

# **External control systems in the enhancement of accountability in local government: The case of Uganda**

by

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## DEDICATION

Dedicated to my late parents, Hajj Hamdan K. Musisi and Rehmah Nakkungu Namusisi, whose departure from this world in 2002 and 1979, respectively, reduced the meaning of life and made it never to be the same again. May Allah lighten their burden and honour them in Jannah.

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## ABSTRACT

This study investigated the role of two cardinal external control agencies, the Office of the Auditor-General (OAG) and the Inspectorate of Government (IG) in the enhancement of accountability in Uganda's local government (LG). In Uganda, local governments' accountability failures are relentlessly blamed on the weak internal systems of control, despite the existence of external controls. This study departs from the premise that, the institutional predicaments of LGs do not only represent poor internal systems, but also signify deficits in the external control mechanisms. The evaluation of external control agencies was based on four main fronts: their *institutional capacity* to enhance accountability; how they have promoted the *operationalisation of legislation and regulatory framework* pertaining to accountability; how they have enhanced LG *systems and processes* towards accountability; and, how far they have helped to strengthen the *potential of civil society* in fostering accountability in LGs. A largely *qualitative* research approach was employed, but with some elements quantitative data. Interviews, documents review and direct observation were used as instruments of data collection.

The study established that the IG and the OAG exhibit mixed fortunes of institutional capacity, punctuated by financial and human resources limitations; deficiencies in the enabling legislation; and poor support from various stakeholders. The study revealed a stupendous effort by the IG and the OAG in operationalising legislation, but they perform dismally in enhancing local government systems and processes; and in strengthening civil society capacity towards accountability. There is lack of a harmonised policy and coordinated mechanisms to support supervision, mentoring and inspection of LGs by the external control framework.

The thesis argues that, reforming local government requires changes in the approach of individual and organisational culture. The mere crackdown and reprimands meted out on those that abuse public trust do not necessarily improve accountability. Thus, commitment should be put on identifying the organisational-structural deficiencies and possible system reforms, rather than mere inspections and monitoring exercises that encourage mediocrity. Hence, those who inspect, audit and review local governments should be able to recognise the inherent system

challenges, but also appreciate the constraints under which the public servants operate, or where they have little or no control. In the end, improved performance and accountability depend on the extent to which people appreciate them as legitimate goals, both within the administration and within the external control agency system.

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## LIST OF ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
AG	Auditor General
CADP	Corporate and Development Plan
CAO	Chief Administrative Officer
CBO	Community Based Organisations
CFO	Chief Finance Officer
CG	Central Government
CID	Criminal Investigations Department
CSOs	Civil Society Organisations
DENIVA	Development Network of Indigenous Voluntary Associations
DIGG	Deputy Inspector General of Government
DPP	Director of Public Prosecutions
DSC	District Service Commission
HLG	Higher Local Government (District, City and Municipal Councils)
HRM	Human Resource Management
IDP	Integrated Development Plan
IFMS	Integrated Financial Management Systems
IG	Inspectorate of Government
IGG	Inspector General of Government
JARD	Joint Annual Review of Decentralisation
LC	Local Council
LG	Local Government
LGA	Local Governments Act
LGDP	Local Government Development Programme
LG FAR	Local Government Financial and Accounting Regulations
LGPAC	Local Government Public Accounts Committee
LGUs	Local Government Units
LLG	Lower Local Government (Sub-county, Town and Divisional Councils)
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
NGOs	Non Governmental Organisations
NIS	National Integrity Survey
NRM	National Resistance Movement
OAG	Office of the Auditor General
PAC	Public Accounts Committee
PAF	Poverty Alleviation Fund
PEAP	Poverty Eradication Action Plan
PFAA	Public Finance and Accountability Act
PPDPA	Public Procurement and Disposal of Public Assets Act
PPP	Public private partnership
PSC	Public Service Commission
SFG	School Facilitation Grant
Shs	Ugandan Shilling (One U\$ Dollar equals 1700 Uganda Shs; April 2008)
SWAP	Sector-Wide Approach
UDN	Uganda Debt Network
UNDP	United Nations Development Programme
UPE	Universal Primary Education
VFM	Value for Money Audit