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Local Authority Public Accounts Committee in Botswana an Appraisal

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Abstract

This paper discusses the Local Authority Public Accounts Committee (LAPAC) that was established in 1999 but started operational work in August 2000 and, therefore, produced its first report in March 2002. Prior to its formation, financial accountability in Local Authorities; being, district/urban councils and land boards, was neglected. Hence, even though the Local Authorities were given subventions by the central government, the money was not followed. However, this state of affairs changed with the formation of LAPAC in 1999. Ten years after its first report, the organisation still encounters varied and many problems; e.g., disregard of financial procedures, late submission of annual accounts to the Auditor General and loss of accounting documents. Even though there have been some improvements since 2002, some problems are endemic, particularly, disregard of financial procedures. Other key problems are insufficient secretarial staff at LAPAC and budget, lack of appreciation of financial accountability by many Local Authorities and lack of capacity on their part. However, given the important job that LAPAC does, it is very imperative that there be favourable conditions to facilitate its work. This is particularly important because good financial husbandry is highly sought after due to expenditure cuts that are expected in 2012.

Keywords: Fiscal Accountability, Local Authorities, Local Authority Public Accounts Committee, Botswana

Introduction

The imperatives of modern governments dictate that there be an army of bureaucrats to implement public policies and programmes, for example, spending the budget, enforcing the rule of law and collecting taxes (Botlhale, 2012). Hence, by carrying out various functions, the bureaucrats are acting on behalf of the citizens. Thus, since the citizens and bureaucrats are the principal and agent respectively, it is a matter of legitimate expectation that the latter demand accountability of the former in regard to what he/she does in its name. Importantly, what is accountability? Simply put it, this is answerability for one's actions. Thus, it is legitimately expected that the agent account to the principal for actions that he/she does on behalf of the latter. It is notable that "the concept of accountability has gradually evolved and encompassed a number of different meanings, which often

call for further clarification of its genuine sense (Mulgan 2000:555).” Thus, accountability, as per Virtanen (1997) addresses four dimensions: (i) Who is accountable? (ii) To whom; (iii) For what?; and (iv) How is it secured and measured?

Accountability comes in many forms; for example, administrative/organisational, legal, political, professional and moral (see Day & Klein, 1987; Dwivedi and Jabbra, 1989; Sinclair, 1995). However, this paper focuses on financial accountability by the bureaucrat to the citizen. In this case, the bureaucrat is employee of the Local Authorities. What is *financial accountability*? In the simplest terms, “financial accountability is about responsible stewardship for the use of public money (Rabrenović, 2009:40).” Thus, it is a mechanism to ensure that public money is used for authorised purposes and that it is used in an efficient manner. In others words, “it is about verification of legality and regularity of financial accounts, but also about making sure that value for money has been achieved in the use of resources (Virtanen, 1997:7).” In this regard, financial accountability is ensured through many tools, particularly through Public Accounts Committees, a common feature in the Commonwealth countries (see Wehner, 2003).

Botswana, like other jurisdictions, has measures in place to ensure public financial accountability. In this regard, this paper discusses the Local Authority Public Accounts Committee (LAPAC) that was established in 1999 but started operational work in August 2000 and, therefore, produced its first report in March 2002. Prior to its formation, financial accountability in local authorities; being, district/urban councils and land boards, was neglected. Hence, even though the Local Authorities were given subventions by the central government, the money was not followed. However, this state of affairs changed with the formation of the LAPAC in 1999. Ten years after its first report, the organisation still encounters varied and many problems; e.g., disregard of financial procedures, late submission of annual accounts to the Auditor General and loss of accounting documents. Even though there have been some improvements since 2002, some problems are endemic, particularly disregard of financial procedures, thus, there is a need for conditions that will facilitate the work of LAPAC. Although this subject is topical, given calls for prudent financial husbandry due to expected expenditure cuts in 2012, it has received no attention in the Botswana-specific public financial management literature, particularly the LAPAC. Thus, this paper is an attempt to start discussions on this very important matter. Hence, this paper, employing a mixed methods approach, discusses the operations of the LAPAC, challenges and proposes the way forward.

The paper is organised as follows; firstly, it gives a background on the structure of local government in Botswana, secondly, it discusses the evolution of the LAPAC, thirdly, it discusses the data collection methods and findings, fourthly, it proposes the way forward and, finally, it concludes.

Structure of Local Government

The evolution of local government institutions is traceable to the early 1960s, that is, a few years before then Bechuanaland Protectorate became independent in 1966. Hence, efforts to reform local government structures eventuated in the Local Government Committee in 1964 (Mfundisi 1998). The Committee was tasked with recommending reform and democratisation of existing local government structures and this eventuated in the Legislative Council Paper No. 2 (1964) which, amongst other things, recommended the creation of democratic local institutions on the eve of independence (Botlhale, 2010). Thus, sub-national governments came about as a result of the Local Government (District Councils) and Townships Act (1965). The Act created rural and urban councils and these function as the mediums of decentralisation (Mfundisi, 1998). Subsequently, the

Decentralization in Botswana: Policy Paper and Action (1993) and Presidential Commissions on Local Government Structure in Botswana in 1979 and 2001 (MLGL, 1979; 2001) were meant to devolve powers to the councils. Subsequent to the creation of the councils, both urban and rural, were other Local Authorities: Land Boards (created after the passage of the Tribal Land Act, 1968 but started operating in 1973), Tribal Administration (this predated colonialism and was drafted onto the new political order in 1966) and District Administration (a carry-over from the colonial administration that is headed by the District Commissioner and oversees district development).

Thus, the four; being: Councils, Land Boards, Tribal Administration and District Administration, constitute Local Authorities. However, this paper focuses on Councils and Land Boards which fall under the Ministries of Local Government and Lands and Housing respectively. In addition, their books of accounts, after having been audited by the Auditor General, are referred to the LAPAC for examination and the Accounting Officers; being, Council Secretaries and Land Board Secretaries appear for examinations and also answer audit queries with a view to address them. The Councils and Land Boards, like other Local Authorities, get subventions from the central government for both their recurrent and development budgets. Thereafter, they spend the funds on their various functions. For example, "it shall be the duty of a council to perform the functions it is required to perform and otherwise exercise its powers so as to secure and promote the health, order and good government of the area for which it has been established (ROB, 1999; section 32)." Regarding Land Boards, they hear, grant or refuse applications for land (ROB 1994). In carrying out their functions, the Local Authorities are enjoined by law to keep proper books of accounts as next demonstrated in the case of the councils:

(1) Every council shall cause true accounts to be kept in accordance with such instructions as may from time to time be issued by the Minister.

(2) Within three months from the end of each financial year, every council shall cause its accounts for the preceding financial year to be balanced and an annual statement or abstract of such accounts to be prepared and presented to the Auditor-General.

(3) Such accounts, with all books, vouchers and papers relating thereto, with a copy of such annual statement or abstract shall be audited by the Auditor-General, who shall carry out his duties in accordance with the provisions of section 124(2) of the Constitution of Botswana, and section 38 of the Finance and Audit Act.

(4) The Auditor-General shall complete the audit of accounts within twelve months of their submission to him (ROB, 1999: section 48).

Notably, the same procedure relates to Land Boards and when the Chief Executive Officers of Councils and Land Boards receive audited financial statements, they are mandated by law to submit them to a full Council or Land Board meeting for debate. At the same time, the statements are remitted to the LAPAC for examination.

Local Authority Public Accounts Committee

Prior to 1999, there was no oversight body, like the Public Accounts Committee in the case of parliament that oversaw the accounts of local authorities. As it was, the central government robbed itself of the opportunity to follow the money, primarily, to ascertain that public moneys were used for the intended purposes. Due to this legal void, financial accountability was an alien concept in Local Authorities, thereby, possibly, leading to fraud, embezzlement and outright corruption. Notably, some Local Authorities, particularly some Council, failed to shall submit book of accounts to the

Auditor-General for a period spanning over a decade. As more subventions were made to Local Authorities, coupled with the absence of concrete financial controls, it became apparent that a change of the *status quo* was imperative. Hence, the birth of the LAPAC in 1999.

Thus, in July 1999, then Minister of Local Government, Daniel Kwelagobe, presented the Local Government (District Councils) Amendment Bill to parliament. Particularly, Kwelagobe stated that “the government wanted efficiency in the running of local authorities to help arrest situations where some council had not submitted their final accounts for five consecutive years (BOPA 1999:4).” The same sentiments were echoed by Kwelagobe’s successor, Margret Nasha in June 2000. She stated that the LAPAC was formed specifically to ensure that there was financial discipline and accountability in Local Authorities and lamented that “some councils used money outside their budgets and at times their books were not up-to-date (BOPA, 2000:1).”

Thus, the LAPAC was established in terms of the Local Government (District Councils) (Amendment Act No. 10 of 1999 and was appointed by the Minister of Local Government on 1 September 1999. However, the Committee commenced its operational work in August 2000, a 12-month delay that was caused by administrative constraints. The seven-member Committee, two of whom are Councillors, is composed of persons of good standing in the community and who possess substantial knowledge and experience in the areas of accounting and auditing, local authority financial and management systems or in other matters of a nature likely to assist the Committee in the discharge of its functions under the Acts (ROB, 1999). It has the following functions:

(a) Examine the accounts of every (i) district council established under this Act; (ii) city, town and township authority established under the Township Act; and (iii) land board established under the Tribal Land Act...

(b) Examine the Auditor-General’s report and audited financial statements one month after they have been presented before the Full Council or Board;

(c) Examine such other accounts as may be referred to it by the Minister; and

(d) Report the results of an examination under paragraphs (a), (b) and (c) to the Minister.

Thus, after the Councils and Land Boards have submitted their abstracts of accounts to the Auditor General and the latter has audited them, a copy of the audited statements is laid before Full Council or Board. Thereafter, the same report is discussed at the LAPAC where the Chief Executive Officers; being, the Council Secretary or Town/City Clerk and Land Board Secretary, appear for LAPAC examination. In this regard, after its formation and commencement of operations, LAPAC held meetings and examined 27 audited accounts 15 councils and 12 Land Boards with a total balance sheet asset value of P1 063 901 681 74 (MLG 2002).¹ It submitted its report to the Minister of Local Government on 22 March 2002 and, amongst others, noted the following;

(i) Existence of serious accounting backlogs in most of the Local Authorities;

(ii) Late submission of annual accounts to the Auditor General for audit contrary to statutory requirements;

(iii) Problem of mismanagement of imprests and advances resulting in loss of public funds;

(iv) Prevalence of loss of accounting documents and primary records in most Local Authorities;

(v) Slow process or lack of action on debt collection;

(vi) Common problem of outstanding bank reconciliation; and

¹ Botswana Pula exchanges 1 to 6 with the US Dollar.

(vii) Lack of proper handing-over notes by outgoing officers especially senior officers in the Treasury and Supplies Department (ibid: i-ii).

Other problems related to disruptive transfers, unauthorised write-offs for lost or irrecoverable funds or stores, reluctance to discipline erring subordinate staff by their seniors, over-expenditure of the budget and disregard of laid down procedures (ibid). It, thus, recommended some of the following; (i) the clearing up of all accounting backlogs; (ii) that Accounting Officers, Heads of Departments and Committee Chairpersons familiarise themselves with the following documents: Accounting Instructions, Accounting Systems Manual, Stores and Supplies Regulations, Tender Procedures and Recurrent Budget Manual; (iii) that Accounting Officers comply with provisions relating to write-offs as stated in the Accounting Systems Manual; (iv) that Local Authorities improve on their debt collection strategies and efforts; and (v) that the Department of Local Government Service Management embark on increased staff training.

Hence, upon presenting the report on 22 March 2002, then chair, Peter Molosi, stated that “though LAPAC was tasked with going through local authorities' accounts to find out where the problem could be, a hurdle to overcome was the fact that the papers were found in bad shape (BOPA 2002:1).” Thus, he exhorted the Ministry of Local Government to consider as of the utmost importance, the assessment and re-staffing of the Department of Local Government and Development and that of Local Government Service Management (ibid). He put it concretely saying, “Re-look into the staffing level in comparison to the volume of work and accountability of these departments and ‘also assess the leadership of the departments (ibid).” He further urged then Minister of Local Government, Margret Nasha, to heed the recommendations of the report, or else, the citizens and other clients of Local Authorities would suffer and that the job of LAPAC would be reduced to a waste of public resources. In turn, Nasha and Eric Molale, then Permanent Secretary to the President, conceded to the problem, particularly the yawning gap between policy intention and practice on the ground and, thus, promised follow-ups.

Methodology

Data Collection Methods

Due to time and budget constrains (notably, the study was self-financed), the study employed a case study design. Thus, the study used both primary and secondary data and in regard to primary data collection, the study used personal interviews with three LAPAC members on separate days in mid November 2011. In addition, a telephone interview was conducted with one member of the secretarial staff on 28 January 2012. An interview request letter, accompanied by a questionnaire, was mailed to the office of the LAPAC secretariat. After permission was granted, the interviews were conducted. To guard against the danger of diminishing returns (interviewees repeating the same responses), a small sample (three LAPAC members [out of seven] and one administrative staff) was selected. Notably, sample size is one area that generates heated debates and endless controversy in research circles because it is universally agreed that small samples do not provide reliable results (Botlhale 2010). Thus, the golden rule is, ‘the more units sampled, the smaller the sampling error,’ [the more, the merrier]. Thus, although a large sample is a necessary condition for generating results with a small margin of error, it is not a sufficient condition. This is so because it is possible for a researcher to have a big sample size but end up with invalid results. Hence, in the case of LAPAC, the organisation is small and, therefore, dictating that there is a small sample size.

In order to ensure a good response rate and allow the interviewees to freely respond to the interview questions, the interviews were anonymous. Furthermore, in order to structure the questioning, the interviewees were provided with a list of questions before the interview as outlined below:

LAPAC Questionnaire

- Q1. What was the rationale for the formation of LAPAC?
- Q2. Could LAPAC not be accommodated within existing structures?
- Q3. What key challenges/problems do you face in your job of work?
- Q4. Reading from the 4th Meeting Report, accounting backlogs have not been completely eliminated; why is this case? What actions are being taken to correct this problem?
- Q5. What stops Local Authorities from having up-to-date accounts if one is persuaded that it is a legal requirement that books of accounts be closed every June?
- Q6. Reportedly, some Accounting Officers are reluctant to appear before LAPAC for examination, and if they do, they come unprepared, is this case? What measures are in place to ensure efficient examinations?
- Q7. Does LAPAC have a power of *sub poena* powers? If not, is it not desirable to have same?
- Q8. What budgeting constraints hinder LAPAC from doing its job of work?
- Q9. Is LAPAC adequately staffed in terms of administrative officers? Do they have the requisite training?
- Q10. There are suggestions that there be two PACs; one for central government and the other for local government accounts; what is your view regarding this proposition?
- Q11. Generally, people out there know little, if any, on LAPAC activities, therefore, how do you take LAPAC to the people.
- Q12. Some MPs assert that they do not know anything about local government accounts; so, how does LAPAC account to Parliament?
- Q13. Like the PAC, LAPAC does not have the power to enforce its recommendations, therefore, how do you get Accounting Officers to take LAPAC seriously?
- Q14. Overall, do Local Authorities take action on your recommendations and also address audit queries timeously?
- Q15. Unlike the PAC, why does LAPAC not meet every year?
- Q16. Given huge losses of money due to, amongst others negligence on the part of administrative officers, how can LAPAC reverse this trend given tight fiscal circumstances as the government balances the budget in 2012?
- Q17. Like the PAC, LAPAC is dismissed for lacking teeth; what is your opinion?
- Q18. Overall, would say that LAPAC is delivering on its key mandate?
- Q19. What major improvements would you recommend to make LAPAC an effective oversight body?
- Q20. Any other issue relevant to the enquiry?

The responses did not follow the sequence that is depicted in the interview schedule. Rather, the respondents chose to focus on what they deemed to be key areas. In consequence, the topical responses are next summarised.

Results

It was pointed out that the formation of LAPAC was preceded by a bench-marking tour so as to learn from the best practices, particularly in the Commonwealth, where there is a rich tradition of oversight bodies such as Parliamentary Accounts Committees (PACs). Hence, Botswana was favourably circumstanced to benefit from existing practices.

(1) What was the rationale for the formation of LAPAC? It was stated that before the formation of the LAPAC, there was a legal void in the sense that after the Auditor General had received and audited the accounts of Local Authorities; these were not referred to an oversight body like the PAC. At the same time, some Local Authorities did not submit their books of accounts to the Auditor General, for example, some could be in arrears for up to 10 years. Thus, these factors motivated the government to come up with a facility to deal with the accounts of Local Authorities. At the same time and in relation to question 2, the examination of the accounts of the Local Authorities could not be accommodated within the framework of the PAC which is governed by standing orders of parliament.

(2) What key challenges/problems do you face in your job of work? It was largely stated that same are clearly captured in LAPAC reports, that is, from the first to the fourth one.

(3) Reading from the 4th Meeting Report, accounting backlogs have not been completely eliminated; why is this case? What actions are being taken to correct this problem? A majority position was stated that there were many causes, chiefly, capacity constraints on the part of the Local Authorities. However, one respondent stated that “when you look at the report of the Forth Meeting, released on 15 September 2010, there has been some significant improvement since the first report released in March 2002.” At the same time, the office of the Auditor General was blamed for the backlog. For example, it was stated that in the case of Selibe Phikwe Town Council, the delay in respect of the 2005/06 financial accounts was 20 years. However, one respondent asserted that “the office of the Auditor General is also faced with staffing problems and one must bear in mind that this office, like others, has had to contend with zero growth in hiring.” However, all in all, there was expressed a consensus opinion, backed by documentation from the report of the fourth LAPAC meeting, that an appreciable number of Local Authorities had overcome their accounting backlog issues.

(4) What stops Local Authorities from having up-to-date accounts if one is persuaded that it is a legal requirement that books of accounts be closed every June? Although it is a legal requirement that within three months from the end of each financial year, every council and land board shall cause their accounts for the preceding financial year to be balanced and an annual statement or abstract of such accounts to be prepared and presented to the Auditor-General, this is more honoured in the breach than in the observance. In this regard, it was largely observed that staffing problems, amongst others, made observance of this rule to be problematic. At the same time, it was noted that some councils elected to outsource the closing of the books of accounts to external consultants with varied results. But, fundamentally, it was pointed that some Local Authorities were in arrears for up to five years, thus, catching up will be a very huge task for them.

(5) Reportedly, some Accounting Officers are reluctant to appear before LAPAC for examination, and if they do, they come unprepared, is this case? What measures are in place to ensure efficient examinations? It was stated that non-appearance for LAPAC examinations was the exception rather than the norm. However, it was noted that, in some cases, some Accounting Officers as happens with the PAC examinations, came for the LAPAC examinations unprepared. All the same, it was stated that

LAPAC often, indeed almost always, impressed upon the Accounting Officers of the need to adequately prepare for LAPAC examinations and also act on audit queries before they next appeared for examination.

(6) *Does LAPAC have a power of sub poena powers? If not, is it not desirable to have same?* Unfortunately, LAPAC does not have *sub poena* powers as to enable it to *sub poena* both persons and documents before it. In this regard, it was held that, perhaps, it was desirable, in line with best practices in the Commonwealth, to vest the LAPAC with *sub poena* to facilitate its job in case of some officers who may be very reluctant to come for LAPAC examinations or fail to release documents.

(7) *What budgeting constraints hinder LAPAC from doing its job of work?* The officers decried the “inadequate budget” that they got from the government. Overall, it was noted that budget constrains meant fewer administrative staff and meetings. Thus, one respondent argued that “we could do better if we had adequate resources.” All the same, all, without exception, stated that they were aware that since the 2008-2010 global recession, the government had had to deal with fewer financial resources and that the situation was likely to get worse when the government adopts a black ink (that is, balanced budget or better) in 2012.

(8) *Is LAPAC adequately staffed in terms of administrative officers? Do they have the requisite training?* See answer to the above.

(9) *There are suggestions that there be two PACs; one for central government and the other for local government accounts; what is your view regarding this proposition?* It was stated that the suggestion by some MPs that there be two PACs; one for central government and the other for local government accounts for they do not know what is happening to public funds subvented to the Local Authorities was borne out of ignorance of the workings of the LAPAC. Thus, it was stated that as per section 48 (sections 4 and 5) of the Local Government Act (1999), the Auditor-General shall complete the audit of accounts within twelve months of their submission to him and that the Auditor-General’s report and the audited statements shall be submitted to the (i) Minister [of Local Government]; and (ii) Minister responsible for finance and development planning. Thus, one respondent asserted that “it is up to the Minister of Local Government to lay the report before parliament so that MPs can debate it.” He added that “it could be inferred that the Minister of Local Government does not lay the report before parliament, thus, MPs profess ignorance to what happens in Local Authorities.”

(10) *Generally, people out there know little, if any, on LAPAC activities, therefore, how do you take LAPAC to the people?* Although, it was stated that it could be true that there was a perception that an average Motswana knew little, if any, about LAPAC activities, the respondents stated that efforts were undertaken to take the LAPAC to the people. In this regard, one respondent stated that “perhaps, we should rent stalls during international trade fairs to sell LAPAC to the public.”

(11) *Some MPs assert that they do not know anything about local government accounts; so, how does LAPAC account to Parliament?* See the answer to ix.

(12) *Like the PAC, LAPAC does not have the power to enforce its recommendations, therefore, how do you get Accounting Officers to take LAPAC seriously?* While the respondents conceded that LAPAC did not have enforcement powers, they, nonetheless, stated that it relied on moral suasion to goad Accounting Officers to act on audit queries. Of course, it was stated that this was inadequate.

(13) *Overall, do Local Authorities take action on your recommendations and also address audit queries timeously?* See answer to xii. Overall, it was stated that Local Authorities acted on LAPAC’s recommendations and that when Accounting Officers appeared for LAPAC examinations, they reported progress on matters that they were commissioned to act on by the LAPAC.

(14) *Unlike the PAC, why does LAPAC not meet every year?* Due to accounting backlogs, it was stated the LAPAC could not meet every year. However, one respondent stated that “it is our dream to be update and meet every year to examine the previous year’s accounts like the PAC does.”

(15) *Given huge losses of money due to, amongst others negligence on the part of administrative officers, how can LAPAC reverse this trend given tight fiscal circumstances as the govt balances the budget in 2012?* It was stated that huge losses of money and stores were endemic problems and that LAPAC, for its part, made recommendations that the Local Authorities should adopt. In this regard, it was stated that if local authorities implemented all, if not a majority of the recommendations, this would reverse the trend, especially, when money is tight.

(16) *Like the PAC, LAPAC is dismissed for lacking teeth; what is your opinion?* A majority opinion was stated that a lot of people misunderstood the charter of LAPAC; examine accounts and offer curative measures. Largely, LAPAC was said to be delivering on its core mandate.

(17) *Overall, would say that LAPAC is delivering on its key mandate?* Overall, the respondents answered in the affirmative. In this regard, one quoting from Winston Churchill’s famous speech broadcast by the British Broadcasting Corporation in 1941 said, “Give us the tools and we will finish the job.”

(18) *What major improvements would you recommend to make LAPAC an effective oversight body?* Amongst others, there was mentioned capacitating LAPAC with manpower and an improved budgetary allocation.

(19) *Any other issue relevant to the enquiry?* Overall, it was stated that LAPAC had come a long way and that it had revolutionized financial accountability in the Local Authorities. That is, despite operating on a shoe-string budget, it had managed to chalk up some successes and that good financial husbandry was key in days characterized by dwindling financial support from the government due to reduced revenue circumstances as the global economy falters and, therefore, resulting in depressed diamond sales, the chief revenue earner. At the same time, it was noted that the government’s intention to drop the red ink (budget deficits) in favour of the black ink (balanced budget) in 2012 will put immense pressure on budgetary support to the Local Authorities as instanced by the Minister of Finance exhorting them to start looking for ways to supplement central government subventions at the budget *pitso* [meeting] organized for them in September 2011.

Reports of the Second, Third and Fourth Meetings

It is apparent from the study that, to date, the LAPAC, despite chalking up some successes, is faced with formidable problems. Although the interviews were conducted in 2011 and early 2012, the problems seem to have a long history as the reports of the second, third and fourth meetings attest. During the second meeting, whose report was submitted to the Minister of Local Government on 25 July 2005, LAPAC examined 59 accounts from 26 Local Authorities, save the Kweneng District Council, in regard to the 1995/96- 1999/2000 financial years. Thus, Accounting Officers were examined to ensure their compliance with Local Government (District Councils) Act, Cap 40:01. Townships Act, Cap 40:02, Tribal Land Act, Cap 32:02, Accounting Instructions, Recurrent Budget Manual, Accounting Systems Manuals and Stores and Supplies Regulations (MLG, 2005).

The committee, like in the first meeting, noted familiar problems, the key ones being: continuing accounting backlogs by some Councils; late submission of sub-standard responses to audit queries by some Accounting Officers; recurring negligence of duty by some senior officers and unjustified non-compliance with legislation, accounting instructions and regulations. The third

meeting, whose report was submitted to the Minister of Local Government on 17 August 2008, examined 99 audited accounts from 27 Local Authorities (MLG, 2008). Notably, the Committee examined the Accounting Officers on their respective accounts and audit queries contained in the Auditor General's reports for the financial years 1996/97 to 2002/03. By then, the problem of accounting backlogs had been nearly cleared but other problems persisted. The key ones being: failure to take corrective action on audit queries, prevalence of negligence of duty and violation of accounting instructions and procedures relating to imprest and advances.

The fourth meeting, whose report was submitted to the Minister of Local Government on 15 September 2010, examined 81 audited accounts from 27 Local Authorities (MLG 2010). Notably, the Committee examined the Accounting Officers on their respective accounts and audit queries contained in the Auditor General's reports for the financial years 2002/03 to 2005/06. In addition, the examination related to outstanding audit queries from previous LAPAC reports. Fortunately, the accounting backlogs have been cleared save five Local Authorities. All the same, some problems still remain, the key ones are next enumerated: (i) failure to take corrective action on audit queries and late submission of written responses to audit queries and sub-standard memoranda of progress; (ii) prevalence of negligence of duty; (iii) violation of accounting instructions, regulations and procedures relating to write-offs, imprest and advances; (iv) non-compliance with some requirements of the Local Government (District Councils) Act, Cap 40:01, Townships Act, Cap 40:02 and Tribal Land Act, Cap 32:02 Section 32(2) regarding the preparation and presentation of annual final accounts to the Auditor General by not later than 30 June of each year; and (v) loss of public funds due to irrecoverable debts and loss of records and accountable documents.

Thus, when taken together, the LAPAC reports pertaining to the first, second, third and fourth meetings provide for sober reading. While appreciable progress has been made in some areas, principally the clearing of accounting backlogs, a lot of serious challenges remain. Particularly disturbing, is the lack of appreciation of good financial husbandry as instanced by perennial charges of failure to take corrective action on audit queries, prevalence of negligence of duty and violation of accounting instructions, regulations and procedures relating to imprest and advances. What is to be done?

The Way Forward

The government announced in February 2011 that it is exchanging the red for black ink (balanced budget) in 2012 (Matambo, 2011; MFDP, 2011). Thus, the Local Authorities will find themselves with reduced subventions when the budget speech is read on 1 February 2012. Hence, a change of tact, through some of the following, is imperative.

(1) *Appreciation of Fiscal Accountability*; Local Authorities are wanting in this regard. Hence, Bird and Vallaincourt's (1999) counsel that sub-national autonomy should not be equated with the *carte blanche* to spend other people's money freely is fitting. Thus, an appreciation and application of fiscal accountability is the starting point.

(2) *Surcharging of Accounting Officers*; since many Accounting Officers do not take disciplinary actions against their subordinates for financial misconduct, public money is needlessly lost. Hence, they should be charged for abdication of responsibility.

(3) *Capacitating of LAPAC and Local Authorities*; these two are lacking in capacity, hence, the need to capacitate them with trained staff and other resources.

Conclusions

Fiscal accountability is not negotiable for the client must account to the principal regarding how he/she spends his/her money. It is laudable that the government established LAPAC to oversee financial accountability by the Local Authorities. Notably, there are many challenges in its work, chiefly disregard of financial procedures by the Local Authorities but, with reforms, chiefly, growing a spirit of financial accountability in Local Authorities' staff, punishing and surcharging errant Accounting Officers and junior staff, capacitating both the Local Authorities and LAPAC, a lot can be achieved.

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