



Using Annual Performance Reports to Manage Public Resources in Tanzania

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Tanzanian citizens are entitled to receive the best possible public services from the government. The latter has the obligation to deliver the best possible public services to the former. In other words, the government is accountable to the people in effectively and efficiently delivering public services. However, the quality of the public services provided cannot be measured without the use of performance reports by ministries, departments and agencies (MDAs), which are under the central government and by local government authorities (LGAs). This brief examines the role of oversight in the allocation and management of public resources. It argues that strict adherence to a framework for managing public resources and the use of annual performance reports are key to ensuring that a rights-based approach to service delivery is realised.

Key messages

- Government accountability becomes successful when public officials are answerable for their actions and their unbecoming behaviour is contravened well in advance
- If performance appraisals of public officials are transparent and timely enough, people will certainly receive the best public services
- Effective public resource management framework should include other components such as, planning and resource allocation, managing expenditure, managing performance, ensuring public integrity, and the existence of diligent mechanisms
- For the government to manage public resources efficiently and effectively, parliamentary oversight committees as well as the supreme audit institution, both entrusted by the people should work independently
- Performance indicators must focus on, among other things: financial management, planning and budgeting, transparency, human resource, procurement and legislative processes

Government Accountability

Accountability can be an amorphous concept to define. In its broadest sense, it is a state whereby the act of performing defined functions by an individual or body is subject to another's scrutiny for oversight, direction and/or demand the former to justify the course of their actions. Government accountability, therefore, ensures that actions resulting from decisions made by public officials are subject to oversight by an independent party, in this case a Parliamentary Committee, so as to guarantee that government initiatives (plans, policies, functions) meet their stated objectives and ultimately benefit the body of citizenry who are the objective of all government functions.

The concept of accountability encompasses two key features: answerability and enforcement. Answerability refers to the obligation of the government, its agencies and public officials to justify decisions they make and the resulting actions. Then they have to provide justification to the enforcement agency for oversight. Enforcement suggests that public or oversight institutions can sanction the offending party and/or seek a remedy for underperformance or abuse of office.

Annual Performance Reports (APRs)

The government (the executive) is responsible for evaluating the performance of its ministries, departments and agencies (MDAs) as well as that of local government authorities (LGAs). The monitoring and reporting processes of the Tanzanian government include Annual Performance Reports, which are prepared by all MDAs and LGAs on outputs from activities and programmes articulated in their strategic plans. These reports should, in principle, be produced routinely by all government bodies, which, by virtue of being financed by public monies, are required to publicly account for expenditure. Such reports should be guided by performance indicators which help to measure the achievements of the particular organisation and its programmes. The indicators should focus on such areas as: financial management; fiscal capacity; planning and budgeting; transparency and accountability; multi-stakeholder interaction between higher and lower levels of local government (for LGAs), and between local government and the central government (for MDAs); human resource development; procurement; project implementation; and legislative processes.

The annual performance reports are important particularly in identifying deficits with the view to enhancing service delivery. However, the current national public evaluation framework is characterised by limited availability and accessibility of APRs. If the nation is to demonstrate sufficient levels of accountability, it is imperative that annual performance reports should be produced in a timely manner and evaluated by the relevant oversight bodies, particularly, Parliamentary Committees (which represent the voices of the people) and the National Audit Office, which is the supreme audit institution in the country. Moreover, content of annual performance reports ought to be presented in a simple, easy to digest manner for clear interpretation with as little assistance of expertise as possible. This quality would enable to garner inputs from stakeholders for appropriate corrective measures where needed or commendations in cases of outstanding performance.

A Framework for Managing Public Resources

To ensure that people realise their socio-economic benefits, the government must adhere to an efficient public resource management framework that encompasses five key processes: 1) planning and resource allocation; 2) expenditure management; 3) performance management; 4) public integrity; and 5) efficient and diligent oversight body. (See the figure below).



Source: Centre for Social Accountability and Policy Forum, Localised Social Accountability Monitoring

For each of the above processes, relevant reports must be produced. Rigorous and detailed documents enable public managers to effectively manage resources and at the same time use them to explain the rationality behind decisions they made and actions they took. If documents are not produced, or are of poor quality, then public officials are less likely to effectively manage resources entrusted to their care, as such they would fail to deliver as per expectations.

Under the planning and resource allocation process, all available resources must be identified, detailed strategic plans drawn up, and the final plans and budgets approved by the legislature. Strategic plans should be sufficiently responsive to pressing social and economic needs and the costs worked out and adjusted accordingly. Thereafter, all expenditure of public funds must be traceable and accounted for as per laid down guidelines and regulations. All expenditure must be within the approved budget as per relevant legislative provisions. The government (MDAs and LGAs) must monitor and report on their performance in implementing the activities set out in their strategic plans to ensure efficiency.

The Role of Oversight

Meetings of parliamentary oversight committees, which are procedural, receive reports on the performance and implementation of the budget from the previous year and deliberate on matters related to the budget for the coming financial year from different MDAs and LGAs as assigned to the committees by the Speaker of the National Assembly. Committees also conduct physical performance (value-for-money) audits of selected government development projects undertaken during the last financial year so as to fulfill their constitutional role of oversight, and attend to other business as stipulated by Parliamentary Standing Orders. The Tanzanian Parliament has three parliamentary oversight committees. Each committee specialises in oversight of a particular area of the public sector. The three committees and their areas of jurisdiction are:

- The Public Accounts Committee, which is responsible for the oversight of the central government (ministries, departments and agencies);

- The Local Government Accounts Committee, which is responsible for the oversight of local government authorities; and
- The Parastatal Organisation Accounts Committee, which is responsible for the oversight of public authorities and other bodies.

Section 38 of the Public Audit Act 2008 establishes the working relationship between the National Audit Office and the parliamentary oversight committees. This section of the law states that “The three committees shall discuss the reports of the Controller and Auditor General (CAG) after they have been tabled in the National Assembly.”

It is essential that oversight includes rigorous and independent audits of all financial and performance management, legislature recommendations to improve service delivery, and the scrutinising of annual reports as well as audit findings by the National Audit Office. Section 45(1) of the Local Government Finances Act No. 9 of 1982 specifies that, “The accounts of every District Council and of every urban authority shall be audited internally by an internal auditor employed by the authority concerned, and the external auditor for each of those authorities shall be the Controller and Auditor General.”

In addition, the assessment of management performance in the implementation of plans ought to be explicitly stated in the annual performance reports. However, at present these reports are not readily available even though they ought to be publicly released after being tabled before the legislature (Village Assembly, Full Council, or Parliament). Transparency is of the uttermost importance with regard to annual performance reports.

Recommendations and Policy Implications

Public integrity should be upheld throughout the entire processes of the public resource management framework. Systems should be in place to track abuse of resources as well as potential conflicts of interest. Prompt corrective action should be initiated in response to any breach of the regulatory framework.

An effective and accountable State also requires an institutional and regulatory context that is democratic and constitutional, a range of legally protected and independent institutions (including, but not limited to, parliamentary oversight committees and a supreme audit institution). A comprehensive legislative and regulatory framework is further required for ensuring the implementation of provisions related to accountability, such as regulations related to public finance and performance management, access to information legislation, and provisions regulating conflicts of interest and criminalising corruption. Recently, the Controller and Auditor General's reports have shed light on a number of mismanagement issues by government officials. Subsequently, the Parliament effectively played its role of providing "checks and balances" and eventually led to a major cabinet reshuffle that resulted in six ministers being sacked.

Performance-based management is a good mechanism for measuring the performance of government entities. However, appropriate performance indicators must be identified. Most of the monitoring systems fall into the trap of

measuring outputs (what is produced) as opposed to outcomes (what and how did a product meet the mission of a project, organisation or programme). Annual performance reports can be an instrumental mechanism for enhancing public service delivery. But without accountability this means will not lead to its desired end. Transparency is vital in the preparation of annual performance reports. Therefore, APRs must be widely available to have a positive impact. APRs must also be outcome-oriented and should be based on achieving the results of the strategic plans of MDAs and LGAs.

Strict adherence to a management framework for public resources is key to ensuring that a rights-based approach to service delivery is realised. In order for public services to have the desired economic impact, the services must also be delivered with the highest level of efficiency and effectiveness. This can only occur if resources are properly allocated, thus leading to enhanced and quality service delivery, improved quality of life for Tanzanian citizens, and ultimately the reduction of poverty.

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