

**Civil Society and Auditor General's Office Round Table
Dialogue On Public Accountability**

Report

**Hosted by The Civil Society For Poverty Reduction
With Support from Frederich Ebert – Stiftung**

Held on Saturday May 16, 2009 at Lusaka Hotel

**By
William Chilufya**

1. Background

Civil Society has embarked on a Campaign for Good Governance and Accountability in Public Office because of its strong bearing on the development of Zambia.

Civil Society believes that prudent and efficient management of public finance by public officials is key to ensuring Poverty reduction and advancing social outcome for all citizens. Key to the efficient and accountable management and utilization of resources is the Auditors General's Office and other oversight bodies.

As such Civil Society For Poverty Reduction (CSPR) with support from Frederich Ebert – Stiftung hosted, a civil society and Office of the Auditor General Round Table dialogue to discuss public accountability and the role of CSOs. It was held on Saturday May 16, 2009. There were presentations from AG's office which looked at the role of other stakeholders in enhancing transparency and accountability in public funds management as well as the relationship and operations between AG's and law enforcement agencies.

Another presentation came from Public Accounts Committee (PAC) on the role and expectations from CSOs and other stakeholders in advocating for public funds accountability.

The Jesuit Centre for Theological Reflection (JCTR) gave a CSO presentation on Implications of AG's report findings, highlighting the role CSOs are playing. The last presentation was a community presentation on public accountability and its implication on local development, byCSPR-Southern Province.

2.0 OPENING SESSION

Introductions: The moderator, Mr. Saul Banda asked the participants to introduce themselves and the organizations/institutions they represented (*See attached list*).

Welcome Remarks: The remarks were made by Ms. Kathy Sikombe, Program Coordinator from FES. She highlighted the work of FES as that of promoting social democracy, free press, trade unions and youth empowerment.

She expressed concern at the amount of Public funds abused as reported by OAG, she urged the dialogue to find ways of protecting public resources. She encouraged CSOs to closely work with PAC and the AG's office in curbing abuse of public funds. She further said that time has come to give more powers to the AG's office. She further acknowledged the close cooperation between FES and CSOs such as CSPR, JCTR and others. She concluded by saying special thanks to CSPR and JCTR for their efforts in poverty alleviation by promoting Accountability and Transparency in the utilization of public funds.

Other opening remarks came from CSPR Board Chairperson Reverend Malayo Matyola, he acknowledged the importance of partnership between civil societies, OAG and other stakeholders in mitigating issues to do with abuse of public funds. He also made mention of the fact that CSPR is involved in budget tracking and monitoring whose finding seem to be in alignment with the findings from OAG. Rev. Matyola said that it was time to see action taken on those that are abusing public funds so as to stop it.

Reverend Matyola, thanked Honorable Vincent Mwale (MP), a representative of PAC for finding time to attend the meeting and hoped that such partnership would continue in future.

3.0 PAPER PRESENTATIONS

The moderator explained that this was the first dialogue of its kind. It was however hoped that a dialogue such as this one would bring about solutions to the many problems to do with fraud and corruption been faced both in the public and private sector. He also stated that the presentations during the dialogue would also look at how partnership between the CSO's, OAG, PAC and other stakeholders would be enhanced in order to ensure Accountability and Transparency in the utilization of public funds so as to promote social development.

3.1 PUBLIC ACCOUNTS COMMITTEE PRESENTATION- Hon Mr. Vincent Mwale MP

Hon. Mwale attempted to highlight what role CSOs and other stakeholders can play in improving financial accountability from the perspective of the PAC.

The presentation mainly focused on the following issues;

- CSOs and other stakeholders can engage Members of Parliament at individual level, to put across their views through questions, motions and petitions. Committees provide a more direct way through which any organisation and the general public can participate in the proceedings of the Legislature.
- According to the present practice, all financial audit reports of the Auditor General stand referred to the PAC upon being tabled in the House. The Office of the Auditor-General and the Accountant-General assist the Committee in its work by providing technical advice whenever the Committee considers submissions from controlling officers.
- PAC sittings are open to the public and press although the Committee has discretion to consider matters in camera should they be of a security nature or are very sensitive. Purpose is to afford the public an opportunity to participate in parliamentary proceedings and to make the process more transparent.
- CSOs and other stakeholders are generally satisfied with the work of the Auditor-General, their participation in the work of the PAC has been very minimal. For example, the PAC has been sitting since 27 April 2009 and there has not been any submission from either the public or CSOs.
- On publicity side, the media (print and electronic) has been very active in covering PAC proceedings from the time they were opened up to the public.
- CSOs and general public have a major role to play as they are better placed to put pressure on the Executive to improve internal controls as well as take disciplinary action on public officers that may be cited as having committed offences under the Public Finance Act of 2004 and Financial Regulations of 2006.

- The starting point is the report of the Auditor-General. Whenever an audit report is tabled in the House, CSOs and other stakeholders should take interest in the report and not solely depend on what is reported in the press. If serious matters are observed or someone has some information that may assist Parliament, these can be submitted to the PAC through the Clerk of the National Assembly.
- PAC expects CSOs to attend Sittings. PAC sittings do provide an opportunity to get a complete picture on the audit queries as controlling officers make their submissions. This has the additional advantage of enabling CSOs to make better decisions and advise government from an informed position.
- The PAC is required to present its reports to the House and after adoption these are forwarded to the Executive for action. The PAC reports contain details of the proceedings and their observations and recommendations. This is another point at which the CSOs are expected to play an active role. There are very few requests for PAC reports after adoption by the House. However, it can also be argued that organisations may be taking advantage of the Parliamentary website and download reports from there. PAC reports make it possible to gauge the responsiveness of the Executive to the recommendations of the Committee. CSOs have the ability to pressurize the Executive to take action on the recommendations from parliament in order to improve financial accountability.
- Interaction between the PAC and CSOs through forums such as workshops and round-table dialogues can assist enhance the oversight function of the Committee as successes and short-comings can be discussed and a way forward charted.
- CSOs can also assist to stabilize and reinforce the successes that have been achieved so far.

3.2 OFFICE OF THE AUDITOR-GENERAL PRESENTATION - Mr. Louis Mwansa (Director for Planning and Information).

Mr. Mwansa highlighted the role of the OAG, its relationship with law enforcement institutions, the perceived role of CSOs as well as some challenges the office is facing. In his presentations he mentioned the following issues;

- The Office of the Auditor General promotes public sector transparency and accountability by providing quality audit services to government and other institutions;
- While the law enforcement agencies promote transparency and accountability by enforcing the law on all offences including financial and corruption crimes.
- During the audit process, whenever the OAG comes across cases of possible fraud and corruption they report to relevant institutions such as the Anti Corruption Commission (ACC), the Police and the Drug Enforcement Commission (DEC).
- It must be noted however that there is no legal framework that compels OAG and other law enforcement agencies to create task networks .Therefore what exists is more of a loose arrangement where the OAG passes information to other law enforcement agencies and vice versa. This may present itself as a challenge because there may be issues that are not necessarily financial transactions in nature but may relate to abuse of office and ultimately result in unproductivity for the country.
- OAG expects CSOs to play an advocacy role to ensure that issues raised in their reports are adequately attended to and to sensitize the public on the issues raised and implications thereof.
- CSOs must provide a pressure group role insisting on improved delivery of services.
- Retention of qualified staff is a challenge – It is difficult to anticipate that qualified staffs who have joined the office will continue to work within the office as they are all civil servants. Apart from that it is a high risk job. Another challenge is around structural issues. Though this is being addressed through the National Constitution Commission (NCC), the office is still part of government. And finally the number of Auditors in the Performance Audit unit is too limited.

3.4 JCTR PRESENTATION-by Fr Peter Henriot (Director)

Fr Henriot attempted to present some of the implications of the findings of the AG's Report as they affect the "benefit of society" and "sustainable development". Then he suggested some roles that CSOs might play in turning around the disaster in Zambia of the lack of public accountability.

In his introduction Fr. Henriot said that the findings of the AG's Report are undermining the hopes of integral and sustainable development in Zambia and that CSOs in Zambia must be positive, proactive and fearless in turning around the culture of non-accountability.

In his presentation he mentioned the following issues;

- The AG report is important because we live in one of the richest countries in Africa amidst some of the poorest people in the world. This *paradox of poverty* is simply unacceptable – on the political grounds that it fosters and festers civil discontent and on the moral grounds that it denies human dignity and community and threatens the societal pillars of peace and justice.
- He mentioned that *corruption kills!* Lack of public accountability destroys!
- He further mentioned obvious impacts of the lack of accountability is that it embarrasses all of us, puts in question the reputation of Mother Zambia, damages the image of a country. It discourages hardworking honest citizens, that is, the majority of the Zambian populace, it alienates donors and is unattractive to investors. In addition, lack of accountability destroys governance and opens the employees in the public service to ridicule, suspicion and anger.
- He suggested five tasks that CSOs should engage in, while acknowledging that many CSOs already do many of these tasks, directly or indirectly, full-time or part-time;
- Firstly CSO should call for stronger "political will" to support the work of the AG's office, publicize the findings of the AG's Report, demand punishment of the abusers, misappropriators, thieves and robbers of public funds. Furthermore, advocate for greater and more timely budget support for the AG's office, call for a strengthening of the structures of accountability and competence in Government. There is need to promote grass roots monitoring of Government actions. I think of the budget monitoring activities undertaken by many CSOs, including the sponsor of this morning's Round Table, CSPR.

3.5 Public accountability –Implications on development at the local level, what are communities doing and what they can do and their challenges Mr. Partner Siabutuba (CSPR Vice Board Chair)

Mr. Siabutuba highlighted challenges that come with lack of accountability at a local level and implications on development.

He brought out the following in his presentation;

- When there is inadequate public accountability, communities are reduced to mere recipients of services and spectators of public affairs, and this results in misuse of public resources by those with privilege of managing such on behalf of the community.
- Some of the implications on development at local level are:
 - Uncompleted community projects
 - Poorly managed community projects
 - Miss- interpretation of Government programmes
 - Lack of project community ownership and participation
- The above and many other implications will lead to persistent poverty in community
- Generally the communities have taken a back sit in terms of public accountability as there is no clear frame work for public accountability. At the moment it appears that public accountability is deemed a privilege to the communities by those in public office. Where the communities tries to demand public accountability usually through the private media, and they do so on challenging conditions.
- Some civil society organizations like Civil Society for Poverty Reduction –CSPR is providing community awareness on important national developmental processes with a view to increase community knowledge and enable them to start demanding public accountability on community participation.
- *Communities need to realize the role and the potential they have* in demanding for public accountability.
- Communities face challenges including limited access of information to communities on some important national processes and lack /limited policy which can guide the community on demanding accountability from the accountable. Another challenge is lack of community led organizations (Peoples institutions) which the community can use to channel their concerns.
- Zambia needs to double its efforts in order to achieve more on public accountability mainly by putting in place adequate policy or legal frame work which will compel public duty holders to be accountable to ordinary citizens.

4.0 PLENARY DISCUSSION

- A question was raised as to why only top management or senior government officials are mostly targeted in investigations and audits concerning fraud and corruption. Further, a comment was made that that OAG seemed to be selective in its audits.
- In response Mr. Mwansa from OAG said that OAG focused mainly on what had been done and not on who has done it. He further commented that OAG may place emphasis on top officials because weak linkages at the top may trickle down to the bottom.
- In reaction to another concern about whether or not the OAG shows some discriminatory tendencies in carrying out audits in some government wings like state house and the Office of the Vice-President, the OAG representatives said that OAG is not under the influence of an individual or organization and ideally is supposed to be impartial in carrying out their audits. Mr. Mwansa further said that State House and the Office of the vice President had been audited several times.
- A question was raised on who audits the OAG itself, Mr. Mwansa responded by stating that the Auditor General herself audits the OAG. She is not a civil servant and the financial system under OAG does not allow for her influence.
- It was observed that OAG makes a number of revelations or findings during their audits. A concern was therefore raised as to whether or not OAG has devised a mechanism of addressing the findings. The OAG representatives reacted to this by explaining that they actually have a system of tracking findings made from audits, they achieve this by making recommendations to the Executive. He further mentioned that the Ministry of Finance has what is called '**Treasurer's Minutes**' which highlights action taken to those that have abused public funds or resources.
- In response to a question on the independent of OAG , the OAG representatives acknowledged that this was an issue which posed a bit of confusion. It was explained that the OAG is legally independent but it is part of the government. It depends on the government for funding. Clearly this indicates the OAG is not absolutely independent from the Executive.
- An issue was raised about the ability of OAG to access information from its clients. In response to this, Mr. Mwansa from OAG mentioned that in some cases it is difficult for OAG to access information and in such cases it gives the auditors reason to believe that something

is wrong since information can't be disclosed. He further noted that CSOs should take advantage of information provided by the OAG through dialogues and forums such as this one since they may not really be in a position to access information from government wings and ministries.

- A question was asked if the OAG has enough resources to carry out its work considering the reduced funding to the institution. In response, OAG responded by saying that inadequate funding was a source of concern because it was going to severely constrain their operations and limit their coverage area of audit.
- Hon. Mwale commented on the funding and said that the Auditor General clearly complained that she had been under funded by about 4billion Kwacha.
- A comment was given on the need to broaden the declaration of assets and liabilities so that it includes not only top government officials and members of parliament but also other lower level civil servants.
- In reacting to the comment Anti-Corruption Commission (ACC) and OAG were in agreement and observed that some junior civil servants had acquired a number of assets which they cannot properly account for. It was therefore necessary for declaration of assets to be compulsory for all officials.
- A question was asked on how decentralized CSO was, in response Mr. Siabutuba said that they were a few organisations on the ground working with communities and that CSPR was among others. However, it is important to have many organisations in touch with communities to help address several challenges at a community level.
- A participant asked if the law enforcement officers are suppose to be attending PAC sittings; in his response Hon Mwale said that PAC sittings are open to everyone. What can be done is to make it constitutional that law enforcers are present during PAC sittings.
- A question was raised on why no any government officials from the Ministry of Finance was present, Mr. Saul Banda stated that the Ministry of Finance was invited for the dialogue.

5.0 Recommendations

1. CSOs should be publicizing OAG's report findings for the general public to know, especially abused poverty reduction funds.

2. Advocate for government's taking of action on abusers of public resources and not to transfer them from one Ministry to the other. CSO must follow up Treasury Minutes at the Ministry of Finance.
3. Advocate for increased funding to the office of the Auditor General to enable the office to adequate audits. CSO should ensure OAG gets the supplementary funding.
4. CSOs to advocate for the full independence of the OAG
5. Advocate for the broadening of the declaration of assets threshold to include junior civil servants.
6. CSOs to find out why government officials were fond of not attending gatherings that were of national importance even after receiving invitations
7. CSO should actively participate in the African Peer Review Mechanism (APRM) as it provides a platform for checks and balances.
8. CSO to be actively attend PAC sittings as well decentralize their operations.
9. Advocate for the quick implementation of Integrated Financial Management and Information system so that information flow is quickly improved in the Ministry of Finance.
10. Civil Society should decentralize their operations

6.0 CONCLUDING REMARKS

- The moderator, Mr. Saul Banda concluded by stating that the civil society should take the recommendation forward so as to safeguard Zambia's limited financial resources from abuse.
- He thanked all participants for the effective dialogue

ATTENDANCE LIST

| NAME | ORGANISATION | CONTACT/EMAIL ADDRESS |
|------------------------|---|--|
| Vincent Mwale (MP | PAC- Member of parliament | veenpm@yahoo.com , vmwale@parliament.gov.zm |
| M. Fitz Kateshi | National Assembly of Zambia | |
| Aggrey Mukalasha | Office of the Auditor General | aggreyjunior@yahoo.co.uk |
| Louis Mwansa | Office or the Auditor General | lmwansa@ago.gov.zm , mwansa_l@yahoo.com |
| Joel Mayonga | Office or the Auditor General | Joemayonga@yahoo.com |
| Mafwila Mafwila | Office or the Auditor General | mafwilam@yahoo.com |
| Mwendalubi Moono Msoka | Office or the Auditor General | |
| Phoebe Chilufya | Office or the Auditor General | phobechilufya@yahoo.com |
| Cynthia Matimba | Office or the Auditor General | cynthiamatimba@yahoo.com |
| Peter Henriot | Jesuit Centre for Theological Reflections(J | phenriote@jesuits.org.zm |
| Chilufya Chileshe | JCTR | |
| Saul Banda | | sauljnr@gmail.com |
| Bonnie Tembo | Anti-Voter Apathy Project (AVAP) | avap@zamnet.zm |

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|-------------------------|---|--|
| Richwell Mulwani | Anti-Voter Apathy Project (AVAP) | |
| Monica Mayuni | Monica Mayuni | |
| Mulenga Fube | YCC | |
| Partner Siabutuba | Civil Society for Poverty Reduction (CSPR), Choma | partner_bakubushi@yahoo.com |
| Reverend Malawo Matyola | CSPR | Malawo.matyolazcsd@org.zm |
| Chilufya William | CSPR | |
| Kebby Kalima | CSPR | kebykalima@yahoo.co.uk |
| Chipasha Francis | Citizens Forum | forumforcitizens@yahoo.com |
| Isaac Ngoma | Economic Association of Zambia (EAZ)/CSPR | |
| Kaalu Mubita | Economic Association of Zambia (EAZ) | eaz@iconnect.zm |
| Johanna Neuhott | GTZ-GOGO | |
| Makani Mzyece | GTZ-GOGO | makani-.mzyeche@gtz.de |
| Theresa Chewe | SACCORD | sacord@zamtel.zm |
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