

Centre for Social Concern (cfsc)



RESEARCH ON HOW CITIZEN PARTICIPATION ENHANCES GOOD PUBLIC FINANCE MANAGEMENT

PREPARED FOR: THE CENTRE FOR SOCIAL CONCERN

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“The motivation of transparency is important. The culture teaches people to be candid and blunt, but this usually revolves around self-centeredness – you have a right to express your true feelings and your rage. This is an entitlement. Instead, the Christian way to approach transparency is to realize out candidness should be motivated by a desire to have a pure heart before God and others.”

— **David Kinnaman, unChristian: What a New Generation Really Thinks about Christianity... and Why It Matters**

DISCLAIMER

The contents of this report are not necessarily the views of Centre for Social Concern or its partners. The views expressed in the report are solely those of the consultants and they take responsibility for any errors whether inadvertent or not that may be found in the report.

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1. List of Acronyms

AO	Administrative Officer
ACB	Anti-Corruption Bureau
ADCs	Area Development Committees
CEDELI	Centre for Development and Livelihood Initiatives
CfSC	Centre for Social Concern
CPI	Corruption Perception Index
CDF	Constituency Development Fund
CSOs	Civil Service Organizations
DDF	District Development Fund
DoF	Director of Finance
DSA	Daily Subsistence Allowance
DPD	Director of Planning and Development
DPP	Directorate for Public Prosecution
FGD	Focus Group Discussion
GiZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IDA	International Development Agency
LDF	Local Development Fund
LDC	Lilongwe District Council
MASAF	Malawi Social Action Fund
MDAs	Ministries, Departments and Agencies
MEJN	Malawi Economic Justice Network
MoE	Ministry of Education
MoF	Ministry of Finance
MoH	Ministry of Health
MK	Malawi Kwacha
MPs	Members of Parliament
NAO	National Audit Office
NACS	National Anti-Corruption Strategy
NDI	National Democratic Institute
NICE	National Civic Education
ODPPDA	Office of the Directorate of Public Procurement and Disposal of Assets
OoO	Office of Ombudsman

POALDD	Public Officers Assets and Liabilities Declaration Directorate
PPDAA	Public Procurement and Disposal of Assets Authority
RBM	Reserve Bank of Malawi
RLO	River Life Organization
SIG	School Improvement Grant
TAs	Traditional Authorities

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In undertaking this study, a number of stakeholders were consulted from government ministries, agencies (MDAs) and departments including Lilongwe District Council. We are very thankful for their time and insights. Similarly, the study team engaged members of Area Development Committees (ADCs) from three Traditional Authorities (TAs) in Lilongwe.

The assignment was led by Atusaye Mwalwanda and Dr. Thumbiko Mkandawire from Agri Consultants and Suppliers who were supported by a team of four research assistants.

1.0 EXECUTIVE SUMMARY

The idea that citizens should have access to detailed information about how governments use public resources is not a new one. In fact, it has a long and distinguished history. As far back as 350 BC, Aristotle's *Politics* suggested that '... to protect the Treasury from being defrauded, let all money be issued openly in front of the whole city, and let copies of the accounts be deposited in various wards'. The Declaration of the Right of Man and of the Citizen, a fundamental document of the French Revolution of 1789, also recognized citizens' right to know how their taxes are used, and to request an account of its use from any public official.

In Malawi Economic indicators show that increased corruption has led to increased inequality and poverty. Thus, lack of stringent and prudent checks and balances on the resource utilization promotes corruption. Citizens' lack of knowledge and awareness in public financial management and their limited capacity or attitude to demand transparency and accountability has led to a passive stance in society. This, therefore, has created an opportunity for mushrooming of oppressive practices and corruption orchestrated by both the government and other public officers.

It is against this background that Centre for Social Concern (CfSC) in February, 2021 commissioned a study to determine how improved citizen participation can enhance good public finance management for reduced poverty and inequality. A qualitative study was undertaken that involved desk study, consultations with key informants from both public and private organizations and focus group discussions with right holders sampled from rural Lilongwe in Malawi.

The study has unraveled some important issues that need urgent attention to enhance and redress maladministration and malpractices in public finance management that derails the gains made in socioeconomic development. Failure to address them will promote increased inequalities and poverty among the citizenry in Malawi.

The study validated that limited citizen participation in public finance management is promoting rampant corruption in the government machinery as evidenced by reports from the enforcement agencies, the Area Development Committees as well as the Civil Society Organizations. The survey also confirmed that there is minimal or no citizen participation in public finance management orchestrated by public officers as well as the politicians despite having policies and acts that promote citizen participation. Despite the prevalence of Access to Information that was gazetted in 2020, transparency and accountability is lacking in government institutions as well as on use of public finance and other resources. The study also reveals that despite having many laws governing public funds, it appears officials deliberately ignore them and proceed to implement the expenses that are against the standard norms governing public finance management. Regardless of the gloomy picture presented, there is an

opportunity to reverse the negative perceptions and practices. The study has therefore proposed the following recommendations:

- i. Review some legislation governing enforcement agencies so that they adequately address the contemporary challenges encountered with the current legislations in public finance.
- ii. The government should put deliberate policies to civic educate citizens on public finance management and bring awareness to the public on their roles and responsibilities towards public finance management and demand accountability and transparency to public institutions on public finance utilization.
- iii. Empower the citizens to actively engage the politicians and public officials as well as business community if the war on corruption is to be won, so that all the vices associated with corruption are delt with; ultimately redress the issues on inequality and poverty in our country.

2.0 INTRODUCTION

For decades, there has been a tendency for governments to design and provide services based on their own internal processes and needs. By contrast, contemporary citizen-centric governments put the needs of the people at the centre of everything they do, with the goal of improving efficiency, quality and satisfaction. The idea that besides access to information, citizens also have a right to participate in budget-making is more recent and less consensual. Despite the interest surrounding specific methodologies like participatory budgeting process, many still consider that citizens do not have sufficient knowledge or expertise to justify their involvement at various stages of the budget process. Slowly, however, things are changing. Both the new International Monetary Fund Code and the OECD's Principles on Budgetary Governance include a call for governments to involve citizens in debates around budget priorities and policy choices. Evidence is increasing both on different ways in which leading governments have been engaging their citizens, and on some of the positive impacts that this has led to. Transparency and participation are likely to become permanent features of debates around Public Finance Management.

Transparency International indicated that the Corruption Perception Index for Malawi in 2020 was 129 out of 180 countries¹ this is a drop from position 123. One of the vices that hinder progress on the gains made on social economic development in Malawi is rampant corrupt activities across the board and in different sectors of the society. Different versions of corruption have been identified in Malawi that range from high echelons of political corruption to mere petty bribery that impedes service delivery. Furthermore, corruption promotes political patronage, regionalism and nepotism, which exacerbates inequality and poverty stagnation in Malawian society.

The presence of unnecessary extensive bureaucracy and red tape in the public sector machinery creates a fertile atmosphere for promoting bribery. Thus, if corrective measures are not implemented to control or eliminate corruption, the country will maintain its status quo, being one of the poorest countries in the world and having a negative corruption perception that deters prospective investors to bring investments that would contribute to economic and social development. In a nut shell, if corruption is widespread it affects all the sectors of the economy and the general citizenry suffers especially the resource poor society who resides in the rural areas.

There is a positive correlation on corruption vis-à-vis poverty or inequality. Thus, economic indicators show that increased corruption has led to increased inequality and poverty. Thus, lack of stringent and prudent checks and balances on the resource utilization promotes corruption that ultimately leads to loss of huge sums of resources that would have made a huge impact on the wellbeing of the society. For instance, The Auditor General reported that approximately

1 [2019 - CPI - Transparency.org](#)

MK100 billion, an equivalent of 137 million United States Dollars could not be accounted for in different Ministries and Department Agencies as published in the Nation Newspaper in March 2020. Corruption increases inequality since the elite control resources and they become extremely rich while the poor remain or become extremely poor. Citizens' lack of knowledge and awareness in public financial management and their limited capacity or attitude to demand transparency and accountability has led to a passive stance in society consequently abetting corruption. This, therefore, has created an opportunity for mushrooming of oppressive practices and corruption.

Political power and control of the state resources remain predominantly the source of economic wealth and status for the elite ruling class. As such, patronage is anchored in the appropriation and distribution of state resources acquired through access to the government machinery, which pass towards particular constituencies rather than national development agenda. This tendency has in reality made the ruling elite class and their sponsors to control and own a huge chunk of the country's economic resources. In contrast, the majority of the Malawians have limited access to the resources or business. In general, whenever opportunities for accessibility are created, they are through the goodwill and generosity of the same cronies; namely those with political and monetary or economic power.

The state of affairs has created frustrations generally among the youths and some upcoming business entrepreneurs. Anger and discontentment depict clearly among them as they also suffer from lack of employment and access to business opportunities in the much 'touted' economic performance as presented during parliamentary meetings. There has been a growing realization by politicians to include in their political manifesto issues affecting the youths such as unemployment. The Malawi population has a large proportion comprising the youth with a median age of 17 years (NSO, 2018).

Therefore, the research provides an opportunity to expose avenues that office bearers have been abusing national resources in pursuit of their individual agenda at the expense of national agenda. Thus, the study will provide some proposed guidelines that promote citizen participation and opening up all public offices fostering transparency and accountability.

Participation in political governance of the marginalized population has been mainly during elections through the voting process of elected political office bearers. After the elections, generally citizen active participation has been passive.

Lack of active citizen participation and lack of transparency and accountability therefore is recipe for corruption. Government resources are prone to abuse at different levels due to rampant corruption and political cronyism. A study on levels of participation in public finance management and how it is contributing to poverty and inequality would provide a contextual understanding on the

subject for advocacy. Such a study is required to document or analyze how public finance management guidelines are promoting or hindering public finance management. The study would also highlight key recommendations in public finance act and how they can contribute to improved public finance management if adopted.

It is against this background that a research study was commissioned by the Centre for Social Concern to investigate on status and how improved citizen participation can enhance good Public Finance Management ultimately reduce inequality and poverty levels in Malawi. To accomplish the goal of the consultancy, the following objectives guided the research work:

- a. To analyze the current status of Public Finance Management in Malawi and how it contributes to increased poverty and inequality.
- b. To analyze and recommend how citizens' participation on Public Finance Management can improve transparency and accountability on Public Finance Management.
- c. To analyze and provide recommendations on existing legal frameworks on Public Finance Management that will lead in reduction of poverty and inequality.
- d. To analyze bottlenecks which affect participation of citizens in Public Finance Management?

3.0 SCOPE OF WORK

The research study executed the following tasks:

1. Review policies and acts on Public Finance Management in Malawi and how it contributes to increase to poverty and inequality in Malawi. This included regulatory frameworks and all roles of key stakeholders.
2. Identify, analyze and recommend how citizens' participation on Public Finance Management can improve Public Finance Management at all levels.
3. Review current experiences and existing lessons from the Public Finance Management Act and provide recommendations on policy proposals on the current Public Finance Management Act so that improvements on poverty reduction and inequality are attained
4. Identify, review and analyze the bottlenecks that hinder participation of citizens in Public Finance Management at all levels in the government machinery.

4.0 SURVEY MANAGEMENT

The consultants worked closely with the Centre for Social Concern Program Manager and Monitoring, Evaluation and Learning Manager ensuring all the deliverables of research are met to address the objective of the Project. The research study was conducted within a period of 15 calendar days from 4th February 2021. The study was piloted in Lilongwe district as case study with respect to the consultations with local communities from three sampled Traditional Authorities.

5.0 TECHNICAL APPROACH

The study used consultative and participatory approaches in collecting data from stakeholders and key informants; during the same process qualitative approaches were employed in data collection. Furthermore, we adopted an outcome-based approach in the research survey guided by the objectives so as to deliver the required outputs. The study undertook the survey in four phases as outlined below:

5.1 Desk Review

The consultants reviewed relevant documents for the research survey including:

- i. Public finance documents (budget, work-plans and financial reports at different levels.
- ii. Draft Public Finance Management Act.
- iii. Public Finance Management of 2003.
- iv. Logical Framework for the Monitoring and Evaluation Systems at different levels.
- v. Related reports on government institution involved in managing public funds at different levels.
- vi. Relevant Policy Documents in Annual budgets.
- vii. The Public Procurement and Disposal of Assets Act.
- viii. Decentralization policy
- ix. Local government Act.

The desk review informed the study on opportunities and challenges encountered by the citizenry in participation in public finance and management at varying stages. Desk review also provided both institutional and policy landscape with respect to current structures and frameworks that support Public Finance Management.

5.2 Data collection

The study also collected primary data from different stakeholders that actively participate in advocacy, processing of public funds, governance as well as

enforcement on adherence on the existing legal frameworks. From the political side, the study managed to get an input from one Member of Parliament. The study also collected information from Ministry of Finance, National Audit Office as well as from the Lilongwe District Council officials. The officials from the Lilongwe District Council who responded to the questionnaires were the Director for Planning and Development (DPD), the Director of Finance (DOF) and the Administrative Officer (AO). The Study also administered a questionnaire to law enforcement agencies that include; The Anti-Corruption Bureau (ACB), The Office of Ombudsman and The Public Officers Assets and Liabilities Declaration Directorate (POALDD). Finally, the study also administered a questionnaire to Civil Society Organizations (CSO) such as Malawi Economic Justice Network (MEJN), National Civic Education (NICE), River Life Organization (RLO) and Centre for development and livelihood initiatives (CEDELI) from Zomba and Phalombe.

Three Focus Group Discussions (FGDs) were conducted in Traditional Authorities of Kabudula, M'bwatalika and Njewa in Lilongwe District. The FGDswereconducted to the Area Development Committees in their respective Traditional Authorities. The focus group discussions (FGDs) were the main thrust that represented the general picture of citizens' perception on public finance management. The number of participants was set to a maximum of ten members following the laid down Covid-19 Malawi Government Gazetted Covid-19 Guidelines. In Kabudula and M'bwatalika meetings, three females and 7 males attended the meeting, while in Njewathree females and six males were the participants. The attendance did not meet the 50 percent participation on gender requirements; suggesting that there is a need to promote and bring awareness to the communities on equal participation of women.

5.3 Data Entry, Quality Check, Consolidation and Analysis

Survey management team ensured that data collected met quality assurance framework. Survey managing team checked data quality on daily basis to identify errors and provide instant feedback to the research team. Inferences were drawn from the findings to deepen the discussions. The consulting team strived in isolating interesting storylines from the qualitative sources of the data. The main data analyses employed was content analyses from various themes relevant to the objectives of the study.

6.0 RESULTS & DISCUSSIONS FROM THE STUDY

6.1 Existence of Policies and legal frameworks

The study documented six key legislations and policy documents governing finance management/accountability in Malawi.

6.1.1 Constitution of Malawi

The Constitution of Malawi in Chapter III Section 12.1 (b) 'all persons responsible for the exercise of powers of State do so on trust and shall only exercise such power to the extent of their lawful authority and in accordance with their responsibilities to the people of Malawi' (Malawi Government, 2016). This clause reminds the public office bearers that they occupy the public offices on trust to the people; therefore, are supposed to be transparent and accountable as they execute their duties to the public whom they serve. The study, observed that there is well structured system in place that essentially functions to the dictates of the constitution, though some occupants of the offices were abusing the institutions for their own political or personal interests. Over and above, in general, the public is aware that government collects money from different sources for its operations and the funds are deposited into the Consolidated Funds as stipulated in the Constitution of Malawi Chapter XVII, Section 172 'All revenues or other moneys raised or received for the purposes of the Government shall, subject to this Constitution and any Act of Parliament, be paid into and form one Fund, to be known as the Consolidated Fund', also known as the Account Number 1. Furthermore, there are subsequent set of conditions that need to be adhered to in the use of the funds from the consolidation funds as stipulated Chapter XVIII, section 173 parts 173.—(1) No money shall be withdrawn from the Consolidated Fund except— (a) to meet expenditure that is charged upon the Fund by this Constitution or by any Act of Parliament consistent with this Constitution; or (b) where the issue of those moneys has been authorized by an Appropriation Act, a Supplementary Appropriation Act or by an Act made in pursuance of subsection (5) of this section or of sections 178, 179, 180, 181 or 182 or by a resolution of the National Assembly made in accordance with section 177', (Malawi Government, 2016). Thus, the key informants were able to ascertain that use of public funds were supposed to be in tandem to the what was appropriated in the budget that was passed in the 'August House'.

6.1.2 Public Finance Management Act

A well-functioning public Finance Management is critical to poverty reduction. The Public Finance Management Act of 2003 is the guiding law in the utilization of public funds. The Act is well stipulated in the Constitution as An Act to foster and enhance effective and responsible economic and financial management by Government, including adherence to policy objectives; to provide accompanying accountability arrangements together with compliance with those arrangements; to require the Government to produce statements of

proposed budget policy, confirmation of adherence to fiscal discipline, economic and fiscal statements, including economic and fiscal forecasts and updates, and performance information, including comprehensive financial statements; and for matters connected therewith and incidental thereto' (Malawi Government, 2016). This is a blue print law that governs the use of public funds in Malawi, and it is imperative that every public official should be conversant with the law. The study observed that there were variations in the knowledge of other acts that operate together with the Public Finance Management Act 2003. The differences were associated with the nature of the employment of the respondent was engaged in. In general, the respondents were able to cite legal instruments such as the Constitution of Malawi as the document having all the laws of the republic (Malawi Government, 2016).

6.1.3 Corrupt Practices Act 2004

The Constitution of Malawi has a well-articulated law that deal with issues on corruption, 'Corrupt Practices Act' Cap. 7: 04 (Malawi Government, 2004). The objective of the act is 'to make comprehensive provision for the prevention of corruption; and to provide for matters connected with or incidental to the foregoing'. The act works in collaboration with other acts as stipulated in Penal Code, Cap. 7: 01 (Malawi Government, 2016) as well as other laws related to public enforcement agencies such as the Directorate of Public Prosecutions and the Criminal Procedure and Evidence Code or in any other written law Cap. 8: 01 (Malawi Government, 2016). The term corrupt practice has been defined as 'the offering, giving, receiving, obtaining or soliciting of any advantage to influence the action of any public officer or any official or any other person in the discharge of the duties of that public officer, official or other person' (Malawi Government, 2004). Furthermore, the Corrupt Practices Act 2004, defines extortion to include: (a) the demanding or receiving by a person in office of a fee or other payment for services, work, supplies or other thing which should be performed, done, delivered, offered, provided or given gratuitously; or (b) where compensation is permissible, the demanding or receiving of a fee or other payment larger than is justified or which is not due'. The Corrupt Practices Act has overreaching powers since it can prosecute a diversity of individuals working in public institutions, statutory corporations, trusts and private bodies (voluntary organization, charitable institution, company, partnership and a club). Thus, the Anti-Corruption Bureau has robust powers to investigate and prosecute any individual or organization suspected of being involved in corruption practices. The question at hand is the efficiency and effectiveness of the agency, if we reflect on the current levels of corruption prevalent in Malawi.

6.1.4 National Anti- Corruption Strategy

The National Anti-Corruption Strategy (NACS) was launched on 5th February, 2009. The Strategy has three main objectives:

- i. Promoting integrity, transparency, accountability and improving service delivery in all sectors
- ii. Promoting involvement of members of the public in fighting corruption; and
- iii. Strengthening corruption prevention and promoting integrity in all sectors

The main thrust of the Strategy is the establishment of a National Integrity System (NIS) The focus of the NIS is the establishment of a National Integrity Committee (NIC) comprising heads of sectors to oversee and guide the implementation. Despite the Anti-Corruption Bureau launching the National Integrity System, levels of corruption activities keep on increasing as evidenced with gross mismanagement of resources at local assemblies including alleged mismanagement of 6.2 billion Kwacha Covid-19 funds² . This begs to question the effectiveness of the strategy, is it that the public officials deliberately ignore the strategies or the information does not trickle down to all public officials in organizations as well as the general public?

6.1.5 Public Procurement and Disposal of Assets Act 2016

The Public Procurement and Disposal of Assets Act 2016 is a piece of legislation enacted ‘to provide for its functions and powers; to maximize economy and efficiency in public procurement and disposal of public assets; to provide for, and regulate, a decentralized institutional structure for the public procurement and disposal of public assets; and to provide for matters connected with or incidental thereto’ (Malawi Government , 2017). The act provides a comprehensive procurement process that must be adhered to in all procurement entities in public institutions. It functions with other acts that deters malpractices such as corruption as in Corrupt Practices Act, Audit Act, Local Government Act and Malawi Institute of Procurement and Supply Management Act (Malawi Government , 2017). Furthermore, the Public Procurement and Disposal of Assets Authority (PPDAA) has conducted trainings to public procurement entities in Ministries and Departmental Agencies as well as statutory corporations on standard operating procedures in public institutions as well as releasing guidelines to be followed in public procurement (Malawi Government, 2003). The desired expectation is that all entities involved in public procurement were supposed to be conversant and adhere to the rules in public procurement; but to the contrary many scandals in public procurement have been recorded in Malawi. We may hypothesize that there is a conflict of interest in the procurement entities such that they deliberately break the rules of the act.

2 At the time of the study, National Audit Office (NAO) had not concluded its investigations

6.1.6 Local Government Finance Act

The Malawi Constitution (1994) and the Local Government Act in CAP 22:01 (Malawi Government, 2016) require that the exercise of Local Government mandates should be done in a participatory, transparent, and accountable manner. Furthermore, Section 3 of the Local Government Act states that the objectives of Local Government in Malawi shall be to further the constitutional order based on democratic principles, accountability, transparency, and participation of the people in decision-making and development processes.

Councilors and other Council members need to understand these three constitutional principles and ensure that they are being adhered to and continually enforced.

There are two forms of accountability in any local government system. The first one is horizontal accountability. This type of accountability is the capacity of public officials and authorities to oversee and hold accountable other public entities. In this case, horizontal accountability is the ability of the council's individual officials to check abuses of power by other officials (Malawi Government, 2019) (Malawi Government, 2013).

The second type is called vertical accountability. This refers to the accountability of government to the citizens, civil society organizations, media, etc. In this case elected representatives such as Ward Councilors and Members of Parliament are accountable to the citizens who elected them for ensuring that local government delivers services effectively and that public funds received and generated in the Council are put to intended use. In this sense elected officials are expected to provide information on the projects and programs implemented at the district and community level and corresponding budgets to facilitate community monitoring, budget tracking and performance evaluation of service delivery. Regular meetings and mechanisms of communication between elected officials and citizens are fundamental (Malawi Government, 2013). Despite the presence of the relevant acts and policy documents pertaining to governance in Local District Assemblies, maladministration and malpractices have rocked district councils; raising questions on the effectiveness and efficiency of the policies and laws.

6.2 Knowledge on existing policies and laws

The key informants that were interviewed were able to articulate on the notion of prudent resources utilization for the purpose of providing a service to the intended clientele, in this case the citizens; thus on the definition of public finance management. The key informants were also able to cite that they were able to follow events involved in Nation Budget formulation process and ultimately passing of the budgets. Others were even able to articulate on resource allocation to different sectors in the nation budget since the information is made public on the website of Ministry of Finance (MoF). For instance, the

2019-2020 budget documents were posted on the MoF website that indicates the total resource envelope and how they will be spent in different sectors (Malawi Government, 2020).

The focus Group Discussion with the Area Development Committee revealed that they had information on the sources of public funds, thus they were able to highlight that it was government's funds that are earmarked at improving service delivery in their communities. They were able to mention the different sources of funds channeled to the district assembly. They were able to highlight, Constituency Development Fund (CDF), District Development Fund (DDF), Local Development Fund(LDF) and donor funded resources earmarking for development projects such as Malawi Social Action Fund (MASAF)(World Bank, 2018)and School Improvement Grant (SIG). Under the MASAF projects, 1995 to 2002, the government of Malawi borrowed \$117 million from International Development Agency (IDA) to implement many projects in the country (Mungai, 2003). Thus, there was a 100% acknowledgement in the knowledge of these funds from the central government channeled to the district assembly. Furthermore, the Area Development Committees were able to indicate on how the different funds are supposed to operate in their communities for development projects. For instance, they indicated that Constituency Development Fund is supposed to address the constituency development projects for specific constituencies while District Development Fund is supposed to address projects earmarked and selected during the full council assembly meeting. The observations from the key informants and the ADCs clearly illustrate that the citizens are aware that the central government has the responsibility of providing the resources to foster socio economic activities in their areas; ultimately improving their livelihoods.

6.3 current experiences and existing lessons from the Public Finance Management practices

This is a highly contested issue especially among the politicians and the public officials managing the resources. It becomes a contentious issue if, conflict of interests come into play. In general, 95% of respondents to the study questionnaire indicated that there are challenges with transparency and accountability on resource utilization across the board. This contradicts with the dictates in the Constitution Chapter III Section 12 (1) part c, 'the authority to exercise power of State is conditional upon the sustained trust of the people of Malawi and that trust can only be maintained through open, accountable and transparent Government and informed democratic choice'(Malawi Government, 2016). The issue hinges on the occupants of the public offices as they do not adhere to the fundamentals of occupying the public office. Despite the presence of robust legal frameworks on Public Finance Management Act and other supporting legislation in the constitution (Malawi Government, 2016), issues of corruption, abuse of public resources and cronyism remain high in the country. The enforcement agencies such as the Anti-Corruption Bureau,

the Ombudsman, and the National Audit Office together with the Office of Directorate of Public Prosecution have been prosecuting many public officials in courts using the relevant pieces of legislations. This underlines the general lack of prudent financial management as well as prevalence of corrupt acts in the public sector.

The Office of Ombudsman was established by an Act of Parliament, Chapter X, Sections 120, 121 and 122 (Malawi Government, 2016). The powers of the Ombudsman are stipulated in the Chapter X, Section 124 that includes 'The office of the Ombudsman may investigate any and all cases where it is alleged that a person has suffered injustice and it does not appear that there is any remedy reasonably available by way of proceedings in a court or by way of appeal from a court or where there is no other practicable remedy (Malawi Government, 2016). The powers enshrined in the constitution gives an opportunity for the Ombudsman to investigate issues related to the malpractices that take place in public institutions including public finance related issues. It is against this background that the study team took a keen interest to sample some of the cases that the office of the Ombudsman has worked on.

The Office of Ombudsman has handled many cases involving abuse of public finances in courts. The case titled 'Misplaced Priorities' involved an investigation on the lack of transparency and accountability in the implementation of Malawi's national response to Covid-19 plan and preparedness (The Office of Ombudsman, 2020) is one recent case in point. The report reveals gross mismanagement of the resources across the board, even from the institutions that are supposed to be conversant with the public funds management transactions. For instance, the Reserve Bank of Malawi (RBM) treating the 6.2 billion Kwachafunds as a social corporate responsibility through the Governors Account, instead of 'Gift of Donations Account'. Another interesting revelation involved the Chairperson of the Taskforce failing to inform the public on the status that the members were getting allowances, suggesting that he was not transparent enough to the public. Other members abused the resources through getting more daily subsistence allowance (DSA) than the number of days in a month; one would wonder if there were any control measures in place towards the funds. Reading through the report, one would deduce that there was a deliberate ploy by the controlling officers in bypassing all the legal instruments used in public finance management. There were no checks and balances in the use of the resources. Another case involved the disposal of tractors that were procured using funds that the Malawi government borrowed from India for use in a farm mechanization project in Malawi. The report exposed maladministration that occurred in the procurement and disposal of tractors that cost the Malawian taxpayer a tune of \$50 million (The Ombudsman, 2016). The report highlighted anomalies such as lack of seriousness in the responsible officer to adhere to the standard procedures in Public Procurement Act (Malawi Government, 2003). Some members of the internal procurement committee didn't disclose their vested interests during the time of disposal

of the tractors; hence they compromised objective pricing for the tractors during the disposal. Thus, the price for the tractors were too low compared to the purchasing price of the tractors(The Ombudsman, 2016). The other case the Ombudsman made a determination on the failure of the Ministry of Health (MoH) to provide resources for psychiatric patients in their institutions despite the Ministry of Health having a budget line item for procurement of materials and drugs for psychiatric patients. Thus, the Ministry of Health failed to adhere to the dictates as stipulated in the Constitution, Chapter III Section 13 (1) part c, 'To provide adequate health care, commensurate with the health needs of Malawian society and international standards of health care' (Malawi Government, 2016). This was a gross of mistrust displayed by the Ministry of Health senior management, thus they abdicated their duties and responsibilities. Furthermore, the Ombudsman faulted the MoH for failing to notify the general public of the changes it rolled out on the referral system and on the treatment of mental health delivery system at the districts levels. Thus, the districts lacked capacity to manage mental health issues since there was no infrastructure in place; as a result patients with mental health issues were being mistreated, which is against the provisions in the Constitution of Malawi Chapter IV, Section 19 part 3 'No person shall be subject to torture of any kind or to cruel, inhuman or degrading treatment or punishment' (Malawi Government, 2016);(Ombudsman, 2017).

The report exposed lack of oversight in the healthy delivery system as well as lack of synchrony between expenditure and activity implementation. Recently the Ombudsman faulted the Ministry of Education (MoE) on the maladministration on the 'Mass Teacher Promotions' that did not follow the set standards as outlined in the Civil Service Commission. It was discovered that MoE flouted the procedures and were discriminatory, which is contravenes the prescribed guidelines in the Constitution of Malawi Chapter IV section 20 part 1 'Discrimination of persons in any form is prohibited and all persons are, under any law, guaranteed equal and effective protection against discrimination on grounds of race, colour, sex, language, religion, political or other opinion, national, ethnic or social origin, disability, property, birth or other status or condition' and part 2 'Legislation may be passed addressing inequalities in society and prohibiting discriminatory practices and the propagation of such practices and may render such practices criminally punishable by the courts' (Malawi Government, 2016). Therefore, the technocrats should have been conversant with the dictates of the constitution before implementing the 'Mass Promotion of Teachers'; since such a policy would have favored some members of the teaching profession at the expense of others hence promoting inequalities within the teaching profession. The promotions were also deemed politically motivated since they were being implemented towards the Presidential and Parliamentary Elections, thus favoring the ruling party at that time which were against the set standards in the Presidential and

Parliamentary Elections Act(Malawi Government, 2016). The Ombudsman made its determination to cancel the promotions and directed the MoE to follow the set standards as outlined in the Civil Service Commission (Ombudsman, 2021). Thus, the report exposed the influence the politicians exert on the technocrats, forcing the technocrats to bend the rules with a goal of fulfilling the needs of the politicians. This behavior should not be tolerated in public institutions as it creates opportunities for corruption and other vices that may lead to loss of public resources. Another interesting case that Ombudsman exposed was on the handling of complaints and payments to political victims of the one-party state. The Ombudsman observed that there were many issues that the government failed to address in the set-up of the National Compensational Tribunal as well as the funding issues. Furthermore, the report exposed that there were issues of favoritism, political influence as well as lack of professionalism in handling the cases (Ombudsman, 2017). All the cases that the Office of Ombudsman has tackled suggest that there is big challenge in the government with respect to public finance management and transparency; all these issues are creating unnecessary loss of public resources that would have addressed the real issues affecting the citizens.

Transparency and accountability is a highly sensitive issue in the communities. Focus Group Discussion with Area Development Committee highlighted that lack of transparency and accountability is the major stumbling block in public finance management. Feedback from the Civil Society Organizations also echoed similar sentiments observed during ADC focus group discussions. From the discussions, 95% of the participants indicated that transparency and accountability is lacking on the use of the public funds at all levels in all the funds i.e. Constituency Development Fund, Local Development Fund, and District Development Fund and even at the national level.

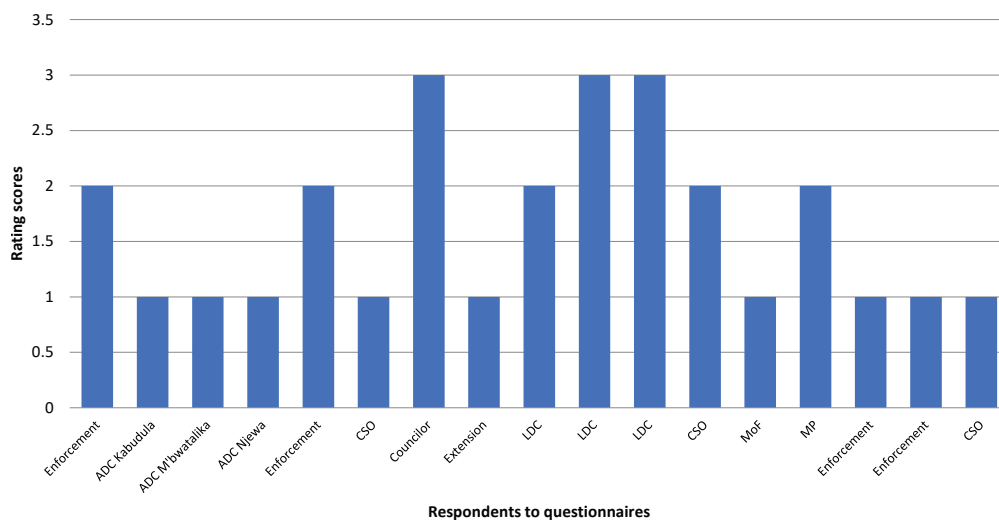


Figure 1: Rating Citizen Participation in Public Finance Management (1=poor; 5=very good)

Key: Enforcement = Public Enforcement organizations, ADC Kabudula = Kabudula Area Development Committee, ADC M'bwatalika = M'bwatalika Area Development Committee, ADC Njewa = Njewa Area Development Committee, CSO = Civil Society Organizations, Councillor = Ward Councillor, Extension = Department of Community Development, LDC = Lilongwe District Council Officer, MoF = Ministry of Finance and MP = Member of Parliament Lilongwe.

Thus, the scores in Fig. 1 shows that the maximum score observed was 3 (good) and only recorded from the councillors and Lilongwe District Council Officials (LDC) while the scores from the focus group discussions and many Civil Society Organizations and the enforcement agencies indicated that there is poor citizen participation in public finance management as reflected with a score of 1 (poor). The state of affairs may ultimately affect transparency and accountability in public institutions. There is a variance in the rating of scores between Lilongwe District Council Officials compared to Area Development Committees and Civil Society Organizations. We may hypothesize that the former may want to protect the image of the institution while the latter being on the receiving end are providing the information on the experiences they encounter as they implement projects in their communities. The state of affairs suggests that there is a huge problem in the public institutions on accountability of public funds and requires a quick response in redressing the situation. These results are in agreement with observations made in Rumphu on an exercise on tracking Constituency Development Fund project implementation (RUMPHI CIVIL SOCIETY NETWORK, 2017). This suggests that there is a generic problem when it comes to transparency with Constituency Development Funds across the country. All the Area Development Committees interviewed indicated that on Constituency Development Funds, the incumbent Member of Parliament

has overall powers on the decisions regarding the Constituency Development Fund resources despite clear constituency Development Fund guidelines. The Area Development Committee reported that there is very minimal interface between the Members of Parliament and the constituents on making concrete plans, choice of contractors to run the project, procurement of materials for the project materials and ultimately on the payment to the contractor or project materials. The same issues were also reported in Rumphu district when the Civil Society Network did an audit on Constituency Development Fund tracking study (RUMPHI CIVIL SOCIETY NETWORK, 2017). Thus, in general the Members of Parliament use a top-down approach in implementing Constituent Development Funds related projects. Members of the Area Development Committees also highlighted that the Constituency Development Funds resources are highly politicized since the Members of Parliament has high oversight powers. This situation creates anomalies in or can raise issues on conflict of interest on allocation of the projects and who is supposed to participate. Thus, over 90% of the participants were in agreement on the assertions that the Constituency Development Funds related projects are politicized and most cases the beneficiaries of the projects end up being the people who supported the Members of Parliament during the campaign. During one such FGD with ADC, members cited an example on the location of the borehole that was sunk at a homestead of the friend to the incumbent Members of Parliament instead of a place that was easily accessed to the community was given.

In another Area Development Committee, they reported that the contractor supplied less number of materials such as bricks and cement bags and the prices of the materials supplied were inflated not reflecting on what the Members of Parliament indicated to the community. In another Area Development Committee, they reported that the contractor did not follow what was stated in the contractual agreement. Thus, the contractor instead of using cement to construct the whole bridge, the contractor used timber and wood as part of the bridge.

This arrangement flouted the contractual agreement; the communities were surprised that the Members of Parliament did not take to task the contractor for constructing a timber bridge instead of a concrete deck bridge. If the citizens were fully engaged in the project, this fraudulent conduct by the contractor would not have been done. The community, would have taken to task the contractor, by not authorizing payment to contractor since the contractual agreement was breached. The question arises if the communities as well as the Members of Parliament and the Councilors were oriented at the district council on issues of transparency using a tracking tool kit that was developed by National Democratic Institute (NDI); it is a manual that if properly used can resolve all the issues the community raised (Chiweza, 2015).

On the other hand, in one Area Development Committee where they are implementing a School Improvement Grant project; the members

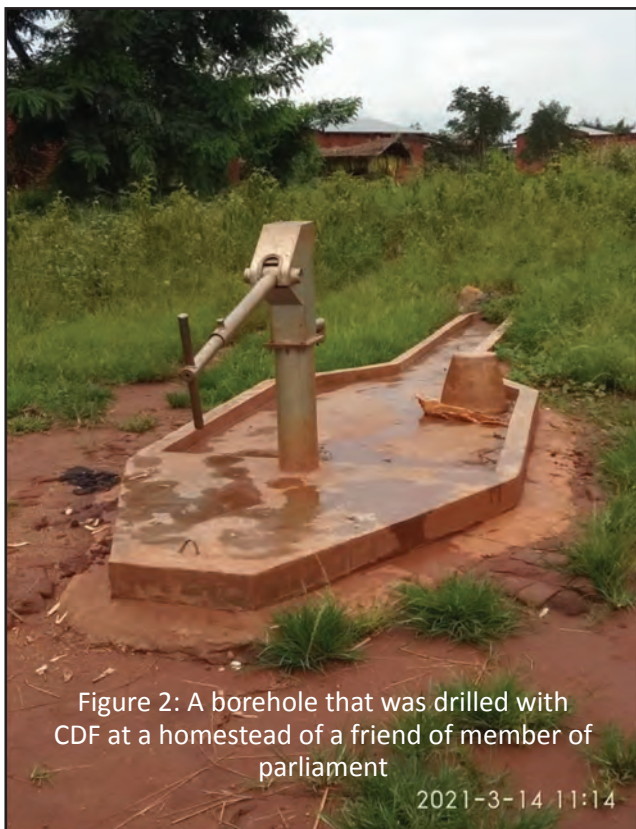


Figure 2: A borehole that was drilled with CDF at a homestead of a friend of member of parliament

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The story in Figure 2:

The borehole that was drilled in Kombe Village, TA M'bwatalika using CDF funds in 2020. The communities are not happy since it was drilled at an individual's place that is connected to a politician. The politician imposed the location where the borehole was drilled against the standard laid down procedures for public projects.

The story in Figure 3:

Trees planted to act as perimeter boundary for private property that includes the borehole. The location of the plot may create unnecessary conflicts between the owner of the plot and the community on ownership of the borehole.

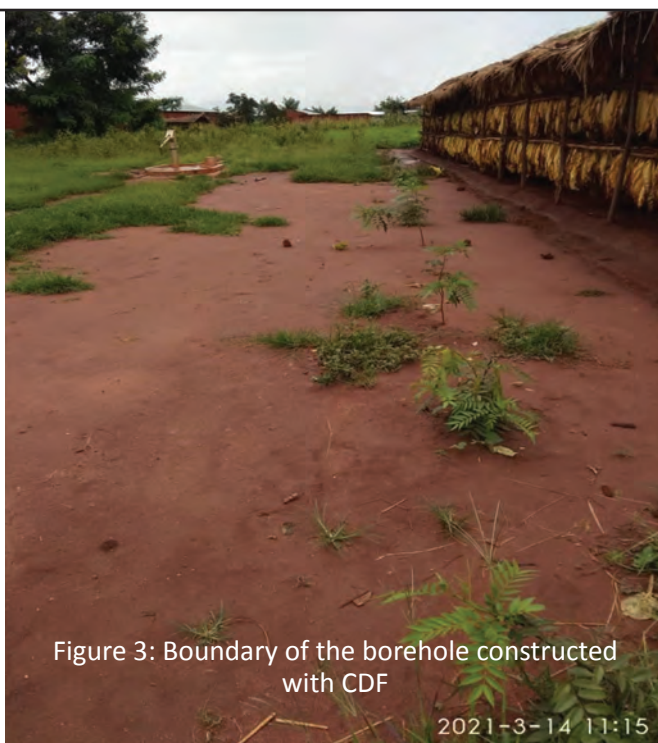


Figure 3: Boundary of the borehole constructed with CDF

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The story in Figure 4:

A timber bridge that was constructed in Kakuyu Village, TA Njewa using CDF funds instead of the initial concrete deck bridge that VDC initially planned and submitted the proposal to the District Council in 2019. The bridge was handed over to the community, but cannot handle vehicles loaded with farm produce as was the intended purpose for the community. Therefore, the community has to search other routes if they have to transport their produce, incurring higher expenses.



Figure 4: Status of bridge that was constructed using Constituency Development

The story in Figure 5:

The bridge is not strong enough to support vehicles to cross the river, hence affecting their business activities. If the bridge was a concrete one as originally planned, the communities would benefit much from the project.



Figure 5: Timber bridge constructed using CDF only pedestrians and motorcyclists can use it

commended on the openness, transparent and accountability of the project. Thus, 100 percent of the members were knowledgeable of the scope, plans, implementation schedule, monitoring and the results from the project. This suggested that the community owned the project and were happy with the arrangements embedded in the project. Thus, the Primary Education Advisors, in collaboration with the members of the community run the project as a team; all the transactions are made transparent and there is full collaboration in the implementation of the project. The success story of School Improvement Grants shared by the Area Development Committee gives no room for autonomous financial use and independence from the public officers interfering with the funds or dictating where to get the materials for the school (Nampota & Chiwaula, 2014). If this model were implemented in the management of the funds in the district, issues of transparency and accountability would have been satisfactory.

The Area Development Committee interface revealed that there is minimal citizen participation in the management of public funds. The Area Development Committee rated that there is only 20% involvement in the management of public funds especially on Constituency Development Fund, District Development Fund and Local Development Fund.

The state of affairs where public duty bearers as well as the politicians abuse the resources;negatively impact on economic development and exacerbate poverty levels among the populous(RUMPHI CIVIL SOCIETY NETWORK, 2017).

Despite a robust Public Finance Management Act in place, it has been observed that they are not adhered to strongly by officials working in Ministry of Finance as well as other key regulatory institutions such as the Reserve Bank of Malawi. Key examples include the report from the Ombudsman on Covid-19 funds that implicated the anomalies from the RBM as well as the Ministry of Finance on too much laxity and deliberately flouting the laid down procedures in Public Finance Management act.

6.4 Citizen participation in PFM as a mechanism harnessing transparency and accountability

If the war of transparency and accountability on public finance management is to be won, then every citizen has to take ownership of all activities that facilitate transparency and accountability. The process should not only be implemented by law enforcement agencies and Civil Society Organizations, but also be incorporated in our education curriculum starting from primary schools all the way to secondary schools. All the stakeholders involved in governance

issues should set a platform that will formulate and agree the modalities on reaching out to the masses with messages on checks and balances that fosters transparency and accountability. Some Civil Society Organizations are already engaged in governance issues especially on accountability and transparency. They have been at the forefront building capacity on budget tracking in district assemblies and other public institutions. However, they cannot reach out to all districts on their own; they need to collaborate with other organizations that operate at grass roots level, such as community-based organizations (CBOs). These can effectively and efficiently reach out to many people.

Public awareness can also be effectively reached out to many people using the social media platforms. These days, there is 'real time' activism using the social media platforms such as Facebook, WhatsApp, Tweeter and Instagram. Nevertheless, the messages spread using the social media should be thoroughly verified and vetted to avoid spreading wrong information. Thus, many people are using smart phones, which have capabilities to handle different 'Applications'. The Civil Society Organizations can effectively use this technology to communicate and engage the public on issues of public finance management in real time and collect the necessary information that may ultimately question the validity of expenditures from institutions. The challenges with internet technology or social media are the costs associated with data bundle costs for one to access internet. The costs are very prohibitive in Malawi compared to other countries. Therefore, there should be a deliberate policy that operates to reduce the costs associated with internet service in Malawi; such as creating an enabling environment that attracts many investors in the industry.

Finally, it is the responsibility of politicians as well as the public officials to create policies that are open to public scrutiny and readily available to the public. They occupy such positions based on trust as enshrined in the Constitution of Malawi. The relevant ministries should popularize the Access to Information Act to the masses and translate the relevant laws in different language that are common in Malawi for the citizens to read and understand them.

6.5 Legal and policy frameworks that require redress

The study came across issues that require urgent redress to circumvent the challenges faced the existing statutes on Public Finance Management. During an interface meeting with the Office of the Ombudsman, it was observed that the current state of legislation lacks the prosecutorial powers as is the case with the Anti-Corruption Bureau; thus Chapter X, Section 126 'Where the investigations of the Ombudsman reveal sufficient evidence to satisfy him or her that an injustice has been done, the Ombudsman shall'—part c 'refer a case to the Director of Public Prosecutions with a recommendation for prosecution, and, in the event of a refusal by the Director of Public Prosecutions to proceed with the case, the Ombudsman shall have the power to require reasons for the refusal'(Malawi Government, 2016). It would be proper if act was given

powers too to investigate and prosecute the suspects in the courts of laws as the Director of Public Prosecution or Director of Anti-Corruption Bureau does. This may increase the number of enforcement agencies that have prosecutorial powers to three and may gain respect considering the number of cases they have handled regarding maladministration as well as misuse of public funds in the public service. Furthermore, the penalties in the current Ombudsman legislation are very low, i.e. Mk10000.00 considering that it was developed long time ago. Therefore, there is a need to revise them upwards to reflect the changes in the value of the Kwacha over the time.

Another area that needs to be explored on is the time frame for the cases once they have brought in courts. It has been observed that it takes a long time for many cases involving public funds to be concluded. Cases in mind include the 1.7 billion Kwacha case involving the former head of state of Malawi; up to now the case has not been concluded in a period exceeding 15 years. Other cases involve the famous 'Cash-gate' that involved rampant looting of public funds in the government. Up to now many 'cash-gate' cases have not been concluded. This state of affairs portrays a wrong perception to the public, as it deems that agencies involved in prosecution are not serious hence the culprits can still enjoy life with resources they amassed using unorthodox means from the public coffers. Furthermore, there is a need to revisit the sentences or punishment given to people once found guilty on cases involving misappropriation of public funds. Thus, many respondents suggest that property of the offender should be confiscated and auctioned; this will facilitate the government to recover the money lost. This may also send a strong deterrent signal to those who were planning to misappropriate public funds.

The Constitution, Chapter XVIII, on Finance, Section 184.— (1) 'There shall be the office of the Auditor General who shall audit and report on the public accounts of Malaŵi, and shall exercise such other powers in relation to the public accounts and the accounts of public authorities and bodies as may be prescribed by an Act of Parliament, in so far as they are compatible with the principal duties of that office'. Despite the constitution having this office, auditing became a big issue in most of the respondents to the questionnaire. They were raising issues on the role of internal auditors in the institutions for instance, in the district assemblies where there are cases of gross mismanagement. Is it capacity that is lacking or they deliberately do not act on issues they observe to be happening in the institution? Therefore, there is a need to look at the roles of internal auditors in public institutions, their reporting channels and if they do not do the assigned tasks in the institutions they are working, what should be the remedial measures. The auditors are employed to be at the forefront checking all the malpractices in the institutions, but this is not the case. Another school of thought proposed was the engagement of reputable private audit firms to assist in auditing roles in public institutions as this may avert the rampant corrupt

practices in the institutions. The National Audit should also intensify auditing activities in the institutions and urged to release the reports early enough as this may facilitate the institutions concerned to apply corrective measures. Furthermore, the Audit Act should undergo review process to accommodate the changes that have taken place in the financial sector, since the current one was developed some time ago. The issue on period on reporting Audit Reports to Parliamentary Committees currently seems to be too long considering the gravity of the issues in many public institutions; thus Chapter XVIII, on Finance, Section 184 (2) 'The Auditor General shall submit reports at least once a year to the National Assembly, through the Minister responsible for Finance, not later than the first meeting of the National Assembly after the completion of the report'. There is a need to relook at this provision as it may not be aggressive and proactive enough in solving many audit related issues in many public institutions.

The Supreme Court Ruling on the 2019 Presidential Case, made a determination that any public officer whose actions or decisions resulted into financial losses to the public will be liable to pay for all the expenses in courts. This information should be relayed to all controlling officers in the public system that government will not be held liable on the wrong decisions that they make that exposes government to avoidable fiscal losses. The relevant authorities should make a point and include this piece of information in the pieces of legislations involving public finances(Supreme Court Of Appeals Court, 2020).

The Constituency Development Fund guidelines are clear on who is supposed to be controlling the funds. This fund has ended up being highly politicized and abused in project implementation. The Constituency Development Funds resources should also be subjected to stringent public auditing like any other public funds and if it is established that CDF were abused, then corrective disciplinary measures should be applied to concerned individuals regardless of their positions in society. If this proposal is adopted it may reduce issues associated with abuse of Constituency Development Fund that are meant to spur economic activities in constituencies and ultimately addressing inequality and poverty levels in the constituencies.

There is a need to review and incorporate the minimum education credentials on the membership for one to be in the Parliamentary Committees that deal with Budget and Finance as well as the Legal Affairs Committee. The two committees require candidates that are conversant with financial transactions and all the legal technicalities associated with finances. Failure, to comprehend issues on finances as well as legal, defeats the whole purpose in the objectives of the legislations associated with public finances. Thus, the membership should be brave enough to challenge the technocrats on irregularities that they observe in PFM. Similarly, councilors who are members of District Council Finance Committee should be conversant. The membership should be able to

take to task the finance managers at the district council if they observe that there are malpractices on resource utilization.

Another area that requires immediate address is the Internal Procurement Committees (IPCs) in public institutions. There is general negligence in many institutions linked to procurement mismanagement. The PPAD should intensify capacity building and liaise with the Public Officers (Liabilities, Assets Disposal and Business Interest Declaration) Act to register members of IPCs in different institutions. Thereafter, they have to disclose their assets at the time of registration, and then periodically do an evaluation on the amount of worth they have accumulated. Using this approach, it may deter procurement officers from engaging in corrupt practices since the Public Officers Act may pounce on them if they are deemed to have accumulated worth not in tandem to their remuneration packages.

6.6 Factors limiting citizen participation in public finance

The Area Development Committee interface highlighted some of the factors that interfere with their active participation in monitoring how developmental funds are used in their respective communities. They indicated the issue on politicizing the developmental projects forgetting that developmental projects should accommodate everyone regardless of their political affiliations. As a result, people from different political affiliations or people who do not belong to any political party do not see any need to actively participate in monitoring projects taking place in their communities. These sentiments were also expressed by the Civil Society Organizations feedback from the questionnaire administered to them and also a study on projects implemented with the resources from Constituency Development Fund in Rumphi made a similar observation (RUMPHI CIVIL SOCIETY NETWORK, 2017); Thus there was a 100 percent agreement to the assertions that District Development Fund and Constituency Development Fund projects are highly politicized. Furthermore, it was also highlighted that the Members of Parliament recruit party loyalists to execute developmental projects at the expense of non-party loyalists; this deters people from participating in any project in the area as long as it is being advanced by the Member of Parliament. Secondly, it was noted during the interface that 80% of the participants were not aware on the existence of policy guide lines on public finance management also reflected in Area Development score of 1 (Fig. 6: Rating on Citizen Awareness in Public Finance Management Graph). Ratings from Ministry of Finance and Member of Parliament were high (3 = Good) compared many enforcement agencies, Lilongwe District Assembly Officials as well as many Civil Society Organizations that indicated that there is poor citizen awareness on public finance management.

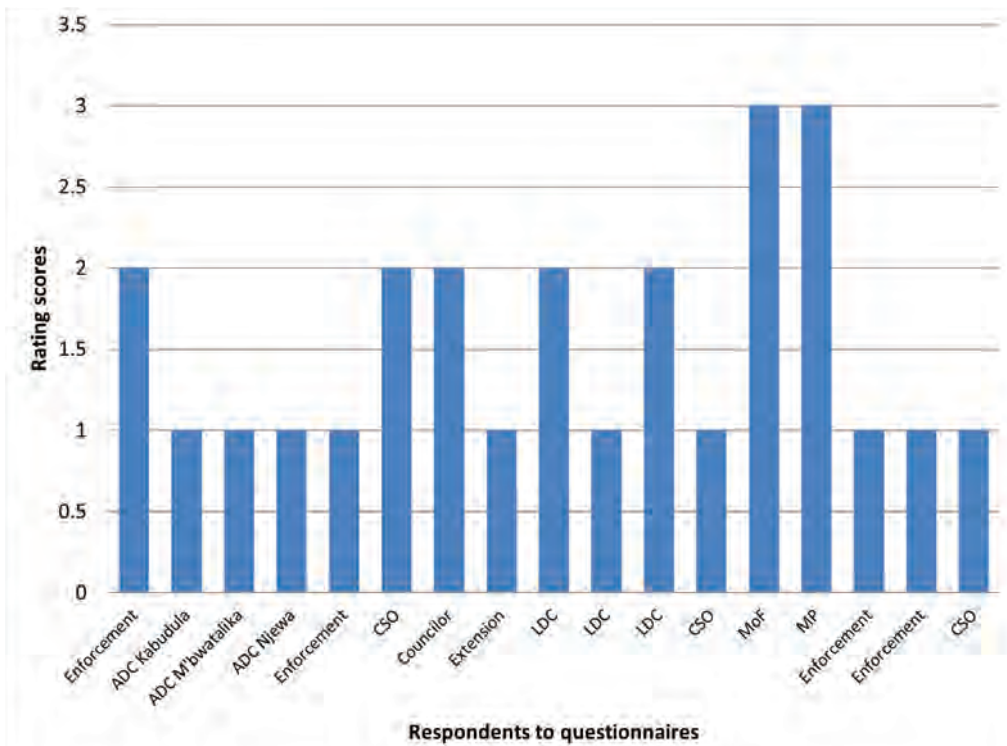


Figure 6: Rating on Citizen Awareness on Public Finance Management

Key: Enforcement = Public Enforcement organizations, ADC Kabudula = Kabudula Area Development Committee, ADC M'bwatalika = M'bwatalika Area Development Committee, ADC Njewa = Njewa Area Development Committee, CSO = Civil Society Organizations, Councillor = Ward Councillor, Extension = Department of Community Development, LDC = Lilongwe District Council Officer, MoF = Ministry of Finance and MP = Member of Parliament Lilongwe.

This indicates that there is minimal civic education among the citizens on their roles and responsibilities for them to actively participate in public finance management on the projects taking place in their communities. This begs a question whether or not the MPs as well as the Ward Councilors underwent training on issues to deal with depoliticization and accommodating everybody on developmental projects the moment they were ushered into elected positions. Thus, capacity building should be emphasized in communities; they should take ownership of the projects if social economic development will be materialized and ultimately reducing inequalities and reducing poverty levels(Wandibba, 2008). If the community is knowledgeable and actively monitors the implementation of the projects, it may deter the MP and other public officials from abusing the Constituency Development Funds. Generally, abuse of Constituency Development Funds by politicians has been reported in other countries like Zambia (Hapompwe, 2020) and Kenya (Hapompwe, 2020).

The interface meetings also revealed that some Members of Parliament abuse the resources since they know that members of their Area Development Committees as well as the constituencies are not conversant with the policies as well as the laws governing public finance. Same sentiments were also observed from the Civil Society Organizations and enforcement agencies on the behavior of some politicians and technocrats at district assemblies that they connive to defraud the funds for the development projects in constituencies. As a result, many people do not see any need for them to actively participate in public finances. They have developed the mentality that suggests that the resources belong to the government, it is not their money. This attitude does not offer checks and balances to the Members of Parliament; as a result, it deters economic development in the constituencies as well as the country. The current set-up with local government system that Malawi adopted excludes chairpersons of Area Development Committees from attending district full council meetings where issues on policy and decisions on public finance management for the district are tabled. It only accommodates Members of Parliament, Councilors and Traditional Authority Chiefs. If the Area Development Committee Chairpersons were accommodated to attend the full council meetings, they would have been instrumental in relaying the messages from district council meetings to the members of the community and vice-versa; ADC chairpersons, unlike councilors and MPs, reside almost their entire life with the members of the community.

It was observed that 95% of participants who attended the Area Development Committee focus Group Discussion in all the three Traditional Authorities are not well conversant with the existence of Acts or laws on Public Finance Management. This situation is pathetic bearing in mind that huge sums of money are annually channeled to communities through district assemblies to spur development activities in communities. This implies that if the beneficiaries of the funds are not conversant with the laws governing the use of public funds, it raises questions on safety and abuse of the resources. It is therefore recommended that the Ministry of Finance and Ministry of Civic Education should put deliberate efforts and mechanisms to empower communities with knowledge of the existing laws on Public Finance Management as this will promote good governance and monitoring of the public resources, ultimately address issues on inequality and corruption that exacerbate poverty.

One of the major contributions for minimal participation in the management of funds highlighted during FGDs with Area Development Committees is low illiteracy levels. Thus, the members indicated that many people who reside in the area did not finish secondary or even attended tertiary education. As a result, the Members of Parliament uses this as an opportunity to push whatever they want in their respective constituencies. Sometimes, they use the communities

as a mere rubber stamp to access funds for personal gains at the expense of the community. Therefore, corrective measure should be put in place to rectify the problem so that communities should be active participants in the management of the funds earmarked for social and economic development in their respective communities.

7.0 CONCLUSION

The study has unraveled some important issues that need urgent attention to redress maladministration and malpractices in public finance management; that derails the gains made in socioeconomic development. Failure to address them will mean the status quo where rampant abuse of public resources and lack of transparency will remain that promote inequalities and poverty among the citizenry.

The study validated that there is rampant corruption in the government as evidenced by reports from the enforcement agencies, the Area Development Committees as well as the Civil Society Organizations.

The study has also confirmed that there is minimal or no citizen participation in public finance management orchestrated by public officers as well as the politicians. Issues on transparency and accountability are lacking in government institutions as well as on use of public finance and other resources.

Despite having many laws governing public funds, it appears officials deliberately ignore them and proceed to implement expenditures that are against the standard norms governing public finance.

Regardless of the gloomy picture presented, there is an opportunity that may address the major findings from the study. There is need to review some legislations governing enforcement agencies so that they adequately address the contemporary challenges encountered with the current legislations in public finance. Secondly, there is a need to civic educate and bring awareness to the public on their roles and responsibilities towards public finance management and demand accountability and transparency to public institutions on public finance utilization.

The challenge is on the citizens to actively engage the politicians and public officials as well as private contractors recruited to implement public development projects if the war on corruption is to be won, so that we deal against all the vices associated with corruption; ultimately redress the issues on inequality and poverty in our country.

Table 1: List of Participants who responded to the questionnaire

	Name of Respondent	Gender	Institution	Position	Email address	Phone Number
1	Temwa Mughogho	Male	Office of Ombudsman	Investigations Officer	mughoghoc@gmail.com	0881101571
2	Bright Chimatiro	Male	Public Officers Assets Declaration Authority	Principal Declaration Officer	chimatirob@yahoo.com	0999311911
3	Mike M. Banda	Male	Malawi Economic Justice Network (MEJN)	Regional Coordinator South	mbanda@mejn.mw	0999920107
4	Gift Mwenelupembe	Male	Department of Community Development	Assistant Community Development	giftmwenelupembe@yahoo.com	0998000377
5	Henry Nandolo	Male	Centre for development and livelihood initiatives (CEDELI)	Director	nandolohenry@gmail.com	0999194422
6	Richard Muluzi	Male	River of life organization	Programs Officer	richardmuluzi@gmail.com	0882866755
7	Imrani Saidi	Male	Anti-Corruption Bureau (ACB)	Investigations' Officer		0999619631
8	Faith Mmwabutwa	Female	National Audit Office	Auditor	faithbutwa@gmail.com	0998630769
9	Fanny Masina	Female	Ministry of Finance	Public Finance Management Accountant	fannyagatha@yahoo.com	0994679434
10	P. Manyungwa	Male	Lilongwe District Council (LDC)	Administrative Officer (AO)	pmanyungwa@gmail.com	0888886690

11	W. Chirwa	Male	Lilongwe District Council (LDC)	Director for Planning and Development (DPD)	wa.chirwa@yahoo.com	0992256030
12	C. Mhone	Male	Lilongwe District Council (LDC)	Director of Finance (DOF)	charlmhone@yahoo.co.uk	0999225476
13	Hon. Baba Malondela	Male	Lilongwe South East	Member of Parliament (MP)		0999000165
14	Mphatso Kaduya	Male	Nkhoma	Ward Councillor		0999367385

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