



PFMRP-V Communities of Practice Initiative

The United Kingdom (UK) government via the Foreign, Commonwealth and Development Office (FCDO) is supporting the Government of Tanzania (GoT) with a comprehensive set of public finance reform activities.

The Public Finance Management Reform Programme (PFMRP) has been the main vehicle of this support since 1998. The current phase, Phase V, began in 2017 and builds on earlier phases to improve and promote sustainable Public Financial Management (PFM) reform to enable economic development and enhanced public service delivery. PFRMRP V operates through seven strategic objectives (SO) focusing on improving macroeconomic management, efficient resources allocation, timely and accurate budget execution, strengthening and effective oversight of PFM institutions, and improving PFM systems and outcomes in local governments.

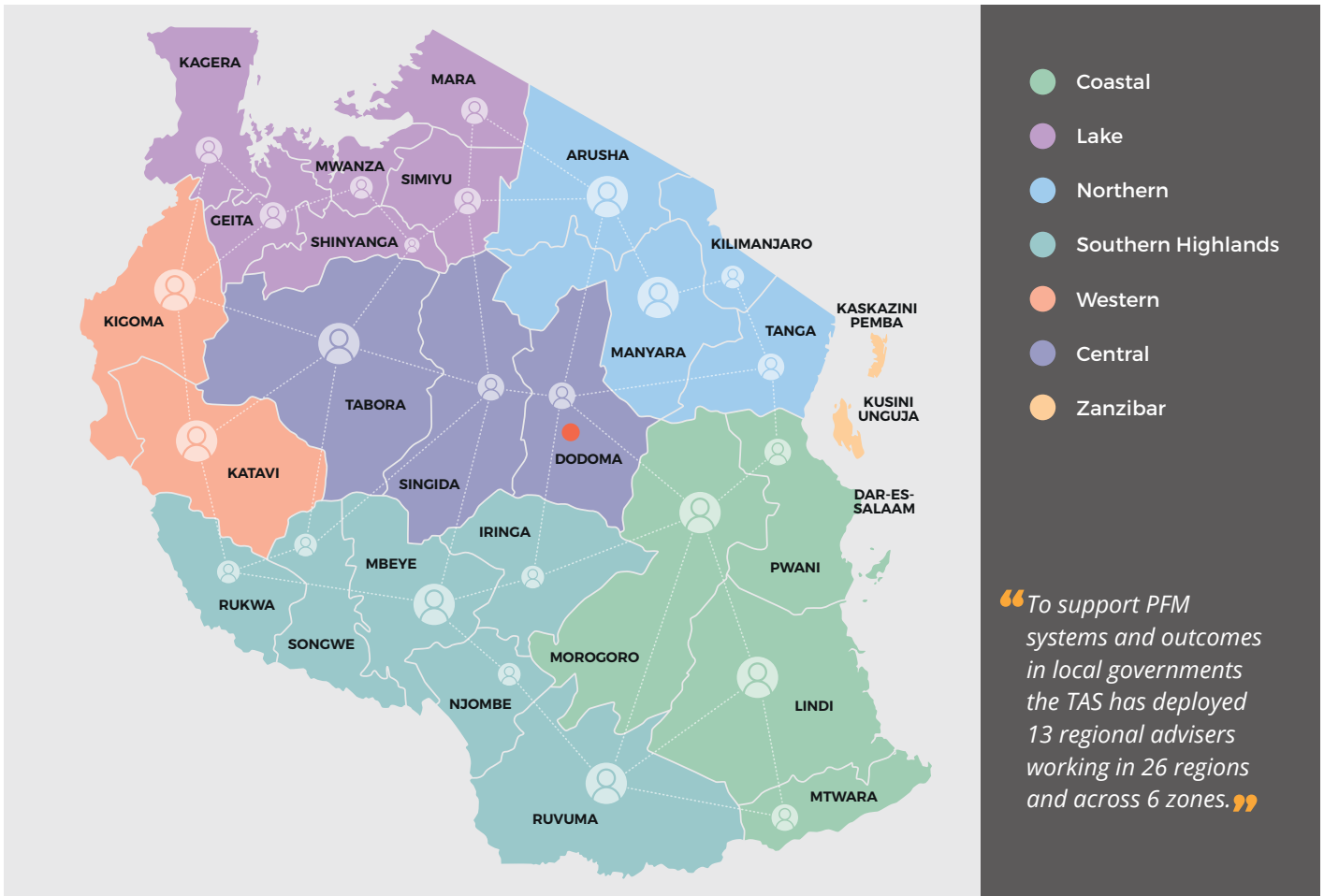
Ecorys leads a consortium of KPMG Tanzania, Dege Consult, and Tanzanian Mentors Action to provide the Technical Assistance Service (TAS) for PFMRP V focused on SO6, improvement of PFM systems and outcomes in local governments. The TAS provides technical assistance (TA) to build the capacity of the Tanzanian President's Office, Regional Administration and Local Government (PO-RALG) to lead reforms and ensure relevant staff in central, regional and local government have the skills to design, implement, operate and evaluate PFM systems.

On-demand TA is provided to the Ministry of Finance and Planning (MoFP). The Ecorys-led consortium has adopted a TAS model based on three identified workstreams, each with distinct activities and outputs. These workstreams include 1) on-demand support to the MoFP, 2) support to PO-RALG, and 3) support to Regional Secretariats (RSs) and Local Government Authorities (LGAs).

To support PFM systems and outcomes in local governments the TAS has deployed 13 regional advisers working in 26 regions and across 6 zones, with each advisor responsible for two regions. These advisers provide on the job capacity building TA and have also been instrumental in facilitating the establishment of Communities of Practice (CoPs) at zonal levels. These CoPs for PFM were conceptualised by the TAS and PO-RALG as **knowledge sharing tools to strengthen and sustain the capacity-building support provided through PMFRP**. The CoPs are interactive and collaborative resources for Tanzania's government staff to share knowledge on PFM challenges, innovations, and topical issues.

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Zonal and regional map of Tanzania



During CoP discussions participants share challenges they face, identify any similarities in these challenges, disseminate practices that have worked well, and collectively identify innovative solutions. Through accessing the expertise of colleagues, the CoPs allow PFM professionals to expand their networks and increase synergies between RSs and LGAs at the zonal level. This in turn serves to scale the agility of RSs and LGAs to deliver Tanzania’s PFM reforms and systems. The CoPs facilitate peer-to-peer conversations between RSs on relevant issues with which they are grappling. This not only enhances communication between CoP attendees but also allows for their PFM capacities as PFM professionals to be developed in practice.





Leading reform through knowledge sharing

The aim of the CoPs is to convene regional PFM Champions and PFM practitioners at RS and LGA levels to share their experiences and learn from one another. **CoPs serve as informal knowledge sharing hubs with no standing agenda, rather they are a forum for participants to raise topics that are pertinent and timely in their work.** The CoPs address pressing issues such as a spike in qualified and adverse audit opinions from the most recent CAG audit, or how to enhance

own source revenue collections by LGAs. They also cover activities and reporting that align with Tanzania’s annual fiscal cycle. CoPs also serve as a useful tool to cascade information issued in Dodoma down through regional and to local level PFM stakeholders. The CoPs provide value for money to the GoT and FCDO alike in their facilitation of the flow of information from the federal level to ensure decentralised levels of government are aware of policy changes and any relevant new tools (e.g., ICT products).

Generally, CoP participants are consulted by the TAS regional advisers and focal persons in their zone to set out relevant agenda topics for discussion and the date for the CoP. This participatory approach maximises relevance, buy-in, and participation in the session. Once set, agendas for the CoP are shared with participants beforehand to facilitate a richer, more informed discussion. Attendance at each CoP during the May to July 2021 quarter averaged 10 participants per session, although as many as 20 have attended a single session. Each CoP session is held remotely using a platform such as Google Meet, MS Teams, or Zoom and is chaired by the TAS Senior PFM Expert who moderates the session ensuring all participants can present their views in a safe, collegial environment that fosters open dialogue

Typical CoP session

 <p>Introductions</p> <p>(15 minutes)</p> <hr/> <ul style="list-style-type: none"> All participants get to introduce themselves. 	 <p>Aim and objectives of the CoP</p> <p>(15 minutes)</p> <hr/> <ul style="list-style-type: none"> Introduction of the TAS emphasising the TA role and the purpose of the CoP. Presentation of basic house rules. Presentation of possible future topics. 	 <p>Topic discussion: CAG Audit</p> <p>(45 minutes)</p> <hr/> <ul style="list-style-type: none"> TAS Experts should prepare some talking points to help guide the discussion as most relevant to their zone. 	 <p>Wrap up</p> <p>(15 minutes)</p> <hr/> <ul style="list-style-type: none"> Initial feedback, questions that have not been answered during the session. Next steps.
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on issues presented. Following each CoP, the person chairing the session will prepare notes and disseminate these to all those invited so that everyone has access to a summary of the discussion held.

In May 2021 the TAS rolled out the monthly CoPs at the zonal level. A broad cross-section of PFM personnel participated including, PFM Champions, LGA Treasurers and Accountants, Council Directors, Assistant Regional Administrative Secretaries (RASs), Financial Management Officers, Internal Auditors, and Economists. At the start of the new financial year, agendas were being prepared by the regions with discussion items ranging from growing own source revenue (OSR) consistently to early preparation of International Public Sector Accounting Standards (IPSAS) compliant financial statements for 2020/21.

The initial CoP meeting in the Coastal Zone was found to be so useful that LGAs ran two additional CoPs sessions in May following participant feedback that such a forum for additional discussion would be useful. Since the first CoP, other CoPs have focused on own source revenue collection as well as preparation of final accounts.

Engagement via PFM champions

PFM Champions are the TAS's entry point to capacity building through the CoPs. Following the engagement of PMF Champions via the zonal CoPs, these PFM Champions play a vital role in engaging LGA staff on the importance of CoPs as tools to support PFM functioning in resource limited settings that are further constrained by the ongoing COVID-19 situation. While positive momentum is being built, there is still a need for greater awareness and ownership at the regional level. TAS is

now working with PMF Champions, along with Assistant Administrative Secretary (AAS)-LGAs, to approach RAS for support wherever possible. **The aim is to move toward complete ownership of the CoPs by the regional PFM Champions and to have them organise and draw on the CoP as a forum to support PFM functioning at both regional and LGA level.** This will require commitment by RSs and LGAs to ensure their team members receive time and support for communication costs to participate.

Although the CoPs are up and running, there have been challenges to setting up the CoPs, which have been addressed over the first five months of their operations. These challenges included initial resistance from RS staff who thought that participating in a virtual CoP would replace their travel to LGAs. This resistance was mitigated by clarifying to RS staff that under the Alternative Delivery Arrangement the regions have access to funding for carrying out their planned activities. Another challenge was technological difficulties with the virtual format including unstable internet connections, installation of platforms, ability to joining, and background noise. Although connectivity issues are ubiquitous, improvements have been made. Some regional staff have been using office internet facilities but where necessary individuals have had to use their own bundles after realising the usefulness of the sessions. Installation of platforms was an issue for staff in only one LGA who were assisted in resolving this by a TAS expert. A third issue was slow initial support from RSs and LGAs management for the CoPs. Over time, greater buy-in and activity by LGAs has been developed through the efforts of the PFM Champions and as LGAs learn of the importance and utility of the CoP from other LGAs.

The future of the CoPs

Going forward, the TAS aims to cascade the CoPs down at the local level. The TAS successfully began piloting CoPs at the regional level to involve LGAs staff in Kigoma and Geita regions in August and September 2021. This experience helped identifying key lessons that will be used in cascading CoPs down in other regions. To facilitate this, the TAS will develop a quarterly CoP calendar for each region in advance. These calendars will include meeting agendas, invited participants, details of the date and time of the meetings, proposed platform, designated Chairperson and Secretary for the meeting, and a method for disseminating meeting minutes. The aim is to expand the reach of the locally owned CoPs and have more PFM practitioners across Tanzania able to attend the meetings and benefit from the collective discussions.



Central Zone Community of Practice Case Study – 2019/20 Controllor and Auditor-General Audit

The initial CoP meetings were held in May 2021 in the Coastal Zone, Central Zone, the Lake Zone, the Northern Zone and the Southern Highlands Zone. This case study examines the Central Zone, which covers Dodoma, Iringa, Shinyanga and Tabora.

On the agenda for the Central Zone's CoP were the topics of revenue collection, the 2019/20 Controllor & Auditor-General (CAG) audit report, and preparation of final accounts. The CAG audit signalled an intent from PO-RALG to tighten internal controls and financial performance, as well as processes for accountability of officials responsible for PFM performance and reform. Following the release of the CAG audit report, LGAs were directed by PO-RALG Minister Mwalimu to submit action plans in response to CAG audit opinions for their jurisdictions by 30th June 2021.

As the 2019/20 CAG Audit Report had been released in late March 2021¹ resulting in a renewed priority and focus on PFM at the RS and LGA level, the CAG audit was the focus of the discussion among the 10 attendees during the inaugural CoP. The 2019/20 CAG audit report emphasised the importance of accountability and financial performance by LGAs. Over 30 per cent of LGAs received qualified or adverse opinions from the audit,

with over half of these being legacy issues that had not yet been resolved from previous audits. Given these findings, the need to provide support to RSs and LGAs to develop their capacity, share knowledge and experience to address CAG reports and formulate action plans were clear.

During the May 2021 Central Zone CoP, attendees shared their experiences in addressing the CAG audit report findings. The key issue identified after analysing the CAG report was non-observance of IPSAS requirements on issues of asset management, approximately 85 per cent of the audit observations were in this area. CoP conversations included knowledge sharing between LGAs that had successfully addressed issues identified in previous CAG reports, how they addressed issues to ensure both more effective PFM and that the same issues would not be flagged in subsequent audits. Information sharing during the CoP also allowed for the identification of operational bottlenecks including inadequacies in:

- Staff and skills resulting in weak financial recording, accounting and reporting;
- Tools for effective administration and monitoring of PFM activities; and
- Training in technical issues related to auditing and financial reporting-IPSAS, International Standards of Auditing (ISAs), system audit.

The CoP provided a forum for brainstorming suggestions to resolve these identified issues. Participants agreed that the following actions would be taken to address such issues:

- Strengthen monitoring in implementation status of audit recommendations to ensure each LGA prepares an action plan to implement the CAG recommendations;
- Build capacity through providing adequate technical support and ensure adequate staff through refresher training on IPSAS in preparation for 2020/21 Annual Accounts; and
- Ensure adequate working tools such as financial management software modules on asset management and automatic generation of financial statements.

Through their discussions, participants also identified issues beyond the responsibility of RAS and organised to escalate these to PO-RALG.

¹ Annual General Report of the Controllor and Auditor General for the Financial Year 2019/20, Ref. No. CGA. 319/421/01-A/07, 28th March 2021.

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