Dear Readers,

“Miazia” to “Nehase” is always a busy season with training programs in budget, accounts and budget planning scheduled throughout the country. This year from “Miazia” to “Sene” alone, 3,406 government staffs were trained in Oromia, Benishangul Gumuz, Amhara, Tigray and SNNP regions. A further 12,309 staffs are scheduled to be trained before the start of the new year in September. The details on these training activities are presented on page 5.

This month, two very interesting articles were sent to The Bottom Line by a staff member of the SNNPR BoFED as well as the EMCP Coordinator. This encouraging start needs to be maintained. The editors of The Bottom Line strongly encourage readers to send reform related articles. These articles could be about training programs, workshops or seminars conducted, important events, innovations, numerous episodes,...etc.

Wereda Capacity Building in SNNPR

Since July 1, 2001, the SNNPR government has launched an extensive decentralization program. An assessment of the process of the devolution to wereda was made by top management. Based on the findings of the assessment, the SNNPR government carried out various activities to strengthen the wereda capacity such as training, restructuring, staff recruitment ...etc.

Late last month, the SNNPR BoFED recruited 484 diploma graduates to work in 104 weredas and 18 city administrations. The newly recruited staffs were assigned to work in budget, accounts, revenue, population and statistics desks.

These recruits are graduates from different private and government colleges as well as universities throughout the country. These young recruits are from Oromia, Harari, Amhara, Tigray regions and also from the capital city, Addis Ababa.

The SNNPR BoFED has scheduled a training program for these 484 diploma graduates at the Regional Management Institute (RMI) starting with an “Overview of the Government Financial Systems” in August 2004 (See page 5 for details).

These recruits are expected to improve the wereda capacity in carrying out accounts, budget, planning activities thus improving the region’s performance in public finance. ▪ By John Teshome, Pool Head, SNNPR BoFED
The Single Treasury System (STS) is a financial management approach currently adopted by Amhara, SNNP and Tigray regions.

Tigray region introduced the system a year ago. The Amhara and SNNP regions are currently undergoing extensive training programs on STS. The Amhara BoFED and the DSA project conducted early in June a training of trainers program for 26 staff selected from wereda, zone and region. At the end of the training program 10 “core” trainers were selected to conduct the zone and wereda training of trainers program scheduled in July and involving 248 trainee trainers. These 248 trainers will then train about 1,240 wereda and zone accounts staff in July/August 2004.

Below the President of the Amhara Regional State, H.E. Ato Yoseph Reta, Ato Belachew Beyene, Financial Adviser to the President, Ato Avichew Kebede Amhara Regional State BoFED Head and Ato Yinager Dessie, D/Bureau Head, Bureau of Capacity Building attending the first day of the training of trainers program on STS in Bahir Dar.

Experience with reforms has shown that implementation is not finished in one year. Follow-on monitoring and support is required to ensure that the reform is properly functioning. The need for a strong support component to the reform is dramatically increased by the devolution to weredas. Weredas have limited capability. The project’s support component is geared to ensure sustainability as well as gradually improve the quality of the reforms.

It is essential that BoFEDs provide systematic and formal means of supporting weredas in financial management. Wereda Support Units (WSUs) are designed to assist weak weredas in various financial management tasks by providing them technical support through field visits using staff assigned from stronger weredas and or zones. WSUs are now moving from concept to reality in regions and questions are raised and discussed regarding the WSU operations: What does the WSU do? How is a WSU formed? What are its capabilities? In terms of performance, the routine activities (tasks) need to be defined as well as the “periodic” (or crisis) support. Who supervises the WSU?

The WSU should be a support function across a range of activities. The functions in the financial reform that needs support are wereda budget and budget planning, accounts, disbursement and IT as well.

It is also important that BoFEDs need to establish a WSU coordination office, at the bureau level, that will monitor WSU operations. The WSU needs to insure and stay current with the financial management of the weredas. The WSU also needs to send periodic reports. The purpose of these reports is not just a cost justification but also a means for BoFED to know what is going on in the weredas: What are the problems? Where are the weaknesses? The WSU is a support tool that will assist weredas but also a tool for BoFED that brings information back from the weredas. The WSU will become a key means for regions.

(M-42).
Effective training programs require a well-designed curriculum, adequate training materials, efficient methodology and experienced trainers. The DSA Project, in planning the various training programs conducted for the past 7 years, has always ensured that its training programs met these requirements. The successful accounts and budget reforms in Tigray, SNNP, Amhara and Oromia regions were all implemented by well-trained government staff from wereda office to region sector bureaus.

A task for both the project and the regional BoFEDs in executing these training programs is the distribution of training materials: getting the material on time, to the remotest training sites. Oromia this year embarked in a training program in budget preparation and management involving over 7,400 wereda, zone and region staff. A total of 22,303 procedural manuals and training modules as well as 1,104,000 pages of budget formats were produced, transported and delivered to a total of 197 weredas and 14 zones, to be used for the budget training. Stationery items for each trainee in each wereda and zone were also included in this massive distribution operation.

Ato Kebede Kaba, D/Bureau Head, Oromia Regional State BoFED (far right), personally supervised the dispatch of materials to Oromia zones and weredas.
ABOUT THE INTERNAL AUDIT PROJECT

The Internal Audit Project is a component of the Expenditure Management and Control Sub-program, with the objective to reform the existing poor internal audit practice in the Civil Service of Ethiopia. The basis for the formation of the Internal Audit Project were the findings of the Task Force established about ten years back at the Prime Minister’s Office to review the existing Civil Service practice. The Task Force identified that the existing internal audit service at both Federal and Regional levels lacked the capacity to provide management with an effective tool for evaluating the effectiveness of internal control systems. It therefore recommended that the internal audit system should be overhauled to emphasise on the introduction and use of modern internal approach and techniques through out all public bodies of Federal and Regional Governments.

Since its inception, the Internal Audit Project has exerted its efforts in the development of 3 major documents: The Internal Audit Standards, the Code of Ethics for Internal Auditors and the Internal Audit Procedural Manual.

A consultative workshop was conducted from April 19 to 23, 2004 to create awareness on the newly developed draft Internal Audit Standards, Code of Ethics for Internal Auditors and Internal Audit Procedural Manual. The workshop participants were public body heads from Federal as well as Regional Governments and internal audit staff both from the Federal as well as Regional Governments. Regional Government Presidents were also included in this workshop.

The Internal Audit Project received constructive comments and recommendations from the participants and it has now finalized its draft documents in line with the comments and recommendations of stakeholders. These documents are expected to be distributed to all public bodies in the near future.

By HaileGiorgis Terefe, EMCP Coordinator

IT News in Brief

FY 1997 Federal Budget

The Budget Summary (Volume I) of the Federal Government was printed in a timely manner for presentation to the Council of Ministers. Improving on the Budget Summary book of the previous year, this Budget Summary included a number of new management reports extracted from the BIS system. In total, 14 new management reports were developed from BIS to help senior MoFED officials to better analyse the Budget.

Next Steps:
• The Budget Department is trying to extend the existing network to install BIS in all budget department heads’ offices.
• Two new staff have been recruited by the Budget Consolidation Department of MoFED to learn how to support and administer BIS with the aim of taking over these functions from the DSA project next year.

Addis Ababa City Government

The BIS software was implemented at the Addis Ababa BoFED at the end of May to process the FY 1997 budget preparation. BIS was installed on eleven computers and training was delivered to 12 staffs from all sub-cities and BoFED.
## Training in Regions in Budget, Accounts and Budget Planning

### Amhara Region

**Accounts Reform**
- **May:** BDA training for 27 zone and region staffs
- **May 31-June 7:** TOT to 26 accounts staff
- **July 12-18:** Level 2 TOT to 248 wereda and zone accounts staff
- **July 24-30:** Training of 1,240 wereda and zone accounts staff

### Tigray Region

**Accounts Reform**
- **June:** Assessment of the accounting system of Tigray Food Security Coordination Office
- **August:** Training of 60 wereda accountants in the new accounting system
- Management Accounts Preparation:
- **August:** Assessment of current status of Management reports, and identification of additional information needs

### Benishangul Gumuz Region

**Budget Reform**
- **June:** BIS training for 5 budget experts at BoFED
- **August:** TOT on Budget Execution for 20 trainee - trainers
- **August:** Budget Execution training to 130 wereda and zone accounts staff

### Oromia Region

**Budget Reform**
- **March:** BIS training for 56 experts & data entry clerks from 14 zones
- **July:** Budget Preparation Management training to 260 RSB staff
- **October:** Budget Execution training to 200 wereda and zone accounts staff

### SNN&P Region

**Accounts Reform**
- **May:** BDA training for 48 zone and region trainees
- **June 1-15:** Reform Awareness Training to 1,004 higher officials
- **June 14-21:** STS (Single Treasury System) Level-1 training for 34 staff
- **July 5-9:** STS (Level 2) wereda and zone TOT for 272 staff
- **July 12-15:** STS (Level 3) wereda and zone training for 2,040 staff
- **August 2-6:** Overview of the Government Financial Systems (new recruits)
- **August 9-20:** Specialized Accounts Training (Basic) (new recruits)
- **Aug. 23-27:** Specialist Accounts Training (STS) (new recruits)
- **Sept. 6-10:** Specialized Revenue Training (new recruits)
- **January 2005:** Specialized Training in budget/ budget planning (new recruits)

### Addis Ababa City Government

**Budget & Accounts Reform**
- **June:** BIS training for 12 staff
- **July:** Assessment of the budget, accounts and planning reform status
- **July:** Refresher training: TOT for 30 core trainers
- **July:** Refresher training for 200 accounts staff
- **August:** BDA installation

### Dire Dawa City Government

**Budget Reform**
- **August:** TOT on Budget Execution to 15 core trainers
- **August:** Budget Execution training program for 100 trainees

### Federal

**Budget & Accounts Reform**
- **March:** BIS training for 31 trainees from 16 PB
- **April:** BDA training for 21 trainees from 7 PB

### IT Activities

- **June:** BIS implementation at BoFED in Benishangul Gumuz Region
- **June:** BIS implementation at BoFED at the Addis Ababa City Government
- **June:** BIS rollout to 14 zones in Oromo Region
- **May:** BDA3(B) implementation at BoFED and rollout to 2 pilot zones in Amhara Region
- **May:** BDA3(B) rollout to 10 zones in SNNPR

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**Correction:** The number of wereda, zone and region accounts staff that participated in the Amhara Region Refresher Training has erroneously been stated and should read 269 instead of 298.
## Documents Available

The following is a list of recent documents available from the DSA project for distribution. A major objective of the bulletin is to make Federal and Regional finance officials aware of the documents available on the reform and to rapidly disseminate the concepts and lessons of the reform.

### DSA Project Office

- EFY 1997 Federal Recommended Budget (Amharic Version) B-128
- EFY 1997 Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia (Draft) (B-129)
- Strategy and Action Plan for Reform of Budget, Accounts and Budget Planning under the EMCP (M-41)
- Operation of a Wereda Support Unit (WSU) in the SNNPR (Draft) (M-42)
- SNNP Region Accounting System - Training Module for the Department of Finance and Economic Development and the Office of Finance and Economic Development - Set of Forms (T-194)

### MoFED

- Federal Budget Reform Program - Revenue Code for FY 1997 (OR-31)

### SNN&P Region

- SNNPRG BoFED: EMCP – Training material for Higher Officials Awareness Creation Workshop (OR-32)