PMRC
Policy Monitoring and Research Centre

ANALYSIS OF THE PUBLIC FINANCE MANAGEMENT ACT OF 2018

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ABBREVIATIONS AND ACRONYMS

DRS	Disaster Recovery Site
GDP	Gross Domestic Product
IFMIS	Integrated Financial Information Management Systems
IPSAs	Public Sector Accounting Standards
MDA	Ministries, Departments and Agencies
MFDP	Ministry of Finance and Development Planning
PAC	Public Accounts Committee
PFM	Public Financial Management
PFMA	Public Finance Management Act
PPADB	Public Procurement and Asset Disposal Board
QAG	Quality Assurance Group
TIN	Tax Identification Number
TSA	Treasury Single Account
ZPPA	Zambia Public Procurement Authority

TABLE OF CONTENT

List of Figures

Analysis of Public Finance Management Act of 2018

PFM PUBLIC FINANCIAL MANAGEMENT

WHAT IS PUBLIC FINANCIAL MANAGEMENT (PFM)?

Public Financial Management (PFM) refers to the set of laws, rules, systems and processes used by sovereign nations (and sub-national governments), to mobilise revenue, allocate public funds, undertake public spending, account for funds and audit results (Lawson, 2015). It encompasses a broader set of functions than financial management and is commonly conceived as a cycle of six phases, beginning with policy design and ending with external audit and evaluation as shown in *Figure 1* on next page. A large number of actors engage in this *"PFM cycle"* to ensure it operates effectively and transparently, whilst preserving accountability.

FIGURE 1
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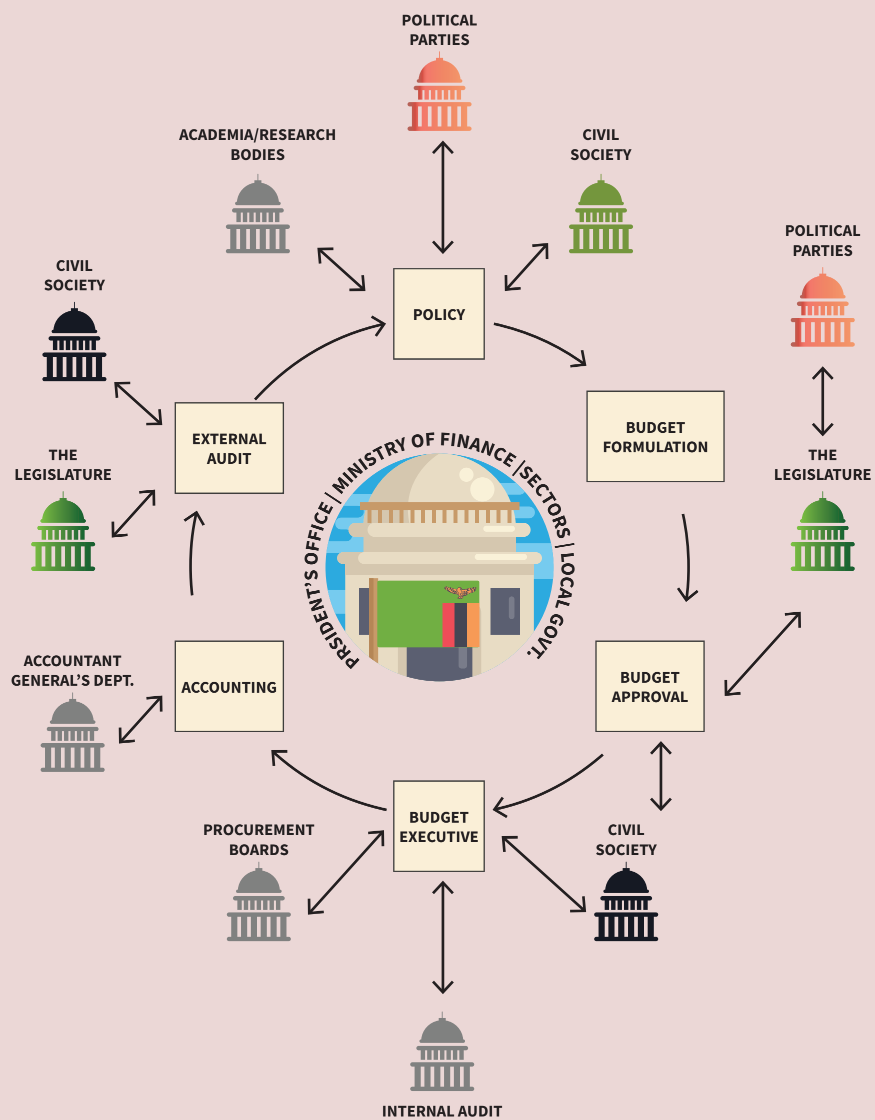
Figure 1: The PFM cycle and the key actors involved



Source: adapted from Lawson, (2015).

WHY IS PFM IMPORTANT?

A strong Public Financial Management (PFM) system is an essential aspect of the institutional framework for an effective Government because:

- Effective delivery of public services is closely associated with poverty reduction and economic growth, and countries with strong, transparent, accountable PFM systems tend to deliver services more effectively and equitably and regulate markets more efficiently and fairly. In this sense, good PFM is a necessary, if not sufficient, condition for most development outcomes.
- A key element of statehood is the ability to tax fairly and efficiently and to spend responsibly. These are fundamental characteristics of 'inclusive' state institutions, which generate trust, promote innovative energies and allow societies to flourish.

Improving the effectiveness of a PFM system may generate widespread and long-lasting benefits, and may in turn help to reinforce wider societal shifts towards inclusive institutions, and thus towards stronger states, reduced poverty, greater gender equality and balanced growth (Lawson, 2015) . For this reason, the Public Finance Management Act and other support regulations have been contentious matters for long time in Zambia.

THE REVISED PUBLIC FINANCE MANAGEMENT ACT 2018

This Act came into effect as result of stakeholder's request, amendment of the Republican Constitution in 2016, as well as Government's own realization for the need to strengthen the legal framework in order to **improve the management of public resources** (Ministry of Finance - Government of the Republic of Zambia, 2018). This led to the process of reviewing the Public Finance Act No. 15 of 2004. The Public Financial Management Act (Commencement) Order 2018 was gazetted and published on 30th May, 2018.

BACKGROUND TO THE PUBLIC FINANCE MANAGEMENT ACT 2018

From 2004 when the Public Finance Act No. 15 of 2004 was enacted, few legal reforms related to public financial management occurred. There had been challenges in achieving the intended purpose of the Act because of gaps such as absence of portions in the Act for handling cases of financial misconduct and management of public assets (Ministry of Finance - Government of the Republic of Zambia, 2018).

For many years, the Auditor General had been reporting on a wide range of financial irregularities. Efforts had also been made by the Government to improve public finance management through implementation of reforms such as the **Treasury Single Account (TSA)** and **the Integrated Financial Management Information Systems (IFMIS)**, among other reforms. However, without accompanying legislation, these reforms were inadequate.

SALIENT FEATURES OF THE PUBLIC FINANCE MANAGEMENT ACT

Most provisions of the Public Finance Management Act No. 1 of 2018 apply to both Central and Local Government Systems and to a great extent are expected to address the financial irregularities existent in both systems.

There are structural adjustments such as the upgrading the Office of Accountant General and Controller of Internal Audit to Division [Permanent Secretary] level in order strengthen the execution of the public finance management mandate (Public Finance Management Act of 2018).

The Act is also imbedded with provisions that facilitates the effective operation of the Treasury Single Account and the Integrated Financial Management Information System (Ministry of Finance , 2018). It also provides a platform for further regulation of electronic financial transactions within the framework of Public Financial Management, in line with the **Government's e-Government Policy.** In effect, this will enhance public service delivery by reducing operational costs, improving resource allocation, and promoting efficiency in management of public resources.

The Act also clearly outlines fiduciary duties for Controlling Officers in Ministries, Provinces and other Spending Agencies and for Boards of State-Owned Enterprises and Statutory Corporations. Board Members of State-Owned Enterprises and Statutory Corporations under the act are individually and severally accountable for their decisions (Public Finance Management Act, 2018). This is aimed at improving the levels of decision morality, transparency, accountability and integrity among persons in positions of responsibility.

The revised Public Finance Management Act empowers the Secretary to the Treasury to act on non-performing Controlling Officers and Controlling Bodies. Also included in the Act is the obligation for the Treasury to **set revenue targets for Ministries, Provinces**

and other Spending Agencies (Public Finance Management Act, 2018). This provision is aimed at enhancing revenue generation to facilitate domestic financing of the budget and improve its credibility. Revenue targeting measures for Ministries, Provinces and other Spending Agencies are to be implemented starting with 2019 National Budget.

The Public Finance Management Act No. 1 of 2018 has also provided for rules with regard to the management and disposal of public assets and stores. This is in order to strengthen Government Stores controls and enhance accountability.

OFFENCES UNDER THE ACT

To deter would-be-offenders of financial misconduct, the Public Finance Management Act has a specific part addressing financial management offences. This has been introduced to expressly deal with any misconduct related to breach of the Act.

The Act has provided for specific offences with respective penalties for all those found on the wrong end of the law. The Act states that a person, wilfully and without lawful authority, commits an offence if that person;

1. Opens or causes to be opened any bank account for public or official use;
2. Borrows money on behalf of a public body, or repays or converts an existing loan;
3. Issues public securities, or varies the terms and conditions of the issued public security;
4. Lends money or any assets of a public body;
5. Issues guarantees or indemnities on behalf of a public body;
6. Issues securities for loans made to the public body;
7. Disposes of, pledges, or encumbers property of a public body;
8. Refuses or omits to pay any public money into a public or official bank account as may be required;
9. Incurs unauthorised expenditures or makes unauthorised commitments;
10. Fails to provide by the due date, any information the Secretary to the Treasury may reasonably require under the Public Finance Management Act No. 1 of 2018;
11. Fails to provide any information that the Auditor-General, Accountant General, Controller of Internal Audit or a person authorised by the Auditor-General, Accountant General or Controller of Internal Audit may reasonably require under the Public Finance Management Act No. 1 of 2018;
12. Fails to provide, or obstructs access to any item required under Public Finance Management Act No. 1 of 2018;
13. Fails to keep proper records or conceals or destroys information that is required to be recorded by the Public Finance Management Act No. 1 of 2018;

14. Makes any statement or declaration, or gives any information or document, required under Public Finance Management Act No. 1 of 2018, knowing it to be false or misleading; and,

15. Alters or divulges data in electronic or other forms; or fails to comply with any requirement of Public Finance Management Act No. 1 of 2018, or to execute a duty or function imposed on that person under Public Finance Management Act No. 1 of 2018.

PENALTIES UNDER THE ACT

In accordance with the Act, any person who breaches provisions of the Public Finance Management Act No. 1 of 2018 **will be fined, suspended, demoted, dismissed, or prosecuted, accordingly.**

It is envisaged that with effective enforcement of the Public Finance Management Act No. 1 of 2018, ***transparency and accountability in public finance management in Zambia will tremendously improve. Incidences of misuse and theft of public resources will also be reduced and ultimately eliminated.*** This will have a positive impact on resource allocation and eventually improve public service delivery.

It is imperative that all public service managers, operatives and all individuals and institutional structures in statutory and corporation bodies familiarize themselves with the Public Finance Management Act of 2018. In addition, all other accounting bodies and organizations and all individuals that either directly or indirectly deal with any public-sector entity, must also familiarize themselves with this law.

Further, in view of the various programmes outlined in the Seventh National Development Plan, effective management of financial resources is very critical. The enactment of the revised PFM is timely in order to strengthen the financial regulation aspect of programme delivery.

OTHER POLICIES / REFORMS AIMED AT STRENGTHENING THE PUBLIC FINANCE MANAGEMENT ACT OF 2018

INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS)

Toward the end of 2017, the Government introduced an Integrated Financial Management and Information System which is an IT-based budgeting, procurement and accounting system that manages spending, procurement, payment processing, budgeting and reporting for all ministries and other governments spending agencies. An IFMIS System bundles many essential financial management functions into one software suite under the supervision of the Ministry of Finance. The system is aimed at enhancing accountability, timely financial information and transparency across Ministries, Provinces, local councils and other spending agencies.

By prohibiting spending outside the system, IFMIS curbs the accumulation of arrears, and stemming financial misappropriation, irregularities, fraud and corruption. Weaknesses in public financial management have cost the country especially through unplanned spending which have created huge fiscal deficits. Thus, IFMIS is seen as a salient system for re-establishing fiscal discipline and sound financial governance precisely because it is meant to address the issues of financial misconduct.

IFIMS according to Institute of Certified Public Accountants , (2017) improves public financial management through the following capabilities:

- **Enhanced management of Government** expenditures, debt and liabilities
- Ability to **use historical information** to provide better budget modeling processes
- **Reduced cost** for financial transactions
- Increased **decision-making efficiency**

The operationalization of the of IFMIS has enabled Government to implement **Treasury Single Account** *(TSA)*. TSA is a bank account or a set of linked accounts through which Government transacts all its receipts and payments. **International Monetary Fund** *(IMF)* defines TSA as a unified structure of government bank accounts that gives a consolidated view of Government cash resources *(Agbe, Terzungwe, & Igbabee, 2017)*. The principle of unity follows from the fungibility of all cash irrespective of its end use. Before 2017, the national treasury management was riddled with several banking and cash management arrangements separately run by different ministry's, departments and spending agencies. Migration to TSA has empowered the Ministry of Finance as the Government's single point of control for both Government funds generation and spending.

TSA entails consolidating several accounts held by Government institutions, thereby improving utilization of public funds and reducing administrative costs. TSA system is favored by the IMF as an efficient way to manage cash and implementation of austerity measures of tight fiscal policy.

According to Agbe et al., (2017) some of the top benefits of TSA as listed by the IMF include:

- Allows complete and timely information on Government cash resources. In countries with advanced payment and settlement systems and an Integrated Financial Management Information System (IFMIS) with adequate interfaces with the banking system, this information will be available in real time. As a minimum, complete updated balances should be available daily.

- Improves appropriation control. The TSA ensures that Government has full control over budget allocations, and strengthens the authority of the budget appropriation.
- Improves operational control during budget execution. When the treasury has full information about cash resources, it can plan and implement budget execution in an efficient, transparent, and reliable manner.
- Facilitates efficient payment mechanisms. A TSA ensures that there is no ambiguity regarding the volume or the location of the Government funds, and makes it possible to monitor payment mechanisms precisely. It can result in substantially lower transaction costs because of economies of scale in processing payments.
- Improves bank reconciliation and quality of fiscal data. A TSA allows for effective reconciliation between the Government accounting systems and cash flow statements from the banking system. This reduces the risk of errors in reconciliation processes and improves the timeliness and quality of the fiscal accounts. Lowers liquidity reserve needs. A TSA reduces the volatility of cash flows through the treasury, thus allowing it to maintain a lower cash reserve/buffer to meet unexpected fiscal volatility.

REFORMS TO PUBLIC PROCUREMENT

Public procurement in Zambia is regulated by the Zambia Public Procurement Authority (ZPPA) in accordance with the Public Procurement Act of 2008. ZPPA is an independent body responsible for the regulation of procurement of goods, works and services by all Government procuring entities. It oversees the bidding process and monitors the execution of contracts entered into by procuring entities to ensure transparency accountability, maximum competition and value for money in the use of public funds.

In 2015, Government introduced an electronic Government Procurement (E-GP) system aimed at enhancing transparency, riding the Government system of corruption and supporting provisions of the Public Finance Management Act (Nyondo, 2015).

The E-GP system is designed to enhance socio-economic development and adherence to the national development plan by reducing the procurement cycle and associated costs. E-GP system reduces corruption and malpractices because of minimal or no face-to-face transactions - there is anonymity of the bidders until bid opening. E-GP system also promotes efficient monitoring of contracts through e-contract management system.

The current procurement reforms however, lacks robustness, and features structural and content inadequacies to support the PFM Act leading to avoidable losses for the Government (Nyondo, 2015). There are inadequacies in fund release delays and a inflated quotation, seriously affecting project implementations and contract management.

The supervisory role given to ZPPA should be commended. However, the plan for a complete delegation of procurement authority should be finalized and a professional procurement cadre should be established in all MPSAs.

THE STATE OF PUBLIC FINANCE MANAGEMENT IN ZAMBIA

ROLE OF MINISTRY OF FINANCE

The Ministry of Finance is in charge of the national budget and economic affairs. The Ministry of Finance is responsible for performing a wide range of fiscal and financial functions which are guided by Public Finance Act and other regulations. The functions of the Ministry can be divided into three; policy functions, regulatory functions and transactional functions (Allen, Hurcan, & Queyranne, 2015).

Policy functions relate to matters such as setting of fiscal policy rules or targets, managing fiscal risks, developing a debt strategy, formulating the annual budget (in collaboration with the Ministry of National Development Planning) and the medium-term budget framework, and providing guidance on alternative tax policy options. Such functions are at the core of a finance ministry's work and require a robust financial management regulation which have now been incorporated in the Revised Public Finance Management Act of 2018 and other public finance Management Reforms that Government has put in place.

Secondly, there are regulatory functions, which are usually carried out by the Ministry of Finance or an arms' length agency of the Ministry such as Bank of Zambia. These functions include among others ensuring that the legal framework for budgeting and Public Finance Act is respected and enforced by the line ministries and agencies that are responsible for implementing it. The Revised Public Finance Management Act of 2018 has reinforced this function by giving the secretary to the treasury more power to act on non-performing Government Controlling Officers and Controlling Bodies.

Thirdly, Ministry of Finance also performs transactional (or operational) functions such as the processing of budgetary payments and exercise of internal control. The performance of these transactional functions now make use of electronic solutions such as IFMIS and Government e-procurement. These changes needed legal backing which has been provided for in the Revised Public Management Act of 2018

ROLE OF THE AUDITOR GENERAL'S OFFICE

The Auditor General's Office has the role of auditing all revenues raised by the Government and appropriations made to each Ministry and other Government Institutions to ensure compliance with the provisions with Public Finance Act and other regulations. Under the Revised Public Finance Act 2018, the Auditor General also has the mandate of carrying out Value for Money and other specialized audits.

FIGURE 2
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Figure 2: Definition of key terms; of common financial irregularities;

FAILURE TO FOLLOW PROCUREMENT PROCEDURES;
Non-Compliance with the ZPPA Act and Procurement guidelines in the purchase of goods and services. This includes lack of correct tender procedures and not obtaining competitive quotes.

MISAPPLICATION OF FUNDS;
Use of funds budgeted for a programme on an unrelated programme without authority from the Secretary to the Treasury.

FAILURE TO FOLLOW PROCUREMENT PROCEDURES;
Non-Compliance with the ZPPA Act and Procurement guidelines in the purchase of goods and services. This includes lack of correct tender procedures and not obtaining competitive quotes.

UNACCOUNTED FOR FUNDS;
Failure to properly account for funds, missing from an account, no explanation of where funds have been spent or reasons for withdrawn.

WASTEFUL EXPENDITURE;
Expenditure incurred when there is no benefit derived.

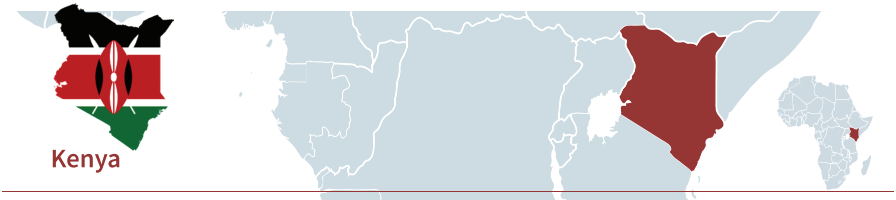
UNRETIRED IMPREST;
Failure to retire funds or monies issued out to facilitate payments of a minor nature when the officer is travelling on duty or to facilitate the purchase of goods and services whose value cannot be ascertained.

MISAPPROPRIATION OF FUNDS;
Use of public funds for personal purposes or crediting public funds to a private bank account.

Serious audit findings in the past have been made public without culprits being brought to book. The 2018 Public Finance Act will deal decisively with most cases of financial misconduct and protect the country's resources with prescribed jail terms of up to 5 years.

However, the Auditor General's Office need to enhance collaboration with other institutions vested with prosecuting powers, like the Anti-Corruption Commission (ACC), Drug Enforcement Commission (DEC) and Zambia Police to ensure that as soon as the Auditor's Report is released, it is circulated to all appropriate investigative wings for immediate action.

LESSONS FROM OTHER COUNTRIES ON PUBLIC FINANCE MANAGEMENT AND OTHER SUPPORT REGULATIONS.



Kenya in a quest to reform the Public Financial Management (PFM), enacted the PFM Act of 2012 which brought about profound changes in the administration of public finances to the entire Government machinery and key among them was the implementation of IFMIS in 2013 (National Treasury - Government of the Republic of Kenya, 2018). The IFMIS infrastructure interfaces with several other systems such as Internet Banking System, Kenyan Revenue Authority systems, Pension Management Information System (PMIS), Integrated Personnel and Payroll Data System (IPPD), Government Human Resource Integrated System (GHRIS), Electronic Project Management Information System (e-ProMIS), Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) and the e-Citizen. [1]

However, IFMIS has been at the center of loss of billions of shillings to fictitious companies and individuals, who purportedly do business with Government. IFMIS has also been criticized for having weak controls (Oruko, 2018). Various audits have revealed negligence on basic IFMIS system security procedures and lack of data safeguards which makes the system easy to manipulate by fraudsters seeking to steal from the public purse (National Treasury - Government of the Republic of Kenya, 2018). Additionally, the system experienced central control shutdowns. IT experts failed to study and establish the network specifications required to meet IFMIS standard operations before its launch, hence the frequent failures experienced (National Treasury - Government of the Republic of Kenya, 2018). Another drawback in the IFMIS implementation was the poor training of staff which resulted in fewer counties utilizing IFMIS to prepare their budgets. Budgets were prepared outside the system using Excel spread sheets and later uploaded into IFMIS after approval by the County Assemblies. Consequently, in May 2018, the Kenyan National Treasury finally started the process of cleaning the system by deactivating all the existing users one of the ways of providing effective management and safeguard the integrity of the system(Oruko, 2018).The clean up was going to endure that only user validated accounting officers are defined and assigned new responsibilities.

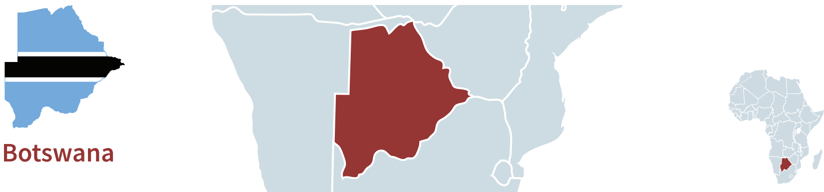
The Kenyan PFM Act of 2012 also established a unified debt management office called the Public Debt Management Office (PDMO), based on good international practice providing a front, middle and back offices. The country's National Treasury also publishes, on annual

1. E-Citizen is an official Digital payments platform that enables Kenyan citizens, residents and visitors access and pay for government services online.

basis, a medium-term debt management strategy (MTDS) through which it appraises Government's performance on public debt, re-assesses debt sustainability conditions and continues to guide debt policy over the medium term.

The PFM Act of 2012 also provided for the establishment of the Public Sector Accounting Standards Board (PSASB) which gives details of applicable accounting standards for public sector entities. Additionally, Statutory financial statements are produced regularly at all levels of Government and are based on IPSAS standards. IPSAS standards aims to improve the quality of general-purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability. It has been recognized as the best benchmark for evaluating and improving government accounting in most governments.

To support the PFMA of 2012, Kenya also established Public Procurement Institutions at county level and further build their capacity, to carry out procurement following the enactment of the Public Procurement & Asset Disposal Act, 2015.



Botswana has also embarked on several Public Financial Management (PFM) reforms that included the enactment of Public Finance and Management Act (PFMA) of 2013. The PFMA with support regulatory provisions from Public Audit Act (PAA), Public Procurement and Asset Disposals Board (PPADB) and the Local Government Act provide the cornerstone for the broad legal public finance management framework for the country.

There are good lessons that can be picked Botswana as regards PFM regulations. For instance, there are specific regulations in Botswana that sets the limits of Government debt and guarantees. Total Government debt and guarantees are not expected to exceed 40% of GDP, with 20% for internal and 20% for external debt and guarantees (Ministry of Finance & Development Planing - Botswana, 2013). This includes loans and guarantees to Public Enterprises (PEs) Autonomous Government Agencies (AGAs) and Local Authorities.

Botswana is characterized by a dual budgeting system, with the recurrent and the development budgets being prepared as largely separate processes at line ministry level. At the macro level, the Development and Recurrent Budgets are managed by two sections of the Budget Division of the Ministry of Finance and Development Planning. The calendar for budget preparation in Botswana is detailed and clear, but it is not fixed in the sense of being specified in an Organic Budget Law as this approach is not part of the administrative tradition in Botswana (Ministry of Finance & Development Planing - Botswana, 2013).

Procurement is the responsibility of the Public Procurement and Asset Disposals Board (PPADB) which has its own Act. The PPADB signed a Memorandum of Agreement in August 2012 with the Competition Authority and Directorate on Corruption and Economic Crime. In addition, the PPADB is a member of Commonwealth Public Procurement Network (CPPN) and has also undertaken benchmarking tours to Sweden, New Zealand, Ghana, Tanzania, and South Africa (Botlhale, 2017). The overarching objective was to learn from some of the best practices in the arena of public procurement in the world and Zambia can also follow this example.

Botswana has also introduced a taxpayer registration system which involves the use of a common Tax Identification Number (TIN) across the main taxes. Work is ongoing to link taxpayer registration to other information systems, including the motor vehicle registration and national identity systems. This number is used in all correspondence with taxpayers. Common electronic platforms have been created across all types of taxation and linked to the IFMIS.

The basis of accounting and classification of accounts used by the Government of Botswana are, in accordance with the relevant legislation, determined by the Minister of Finance. However, reform roadmap suggests that financial statements that are fully compliant with International Public Sector Accounting Standards (IPSAs) might be expected for the financial year ending March 2019.

Rwanda

Only a decade ago Rwanda did not possess a properly articulated public financial management system, and there were few qualified staff to run the system, especially public accountants. Since then the Government has put in place many of the elements required for a sound system of public financial management. Some weaknesses remain, in particular in relation to local accounting capacity, but the Government of Rwanda has been firmly committed to establishing a modern, efficient, transparent and accountable PFM system.

Reforms in Rwanda have been moving ahead of many African Countries in PFM reforms at an astonishing pace. In only a few years, the country has considerably improved its system of Public Financial Management (PFM). The PFM reforms include among others among others Government electronic service delivery, IFMIS and fiscal decentralization. IFMIS implementation has been the single largest component in the Public Reform Programme. It was noted that many of the other PFM reforms areas were dependent upon IFMIS providing the necessary communication facilities and financial management information. A review by Quality Assurance Group (QAG) had indicated that IFMIS implementation had some technical issues besides functional arrangements, particularly the absence of adequate preparation, and the failure to give enough attention to developing internal user capacity to specify the varied client requirements(Ecorys, 2012). Recommendations were thus given for the need to have an IFMIS system with specific functionality and user requirements suited for Rwanda since the degree of reliance on the IFMIS was very high and expected to increase together with the sophistication of reporting needs (Ecorys, 2012).

In Rwanda budgets and budget responsibility were increasingly being shifted to the country's 30 districts. Around 30 % of the national budget was made available to the district authorities. This high share makes Rwanda a front-runner in Africa. Regarding empowerment of local authorities, the development of subnational PFM capacities is important for fiscal decentralization and Rwanda has been actively pursuing this (Ecorys, 2012).

To support the PFM Act and increase the levels of compliance in government procurement procedures, Rwanda has decentralized procurement at all Government levels. The Rwanda Public Procurement Authority (RPPA) now acts in a central role of control and monitoring the decentralized service. This has proved to be successful with improvements in compliance indicators in procuring entities rising from 50% in 2008/09 to a level of 72% in 2010/11 and thereby supporting the PFMA (Ecorys, 2012).

Many PFM reforms programmes in Sub -Saharan Africa are basically standardized reform packages driven by the donor community without sufficient involvement of the national Government concerned. Rwanda's achievements in Public Finance management are due to several factors many experts have indicated. Key among the several reasons is the fact that the Government assumed a high sense of responsibility and ownership throughout the reform process.

PMRC RECOMMENDATIONS

1. To support further implementation of the PMFA Act, Government needs to expedite the process of developing a code of conduct for all civil servants. This can be linked with National productivity codes and ethics guidelines to ensure adherence.

2. To prevent IFMIS implementation failure, Government and other stakeholders need to improve connectivity and infrastructures between IFMIS servers at the remote local areas. To ensure success of this, Smart Zambia Institute should play a key role.

3. In January 2018, it was reported that the IFMIS system had crushed. We recommend that Government works on a Disaster Recovery Site (DRS); an alternative backup facility that can be used when a primary location becomes unusable due to failure or disaster. It can be located in an entirely different location. This ensures a higher probability of safety when a primary IFMIS facility fails due to a localized disaster. In the absence of a DRS, the practice is to make daily back up of data and to store it in secure a location.

4. The Government need to review the current Procurement Act so that it is in line with PFMA by managing current lapses such as artificially inflated costs of procurements which have costed the public coffers.

5. Zambia needs to implement Public Sector Accounting Standards (IPSAS) to enhance financial accountability in the Government. Some of the benefits to be derived from the IPSAS include provision of more useful information that would lead to better decision-making and facilitating improved service delivery to the people of Zambia.

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