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PS3 CASE BRIEF

FACILITY ACCOUNTING AND FINANCIAL MANAGEMENT

The Facility Accounting and Financial Management (FFARS) system improves the ability of all levels of government to transparently and efficiently manage, account, and report funds received and disbursed.

The introduction of direct health facility financing (DHFF) and Education Programme for Results (EP4R) in Tanzania have dramatically changed the landscape for public facilities such as schools and health centers. Now, money is sent directly to the health facilities and schools, and for the first time, these facilities can manage their own resources to better meet the needs of their citizens.

The United States Agency for International Development (USAID) through the Public Sector Systems Strengthening Project (PS3), in partnership with the Government of Tanzania (GOT), health basket funders and other development partners designed and implemented the Facility Accounting and Financial Management (FFARS) system in the health and education sectors through PS3.

PS3 used a systems approach to identify interventions that impacted multiple functions in the health and education system at once, such as information systems and data use, human resources, finance, governance, service delivery and quality improvement. Through PS3, USAID and the GOT are strengthening the systems that deliver important services to Tanzanians and paving the way for Tanzania to rely less on foreign donor assistance and more on the ingenuity of Tanzanians themselves.

COMPARATIVE ADVANTAGE

FFARS is an accounting system used in the education and health sectors at the facility level. It goes hand in glove with the introduction of DHFF and EP4R, and supports facilities to make purchases, enter financial transactions, produce financial reports, reconcile their bank accounts, and continuously improve their financial management. FFARS is accessible both on a web-based platform and on a mobile application. A manual version is also available for remote facilities with no information technology infrastructure. FFARS improves the ability of all levels of government to transparently and efficiently manage, account, and report funds received and disbursed. It is also able to exchange information with the GOT's planning and budgeting system, PlanRep, and can delineate funds by source, including development partner funds.

IMPACTS TO THE HEALTH SYSTEM

By 2018, 93.2% (24,073) health facilities and primary and secondary schools had adopted FFARS and between 2017 (when FFARS was launched) and 2018, analysis shows increased revenues in rural hospitals 45% and significant increases in expenditures in both urban and rural hospitals, with greater increases in rural hospitals (41.2%) compared to urban hospitals (33.6%). The GOT invested its own resources to implement the system in the regions where PS3 was not operating to ensure the national adoption of FFARS. The FFARS accounting system simplifies facility record-keeping, reduces paperwork, and improves the accuracy, consistency, and timeliness of payments and reporting. It serves as an accountability and transparency mechanism for all levels of the government and community members – enabling oversight functions, such as the detection of potential misuse of resources and timely action to enforce facility compliance and accountability. The interoperability and cross-sectoral nature of the system continually create efficiencies for the GOT which means it can manage its resources more efficiently, saving time and cost. Each school and health facility governing committees, which are made up of community members, have a more visible role through FFARS by being part of the funds management process as an oversight.