

Public Financial Management in Ghana: A Move beyond Reforms to Consolidation and Sustainability

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Abstract : Ghana's Public Financial Management reforms have been going on for some two decades now (1997/98 to 2017/18). Given this long period of reforms, Ghana in 2019 is putting together both a Public Financial Management (PFM) strategy and a Ghana Integrated Financial Management Information System (GIFMIS) strategy for the next 5-years (2020-2024). The primary aim of these dual strategies is assisting the country in moving beyond reforms to consolidation and sustainability. In this paper we, first, examined the evolution of Ghana's PFM reforms. We, secondly, reviewed the legal and institutional reforms undertaken to strengthen the country's key PFM institutions. Thirdly, we summarized the strengths and weaknesses identified by the 2018 Public Expenditure and Financial Accountability (PEFA) assessment of Ghana's PFM system relating to its macro-fiscal framework, budget preparation and approval, budget execution, accounting and fiscal reporting as well as external scrutiny and audit. We, finally, considered what the country should be doing to achieve its intended goal of PFM consolidation and sustainability. Using a qualitative method of review and analysis of existing documents, we, through this paper, brought to the fore the lessons that could be learnt by other developing countries from Ghana's PFM reforms experiences. These lessons included the need to: (a) undergird any PFM reform with a comprehensive PFM reform strategy; (b) undertake a legal and institutional reforms of the key PFM institutions; (c) assess the strengths and weaknesses of those reforms using PFM performance evaluation tools such as PEFA framework; and (d) move beyond reforms to consolidation and sustainability.

Keywords : public financial management, public expenditure and financial accountability, reforms, consolidation, sustainability

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