



## SUCCESS STORY

### Implementation of Integrated Financial Management System (IFMS), A Step Towards Accountability and Transparency in Hirat Municipality

**With the Implementation of IFMS, Hirat Municipality Has Become More Transparent and Efficient in Delivering Services.**



On January 24, SHAHAR's IFMS team assisted Hirat Municipality with inauguration of the Integrated Financial Management System (IFMS)

Accounting Manager of Hirat Municipality shared: *"IFMS has proved to be a major contributor to the improvements that become visible in municipal financial performance. Now, I believe the system will help Hirat Municipality to improve service delivery mechanism to citizens. I'm glad that it will also ensure transparency and accountability, and guide us towards a sustainable and secure financial future."*

Strengthening the country's public financial management system to provide faster and better services to the Afghan people, and ensure transparency and accountability of public expenditure has always been a priority for the Afghan government. However, a lack of computerized systems have proved an obstacle for municipalities to meet revenue targets, and effectively exploit revenue sources. With a significant revenue generation potential, Hirat Municipality has been struggling to tap the available revenue sources due to the absence of a computerized system. Previously, all financial transactions were carried out manually.

USAID's Strong Hubs for Afghan Hope and Resilience (SHAHAR) offered a comprehensive solution to the above problem by launching the Integrated Financial Management System (IFMS) in Hirat Municipality. SHAHAR prioritized installation of seven essential modules: Accounting, Budgeting, Payroll, *Safayi* and Business Licensing, Property Registration, Data Transfer, and Other Revenue. The municipal staff are now having access to all financial and non-financial modules as well as municipal laws and regulations. As part of SHAHAR's support, Information Communications Technology infrastructure was installed in Hirat Municipality. Following the installation of the IFMS, SHAHARs team will be providing municipal and Citizen Service Center staff with regular technical trainings on various IFMS modules, while the IFMS is continuing to expand to include other *Nahyas* of Hirat.

As a result, IFMS has harmonized budgeting processes and helped Hirat Municipality more effectively forecast and manage revenue and expenditures. What is more, opportunities for corruption have been significantly lessened due to the increased transparency in financial processes. IFMS has reduced the deviation between revenue forecasts and actual collections from 33 percent to less than 12 percent. The system also reduced the time required to prepare financial statements from 1 month to 10 days. Now, Citizen Service Centers are able to complete all necessary registration procedures, enter and store data, provide payment receipts via municipal banking, and issue printed licenses and receipts.

#### Telling Our Story

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