



# GOVERNANÇA ECONÓMICA

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## When the problem isn't a lack of institutions: The crisis of public finance oversight in Mozambique

- The State General Inspectorate, the Court of Accounts, the Supreme Administrative Court, and the Central Procurement Authority. These are the institutional bets of Daniel Chapo's administration to curb the longstanding plunder of public resources and strengthen accountability mechanisms in the management of public finances in Mozambique. Without genuine political will and decisive action, however, there is a risk that the country will end up with more institutions, more bureaucracy, and the same problems of impunity in the management of public affairs.





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Apparently, in the current government's view, the solution to the problem of corruption and widespread impunity in the management of public affairs lies in the creation of more institutions. At least, that is the perception that emerged from the President of the Republic's speech this week in Maputo, during the opening of the first Seminar on the Oversight of State Re-

sources for Public Managers, an event organized by the Administrative Court.

To date, only the General Inspectorate of the State has been formally created, in December 2025, with the mission of inspecting the provision of public services by State institutions<sup>1</sup>, with the creation of the other three institutions still to be finalized.

## Weak oversight and selective accountability fuel networks of corruption and patronage within the State

Nowadays, a culture of widespread impunity reigns in the management of public affairs in the country. In various sectors and at different levels of public administration, schemes aimed at privatizing public resources at all costs are multiplying. Weak oversight and selective accountability have contributed to the fact that money taken from Mozambicans in the form of taxes continues to be used to enrich a handful of individuals in public office.

Data from the Open Budget Survey (OBS) confirms this scenario of weak oversight and accountability in the management of public finances in Mozambique. The OBS, an international assessment that measures the level of transparency, public participation, and budget oversight, reveals that the country's performance in the budget oversight pillar remains limited. According to the most recent results, Mozambique scored 41 out of 100, a level considered insufficient to guarantee effective control over the management of public resources.<sup>2</sup>

The budgetary oversight system in the country rests on two fundamental institutional pillars: political oversight exercised by the Assembly of the Republic and external control of public finances carried out by state audit institutions. However, the results of the Budgetary Oversight Survey (OBS) indicate that these institutions exhibit relatively low levels of performance in carrying out their oversight functions, which limits the capacity of the oversight system to ensure rigorous scrutiny in the management of public funds.

Overall, the data suggest that, despite the formal existence of institutions and control mechanisms, the public finance oversight system in Mozambique

continues to face significant structural challenges. These results point to limitations in the institutional capacity to consistently monitor the management of public resources and to ensure adequate levels of accountability in the use of taxpayers' money.

The actions of the Administrative Court, as the supreme auditing institution in the country, highlight the challenges that still exist in terms of oversight and accountability.

According to Article 230 of the Constitution of the Republic, the Administrative Court (TA) has the competence to issue the report and opinion on the General State Account, to proactively monitor the legality and budgetary coverage of public acts and contracts, as well as to subsequently and concurrently monitor public funds. However, the institution continues to operate far below the central role that the constitutional order itself assigns to it.

The weakness lies not only in the results it produces, but also in the institutional conditions under which it is called upon to exercise external control over public finances. The 2023 OBS (Observatory of Public Sector Auditing) assigned Mozambique only 50 out of 100 in the specific indicator of oversight by the State Auditor-General, classifying this performance as "limited," and expressly recommended that the country guarantee the Administrative Court sufficient funding, defined by an independent entity, and that its audit processes be subject to review by an equally independent body. This means that part of the problem lies not only in the Court's actions, but also in the institutional and financial design that conditions its autonomy and capacity for intervention.

<sup>1</sup> The Country. (December 15, 2025). AR approves law creating the General Inspectorate of the State. <https://opais.co.mz/ar-aprova-lei-que-cria-inspeccao-geral-do-estado/>

<sup>2</sup> <https://internationalbudget.org/open-budget-survey/country-results/2023/mozambique>

When it comes to auditing public accounts, the government always winks to the right and turns to the left. One of the main examples of this is the systematic underfunding of the Court of Auditors, a result of the institution's material and functional dependence on the Executive branch. While the regulatory framework grants the institution robust powers, these have not been accompanied by material and technical resources commensurate with the magnitude of its function.

The legal framework itself recognizes this dependency. Article 75 of the Organic Law of Administrative Jurisdiction<sup>3</sup> stipulates that it is the Government's responsibility to ensure the organizational, material, financial, and human resources conditions necessary for the implementation of the law. This creates a contradiction: the body called upon to scrutinize the legality of public spending remains dependent, in central aspects of its functioning, on the same power whose financial acts it must oversee. In a context of institutional capture and promiscuity between public and private interests, this architecture weakens the Court's real autonomy and limits its scope for independent and impartial action.

In addition to the insufficient funds allocated, there are also delays in the provision of funds by the executive branch for conducting audits, which forces the Court to reformulate its work plan and reduce the number of entities planned for auditing, so as not to compromise the deadlines established for issuing the report on the General State Account. For example, in the process of evaluating the 2023 General State Account, the Court ended up auditing only 52 entities, all located in the southern region of the country, leaving out 48 institutions from the central and northern regions. In this way, the initially planned sample of 100 state bodies and institutions (including decentralized entities and public companies) was significantly reduced, which inevitably limits the scope and representativeness of the audit carried out.<sup>4</sup>

Another structural problem is linked to the design and scope of the control exercised by the Court of Auditors. In theory, prior review should act as a barrier against illegal contracts, acts, and expenditures before they take effect. In practice, however, the system

has shown difficulties in ensuring sufficiently comprehensive and timely control. The Court remains heavily associated with issuing visas and conducting formal compliance checks, while weaknesses persist in substantive control over the efficiency, economy, and impact of expenditure. Ideally, internal control, budget execution, and accountability should be linked to external control. But this linkage remains deficient, which reduces the Court's ability to act preventively and correctively throughout the entire public expenditure cycle.

There is also a persistent problem of lack of follow-up on detected irregularities. The Court of Auditors issues an opinion every year on the General State Account, an essential instrument for evaluating budget execution, the legality of expenditure, and the weaknesses of the financial administration system. In many cases, the irregularities and recommendations identified end up not producing proportionate institutional consequences. Without administrative, political, and judicial follow-up, oversight loses its deterrent force and becomes a bureaucratic exercise incapable of altering the incentives that fuel mismanagement and the private appropriation of public resources.

Who oversees the auditor? This is another weakness. There are no independent mechanisms for controlling the quality of the audit processes carried out by the Administrative Court. As noted by OBS, in modern public finance oversight systems, it is common practice for supreme audit institutions to be subject to periodic external evaluations to ensure that the methods, procedures, and conclusions of the audits comply with international standards of rigor, independence, and quality. In the Mozambican case, however, there is no evidence that the Administrative Court's audit processes are regularly reviewed by an independent entity or by an institutionalized quality assurance mechanism. This gap weakens the credibility of the public audit system and reduces confidence that the reports produced consistently reflect the highest technical standards of financial oversight.

In short, as long as institutional weaknesses, financial dependence, and the absence of effective accountability mechanisms persist, the public finance oversight system in Mozambique will continue to

<sup>3</sup> Law No. 24/2013, of November 1, amended and republished by Law No. 7/2015 of October 6, 2015.

<sup>4</sup> Administrative Court. (2024). Report and opinion on the General State Account 2023: Chapter 1 – Introduction. <https://www.ta.gov.mz/api/api/Certificacao%20de%20contas/Relat%C3%B3rio%20e%20Parecer%20CGE/Relat%C3%B3rio%20e%20Parecer%20CGE%202023/Cap%C3%ADtulo%20-%2001%20-%20Introdu%C3%A7%C3%A3o.pdf>

produce more reports than consequences. The Administrative Court, on paper, has a robust mandate to protect public funds and ensure the legality of public spending. However, without real autonomy, adequate resources, and effective follow-up on identified irregularities, oversight tends to remain

rudimentary and accountability selective.

More than multiplying institutions, the central challenge lies in strengthening existing ones, ensuring that the control of public finances ceases to be a formal exercise and begins to function as a real brake on the squandering of state resources.

## More institutions, greater oversight, and increased accountability?

From the above, it is clear that the problem of weak oversight and accountability in the management of public finances in Mozambique most likely does not necessarily lie in the absence of institutions, but rather in the structural weaknesses that condition the functioning of existing institutions. The problems presented in the previous section (and others that exist) cannot be solved by simply having more institutions.

It is easy to argue that creating new institutions is the panacea for the challenges the country is facing. This is the case with the Central Procurement Agency to reduce cronyism in public procurement, or the creation of the Court of Auditors and a Supreme Administrative Court to specialize in functions and reduce the current overload of the Administrative Court.

But are these measures a priority for solving the problem? Answering this question is very important because, for a state as financially crippled as ours, measures aimed at making the public administrative machine heavier must be very carefully analyzed from the point of view of their net benefits. Depending on the answer, it might make sense, for example, to proceed at this stage only with the Central Procurement Unit, if the value of the “nhongas” in public procurement exceeds the administrative cost (offices, salaries, equipment, logistics, information systems, training, and day-to-day operation) of maintaining such a structure in operation.

In the way it is being conducted, the creation of new institutions functions more as a symbolic political response than as a structural reform of the system of oversight and accountability in the management of public accounts, conveying an image of commitment to transparency and integrity without necessarily altering the practices of managing and controlling public resources.

First, it is urgent to consolidate the existing institutions. How can a Court of Auditors or a Supreme Administrative Court be created in a context where the Administrative Court itself still struggles with

limitations in financial autonomy, operational constraints, and a lack of follow-up on detected irregularities that have compromised the effectiveness of its intervention?

Furthermore, institutional proliferation, instead of solving the problem, can exacerbate one of the most persistent vices of Mozambican public administration: the dispersion of responsibilities. When there are many entities with overlapping mandates, poorly defined functional boundaries, and weak coordination, it creates space for institutional passing the buck. No one is fully accountable for failures, because each body acts in the expectation that another will intervene. The result can be perverse: more institutions, more overlapping competencies, more administrative costs, and, in the end, the same deficit of effective oversight.

More importantly, it is necessary to end the culture of using the State to fuel networks of corruption and cronyism. As long as the public apparatus continues to be seen as a privileged space for the distribution of favors, political accommodation, and privileged access to State resources, any institutional reform will tend to produce limited results. Combating the mismanagement of public finances requires, first and foremost, a clear break with this logic of capturing the State, through the effective accountability of public managers involved in irregularities and the construction of an institutional culture in which the management of public money is guided by the collective interest and not by networks of influence and privilege. This requires genuine political will and decisive actions, not beautiful and empty speeches.

Without these conditions, the risk is that the new institutional architecture will merely reproduce existing weaknesses. Instead of strengthening control over public finances, the country may end up with more institutions, more bureaucracy, and the same problems of impunity in the management of public affairs.



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