

Treasury Single Account (TSA) Rapid Assessment Toolkit - World Bank



Objective and features

1. Objective

The toolkit aims to ensure that the public financial management (PFM) reforms supported by ongoing FMIS activities are sufficiently focused on the design of basic TSA processes that improve cash management.

2. Institutional coverage

National and subnational governments.

3. Technical coverage

The toolkit is used to check the reliability, security, and sustainability of the TSA interface between the FMIS and central bank payment systems. The toolkit covers the following cross-sectional aspects of management information systems and regulatory framework:

1. Treasury operations (management of payments)
2. Banking functions (payment controls and settlements)
3. Accounting (reconciliation and reporting)
4. Oversight of payments and settlement systems (financial and information security controls).

Risk and controls review are also included in the toolkit to analyze the central bank and the treasury information systems, procedures, and operational environment. The toolkit does not cover aspects such as TSA design and cash management practices.

4. Application method

Custodian. It can also be used as a self-assessment tool.

Methodology



5. Methodology

The TSA assessment toolkit is composed of 65 questions grouped into five categories:

1. Legal and regulatory framework of TSA operations (11 questions) – covers aspects of central treasury legislation for TSA operations and central bank legislation for interbank settlement systems.
2. TSA processes and interbank systems (25 questions) – covers aspects such as the segregation in duties of key TSA function, daily recording and reporting of TSA transactions, audit trails, inventory of bank accounts, and transaction level controls.
3. Capacity and competencies (7 questions) – covers the capacity of central bank and central treasury staff to manage the TSA operations and interbank payment systems, respectively.
4. Information security controls (14 questions) – covers the information security controls actively used in central treasury and central bank information systems, such as authentication and authorization, data security and integrity, network and web application firewalls, physical security, backup, and storage.
5. Oversight mechanisms (8 questions) – covers the regularity in review of central treasury and central bank by internal audit, external audit, and peer auditors.

Additional information can be provided in the “Comments” column of the questionnaire to facilitate better understanding.

6. Benchmarking system

Scoring. A simple rating scale (0 to 4) is used for all questions/statements, and the total score is converted into a grade (0 to 100) as an indication of the country's performance in TSA operations/payment systems. The grades are used to indicate the overall performance based on the total score after conversion (expressed as percentage, corresponding to very weak, weak, average, good, excellent).

7. Linkage to PEFA framework

The toolkit covers aspects related to PEFA performance indicators from the TSA system perspective: payroll controls (PI-23), internal controls on non-salary expenditure (PI-25), internal audit (PI-26), and financial data integrity (PI-27).

8. Complementarity with PEFA framework

The toolkit measures the current status of TSA operations and tries to identify gaps in the operations. The toolkit has a detailed emphasis on the ICT environment and regulatory framework of TSA operations.

Development and use



9. Development and coordination

The toolkit was developed by the WB in 2012 in response to a request from the Public Sector and Institutional Reform Cluster of the Europe and Central Asia (ECA) region for the assessment of Treasury Single Account (TSA) operations in a country in the region.

The toolkit was shared with several government officials, and with project teams for field testing and to benefit from additional feedback. The comments provided by various stakeholders were incorporated into the revised version of the toolkit in 2014. The revised version of the toolkit (Version 2.1) was published in February 2017. The toolkit is currently available as a reference document for the teams involved in TSA interface design or modernization.

A consultation process with the IMF, US Treasury, and development partners took place before the launch of the latest version of the toolkit (Version 2.1).

Joint assessments were performed with the participation of the WB teams and government counterparts.

10. Assessment management

TSA preconditions are summarized as part of the toolkit to provide an overview of the current status of TSA. Several clarifications can be requested from the country officials through a questionnaire in the toolkit during or before the assessment, to verify the existence of reliable TSA operations and interbank systems. The suggested approach to manage the assessment is as follows:

1. Identify team members and designate team leaders from the Ministry of Finance/Treasury and the Central Bank.
2. Review the functional and technical requirements of the TSA interface and operations, outlined in the existing FMIS contract, if applicable.
3. Organize a kick-off meeting with the two teams (Central Bank and Central Treasury) to explain the process, questionnaire, and expected results. Prepare a work plan to perform the assessment and organize the necessary meetings.
4. Collect the necessary information and evidence through interactions with related officials/units. Fill in the questionnaire providing ratings based on the evidence.
5. Organize a workshop with the participation of all stakeholders involved in the rapid assessment to discuss the findings and recommendations.
6. On completion of the review process by going through all 65 questions, a TSA Rapid Assessment Report can be prepared based on the template attached in Annex 2 of the toolkit.

Custodian quality assurance procedures apply. Quality assurance is provided by the WB staff when the assessment is done jointly by the WB and country officials. The findings may be discussed again and validated during the workshop at the end of the assessment.

11. Uses by the government and members of the PFM community

The TSA toolkit is used by government officials (mainly the Ministry of Finance and the Central Bank) in assessing the current status of TSA interface, and in identifying possible improvements in related practices/processes, regulations, information security, and payment systems. Results of some of the TSA rapid assessments were used to make informed decisions on FMIS design or TSA interface development.

12. Sequencing with other tools

Not applicable. TSA is a very specialized tool designed to inform decisions for the development or improvement of TSA interface between FMIS and Central Bank. It is not possible to link this tool with a broader diagnostic framework or TDT (B2o).

13. PFM capacity building

A workshop is recommended to be organized with the participation of all stakeholders involved in the rapid assessment to discuss the findings and recommendations. Alongside discussion on technical aspects and safeguards, capacity-building needs are also identified through the questions in capacity and competencies section of the questionnaire. In some projects, these assessments complemented the FMIS modernization activities and capacity building.

14. Tracking of changes and frequency of assessments

Changes are not tracked. The tool is intended to assess the current state of TSA interface operations. There is no recommended frequency for the application of the tool. The toolkit can be used when TSA infrastructure is being established as a part of FMIS implementation.

15. Resource requirements

Assessment cost is less than US\$15,000. The time needed is one week for a joint assessment led by the WB with key TSA stakeholders - usually the Central Treasury and the Central Bank.

Transparency



16. Access to methodology

Methodology is [available](#). No additional user guidance is available. The toolkit document details the TSA principles and TSA preconditions and provides guidance on ratings. The toolkit is available in five languages (English, French, Spanish, Arabic, and Vietnamese) and accessible through the external [FMIS web page](#).

17. Access to assessment results

The reports are not available publicly.