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Transparency and Accountability in the Philippine Local Government



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Synonyms

Actual observance; Continuum of transparency; Good governance; Open government; Seeing through government operation; Twin governance principles

Definition

As a practice, transparency is an act of allowing the internal and external forces of governance to inquire into, have access to, and influence to a certain extent the government operations.

As a concept, transparency embraces accountability. It is linked to and provides the enabling environment for greater accountability and is therefore presumed operating in a continuum. The effectiveness of transparency is measured on the degree of accountability that it would provide to government personnel. Transparency is a

matter to open up government and governance to public scrutiny and encourage greater citizens' participation.

Introduction

The organizational practices of government personnel are central to building public trust and confidence. It cannot be denied that work ethics and organizational culture prevailing in the Local Government Unit (LGU) are reflections of public sector performance which in turn creates an impression on how a particular government office performs. Alongside with the development of desirable work ethics and good governance practices is the institutionalization and observance of transparency practices. The core significance of transparency and its relationship with personal and organizational accountability have been established in many studies. The need for transparency in governance is globally recognized (Lindstedt and Naurin 2010; Olsen 2015; World Bank 2017; Gabriel 2017). For instance, a greater degree of transparency creates a higher level of accountability in government operation. According to Ingrams (2016), transparency is the principle and practice that enables organization insiders and outsiders to obtain accurate information about organizational activities. Within the governance system, transparency can be passive, proactive, or forced. In international context, transparency is the accurate mode of assessing

the openness, accessibility and value of government, and monitors the internal workings or performance of an organization having impact on the social, political, and economic realities of the community (Heemsbergen 2016; Gabriel 2017). Transparency is a critical matter to open up of government and governance to inform scrutiny and participation. They need to be embedded in the culture of local governance and it is something which politicians and administrators alike should invest considering the key role local governments perform towards countryside development (Gabriel 2017). For an institution to become accountable it has to be transparent; and if an institution is transparent, it is likely that it is accountable as it has nothing it wants to hide. The more transparent the government is, the more accountable the officialdom. The pressure to become accountable arises from the knowledge of the citizens of the standard of services they deserve and should receive (Gomez and Mudlong 2017; Gabriel and Gutierrez 2017; De Leon 2016; Calina 2015; Republic Act 9485, 2007). Transparency transforms the rights of consumers under the New Public Management (NPM) Model, to political and legal rights of citizens in Public Governance model (Reyes 1994). Lower degree of accountability in the government encourages systemic corruption which would likely cause not only decay of the governmental system resulting in the loss of trust and confidence of the public to public institution abandoning in the process the Constitutional mandate that “public office is a public trust” (Bernas 1996; Brillantes and Fernandez 2011; Cucciniello and Nasi (2014). Transparency is a mechanism to minimize negative bureaucratic behaviors in the government. According to Benito (2016), it is the act of providing the public reliable information needed to make informed decisions on matters affecting the operation of government. It creates trust among citizens, enhances citizens’ engagement with the government, improves internal efficiency, and promotes open government on a global scale (Orelli 2016). Transparency is among the most effective deterrents to corruption in public procurement (OECD 2014).

Transparency is often associated and conflated with “good governance” in Malaysia and Singapore (World Bank 2017; Gabriel and Gutierrez 2017), a variable to increase local legislative performance and a means to improve the quality of legislative service commensurate to public money (Gabriel and Ong 2018). However, incongruence of knowledge on the need for transparency and accountability and actual adherence is recorded; yet, the twin principles remain effective tools for good governance practice (Gabriel 2017; World Bank 2006).

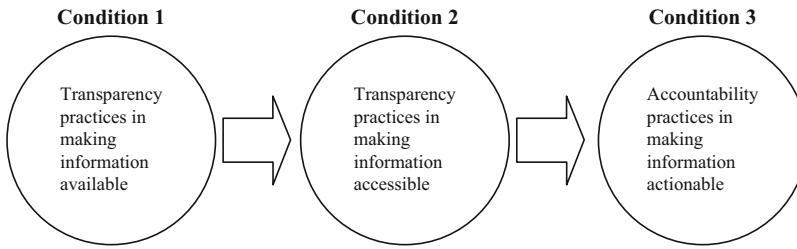
This chapter measures the transparency and accountability practices of 56 department heads and 662 personnel from two cities and five municipalities in the Philippines within the domains of: decision-making; procurement; and access to information are from “almost always” to “always” and equated to high observance of accountability practices. Applying Mann Whitney U test and Kruskal-Wallis test, there was no significant difference in terms of observance of transparency practices in access to information and decision-making. But significant difference is found in the transparency practices on procurement.

Hypothesis

The observed transparency practices in city and municipal LGUs do not significantly differ on decision-making, access to information, and procurement.

Analysis of the Chapter

The framework of analysis is shown in Fig. 1 which suggests that transparency per se is not effective without its observance in the day to day operations of government. The relationship between transparency and accountability is direct. The effectiveness of transparency depends on making the information available, accessible, and actionable. The chapter asserts that effectiveness of information can be measured by the manner and degree they are observed by the leaders and government personnel themselves who have



Transparency and Accountability in the Philippine Local Government, Fig. 1 Three conditions for the effectiveness of information initiatives. (Source: World Bank (2017, p. 248) based on Naurin (2006) adopted in Gabriel (2017))

the power and prerogative to publish and make the information known to the public clients.

The interface of transparency and accountability is in a continuum. Transparency creates accountability in practice. Thus, the measure of transparency practices equates that of accountability. The chapter analyzes three domains of transparency: domains of decision-making or administrative transparency; the procurement system or financial transparency, and access to public information (political transparency) in the local setting (Armstrong 2005).

Transparency Practices of LGU Personnel on the Three Domains

Domain of Decision-Making

It is observed that not all personnel are consulted in making decisions in the LGUs. The inputs arrived at in the lower level during consultation in the department and area are escalated by the respective department heads to the higher ups. On legislative matters, the *Sanguniang Bayan* (Municipal Council) recommends to the LGU Chief the decision arrived at in their level for final decision. This finding is supported by the assertion of Ingrams (2016) which in effect states that transparency does not always require a clear – all – conditions. Data show that LGUs of two cities and five municipalities observed almost similar practices in making decisions in their units. Majority of the personnel in the LGUs said that “no consultation practice” was least observed. This implies that, autocratic decision-making is not apparent as any decision made

comes from the inputs of the other personnel on the lower echelon. Participatory governance in decision-making is somehow observed. No other practice in decision-making was cited by the respondents.

Procurement

In the domain of procurement, the governing principles are embodied in RA 9184. One of these principles is transparency in the procurement process and in the implementation of procurement contracts (RA 9184). Fiscal transparency has been the focus of international initiatives and standards, which includes the importance of using public available information for financial decision-making or accountability purposes (Seiwald 2016; Sirotkina and Pavlovskaya 2016). The cities LGU found that 14 procurement practices embodied in RA 9184 are all observed by the personnel. It is their common and foremost practice to establish their Bids and Awards Committee (BAC). Before procurement is made the personnel concerned see to it that procurements to be made are within the approved budget of the local government (LG) and undertaken in accordance with the approved Annual Procurement Plan (APP). Bidding of contracts are made open to qualified bidders.

Invitations to bid are extended through different forms of media like websites newspapers and the Philippine Government Electronic Procurement System (PhilGEPS). BAC meetings are all held within the premises of the LGU. During biddings, a representative of the Commission on Audit (COA) is invited to witness or participate in the proceedings. Minutes of meetings and any

decision made by the BAC are recorded, documented, and posted in a prominent place within the vicinity of the LGU. After the bidding, the authorized person in the LGU notifies the winning bidder to proceed not later than 7 days from the date of approval of the contract.

It can be implied from the gathered data that there is observed transparency in the procurement procedure in the city LGUs and the procedural process is in compliance with the mandated procurement law. There is openness and general consensus of BAC on the procurement rules that can be regarded in implementing transparency. Public participation plays an important role in public management. It helps the government to respond proactively to the public's concern, hence, making the public management more dynamic (Greitens 2016). The public includes the nongovernment and civil society organizations. The principal-agent relationship of the people and government officials in-charge of the bidding process must be observed, thus maximum participation of the principal(citizens) in the process should be worked out not only for increase transparency but also for a higher degree of government accountability (Vyas 2017).

Meanwhile, all the five municipality LGUs BAC is duly created and the meetings are held in the municipal hall premises. Procurement was undertaken in accordance with the Approved Procurement Plan and invitations to bid contracts were undertaken under competitive bidding procedures. The respondents claimed that the process in the implementation of procurement contracts was made known to public. In the five municipalities, minutes of meetings are complete and decisions made are kept on record. The BAC in the municipal level is also inviting a representative from COA during their meetings. The provision "All bids is accompanied by Bid security" was the practice least observed. Public monitoring of the procurement process and the implementation of awarded contracts, deliberation of the agenda, and other information are expected to have been deliberated upon by the committee at least 1 week before the holding of such meetings were also practices least observed. These findings tend to imply then of the shortcomings of the municipal

LGUs procurement system. In short, respondent LGUs, transparency in the procurement process is "no clear picture," as the implementation process has been undermined by several uncertainties like the public monitoring of the transaction. However, there are more reasons to believe than to doubt that transparency was observed. The LGUs followed the procedural process of procurement.

Access to Public Information

The Annual budget and finance is the area where access to information is most likely to attract attention of citizens not only because it is something that interest them but also because it is where the tax payers' money goes.

The Annual Budget Operations (BOM) for LGUs is embodied in Circular No 112 issued in 2016 by the Department of Budget Management (DBM), which took effect in 2017. The BOM is the definitive guide of the LGUs in the entire budget process including preparation of annual and supplemental budgets (DBM 2016). The Circular aimed at systematizing methods, techniques, and procedures employed in the preparation, execution, and accountability in local budget operations pursuant to Section 354 of RA 7160.

The city and municipal LGUs, practiced participation of the CSOs in the planning and budgeting process. The budget plan is expressed in financial terms the sources and uses of funds. It also includes the financial and policy decisions that the local government will implement during a fiscal year. All LGUs practiced similar strategies on budget planning and preparation. Information on the results of the budget process, allocation, and expenditures can be accessed by the public. The strategies utilized to access information on budget and finance were through memorandum circular, by posting in bulletin boards and other conspicuous places, and pronouncement in programs, assemblies, meetings, and similar gatherings. The community which is the direct beneficiary of the LGUs services is the least informed of the budget processes and finance of the LGU. Only few members of the community are informed on the process.

Based from the given observation, it can be construed that valid and reliable measures of budget and finance transparency are difficult to come up with. This supported by the pronouncement of the Philippine Budget Secretary Boncodin (2007);

the budget process is generally not open to public scrutiny except during Parliamentary debates, and the budget performance tracking system is poor. The engagement of the citizens in the budget process is important, as their participation may improve budget allocation and facilitate fund distribution procedures, and prevent financial corruption and enhance accountability.

The municipal LGUs employ traditional mode of disseminating information on decisions made by their LGUs especially on financial matters. However, there is already a technological change through the aid of social media that can speed up the availability and safety of public documents.

Extent of the Observance of Transparency Practices in LGUs

The extent of observance of transparency practices in the city and municipal LGUs show that the personnel of the different LGUs **Almost Always** observed the practices in the three domains with transparency. In city LGU A, the numerical ratings on procurement, access to information, and decision-making ranging from “always to almost always.” In the municipal LGUs, the same three domains were rated with similar extent of observation by the personnel with the addition of participation and consultation in on municipality.

Municipal LGUs have lower ratings on procurement. Not all employees, especially those assigned in other offices, were informed of the outcomes of “bids and awards” the reason why some have still doubts on the process. They still hold on to the belief that corruption on the awarding of contracts especially in projects on infrastructure still exists. When the quality outcome of the project is poor or below expectation, the notion is that graft and corruption took place. Table 1 shows the comparison in the observance of transparency. It presents the result of the

statistical analysis made on the comparison of the observed transparency practices in three domains in city LGUs. Results show that city LGUs do not differ significantly in their transparency practices on decision-making and access to information but not in the procurement function.

The two LGUs differed on their observed practices on procurement of equipment and materials, and hiring and promotion of personnel. There are no significant differences noted on the LGUs practices on consultation and participation, and access to information. Significant differences are noted on practices in procurement although the two LGUs abide with the Procurement Law, some personnel still believed that projects are awarded to the “elite” and “behind the scene influence” still prevails. Meanwhile the Table 2 below depicts the comparison on the observed transparency practices in municipal LGUs reveal that the personnel transparency practices on decision-making, consultation and participation in activities, and access to information did not differ significantly in the five municipalities. There are significant differences on their practices on procurement.

In both city and municipal LGUs, practices on decision-making, consultation, and participation are not significantly different. In the study of Neupane et al. (2012), public e-procurement technology plays a role to reduce corruption in government procurement. The results showed that public e-procurement system indicated anti-corruption capabilities particularly in the automation and audit trail and can potentially increase transparency and accountability of the government procurement process. The procurement procedure in Philippine government goes electronic through PhilGEPS, to promote transparency and efficiency in the procurement system. It serves as the primary source of information on all government procurement. But according to Neu et al. (2015), the e-procurement system may have limitation on internal control and monitoring practices in corrupt contexts.

Transparency and Accountability in the Philippine Local Government, Table 1 Comparison on the observed transparency practices in city LGUs

Domain	Computed statistic	P value*	Decision
Decision-making	-1.156	0.248	Not significant
Procurement	-4.504	0.000	Significant
Access to information	-1.121	0.262	
Decision made	-1.610	0.107	
Budget and expenditure	-1.610	0.107	
Bids and awards of projects			Not significant
Procurement of equip. & mat.	-0.365	0.715	

* $p < 0.05$

Transparency and Accountability in the Philippine Local Government, Table 2 Level of accountability of the LGUs on decision-making

LGUs	Extent of transparency Practices observed	Accountability level
City		
A	Almost always	High
B	Always	Very high
Municipality		
C	Always	Very high
D	Always	Very high
E	Always	Very high
F	Almost always	High
G	Always	Very high

Accountability Level of the LGUs in Relation to the Extent of Observance of Transparency Practices

In Decision-Making

Table 2 shows the data on the accountability level of the LGUs in decision-making based on the extent of transparency practices observed.

Generally, the LGUs have high and **very high** level of accountability in decision-making.

The practice of participative and consultative decision-making is always practice in the LGUs.

In Procurement

Table 3 presents the data on the accountability level of the LGUs based on the extent of the observed practices on procurement. Data suggests the high and very high level of the LGUs based on the practices observed on procurement.

The participation of concerned personnel mandated by the Rules on Procurement during the bidding process is noted. Some personnel believe, however, that the practice of *palakasan* still holds at times. Indeed, stakeholders are encouraged to participate in the formulation of Annual Procurement Plan, as well as to observe the bidding process. The integration of public participation led transparent, competitive, and accountable bidding processes in all government agencies.

In Access to Public Information

Table 4 presents the data on the accountability level of LGUs on access to public information based on the extent of practices observed.

The two city LGUs and three municipal LGUs have high level of accountability on their practices on access to public information. Two municipal LGUs are very highly accountable in their practices. As disclosed by some employees,

Transparency and Accountability in the Philippine Local Government, Table 3 Level of accountability of the LGUs on procurement

LGUs	Extent of transparency practices observed	Accountability level
City		
A	Almost always	High
B	Almost always	High
Municipality		
C	Always	Very high
D	Always	Very high
E	Always	Very high
F	Almost always	High
G	Almost always	High

Transparency and Accountability in the Philippine Local Government, Table 4 Level of accountability of the LGUs on access to public information

LGUs	Extent of transparency practices observed	Accountability level
City		
A	Almost always	High
B	Almost always	High
Municipality		
C	Almost always	High
D	Always	Very high
E	Almost always	High
F	Almost always	High
G	Always	Very high

information dissemination is always done, but some clients have difficulty in accessing public documents from some offices.

Concluding Notes

The observed transparency practices in city and municipal LGUs do not significantly differ on decision-making and access to information but not in the domain of procurement.

Majority of the subject LGUs are observed to include the participation of the department heads in decision and policy-making. They are often consulted and their suggestions matter in every decision. The practices of transparency and accountability of government personnel in the Local Government Units of Nueva Ecija, Third Congressional District, was *highly* observable. It is noticed that the concerned LGUs still follow the

traditional method of public information. With the recent advancement of technology, they must take advantage of the social media and other modes of publication as means providing information of interest to the constituents. In the accountability levels of the LGUs, procurement is the most argued domain. It is a sensitive subject to be addressed, and their responses are bare interpretations and understanding. Although there are gray areas in some of the government operations, the effort of government officials to comply therein are observable.

The practice of transparency and accountability differs from country to country and is affected by the levels of government, regime types, and cultural context. It is also the foundation of the public trust to the public sector organization. The chapter showed that transparency and accountability practices may differ from one local government unit to another although similar in many

aspects. The variances in some matters and parameters measured would justify the necessity for the government in the local level to invest in the measurement of the twin principles. Not only to lessen incongruence between theory and practice but also to ensure that sustainable, participative, and inclusive local development is maintained. Standardization of observance is called for. The LGU being the nearest to the people in the countryside and the nexus to democracy, public service delivery must at all times be guided by the dictum “public office is a public trust,” which in itself is the benefit of observing transparency and accountability in the local level.

Cross-References

- [Access to Information](#)
- [Accountability](#)
- [Accountability Practices](#)
- [Administrative Transparency](#)
- [Fiscal Transparency](#)
- [Local Government](#)
- [Transparency](#)
- [Transparency in Procurement](#)
- [Twin Principles of Governance](#)

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