Conclusions/ Key Recommendations and Next steps:

The long existence of the DA system and the extensive donor affiliation with the DAs studied have built up appreciable experience within Assemblies in terms of procurement, human resource development, financial management and reporting. However, reports from the Accountant-Generals and Auditor-Generals offices indicate that donor-funded projects of DAs commonly suffer from lapses in procurement, poor financial management and weak staff levels (especially auditors). Despite these financial and technical challenges many DAs were implementing both locally-generated and donor supported development projects in their districts. Key recommendations for WAG include:

- Provide documented ground rules within the context of the MOU, including those covering procurement in the context of the MOU. All stakeholders should be clear as to the expected timelines and outcomes, monitoring and supervisory requirements and penalties for non-performance.

- Clearly defined guidelines: Key staff of the DAs and decentralized departments were very conversant with Act 642, the National Procurement Act and other financial regulations. Consequently, they respond positively to donor expectations if the appropriate guidelines are provided by donors.

- Use of Internal Auditors: There has been increasing use of Internal Auditors and Inspectors by the DAs. The Internal Auditor Units have recently been established as provided in the Local Government Act, 1993 (Act 462) on financial matters. Various reports have stressed the need for such units within the DAs.

- Adequate qualified human resource: Presence of well qualified key personnel occupying key managerial positions of the DAs help with in-depth planning, Act, 1993 (Act 462) on financial matters. Various well qualified key personnel occupying key management positions within donor funded projects have stressed the need for such units within development, financial management and reporting.

- Involvement of traditional leaders: The LGA’s have engaged LGA’s as part of their institutions and NGOs. Unfortunately, District Assembly or communities are mobilized before involvement of traditional leaders in project formulation, implementation and supervisory requirements and penalties for non-performance.

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The focus was to encourage district respondents to discover and build on the root causes of success in managing donor funds. The field was conducted using qualitative, open-ended instruments. The sampling technique combined purposive, stratified, quality, and random procedures. A total sample of 92 respondents drawn from the eleven districts – Tamale-Metro, Bolgatanga Municipal, Bawku West, Gwamfie-Kade, Teshie Accra, East Legon, Ga South Municipal, Asante Akwaaba, Mfantseman, and Adaklu Districts, were interviewed. The interview was conducted using open-ended questions.

Capacity for Financial Management

The assessment of the district-specific capacity for financial management based on an analysis of available, quality, and experienced staff involved yielded positive results. The overall standing relationship between the districts studied and donors has not only deepened the experience of the financial managers but has also equipped them with the necessary discipline required to manage donor funds. This is however against the background of the Accountant General’s reports of common lapses such as non-accounting of projects resulting cost overruns, high cost of project inputs or materials, lack of pre-audit of payment vouchers, poor documentation of official payments and receipts, and non-updating of fixed assets, factors that are collectively contributing to weakening the financial management system.

On how to deal with the existing financial management challenges, the interviewed staff of the DAs and NGOs made some useful suggestions:

- orientate key staff of DAs and decentralized departments on the terms of signed MOU and the financial management and reporting format of WAG.
- WAG should stick to them against challenging situations like lack ofpre-audit of payment vouchers, poor documentation of official payments and receipts, and non-updating of fixed assets, factors that are collectively contributing to weakening the financial management system.
- WAG should be trained to work together with other donors.
- Provide needed logistical support such as meals (mobile meals) for use in monitoring programmes and fuel for vehicles.
- Training of personnel and provision of related logistics/equipment.
- In view of the decentralized departments and partner and non-partner NGOs, spelling out clearly and upfront, with due respect to effective management of donor funds. The open door policy has also entailed the DAs making efforts to open its doors to effective management of donor funds.
- Visionary leadership: All DAs studied are blessed with visionary and very articulate District Coordinating Directors who are innovative and visionaries in the supervision of the districts being adjudged the best in development. In addition human roles with very personal relationships were seen as a contributory factor.
- Internal monitoring system: Focal points are called upon every forthnight to report on their work in terms of project implementation, clarify bottlenecks and strategize on how to make the required improvements. This facilitates proper planning, transparency and accountability.
- Separate account for donor supported projects: The option of opening a separate donor account for donor supported projects under the supervision of the District Coordinating Director helps DAs to track strict application of funds to what they are meant for.
- Open-door policy: All DAs studied have worked and continues to work with other donors. There was also a general view that DAs are ready to cooperate, collaborate, coordinate and supplement donor projects in development. The open door policy has also entitled the DAs making efforts to open its doors to the public.
- De-politicizing development projects and programmes: Active support from both central government and international development partners without partisan political colouring can also contribute to effective management of donor funds. The open door policy has also seen a political support which was backed by the national Coordinator of External Donors. This has facilitated inter-sectoral collaboration and co-operation a little easier to achieve.

Assemblies that are traditionally responsible for WAG’s key staff of decentralized departments and NGOs were with the view that their respective DAs have the capacity and competence to effectively utilize donor services. Not only do the DAs have experiences working with donors, they have credibility accounted for such funds. Also the existing financial management system as provided under the various legal instruments regulating the management of the funds, provide the necessary framework for managing donor funds effectively. They thought on the whole that the DAs had made positive improvements in the livelihood of their respective communities, through good management of donor supported projects.

However, they were quick to point out certain factors that have impeded the operations of the Assemblies. Some, listed in descending order of importance on the basis of frequency at which mentioned are the following:

- Politicalization of development projects and programmes, increased budgetary rationalization, and potential stagnation tendencies.
- Inadequate Internal generated funds and lack of release of funds to the DAs/decentralized departments.
- Frequent changes/transfer of DA key staff such as DDGs, DDCs, DCEs, DPOs and Directors.
- Poor sharing of resources, leaving out the marginalized and/or focusing certain development work in the rural areas, in the marginalised and/or focusing certain development work in the rural areas to the neglect of urban areas.
- Imprison acquisition of land resources.
- Improper supervision and demarcation of land-related resources by the Assembly.
- Inadequate involvement of traditional leaders in dealing with donors and the Assemblies.

Some Best Practices

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Methodology

Two methods were used to collect information: Appreciative inquiry and document review. Document review is a natural reading of a document, and logistics/equipment.

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