CASES OF POSITIVE DEVIANCE IN PUBLIC FINANCIAL MANAGEMENT

Sectoral budget committees in The Gambia

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CONTENTS

Acronyms and abbreviations

CABRI	Collaborative Africa Budget Reform Initiative
CCM	co-ordination committee meeting
IFMIS	integrated financial management information system
MDAs	ministries, departments and agencies
MoBSE	Ministry of Basic and Secondary Education
MoFEA	Ministry of Finance and Economic Affairs
PFM	public financial management
PS	permanent secretary
SLA	service-level agreement
SMT	senior management team

Foreword

The importance of sound public financial management (PFM) in delivering results for the citizenry is reflected in the Ministry of Finance and Economic Affairs' (MoFEA's) vision of being a centre of excellence for PFM geared towards national development. In this vein, the ministry strives for PFM practices that lead to better use of public resources through continuous improvements in the way it operates. In that respect, the Collaborative Africa Budget Reform Initiative (CABRI) is an important partner in improving the ministry's capabilities to implement functional reforms. The team of ministry officials that participated in CABRI's Building PFM Capabilities Programme in 2017 raised critical issues around budget formulation and execution. In particular, they identified the limited role of sectoral budget committees as a significant weakness contributing to the problem of virements and arrears.

Despite their critical role in budget management, sectoral budget committees are nonetheless an understudied area not only in the Gambia but in Africa as a whole. It is, thus, gratifying that this account of the sectoral budget committee within the Ministry of Basic and Secondary Education (MoBSE) in the Gambia will provide insights not only for peers in PFM but also in our own country. The experience of MoBSE showcases 20 years of incremental change and experimentation that have led to improved systems and outcomes and that provide lessons for line ministries in reflecting upon their own committees.

As we continue our engagement with CABRI through the Building PFM Capabilities Programme, we hope this approach of uncovering existing local solutions in our own countries helps in solving further PFM problems.

The ministry strives for PFM practices that lead to better use of public resources through continuous improvements in the way it operates

Lamin Camara

Permanent Secretary

Ministry of Finance and Economic Affairs

Overview

The Collaborative Africa Budget Reform Initiative (CABRI) seeks to promote locally led and country-appropriate reforms that contribute to the more functional management of public funds.

Through a series of case studies, CABRI will document the contexts and processes that led to the emergence of local PFM success stories in Africa. More specifically, the studies identify instances where a group of outliers achieved unusually positive results against a backdrop of similar groups attempting the same task with less impressive results, or in the context of a history of unsuccessful attempts. A study of the behaviour and practices of such outliers helps in understanding how positive results were achieved and what was different in the approach used. The achievements of such outliers are described by Pascale, Sternin and Sternin (2010) as cases of 'positive deviance', which features prominently in our Building PFM Capabilities programme, which uses the Problem Driven Iterative Adaptation (PDIA) approach.[1]

The central focus of reform efforts in The Gambia has been on strengthening budget credibility, improving budget and expenditure information, and the integration of donor funding with local procedures.

An outlier that displays many features of positive deviance in The Gambia is the Ministry of Basic and Secondary Education (MoBSE). Described by the permanent secretary as a ministry that was 'at the bottom of the heap' in the 1990s, MoBSE has negligible virement of funds, and better budget execution and internal audit reports than other line ministries. These improvements have emerged over the past two decades through active budgetary management, a culture of accountability and the building of relevant capabilities that support service delivery.

1 The PDIA approach was developed by the Building State Capability program at Harvard University's Center for International Development.

Neil Cole

Executive Secretary

Collaborative Africa Budget Reform Initiative

These cases of positive deviance will contribute to the knowledge of the CABRI network and offer a deeper understanding of the factors that have contributed to successful reforms, going beyond the traditional best-practice solutions. I also hope that the case studies provide practical examples of what can be achieved by local officials.

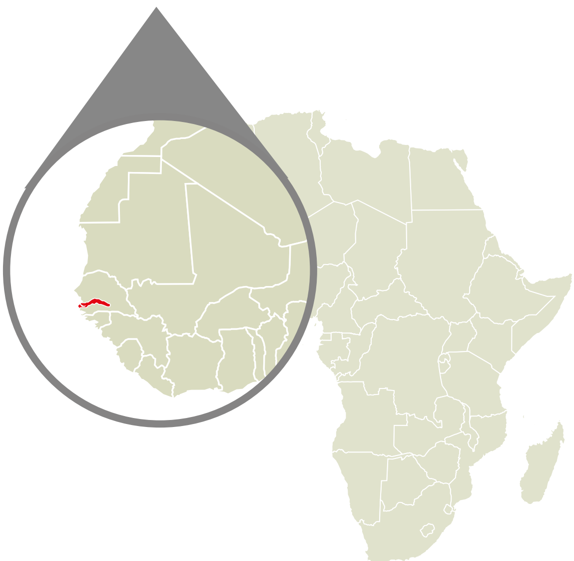
An outlier that displays many features of positive deviance in The Gambia is the Ministry of Basic and Secondary Education

Introduction

The Gambia has a population of 1.8 million, and a land area of 11 285 km^2, and currently ranks 173 out of 188 countries in the Human Development Index (HDI) with a value of 0.452, placing it below the average of 0.523 for countries in sub-Saharan Africa (UNDP 2016). However, the recent National Development Plan 2018–2021 and the Plan for Accelerated Growth and Employment, PAGE II 2018–2021 signal important changes in government policy, with an emphasis on good governance, social cohesion, national reconciliation and a revitalised economy.

In 2016, The Gambia found itself in the midst of a political transition after the unseating of the former president, Yahya Jammeh. A priority of the new government of President Adama Barrow is the reform of public institutions. The newly set up Presidential Monitoring and Evaluation system has allowed the Presidency to track the implementation of planned activities. An increased focus on governance is intended to improve an institutional environment weakened by the previous regime, and to contribute to the effectiveness of public programmes and project interventions.

The most recent evaluation of PFM in The Gambia is the 2014 Public Expenditure and Financial Accountability (PEFA) assessment, which noted progress made since 2010 as well as areas for further improvement. Budget credibility was an area of concern, with deviations from both the level of overall planned expenditure and its composition.



The budget preparation process was given the highest marks, with adequate time allowed for scrutiny by Parliament and the use of a medium-term expenditure framework (MTEF) in line with international best practice. However, the availability of public information on the Gambian budget was cited by PEFA as being limited.[2]

The Gambia has committed to several reform initiatives aimed at tackling the weaknesses in its PFM system. Progress under the current PFM Strategy 2016–2020 includes the rolling out of an integrated financial management information system (IFMIS), establishing a revenue authority and expanding internal audit and procurement functions to the largest ministries, departments and agencies (MDAs). The Ministry of Finance and Economic Affairs (MoFEA) now issues budget call circulars, including budget ceilings preapproved by the Cabinet, at the start of the budget preparation process.

There is, however, still more work to be done on these reforms. Budget execution deviations and virements remain high. While significant work has been carried out on verifying the levels of arrears and on sensitising MDAs to the costs to government of accumulating arrears, expenditures that have not been approved continue to accumulate. The internal audit and procurement functions have not yet been expanded to all MDAs, and currently only 60 per cent of expenditure is covered by the audit function. The new political administration has great aspirations as The Gambia emerges from two decades of autocracy and continues its economic recovery (IMF 2018). The overall picture is one of reform in a challenging environment.

2 The top grade on this dimension under the PEFA requires the publication of in-year budget reports, year-end financial statements, external audit reports, and information on procurement contract awards and funds to primary service-delivery units. In 2014, only the annual budget was published in The Gambia.

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PFM successes at MoBSE

The challenges faced by the Ministry of Basic and Secondary Education (MoBSE) are significant. The adult literacy rate in The Gambia is estimated at 51 per cent, and MoBSE has an estimate of 118 000 learners to educate, with a budget which in 2010 was about US$75 million (UNICEF 2013). Managing this, including 58 schools, each with its own separate budget, is a major operational task.

Basic education in The Gambia has been free and compulsory for all learners since 1998, and enrolment rates have increased steadily during the past 20 years (MoBSE 2018). The enrolment of girls has increased by 5.5 per cent annually on average since 2010, while the enrolment of boys has increased by 4.9 per cent annually over the same period. This focus on increasing access to basic education has resulted in enrolment of close to 100 per cent since 2015. However, less than 50 per cent of schools in five of the six regions of the country have electricity, and the ratio of pupils to desks is 2:1 in the majority of schools (MoBSE 2018). The focus of the 2016–2030 Education Sector Policy is on ensuring quality of education as well as access, increasing the share of learners reaching minimum grade competencies to 80 per cent by 2030.

Against this background, MoBSE has fewer internal audit issues, more virements that support its delivery priorities, and higher budget execution than its peers. The challenge facing MoBSE's Budgetary and Planning Unit is considerable: with an emphasis on delivery, it would be easy for PFM concerns to be ignored. At MoBSE, budget engagement starts earlier and is more tightly linked to its programmes, and budget execution is much higher, particularly for priorities. While virements still occur frequently, there are lower levels of virements to travel expenses than at other MDAs (CABRI n.d.). Similarly, the latest audit reports on procurement show only two 'high-importance issues' to be addressed and five 'medium-importance issues'. Permanent Secretary Mohammed BS Jallow at MoBSE sees budgeting as a priority for his planning team, rather than as an administrative or support function. Having taken over in 2017 from the former permanent secretary (PS) of MoBSE, Mr Baboucarr Buoy, after having worked with him since the 1990s, Jallow is accustomed to working on a tight education budget, and views financial management as crucial. Jallow emphasised in the discussions with CABRI that efficient co-ordination and budget execution, a culture initiated by the previous PS, was important to maintain. Officials at MoBSE agreed on the need for change in three key areas: the structures in place to encourage accountability and budget engagement; the attitude of financial responsibility and agency; and support for education and training.

MoBSE has fewer internal audit issues, more virements that support its delivery priorities, and higher budget execution than its peers

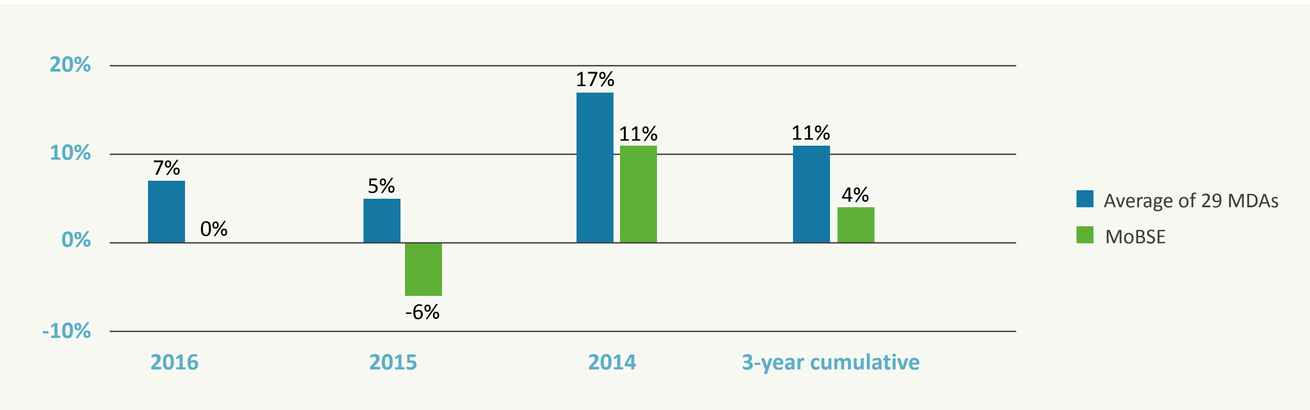
Structuring the budget committee at MoBSE

The budget committee at MoBSE is effective in supporting the delivery of activities, regulating and analysing expenditures because of the support received from the Budget Unit and the information gathered at co-ordination committee meetings (CCMs). The CCMs occur every eight weeks, and include all the members of the budget committee, all directors within the ministry, and the heads of internal agencies. Deputy Permanent Secretary of Programmes Adama Jimba Jobe described the CCMs as follows: 'They rotate around the country, meeting in different regions every time. This allows them to spot different activities that are going on, and to understand if there is an urgent need in a school.' What is more, the PS chairs each of the meetings and enquires in detail about the presentations made. The Minister of Basic and Secondary Education also attends the meetings. The CCMs fulfil a vital role in co-ordinating delivery activities, giving officials at MoBSE a chance to interact with other directorates' work, and ensure that their members stay informed of new challenges and priorities.

The active engagement of the current PS and his leadership with the presentations in this public forum lead to increased accountability. For example, in May 2018, the CCM took place in the most rural district. As is usual, the local heads presented on their schools' results. The PS was informed that one school was not doing well and noted that it had had two heads already in its four years of operation. When he enquired as to why this was so, the local heads said that the first head had not performed satisfactorily, and that they were seeing an improvement in results since he had been replaced. The PS then noted that the previous head was at another school which had been discussed at that meeting and was performing badly again. The previous head was issued with a final warning. This accountability for a head who moved to a different school but was not allowed to escape the consequences of his previous actions is particularly impressive, as many MDAs and private sector organisations struggle to hold accountable those who move between departments or agencies. Crucially, it relied on the PS receiving the details, interrogating the school on its poor performance, asking the name of the previous head and noting that it was the same individual other local heads had complained about.

The CCMs allow MoBSE to maintain awareness of relevant priorities and to ensure transparency. The various ongoing activities are discussed in the open, in detail, which means that when the budget committee has its monthly meetings, it is provided with the facts necessary to make spending decisions. While virements and reallocations are often regarded as a problematic in PFM, the PS saw them rather as a natural result of reprioritising a tight budget according to urgent needs. However, he pointed to the type of virement carried out by MoBSE, highlighting in particular those made into and out of travel expenses. Referring to Figure 1, the PS observed: 'Look at the virements from travel – you know that's the type of budget line that gets virements into it. Here we vire from travel so that we can deliver on our priorities.'

FIGURE 1: Net virements against travel expenses – percentage change against originally allocated budget



Source: Unpublished data communicated by MoFEA officials to the authors

> Other MDAs may fulfil the co-ordination function in different ways – for example, MDA 1 uses an SMT meeting for operational budget issues, and meets infrequently

The common goal of providing a basic education to the children of The Gambia came up repeatedly in discussions with members of the CCM, who said that this common goal was useful in resolving discussions around what their priorities should be. They saw this focus on delivery as enabling them to have the difficult discussions about what should be prioritised and, inevitably, what should be deprioritised. Having a common goal and supporting evidence, in the form of reports provided to the CCMs, were cited as important inputs for the budget committee.

The budget committee has a more acutely focused agenda than the CCMs, focusing on supporting the delivery of activities, checking that expenditure regulations are followed and, to a lesser extent, on analysing current expenditure. One key role of the budget committee that supports the timely delivery of activities is the prompt submission of the cash plan to the MoFEA every quarter. This is crucial for all MDAs in The Gambia, as MoFEA has recently started delaying cash allocations if the monthly cash plans are submitted late. The technical and operational responsibilities of a budget committee cannot be fulfilled by other meetings of senior officials like a CCM or senior management team (SMT) meeting, even if many of the same senior officials are present. For example, the IFMIS responsibility assigned to the PS at MoBSE used to be available only to the PS, one of the reasons being that there were certain approvals that no one else could give, which created delays because the PS was often away from his office. This was discussed at budget committee meeting to decide on an appropriate solution, and eventually the budget committee decided to grant the same authority to the deputy PSs so that even if the PS was away, there would be no delay. Giving us this example, former PS Buoy remarked: 'Can you imagine if that were discussed at the SMT [meeting]? It would waste their time, and also they don't have the technical expertise on budget processes … to weigh those issues appropriately.' Although the SMT meeting would include people with the same or higher seniority, the budget committee has a distinct technical and operational role to play.

Other MDAs may fulfil the co-ordination function in different ways – for example, MDA 1[3] *uses an SMT meeting for operational budget issues, and meets infrequently.* When we asked the deputy PS of finance and administration at MDA 1 how their budget committee functions, he replied that he had only been in the ministry for about six months, and had not yet attended a budget committee meeting. This could indicate the less prominent role played by the budget committee in MDA 1, meeting in time for budget submissions, and then perhaps at one other point during the year. Officials told us that the norm is that budget committee meetings are used only for budget submissions, and not for resolving questions on budget execution, which arise during the year, or for co-ordinating spending. This reduces the degree of 'automation' achievable in respect of the budget committee, in that each time a meeting is required, it is a new event which needs specific scheduling, rather than being a routine occurrence. The co-ordination role at MDA 1 appears to be fulfilled by the SMT meetings, which take place monthly. Many, though not all, of the budget committee members sit in on the SMT meetings, so they may be used to perform part of the co-ordination or information-gathering role that is necessary for effective budget execution. However, strategic decisions taken by the SMT do not always result in timely updates to their budget. Not reprioritising the budget can mean that capital investments are sometimes delayed.[4] One factor contributing to late payments is that MDA 1's cash plans have historically been submitted later than the MoFEA's due date. The ministry is aiming to improve on this, and mentioned that its new policy would support longer-term planning and annual cash plans, thus reducing the difficulty in submitting cash plans.

3 Three comparative MDAs have been rendered anonymous for the case study.

4 Delays can be particularly problematic for construction projects in The Gambia, as building works must be started in time to reach a stable stage before the rainy season begins.

Evolution of the budget committee at MoBSE over time

The budget committee at MoBSE has developed over the past 20 years from a de jure *into a* de facto *institution.* When Mr Buoy joined MoBSE in the 1990s, MoFEA already required MoBSE to have a budget committee. MoBSE's situation at the time – where the budget committee existed on paper but had very limited impact in practice – was similar to other MDAs in The Gambia today. In the former PS's words, 'the budget was not linked to the priorities'. The accounting department prepared the budget by taking budget lines individually and adding an increase of 5–10 per cent to each line, meaning that the budget was disconnected from policies. While basic education was meant to be the priority, MoBSE was budgeting more per student receiving tertiary education.

Demonstrating the value in budget preparation first helped to build support for reform. The Budget Unit began by preparing and sharing the combined budget allocations with the directorates (i.e. all of the funds received through MoFEA, as well as from other sources). Combining them provided the directors with a coherent picture of the funds available to them. According to the former PS: 'The curriculum director at the time said this was the first time he actually knew overall how much was available.' This simple step made a big difference to the directors. In this way, they demonstrated the value of budget preparation work, which led to an increased willingness to engage when they sat on the budget committee.

The reforms progressed step by step, improving on previous attempts year by year

The reforms progressed step by step, improving on previous attempts year by year. The Budget Unit started the budget process by preparing the budgets for the directors to bring to the budget committee meeting, discussing the budgets in detail and ensuring that they were linked to the priorities. The following year, the Budget Unit moved gradually to push the members of the budget committee to prepare their own budgets, increasing their involvement. This also developed the capability of the budget committee. As they developed expertise in preparing their own budgets, the level of scrutiny and analysis they were able to provide to others also increased.

The budget committee at MoBSE has developed over the past 20 years from a *de jure* into a *de facto* institution

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Allowing time and space for internal engagement

TABLE 1: Budget preparation timeline, 2018*

	APRIL	MAY	JUNE	JULY
MoBSE	Issue internal request for budgets, including ceilings	Internal stakeholders prepare draft budgets	Receive draft budgets (deadline 6 June) and hold internal bilaterals in late June (for 4 weeks)	Receive Budget Call Circular from MoFEA and submit reconciled draft budget MoFEA bilateral
MDA 3			Request draft budgets (not received)	Receive Budget Call Circular from MoFEA Begin internal bilaterals and budget preparation Submit draft budget to MoFEA MoFEA bilateral
MDA 2				Receive Budget Call Circular from MoFEA Begin budget preparation Submit draft budget to MoFEA MoFEA bilateral
MDA 1				Receive Budget Call Circular from MoFEA Begin internal bilaterals and budget preparation Submit draft budget to MoFEA MoFEA bilateral

*Data were collected in June 2018 during a visit to The Gambia.

Budget preparation at MoBSE begins much earlier than at other MDAs in The Gambia. Preparations for internal bilaterals at MoBSE begin in April, several months before the Budget Call Circular is issued (see Table 1) and are initiated entirely by MoBSE, rather than being centrally mandated by MoFEA guidelines. Each of the 58 schools financially supported by MoBSE submits a budget for the upcoming year to the Budget Unit of MoBSE. In 2018, for example, the deadline for this submission was 6 June – substantially earlier than the bilateral meetings, which took place at the end of June, and before the Budget Call Circular issued by MoFEA around July. Achieving timeous submissions requires the Budget Unit to follow-up in person with heads of schools, and this has become easier over time as personal relationships develop.

Scrutinising and discussing the initial inputs allows for higher quality budget submissions, but takes time. These initial submissions of the budget are scrutinised by the Budget Unit in advance to prepare for their meeting with the representatives of the schools – the principal, the chair of the board and the bursar all attend. The bilaterals all start in the same way, with those present signing an attendance register maintained by MoBSE in order to prevent later disputes about when the discussion took place or who was present. Hard copies of the budget as it was submitted are then distributed, and the questions that the Budget Unit have prepared are put to the representatives of the schools in order to acquire additional information.

The success of these bilaterals rests partly on the extensive preparation carried out by the Budget Unit. Each meeting took at least an hour and frequently more. The Budget Unit team also prepared for the meetings beforehand for two to three hours.

BOX 1: Detailed account of an internal bilateral

The quality of the scrutiny in the internal bilaterals is key to preparing the budget submission at MoBSE. For example, in one bilateral we observed, we saw the number of learners enrolled being verified. In the previous year, the school had forecast that it would have 1 211 learners, but at a verification visit in February 2018 the Budget Unit had seen only 936 learners on the register. The principal pushed back firmly on this figure, asking who they had spoken to and disagreeing with the figures, which were crucially important since a large part of his budget depends on costs calculated on a per-learner basis. The Budget Unit dismissed these objections in a way that demonstrated both long familiarity with the principal and also a refusal to deviate from the process, citing their visit to the school and emphasising the school's responsibility to have registers available when they visited.

Following the establishment of a difference in school enrolment figures as submitted and as verifiable on the visit to the school, the Budget Unit refused to accept the school's projection for the following year, with one official saying 'no, don't give me these projections – they were wrong last year so I don't believe them now. Just tell me how many students you have today, and we will use that as the figure now until we can verify on our next visit that there are more students. In other words, the school forfeited the right to make its own projections because of the inaccuracy of the previous year's projections. These are difficult discussions, and the benefit of holding them annually was clear, as was the benefit of conducting field visits to verify the enrolment numbers. This meeting also required honesty and engagement from all those present.

Other disparities in the budget were easier to correct – the sums being allocated for the graduate allowance were not included for every teacher. For example, due to a mistake on the part of the bursar, a non-existent 'inconvenience allowance' was being claimed for foreign teachers, and one university student had already being allocated the graduate allowance. These mistakes did not call for long discussion and were quickly fixed once drawn to the attention of the school's management. However, without the early bilateral to force the school to prepare its budget well in advance, and the meeting to scrutinise the details, the standard of the school's budget would have been much lower. The attention to detail displayed in the meeting was clear – each teacher's name was checked along with their claimed qualifications and the various allowances that they were entitled to. While these qualifications were not independently verified, the level of scrutiny was already higher than what is seen at other MDAs.

Finally, the bilateral meeting ended with lunch-bags being provided for the school's management team, and a reiteration of the value that MoBSE places on the work they do. As the meeting closed, the Budget Unit emphasised that it would rather provide the school with unlimited funding, but due to the limited resources available to the Gambian government, they needed to keep the school's budget limited. This repetition of the ultimate shared goal between MoBSE's central team and its constituent agencies, and the small gesture of providing a lunch, helped to create a positive end to what had been an active discussion. The notes from the discussion were later shared and the revised budget emailed back to the school, thereby establishing a baseline for later discussions.

For a full month, they would do nothing but prepare for, carry out and report on the progress of these budget bilaterals

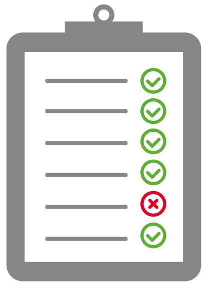
This preparation process involved:

- calculating the per-learner cost target for basic education overall;
- understanding specific factors that might mean the school was above or below the per-learner cost target (e.g. being based in a rural area, or an area with a falling population);
- calculating the school's per-learner cost according to its submitted draft;
- checking the school's wages and allowances against the standardised guide;
- checking the school's teacher numbers and qualifications;
- checking the school's learner-based allowances;
- checking the school's learner numbers as submitted against the previous year's projections and independent verification visits; and
- composing a list of any inaccuracies or questions for discussion, which then became the agenda for the bilateral.

For a full month, they would do nothing but prepare for, carry out and report on the progress of these budget bilaterals; and this substantial investment of time in their internal discussions allows their budget committee to operate with a deep knowledge of the priorities.

MDA 3 sees its budget committee as of limited value because of the inflexibility in the allocation of funding and a low level of internal engagement. MDA 3 had cancelled its last three budget committee meetings because the PS felt that there was too small an amount in the ministry's monthly cash allocation for a discussion on prioritisation to be worthwhile. Nearly 90 per cent of its budget comes from donors, with the majority of donor funding tied to specific programmes. Consequently, the room for decision-making around funding MDA 3's own priorities is extremely limited. This is similar to MDA 2's position, although for a different reason – the source of the funding for activities, rather than the type of activity required, limits decision-making. However, this lack of discretion over how funds are allocated was cited by senior officials at MDA 3 as reducing the value of preparing or discussing their own budget allocations. There is an SMT at MDA 3, which meets when necessary, but these meetings are predominantly called on an *ad hoc* basis and cannot be described as optimally fulfilling the co-ordination role that is needed in a ministry. This is a particularly decentralised ministry with semi-autonomous bodies contained within it, which is a challenge for budgeting, as many different stakeholders must be satisfied, a scenario similar to that of MoBSE and MDA 2, which also have multitudes of stakeholders. Interestingly, the PS at MDA 3 identified earlier and more intensive interaction with internal stakeholders (internal budget bilaterals) as necessary to be able to prioritise the ministry's needs more effectively. This year, MDA 3 attempted to begin with the budget bilaterals, before the Budget Call Circular was issued, requesting initial submissions from its internal agencies at the start of June. However, it did not receive these submissions in time for internal discussions before it received the Budget Call Circular.

Establishing financial responsibility



The culture that informs financial management at MoBSE is of commitment, personal responsibility and agency to achieve change. It was indicative of this culture that while all of the MDAs interviewed mentioned the need for increased resources, MoBSE mentioned this need least of all and acknowledged the financial constraints on the country as a whole. When the financial challenges for MDAs in The Gambia were discussed, the MoBSE budget committee was quick to offer examples of how this had caused them to reprioritise – for example, by the virement of money away from travel expenses in 2015. In contrast, MDA 2 claimed that the only problem faced by its budget committees was that they needed higher budget ceilings.

Officials at MoBSE see the budget committee as crucial in reprioritising limited funding. Rather than seeing a budget committee as pointless, given low financial resources, officials at MoBSE saw it as all the more important to ensure that those limited financial resources were targeted at the most pressing priorities. The difference is stark, and the delegated authority and responsibility that MoBSE has worked hard to put in place is related to this difference in the organisational view of the importance of budget committees. MoBSE's approach to the budget committee has developed over time as they have used it to help deliver on their priority – educating Gambian youth.

Service-level agreements (SLAs) at MoBSE were changed over time to increase accountability despite facing initial opposition. Former PS Buoy described the initial discussions around SLAs as taking a full six months, as many senior members of the department were worried about the difficulties surrounding implementation. According to Buoy, a key part of building support for the SLAs was ensuring that the first set of deliverables fell well within the capacity of those being assessed, but with a high evidentiary standard. In order to model the standard expected, the former PS carried out the SLA review meetings with the directors first, before conducting similar reviews with the members of their directorates. This established the level of thoroughness, but because the first set of deliverables was achievable, staff motivation was not harmed. Over the following two or three years, the performance requirements were raised. The leadership also slowly increased the penalties associated with not meeting the standard, until it was accepted that one would be moved from one's position if one failed to meet at least 50 per cent of the targets required. This personal accountability for results was cited by staff as helping to support a culture of financial responsibility, as officials are asked to account for the results they achieve with their budgets.

The culture that informs financial management at MoBSE is of commitment, personal responsibility and agency to achieve change

The culture of trusting and training subordinates was clear during interviews and was regarded as motivational to staff. This was clear in the Budget Unit, where the senior education officer spoke proudly of how her two direct reporters – who sat in the internal bilateral budget discussions with her – were able to handle internal bilaterals on their own when necessary, thanks to their experience on the job. This comfort in training others to fulfil one's own role results in MoBSE benefitting from continuity in the execution of roles. It was also clear from the top leadership at MoBSE. While we were observing the budget bilateral with a school, PS Jallow stopped by. He asked the Budget Unit head how it was going, and then simply nodded and did not ask the school representatives how the negotiations were proceeding. While he asked how they were and was polite and friendly, he clearly indicated his trust in his team's ability to execute its role by not attempting to check on the details nor to insert himself in the discussions. This lack of micromanagement and trust in his team's delegated authority was mentioned by the Budget Unit as inspiring and motivational. In fact, one member cited it as part of the reason that they had returned to MoBSE, after graduating with a master's degree in the United Kingdom.

In contrast, while budget committee meetings at MDA 2 are regular, limited funding is seen as a binding constraint. MDA 2 has very regular budget committee meetings. In fact, each of the constituent agencies has a sub-budget committee that meets on a monthly basis, in addition to the monthly budget committee meetings. Each agency is represented on the budget committee, which is chaired by the PS. The sub-budget committees are chaired by the head of the agency and include the directors of all the programmes they run. The co-ordination of activities at the various sub-budget committees, therefore, happens regularly. However, the sub-budget committees only check in with the main budget committee on an *ad hoc* basis. When expenditure above the sub-budget committee limit is needed, they meet with the central budget committee, but there is no systematic means of liaising between them. In addition, during the interview, the budget committee expressed its chief concern as being that the allocations from MoFEA were simply too low to provide the services required. Despite long discussions on other potential issues, the budget committee here felt that the only challenge facing it was the low budget. Interestingly, it was suggested that under the previous regime there was significant political pressure to deliver on last-minute requests from politicians. This may have contributed to a culture in which the budget committee's power was limited, as the service had to be provided no matter what the budget allocation. The budget was clearly not used as a guideline on what services would be provided. Indeed, the ministry was keen to emphasise the lack of discretion it had in deciding on what services to deliver to the country. In addition to the high fixed costs of minimum service levels, MDA 2 often has to respond to unforeseen incidents, which can contribute to budgetary pressures and to the less positive outcomes of budget delivery at the ministry, where arrears and overspending are common.

The culture of trusting and training subordinates was clear during interviews and was regarded as motivational to staff

Providing support and training

A theme repeated by those on the budget committee interviewed at MoBSE was that they were given the formal training, including support to study abroad, needed to carry out their roles. The investment in sponsorship and education leave that MoBSE makes in its people is a risk, leaving it open to qualified personnel leaving the ministry. However, the investment has paid off and very few have taken the qualification and resigned. The former PS said that they planned for a reduction in the workforce of 5–10 per cent at MoBSE but actually achieved lower levels than that. The retained expertise is visible in the detailed reports produced and the thorough preparation carried out by the budget committee.

Three tactics enable MoBSE to increase retention after education leave:

1. *Giving returning staff the space to use their professionalism when they return.* Rather than expecting them to fit into an existing role when they return, ensure that they have the opportunity to be an integral part of the running of operations and decision-making. This is so the staff feel that they have the respect and self-determination to do what they had been trained for. This also helps to ensure that the individual capability developed through further study is translated into organisational capability. Giving an individual the space to apply new knowledge means that the organisation's capacity can improve, increasing the benefit derived from the training.

2. *Flexibility in allowing external academic commitments.* This relies on an effective performance review system, so that management can be sure that the work is still being completed to an acceptable standard. However, since there is such a review system, MoBSE has been able to create flexibility in enabling qualified staff to earn more money or improve their qualifications without leaving MoBSE. For example, Former PS Buoy recalled that they had trained a records officer to be an IT expert. He was subsequently asked to run training courses in other countries around West Africa, which was valuable experience for his professional development. This meant that he stayed with MoBSE, which retained a high-performing IT specialist – a role that is difficult to fill. In addition, he was highly motivated without the need for higher pay or promotion because he appreciated the flexibility afforded to him.

3. *Flexibility in support of training*. Former PS Buoy remembered that shortly before he left, the training committee had discussed the case of a MoBSE-supported official who was studying towards a master's degree in the UK. The university there had offered him a fully funded PhD, and so he had asked MoBSE's training committee for a small monthly stipend and another three years of absence. The cost to MoBSE is actually quite low, although it is an unusual request. The training committee approved the request, thus retaining the expertise needed for success. In the former PS's words: 'How many Gambians with PhDs can we afford to lose?'

This also helps to ensure that the individual capability developed through further study is translated into organisational capability

Ongoing challenges at MoBSE

The budget committee at MoBSE has many challenges left on its agenda. While virements may be a necessary evil when faced with frequent reprioritisation, they still indicate departure from planned expenditure. MoBSE's overall level of virements has not changed in recent years (2015–2017), staying at roughly 50 virements annually (CABRI n.d.). However, it claims that its virements are carried out predominantly to support delivery of services, rather than to increase central overheads, and this does seem to be the case.

MoBSE also continues to battle with high arrears. These typically arise in The Gambia due to procurement of goods and services through informal arrangements, because the allocated budget is insufficient. Purchases from suppliers are carried out by MDAs, which then receive an invoice. Once this is authorised by the MDA, the payment should occur using funds from its account at the Central Bank of The Gambia. The Treasury deposits money into these accounts monthly according to the cash ceilings in the approved budget. However, if there are insufficient funds in these accounts for the invoices to be paid, unpaid bills accumulate and become arrears at the end of the year. In general, MoBSE eventually clears these arrears in a variety of ways: through the supplementary budget; through virements from another MDA; or by using cash planned for another programme in that financial year or the next. However, they affect MoBSE's ability to procure effectively. What is more, in the stocktake of arrears conducted by MoFEA in 2016, many of these arrears submitted for verification by MoBSE were not substantiated by internal audit. This may indicate inadequate record-keeping, or alternatively that the expenditure was unauthorised. The levels of arrears at MoBSE are no worse than at its peer MDAs, as they are high across the board. Nevertheless, the budget committee needs to improve its expenditure with regard to the accumulation of arrears.

Conclusion

Improved budget outcomes at MoBSE are in part due to the existence of a budget committee that functions and through the application of practices that have been applied over time. As has been shown in the case-study, these practices include: early engagement with internal stakeholders so that the budget properly reflects priorities; internal accountability through formal and informal mechanisms to improve budget execution; investment in training, including overseas qualifications where necessary; and encouraging a culture of performance and accountability. These outcomes have emerged over the past two decades and have taken time and effort from the leadership throughout MoBSE to establish. While MoBSE still faces challenges in reducing virements and arrears, and increasing compliance with procurement audits, the budget committee is well-established and helps MoBSE deliver in terms of its mission.

MoBSE's journey has been unique, but there are lessons that may be helpful for other MDAs in The Gambia and abroad. MoBSE's experience in the 1990s – when its budget was not linked to its priorities, and was submitted to ensure compliance with the rules, rather than being used as a tool to support delivery – shows how *de jure* rules do not result in *de facto* functionality. The progressive implementation of SLAs slowly over time – and the contribution that structure made in establishing accountability for budgets – demonstrates a method of building support over time by compromising on the level of performance required, but not the accuracy of the assessment. The commitment to offering officials who have benefitted from training the autonomy to implement changes at MoBSE based on their new knowledge contributed to limited attrition and continuity amongst staff. Finally, the budget committee's dedication to early engagement with stakeholders illustrates an important requirement to develop a budget that aligns with priorities, and supports effective implementation.

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