council, Victoria Falls Municipality, Norton Town Council and Rural District Council Councils such as Beitbridge, Chiredzi, Marondera, Mberengwa, Mwenezi, Rushinga, Nyanga, Umguza, Gutu, Matobo, Lupane and Nkayi, did not stick to the 30:70 employment costs to service delivery costs ratio.
- **Inefficient revenue generation**
Several local authorities failed to optimize revenue generation from the sale of stands, lease agreements and shop licenses.

What are some of the actions or strategies that I can use to hold local government accountable on management of public resources based on Auditor General's report

- Elect candidates that have integrity and the will power to implement the recommendations of the AG and ask hard questions that demand hard answers from aspiring candidates during the campaign period for local government elections.
- Use the whistle blowing facility as a citizen to report cases of corruption, fraud and abuse of public funds to the AG's office, through anonymous reporting of cases of corruption or abuse of office by telephoning and writing of letters. 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 AG's recommendations using spaces such as budget consultations, feedback meetings with local councilors and where necessary, to resort to protests or marches.