



Recommendations from a Review of Public Financial Management Trainings in Mozambique

HP+ POLICY *Brief*

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Mozambique's Public Finance Vision and Review of Progress

Reliable public financial management is a cornerstone for a country such as Mozambique to mobilize domestic resources for health and other social priorities. It is also a prerequisite for donor funding. Acknowledging the importance of public financial management, the Ministry of Health has made efforts to improve internal controls and financial reporting. This has resulted in the establishment of two new units: the Procedural and Legal Compliance Unit and the Accountability Unit. As part of this effort, since 2014, the Ministry of Health has worked with various partners to design and deliver more structured public finance management training of health sector staff at the central and provincial levels.

To assess progress in the trainings, the Health Policy Plus (HP+) project, funded by the U.S. Agency for International Development, reviewed eight public financial management trainings delivered during 2014–2018 to 852 health sector staff in Mozambique's 11 provinces (including the capital city) and more than 90 percent of the districts. HP+ interviewed the trainers and reviewed training proposals, reports, and pre-/post-tests. This brief provides lessons and recommendations based on the review to further strengthen training in public financial management. Table 1 provides details about the trainings reviewed, including type of training, number of people trained, location, and purpose.

Public Financial Management in Mozambique

Through a law passed in 2002 and a regulation approved in 2004, the State Financial Administration System (SISTAFE) was created with the aim of modernizing the financial administration systems in Mozambique. In 2006, the e-SISTAFE software was created. With increased external funds coming into the country at the national, provincial, and district level, tracking of funds requires regular training on how to use the system. However, audits revealed inconsistent compliance with basic transaction processes, especially at the provincial and district levels. Ensuring staff are properly trained is key to increasing financial transparency and accountability, which is being reported through subnational audits.

Lessons and Recommendations

Match Training Level to Performance Level

Having staff with a wide variety of experience and skill at the same training makes it a challenge for trainers to move at the right pace. Trainer interviews revealed that a significant amount of time was spent on topics such as the basics of Microsoft Excel and accounting, which were not on training agendas. The 852 health sector staff who participated in the eight trainings mainly worked in budget execution, reporting, and internal control and were generally in operations. In rare cases, provincial directors participated in

parts of a training. The profile of participants varied widely, including staff who were:

- Newly hired
- Transferred from other institutions or positions with no prior experience in the topic area
- In areas not related to public financial management, such as health technology
- Experienced enough to conduct training to less experienced personnel
- Heads of provincial administration and finance departments
- Central- and provincial-level health inspectors
- Lacking capacity to complete basic computer operations

Table 1. Public Finance Management Trainings

Topic (Year)	Setting	# Trained	Location	Funded by/ Conducted by	Reason/Need
Financial procedures manual (2014)	Classroom (5 days)	24 men, 27 women	Central level	USAID/FORSSAS	Identified by FORSSAS for the implementation of the financial procedures manual
Financial management procedures manual (2015)	Classroom (5 days)	191 men, 130 women	All provinces and 86% of the districts	USAID/FORSSAS	Identified by FORSSAS for the implementation of the financial procedures manual
Financial accountability (2015)	On-the-job (5 days)	43 men, 30 women	All provinces	Government of Mozambique/ FORSSAS* and Ministry of Health	Identified by the Ministry of Health for implementation of new provincial accounting units
Public financial management, project management, and public accounting (2016)	Classroom (5 days)	165 men, 132 women	All provinces	Danish government/ MB Consulting	No specific reason was identified
Internal control and audit (2016)	Classroom (5 days)	21 men, 30 women	All provinces	Danish government/ MB Consulting	No specific reason was identified
Public financial management (2017)	Classroom (5 days)	32 men, 36 women	Provincial-level staff from south, north, and central regions	World Health Organization and government of Mozambique/Ministry of Health, and HP+	Identified by the Ministry of Health due to audit findings showing a lack of staff capacity on public financial management
Public financial management (2018)	Classroom (5 days)	158 men, 144 women	All provinces	Global Fund to Fight AIDS, Tuberculosis and Malaria/Ministry of Health and HP+	Identified by the Ministry of Health and Global Fund due to the decentralization of Global Fund funds
Budget execution reports (2018)	Classroom (5 days)	83 men, 73 women	All provinces	Swiss government/ unknown	Identified by the Ministry of Health to decentralize the development of budget execution reports

* Fortalecimento dos Sistemas de Saúde e Acção Social [Strengthening Health and Social Action Systems]

To improve efficiency and effectiveness, trainings should tailor the programming to reflect the initial capacity of participants, which can be evaluated through a placement test. HP+ recommends using the test to establish three levels of training, such as:

- Beginners—for staff scoring less than 50 percent
- Intermediate—for staff scoring between 50 and 85 percent
- Advanced—for staff scoring more than 85 percent; all trainers must be at this level

Train and Deploy Provincial-Level Trainers

As the country administration is being decentralized, provinces and districts are taking more responsibility for the management of resources allocated to health. Decentralization of the distribution of external funds and deployment of new units, functions, and procedures were explicit reasons for five of the trainings (see Table 1). Staff were trained in financial accountability, internal control and audit, and budget execution reports. The need for such skills will grow quickly across the districts and centralized training cannot keep up.

To meet the growing need for public financial management at the district level, HP+ recommends decentralizing the capacity and responsibility to deliver training to the provincial level. The Ministry of Health should develop a team of trainers in each province who are continuously trained by the central level and who can oversee and conduct training of staff in the districts.

Match Training to Needs

Typically, Ministry of Health departments have determined the outline and content of the trainings and the provincial level selected the participants. The selection criteria were not always explicit. This process led to trainings that were not always matched to the needs of the participants.

Public Financial Management Tasks Covered in Trainings

- Verification of legal compliance of public expenditure through the use of a job aid poster distributed in more than 400 health institutions
- Alignment among plans, budget, and budget execution
- Preparation of financial statements
- General and specific processes for budget execution
- Archive of supporting documents
- Use of database to input and revise data and generate reports
- Preparation of quarterly budget execution reports
- Preparation and implementation of action plans to mitigate public finance management weaknesses
- Preparation of treasury plan for improving the predictability of funds
- Management of revenue collected by health institutions
- Internal scrutiny of public finance management processes

Several sources of information are available on the actual needs and gaps: data from audits, pre-/post-tests, and the results of supervision visits to the provinces conducted by the Ministry of Health Directorate of Administration and Finance. In addition, feedback from the trainees from previous trainings offers important comments and suggestions regarding topics, the importance of practical teaching methods versus theory, and financial management issues unique to each province. This information should be shared with trainers so they can design and deliver more effective public financing management training.

A final recommendation is to reverse the current process so that provinces first identify participants and then the training is designed to match their needs.

Measure and Reinforce the Impact of Training

One way to measure the impact of training is through pre-/post-tests. Results for the training on the financial management procedures manual in 2015 indicated a 28 percent increase in test scores after the training. What these tests don't indicate is whether the learning was applied on-the-job, which can sometimes require changing processes and require that both supervisors and leaders are trained and committed to supporting new learning and making and/or supporting process changes. HP+ recommends the Ministry of Health use supervision visits to measure and reinforce the impact of public financial management trainings.

The Ministry of Health Directorate of Administration and Finance routinely conducts supervision visits in the provinces. Anecdotal evidence suggests these monitoring and supervision visits have an impact, particularly in locations with high staff turnover, helping to reach those who haven't yet been trained and to reinforce learning with those who have. HP+ recommends supervision visits to follow-up specifically with trainees. The directorate should systematically inquire: Are recently trained staff applying what they learned? Are

new processes being used? Are supervisors supportive? HP+ further recommends creating tools and guidelines to formalize supervision visits. Another way to measure the impact of the training is to conduct audits in sites where staff were recently trained and share the findings with staff, supervisors, and trainers.

Looking Ahead

This brief offers a series of evidence-based recommendations to make Ministry of Health training of health sector staff in public financial management more effective. Strong public financial management capacity is more important than ever. With decentralization underway, provinces and districts will have greater autonomy, which must be accompanied by more accountability. As one of the largest sectors, the health sector must be able to manage public finances, efficiently use systems—such as the Planning and Budgeting System—and implement other reforms undertaken by the Ministry of Finance. When donors have confidence in public financial management systems, they are more open to direct on-budget funding—which can be executed by the state—to further enhance the health system.

References

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