

A DISCUSSION PAPER ON IMPROVING  
GOVERNMENTAL FINANCIAL MANAGEMENT  
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TRANSPARENCY IN PUBLIC FINANCIAL MANAGEMENT IN  
DEVELOPING COUNTRIES.

Over the years a lot of developing countries have shied away from injecting some level of transparency into the activities of Government. For it has remained a common belief that a higher level of transparency in governance will ensure proper accounting for the use of state resources.

Transparency in governance can be looked or viewed as a process when society is afforded the opportunity of knowing, understanding and having a say on, policies of Government and how these policies impact on the lives of citizens. Transparency is a major step on the quest to check corruption and meeting the needs of the citizenry

It is important that as beneficiaries of Government policy the public is adequately informed about the formulation and implementation of these policies and also given an opportunity of having an input into such policies. This allows the public to monitor and evaluate the implementation of the said policies.

An ignorant and ill-informed public is a good culture for corruption to thrive. It has therefore always been the objective of corrupt governments to ensure that their citizens are kept in the dark on a number of issues of government.

Governments all over the world would not on their own volition accede to the principles and tenets of transparency; transparency has to be demanded of government and this calls for a strong and vibrant civil society. In the developed world where governments are said to be transparent, civil society led the crusade in reaching such a high point. Unfortunately, in Africa and most developing countries, civil society appears rather docile. Even though there has been a steady growth in civil society activism in Ghana since the return to democratic governance, there is still need to

accelerate the rate of activism if we are to achieve the level of transparency that we all desire.

As indicated earlier, a non-transparent government fosters corruption and the latter in turn stagnates development. In a recent study, Johann Griauff Lambsdoff, senior research consultant for Transparency International, indicated that corruption may either deter investment or render them less productive. He observed, and I tend to agree with him, that the absence of corruption can be assessed through four governance indicators: law and order, bureaucratic quality, stability and civil liberties.

To keep our government accountable, civil society should seek to ensure the strengthening of structures meant to promote transparency in Governance.

#### TACKLING CORRUPTION IN GHANA

In Ghana, I must state that there have been some reforms over the years which are geared towards eradication of corrupt practices from our governmental financial management, but there is still more to be done. The repealing of the Financial Administration Decree and the introduction of the Financial

Administration Act, 2003 (Act 654), the Audit Service Act, 2000 (Act 584), the Internal Audit Agency Act, 2003 (Act 658) and the Public Procurement Act, (Act 663) have to an extent brought some sanity and transparency into public financial management. This was further strengthened by the decision of the Public Accounts Committee of the Parliament of Ghana to open its scrutiny of government expenditure to the public. Its open Sitting gave the public the opportunity of knowing and assessing how their tax money was being spent. It is also an opportunity for the public to feed the PAC with information on how some projects or expenditures of government were managed. At one instance it led to the uncovering of an embezzlement case which involves about \$500,000 in one of our Ministries.

I must however admit that there is still a lot to be done especially in the area of implementing and enforcing these financial laws. It is also important that a Freedom of Information Bill is enacted to complement the Whistle Blowers Act in our effort to achieve transparent and corruption free administration. I therefore wish to call on civil society to pressurize government to introduce the Freedom of Information

Bill as early as possible. Effective collaboration with the media is also key to this process. As you may be aware, the recent public Sitting of our Public Accounts Committee generated lots of interest in the activities of government by the public and the Committee has already started receiving some whistle blowers on activities of public servants. I am sure the number would have probably doubled or even tripled had the Freedom of Information Act been enacted. It is also my hope that Committees in other Parliaments would in the not too distance future follow the example of our Public Accounts Committee and open their Sittings to the public.

In conclusion, I wish to reiterate that transparent administration is never attained on a silver platter; it takes the effort of the general public particularly civil society given their expertise in advocacy and a vibrant media. It is on that note that I congratulate the organizers for whipping up this discussion on improving governmental financial management and to assure them of the Public Accounts Committee's commitment and that through discussions of this nature a lot can be achieved in the area of scrutinizing public expenditure.

With these few words I will like to end here and thank you all and the organizers for the opportunity. Thank you all.