

**SPEECH BY H.E. PRESIDENT ELLEN JOHNSON SIRLEAF
AT PROGRAM MARKING OFFICIAL LAUNCH OF *INTEGRATED
FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS)*
AT THE MINISTRY OF FINANCE
MONROVIA, LIBERIA
Tuesday, July 12, 2011**

**Minister Ngafuan;
Staff of the Ministry of Finance;
Ladies and Gentlemen:**

Today we have come to inaugurate the Integrated Financial Management Information System, the latest in an impressive line-up of reform measures being undertaken in the public financial management (PFM) sector alone. When similar achievements in other sectors are taken into consideration, there is no doubt that our reform agenda remains on course, notwithstanding what our detractors have to say to the contrary.

Background and Context

In 2006, we declared corruption as public enemy number one; we spoke in the context of the historical and pervasive challenges that corruption poses to our political and economic development. It would therefore be quite simplistic to assume that we were promising to wave a magic wand that would make the menace of corruption disappear.

When we declared war on corruption, we had in mind a war to be waged on many fronts: strengthening the pillars of integrity; building the legal framework; reducing vulnerability; automating financial

management system; and the creation of a free environment that engenders public debate.

Achievements

For the first time in our nation's history, we now have independent institutions that exist for the sole of strengthening integrity and accountability in the management of public resources. There is an autonomous General Auditing Commission, with the Auditor General recruited through a competitive process. We have set up the Liberia Anti-Corruption Commission, which has been actively investigating cases of impropriety in the use of public funds.

The Government of Liberia, working with its partners has, over the last five years, scaled up its investments in PFM reforms through promulgation of laws and regulations, creation and strengthening of accountability institutions, adoption of standard PFM practices and procedures, acquisition of needed technology, and the training of PFM practitioners, among others. These efforts have paid off, as evidenced by the growing list of things that have been achieved, many of which are historical firsts for Liberia.

At the institutional level, we have strengthened and capacitated the General Auditing Commission and allowed it to carry out its constitutional mandate as enshrined in the General Auditing Commission Act; the Liberia Anti-Corruption Commission has been enacted into law and is fully operational; and the Public Procurement and Concession Commission has been restructured, and its procurement regulations adopted to make that body more responsive to the procurement dimensions of budget execution. We have merged the Budget Bureau into the Ministry of Finance to reduce fragmentation and harmonize decision making and policy coordination. And the Expenditure Department of the Ministry of Finance has been restructured with an enhanced functionality for the Comptroller & Accountant General.

The legal and regulatory framework for the PFM system has also witnessed significant advances in terms of reforms. Foremost among these is the enactment, in 2009, of the Public Financial Management Law, followed by the adoption of the enabling regulations in 2010. The Law and Regulations have, for the first time in Liberia, provided clear terms of reference for key players in the PFM process and the guidelines governing the relationships among those players. Other legal and regulatory reforms in the PFM sector include the amendment of the Public Procurement Law and the revision of the Liberia Revenue Code.

The third level of PFM reforms involves the adoption of policies and administrative regulations to facilitate accountability, efficiency, transparency and reporting. We have adopted the International Public Sector Accounting Standards (IPSAS). We have introduced a chart of account that compares with international best practice. We have reformed the tax system so as to not only speed up customs and internal revenue collection, but to also make the process transparent and less susceptible to personal discretion.

The Role of IFMIS

And now, we are launching the integrated Financial Management Information System (IFMIS) into our budget and expenditure management processes. IFMIS is intended to address a number of budget management issues, efficiency, transparency and accountability. These are issues that have posed serious challenges in the mobilization and use of resources for reconstruction and development.

Efficiency: As our resource envelope expands from one year to the next, the task of managing budget process becomes more complex. A multitude of needs are crowding the agenda, and addressing them through the budget requires a rapid response mechanism. With IFMIS, it is our expectation that the current budget preparation and

execution will be faster than what they are now. The urgent demand for financing our development priorities cannot tolerate the usual delays that characterize the old manual system. Of course, we are assured that the controls associated with the current system will be enhanced, not compromised, by the efficiency that IFMIS will bring.

By introducing the IFMIS, Liberia can now stand shoulder to shoulder with many countries, far and near, and can boast of a robust public financial management system with attendant budget efficiency capabilities and optimum controls.

Transparency: A key feature of the IFMIS is its transparency mechanisms. With its automated system, financial transactions are now accessible to a wider and critical mass of interested parties. Purchase orders and vouchers are generated from the system. Payments will not be made when cash budgets are not available to support requested expenditures. That layer of control ensures prudence in our liquidity management.

Accountability: Reporting in the public sector has been a daunting challenge. Under the new PFM legal and regulatory frameworks, the Government of Liberia is under obligation to provide statutory reports to the people of Liberia and our development partners. We are committed to meeting this challenge. The IFMIS is designed with the capacity to generate many statutory and management reports that would assist us meet those legal provisions. Regular reporting as an accountability benchmark would guarantee access by the Liberian people and other interested parties to information that would serve as the basis for more constructive engagement between the Government and Civil Society Organizations (CSOs) and other groups and individuals representing the interests of the Liberian people. In a way, our IFMIS-enhanced reporting capacity could help us fulfill our obligations under the Freedom of Information Act which for us is a fundamental tool for accountability.

Conclusion

Have we done all that we need to do to transform our PFM sector? Not quite. Have we made significant strides since January 16, 2006? Definitely. But we would be the first to admit that much still needs to be done if we must get to our desired comfort levels. What is important is that we are determined to reach there. We are committed to employing the necessary resources to ensure that gains made are consolidated, while we build on.

On the immediate horizon is the setting up of county treasuries as part of the devolution of expenditure management to the counties. The government, through the Economic Management Team, has commissioned a thorough review of the governance and fiscal affairs of State-owned enterprises. The aim of this exercise is to provide guidance on how government can regularize the management of these enterprises. We are preparing to introduce a multi-year budget framework, as required by the PFM Law, beginning FY2012/2013. This will make the budget process more consultative and more participatory. It will also make budget estimates (revenue and expenditure) more credible and ensure that funding for critical expenditure is prioritized over the long term.

While we prepare for future challenges, we should appreciate the efforts that have been made thus far. I commend the Ministry of Finance Team that has been setting the pace for most of our critical reform efforts. Through their efforts, our budget has grown from a mere US\$80 million to nearly half a billion dollars in just five years. Their leadership in the Heavily Indebted Poor Countries (HIPC) process brought us debt relief of nearly US\$5 billion. We are therefore certain that this new procedure called IFMIS, that the Ministry of Finance has introduced, will accelerate the pace at which we re-inject money into the economy. We also commend the IFMIS Project

Management Team for their technical contribution that has made this day a reality.

And now, without much ado and with great pleasure and honor, I cut this ribbon and officially launch the Integrated Financial Management Information System (IFMIS), which will revolutionize the way we conduct government financial management transactions.

I thank you.