

## ENHANCING TRANSPARENCY AND ACCOUNTABILITY ON THE USE OF SCHOOL FUNDS THROUGH TRANSPARENCY BOARD

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### ABSTRACT

This paper discussed the concept of transparency and accountability on a school context. In addition, it explained the importance of transparency board in promoting transparency and accountability practices in the school system. Content analysis method was utilized in this study for gathering of data using citations and literatures from the Internet, speeches, and books. The study concluded that if the schools want to improve the quality of education, then posting of liquidation report in the transparency board is necessary. This will also attract investors, philanthropists, and other stakeholders to extend services to the school.

**Keywords:** Transparency Board, School Funds, Transparency, Accountability.

### INTRODUCTION

One major focus of school administration and financial management is how to ensure transparency and accountability in budget spending. Concern about how school funds are used has become a central issue in finance policy decision-making, and as a result much research in recent years has focused on the development of transparency and accountability practices in the school system. This phenomenon was demonstrated by the study of Gaventa and McGee (2013:10) where they explained that transparency and accountability have emerged over the past decade as key ways to address both developmental failures and democratic deficits. Gaventa and McGee (2013:10) added that through greater accountability, the leaky pipes of corruption and inefficiency will be repaired, aid and public spending will be channeled more effectively, and development initiatives will produce greater and more visible results. Unfortunately, there remains a need to improve these practices especially in the context of public and private schools. There are doubts and complaints from the parents that the actual utilization of school funds such as the Maintenance and Other Operating Expenses (MOOE), and other collections are not properly disclosed. Resolving this issue can be done by fully implementing the *Transparency Board* which requires schools to fully disclose particular financial documents to keep their stakeholders informed of how budget is managed, disbursed and used.

This study is anchored on the Section 93 (Transparency Seal) of Republic Act No. 10633 otherwise known as General Appropriations Act of 2014 which mandates all national government agencies to maintain a transparency seal on their official websites in order to enhance transparency and enforce accountability. This paper is also based on Republic Act No. 9485 or the Anti-Red Tape Act of 2007 which mandates the school's MOOE posting all school expenditures using allocated funds. Adhering to these mandates will also improve people's empowerment and enhance school's effectiveness in responding to the needs and voices of those they claim to serve. In addition, this paper posits the view that if a school is transparent, people can be held accountable for their

actions. It is assumed that if the schools in Sulu sincerely practice the disclosure of school funds, it will attract external stakeholders and other philanthropists to invest in developing the quality of education. Further, this paper discussed some key concepts of transparency and accountability on a school context. This paper also proposed the full implementation of *Transparency Board* as a tool to guarantee that school funds are properly utilized for what is intended for.

This paper used content analysis by reviewing literatures from different studies and from the analysis of various experts in the field of transparency and accountability. The data collected were all secondary which were clipped from books, magazines, newsletters and Internet websites. This paper gives concise discussion of *Transparency Board* as a tool to improving transparency and accountability in schools.

### **What is transparency and accountability?**

In his speech during the Regional Workshop on Transparency and Accountability on Resource Management in CEMAC countries, Agustin Cartens said “Webster's English Dictionary defines the term ‘accountability’ in two ways. First, it is ‘the quality or state of being accountable.’ Second—and this is particularly relevant to public officials like you – the term could also refer to ‘the obligation or willingness to accept responsibility or to account for one's actions.’

Transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector. Accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives (Armstrong, 2005:1). Transparency and accountability are critical for the efficient functioning of a modern economy and for fostering social well-being. In most societies, many powers are delegated to public authorities. Some assurance must then be provided to the delegators—that is, society at large—that this transfer of power is not only effective, but also not abused. Transparency ensures that information is available that can be used to measure the authorities' performance and to guard against any possible misuse of powers. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency and accountability, trust will be lacking between a government and those whom it governs. The result would be social instability and an environment that is less than conducive to economic growth (Carstens, 2005:1).

Armstrong (2005:1) said transparency refers to unfettered access by the public to timely and reliable information on decisions and performance in the public sector, while accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives. On the other hand, Cassano (2017:23) said accountability is the result of an interaction between process and reporting tool aiming at informing the stakeholders and managing the relations with the latter underlining with transparency their responsibilities.

### **Transparency Seal**

Sec. 93 or the Transparency Seal of the General Appropriation Act of FY 2012 mandates all national government agencies to maintain a transparency seal on their official websites in order to

enhance transparency and enforce accountability. The transparency seal shall contain the following information: (i) the agency's mandates and functions, names of its officials with their position and designation, and contact information; (ii) physical accountability reports, as required under National Budget Circular Nos. 507 and 507-A dated January 31, 2007 and June 12, 2007, respectively, financial accountability reports, as required under COA and DBM J.C. no. 2013-1 dated March 15, 2013, and such guidelines may be issued by the DBM; (iii) approved budgets and corresponding targets immediately upon approval of this Act; (iv) major programs and projects categorized in accordance with the five key results areas under E.O. No. 43, s. 2011; (v) the program/projects beneficiaries as identified in the applicable special provisions; (vi) status of implementation said program/project evaluation and/or assessment reports; and annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants. The Department of Budget and Management (DBM) explained that transparency seal is a symbol of a policy shift towards openness in access in government information. The DBM added that it hopes to inspire Filipinos in the civil service to be more open to citizen engagement and to invite the Filipino citizenry to exercise their right to participate in governance.

### **Anti-Red Tape Act of 2007**

The Philippine National Police through its Citizen's Charter noted that Republic Act No. 9485 otherwise known as the Anti-Red Tape Act of 2007 was enacted into law to improve efficiency in the delivery of government services to the public by reducing bureaucratic red tape, preventing graft and corruption.

This act was signed into law amid corruption and bureaucratic red tape that are besetting government agencies for the past decades. Through this Act, all government offices including the local government units and government-owned and controlled corporations are required to expedite transactions and/or adopt fixed deadline for the completion of transactions and assess regularly as well as enhance their frontline services. The Act also requires all agencies to maintain honesty and responsibility among its public officials and employees and shall take appropriate measures to promote transparency in each agency with regard to manner of transacting with the public. RA 9485 also states that heads of government offices area accountable to the public in rendering fast, efficient, convenient, and reliable services. It also requires agencies concerned to act on pending papers within five working days involving simple transactions and a minimum of 10 days for complex cases (Philippine National Police, 2016).

### **Transparency Board Defined**

According to the website of Ministry of Basic, Higher and Technical Education (MBHTE) of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), transparency board is regarded as a simple tool to introduce transparency and foster participation and therefore social accountability at school level in a poor and challenging environment with complex governance challenges. The website also stated that "more important than the physical transparency board are the information it provides and the dynamics of participation and accountability that impact to realistic and collaborative management of resources as parents, community members, teachers and school head become more aware of the school's financial status, spending limitations, and the cost of contribution of its programs and activities."

Hence, the MBHTE-BARMM explained, the transparency board is also regarded as an important management tool in line with the idea on the enhancement of School Based Management (SBM). As a management tool, the transparency board provides an avenue of empowering the school's key officials and community stakeholders to make informed and localized decisions based on their unique needs toward improving and reaching their specific goals and objectives.

### **Guidelines for using the Transparency Board**

The Office of the Schools Division of DepEd-Quezon City through Superintendent Elizabeth E. Quesada released an unnumbered memorandum dated February 2, 2018, entitled "Guidelines on the Maintenance of Transparency Board for School MOOE and Procure Activities."

#### **The following are the guidelines:**

1. For non-implementing units, the latest School MOOE Liquidation Report through the Cash Disbursement Register (CDR) duly received by the accounting unit of the school's division office. For implementing units, the latest monthly, quarterly, semi-annual and annual financial reports duly received by the COA Resident Auditor and Cash Disbursement Register (CDR) duly received by the Accounting Unit for the liquidation of cash advances granted by the School's Division Office.
2. Financial reports of other funds such as school canteen operations, Parents and Teachers Association funds, and donations, if any.
3. Copy of Philippine Government Electronic Procurement System (PhilGEPS) posting regardless of the method of procurement used and other related information such as notices, awards and reasons for the award, an invitation to Apply for Eligibility and to Bid and the results of bidding.
4. Awards and recognition received such as Certificates of Recognition as a result of the commitment to transparency and accountability.

### **Transparency Board in the School Context**

Transparency Board (TB) is usually practice in elementary and secondary schools. However, this can also be applied in state universities and colleges. One of its importance is it enables the public to view the financial documents of the concern school. In addition, it is important in a sense that it will help minimize misuse of school funds.

On a school context, transparency board can be utilized by posting the financial documents on conspicuous places such as in the hallway, bulletin board or near the entrance. The school head must see to it that there is transparency board in his or her area of jurisdiction. Not only that, even the department head should also practice disclosing expenditures of his or her section in a bulletin board.

On the basis of localizing the transparency board into offices, colleges and departments, the following are hereby suggested:

Publish a quarterly budget reporting on conspicuous places such as in bulletin board or near the entrance.

Publish the same on a portal where the students, parents and other stakeholders of the school can access it.

Publish the same on a school paper or on a printed quarterly report.

Simplify the presentation of expenditures while maintaining their technical accuracy.

In addition, Galias (2017:2), transparency board which shall display the liquidation report of school funds should be posted on conspicuous places within the school premises. This report should be clear, easy-to-read, accessible and up to date. Specifically, the TB shall display the terms found in the Cash Disbursement Register (CDR) of the school. Before posting, the CDR should be validated by the School Principal, School Disbursing Officer, Division Accountant, and the School's Division Superintendent.

The Philippine Information Agency (2017) explained that to ensure accountability in the use of MOOE, all schools are mandated by Republic Act 9485 (Anti-Red Tape Act of 2007) to post a Transparency Board on MOOE. Furthermore, the agency added that DO 13 mandated all principals, school heads, and teachers-in-charge to:

Declare all sources of funding (must include amount received by school, quantity, description, or if such was received in kind) of the school, which include school MOOE allocation, private donations, funding support from LGUs (i.e. Special Education Fund), and other government agencies; funding support from local stakeholders such as School Governing Council (SGC), Parent-Teacher-Community Associations (PTCA), civil society organizations (CSOs), alumni associations, revenue from school canteen operations, and other income generated from the disposal of asset, rent, or collection of fees (as cited in Special Provisions 1 and 2 under the DepEd budget in the 2016 GAA);

Outline the intended utilization of the abovementioned funds, including the timing of such utilization, consistent with SIP, in its report on sources and uses of school funds;

Ensure that all procurement using school funds conform to the provisions of R.A. 9184 (Government Procurement Report Act);

Post information on the sources, intended use and actual utilization of school funds in the Transparency Board that must be publicly accessible and updated every three months; and

Using the School Report Card, formally communicate/present the sources and uses of school funds to the following stakeholders: faculty and staff of the school, PTCA, SGC, and active partners among local stakeholders (i.e. barangay officials, CSOs, alumni association).

## CONCLUSION

In order to promote good governance in education, the school administrators, principals and office heads should be transparent and accountable with the disbursement of financial resources of the school. The administration should be aware of the expenditures to avoid leakages of funds. Additionally, adhering to the mandates of *Transparency Seal* is one way of ensuring that the school does not want to practice corruption. The use of transparency board, as what this paper is suggesting, also promotes clean and honest school governance. This transparency board will gain the trust of the general public, which in turn, may attract potential donors and investors. Transparency board is indeed a very effective tool in enhancing the transparency and

accountability practices of the schools as far as the use of school funds is concern. Through the use of transparency board, the school will have the potential of shaping the culture of transparency and accountability – which is indispensable especially in improving the quality of education in Sulu.

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