

*Below is the complete template for a report applying the 2016 PEFA framework utilizing the AgilePEFA Guidance.*

Guidance to help assessors in preparing the report is provided in red italic font. It is not part of the final report structure.

**(Insert name of country)**

**PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) PERFORMANCE ASSESSMENT REPORT (Insert year)**

Draft Report

(Insert Date)

**PEFA Check endorsement.**

*If the report is eligible, the PEFA Check endorsement as provided by the PEFA Secretariat will be inserted as a full-page certification here before the section on Assessment Management and Quality Assurance.*

**Assessment management and quality assurance**

**Oversight and management**

*Provide a brief description of the composition of the oversight team managing the assessment, the assessment team undertaking the assessment, and QA peer review organizations. State whether PEFA Secretariat QA guidance has been followed.*

*Further details on the assessment management and quality assurance arrangements should be presented in Annex 1.*

**Methodology**

***Type of assessment:***

*Describe the methodology i.e., in accordance with the PEFA 2016 methodology applying the Agile*PEFA *guidance.*

***Number of indicators used:***

*Indicate the number of indicators and dimensions included in the assessment. Explain reason for non-application of any indicators or dimensions.*

***Scope and coverage:***

*Describe the scope of the assessment – e.g., budgetary units, extrabudgetary units and public corporations. Explain any unique aspects of the institutional arrangements or PFM governance of the jurisdiction that impact on the scope and coverage of the assessment. Note that the list of public sector agencies covered by the assessment is presented at Annex 2.*

***Timelines:***

*Specify the following timelines:*

|  |  |
| --- | --- |
| **In-country field work:** |  |
| **Country fiscal year:** |  |
| **Last three fiscal years covered:** |  |
| **Latest budget submitted to legislature:** |  |
| **Time of assessment (cut-off):** |  |

***Sources of information:***

*Briefly describe the sources of information.*

*A consolidated list of documents used for this assessment, including by indicator, should be presented in Annex 3. The names of all persons interviewed should be listed in Annex 4.*

Table of contents

Abbreviations and Acronyms

|  |  |
| --- | --- |
| AFS | Annual Financial Statements |
| AGD | Accountant General Department |
| COFOG | Classification of Functions of Government |
| DMS | Debt Management Strategy |
| DSA | Debt Sustainability Analysis |
| EBU | Extra-Budgetary Unit |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| GFSM | Government Financial Statistics Manual |
| GRB | Gender Responsive Budgeting |
| INTOSAI | International Organization of Supreme Audit Institutions |
| IPSAS | International Public Sector Accounting Standards |
| KPI | Key performance indicator |
| MoF | Ministry of Finance |
| NIIP | National Infrastructure Investment Plan |
| PAC | Public Accounts Committee |
| PC | Public Corporation |
| PEFA | Public Expenditure and Financial Accountability |
| PFM | Public Financial Management |
| PMU  PPP | Project Management Unit  Public Private Partnership |
| PS | Permanent Secretary |
| PSC | Public Service Commission |
| PSIP | Public Sector Investment Program |
| SDG | Sustainable Development Goals |
| SNG | Sub-National Government |
| VAT | Value Added Tax |

1. INTRODUCTION

*Introduce the PEFA assessment and summarize purpose, objectives, and planned use in supporting PFM improvement. The introduction should identify that the AgilePEFA guidance was applied in conducting the assessment.*

***Economic context***

*Provide a brief overview of the economic context including the summary of selected key economic indicators such as those set out in the following table.*

Table 1: Selected key economic indicators

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FY T-2** | **FY T-1** | **FY-T** |
| GDP  GDP per capita (currency units) Real GDP growth (%)  CPI (annual average change) (%) Gross government debt (% of GDP)  External terms of trade (annual percentage change) Current account balance (% of GDP)  Total external debt (% of GDP)  Gross official reserves (months of import value) |  |  |  |

***Fiscal trends***

*Summarize fiscal trends including size of deficit and net debt in recent years, including a summary of selected indicators such as those set out in the following table.*

Table 2: Aggregate fiscal data

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FY T-2** | **FY T-1** | **FY-T** |
| Total revenue  Own revenue  Grants  Total Expenditure  Non-interest expenditure  Interest Expenditure  Aggregate deficit (incl. grants)  Primary deficit  Net financing |  |  |  |

**PFM legal framework**

*Provide a brief description of the legal framework – outlining the main legislation and regulations that determine the structure and guide the operation of the PFM system. In addition to PFM law, reference any specific laws for procurement, public investment, PPP, debt, etc. This subsection should also briefly explain any legal provisions and institutional structures for public participation in budget planning. A brief description of recent changes made to the legal framework should be included, if relevant.*

1. SUMMARY OF FINDINGS

2.1 PFM strengths and weaknesses

*Include a summary of the main findings of the report, as captured by the 7 pillars, the indicators and the dimensions of the PEFA Framework.*

*Present a graph of a summary of PEFA scores by indicators as follows. Guidance is available at pefa.org (include a link).*

**Figure 2.1: Summary of PEFA scores by indicators – PEFA 2016 framework (example only)**

*Include reference to summary of observations on internal control in Annex 5.*

*Include reference to summary table of the scores of all indicators and dimensions in Annex 6.*

2.2 Impact of PFM performance on three main fiscal and budgetary outcomes

*The main objective of PEFA and PFM reform is to support sustainable development as well as better and more effective service delivery outcomes that meet the citizens’ needs and priorities. Progress is measured through the contribution of PFM systems and processes to the following three main fiscal and budgetary outcomes.*

***1. Aggregate fiscal discipline***

*Describe the impact of PFM systems on fiscal discipline the country based on PEFA findings.*

***2. Strategic allocation of resources***

*Describe the impact of PFM systems on the effectiveness of resource allocation the country based on PEFA findings.*

***3. Efficient use of resources for service delivery***

*Describe the impact of PFM systems on the efficiency of the delivery of public services the country based on PEFA findings.*

2.3 Performance change since previous assessment

*If applicable, highlight performance changes since the previous assessment. Present graph, such as Figure 2.2 and 2.3 below that present score changes between the two assessments. Based on the graphs, discuss some of the highlights of the changes in performance.*

*Note, where both the current and previous assessment apply the PEFA 2016 framework, the chart should be based on the 2016 framework. However, where the previous assessment applied a previous version of the framework, the comparison should be based on the earlier version of the framework.*

*Separate guidance is provided for previous assessments that used a different version of PEFA (see the Guidance on reporting performance changes in PEFA 2016 from previous assessments that applied PEFA 2005 or PEFA 2011 on pefa.org).*

*In the case of a repeat assessment, the report should include an annex with a table that compares and briefly explains changes in performance between the current and previous PEFA, applying the framework of the previous PEFA (be that PEFA 2016, PEFA 2011, or PEFA 2005). There are two alternative templates to use for this annex, one for repeat assessments where the previous PEFA applied an earlier version of the framework (2011 or 2005) and another which is for use where both the previous and current PEFA apply PEFA 2016.*

**Figure 2.2: Comparison of the distribution of indicator scores between the assessment in [insert year] and the assessment in [insert year] using the [insert year] framework (example only)**

**Figure 2.3: Comparison with the previous assessment in [insert year] using the 2016 framework (example only)**

2.4 Progress in Government PFM reform program

*Describe the government’s approach to PFM reform and highlight key initiatives and progress.*

2.5 Summary of performance indicators

*Include the following summary table and heat map as presented in the example below and based on the color code of the scoring Table 2.1.* *A color key is also included in the graphs under pillars.*

**Table 2.1: Summary of performance indicators (example only – insert scores and adjust colors to match score)**

| **PFM PERFORMANCE INDICATOR** | | **SCORING METHOD** | **DIMENSION RATINGS** | | | | **OVERALL RATING** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **i** | **ii** | **iii** | **iv** |
| **Pillar One: Budget reliability** | | | | | | | | |
| PI-1 | Aggregate expenditure outturn | M1 | D |  |  |  | **D** |
| PI-2 | Expenditure composition outturn | M1 | D | C | A |  | **D+** |
| PI-3 | Revenue outturn | M2 | D | D |  |  | **D** |
| **Pillar Two: Transparency of public finances** | | | | | | | | |
| PI-4 | Budget classification | M1 | C |  |  |  | **C** |
| PI-5 | Budget documentation | M1 | B |  |  |  | **B** |
| PI-6 | Central government operations outside financial reports | M2 | B | B | B |  | **B** |
| PI-7 | Transfers to subnational governments | M2 | D | D |  |  | **D** |
| PI-8 | Performance information for service delivery | M2 | A | C | A | B | **B+** |
| PI-9 | Public access to fiscal information | M1 | D |  |  |  | **D** |
| **Pillar Three: Management of Assets and Liabilities** | | | | | | | | |
| PI-10 | Fiscal risk reporting | M2 | B | NA | B |  | **B** |
| PI-11 | Public investment management | M2 | C | A | D | B | **C+** |
| PI-12 | Public asset management | M2 | C | C | B |  | **C+** |
| PI-13 | Debt management | M2 | B | D | D |  | **D+** |
| **Pillar Four: Policy-based fiscal strategy and budgeting** | | | | | | | | |
| PI-14 | Macroeconomic and fiscal forecasting | M2 | D | B | D |  | **D+** |
| PI-15 | Fiscal strategy | M2 | D | A | C |  | **C+** |
| PI-16 | Medium-term perspective in expenditure budgeting | M2 | B | A | C | D | **C+** |
| PI-17 | Budget preparation process | M2 | C | A | A |  | **B** |
| PI-18 | Parliamentary scrutiny of budgets | M1 | B | D | A | A | **D+** |
| **Pillar Five: Predictability and control in budget execution** | | | | | | | | |
| PI-19 | Revenue administration | M2 | A | B | C | D | **C+** |
| PI-20 | Accounting for revenue | M1 | A | A | D |  | **D+** |
| PI-21 | Predictability of in-year resource allocation | M2 | D | A | A | A | **B+** |
| PI-22 | Expenditure arrears | M1 | D\* | D |  |  | **D** |
| PI-23 | Payroll controls | M1 | D | A | A | D | **D+** |
| PI-24 | Procurement management | M2 | D | D | C | A | **C** |
| PI-25 | Internal controls on non-salary expenditure | M2 | C | C | A |  | **B** |
| PI-26 | Internal audit | M1 | D | C | D | C | **D+** |
| **Pillar Six: Accounting and reporting** | | | | | | | | |
| PI-27 | Financial data integrity | M2 | D | A | A | B | **B** |
| PI-28 | In-year budget reports | M1 | D | A | C |  | **D+** |
| PI-29 | Annual financial reports | M1 | B | A | C |  | **C+** |
| **Pillar Seven: External scrutiny and audit** | | | | | | | | |
| PI-30 | External audit | M1 | D | B | C | B | **D+** |
| PI-31 | Parliamentary scrutiny of audit reports | M2 | D | D | D | D | **D** |

1. ANALYSIS OF PFM PERFORMANCE – Pillars, indicators, and dimensions

**This section provides an assessment of each of the 31 indicators and 94 dimensions that make up the PEFA framework.** Each dimension score is calibrated to reflect a level of PFM practice as set out in the table below. Dimension scores are aggregated using PEFA Framework guidance to arrive at indicator-level scores.

|  |  |
| --- | --- |
| **SCORE** | **LEVEL OF PFM PRACTICE** |
| **A** | High level of performance that meets good international practices. |
| **B** | Sound performance in line with many elements of good international practices. |
| **C** | Basic level of performance. |
| **D** | Either less than the basic level of performance or insufficient information to score (D\*). |

*For all graphs, summary tables and heat maps, it is recommended that assessors use the same color-code from the scoring table above to highlight performance.*

*Assessors are also strongly recommended to use the PEFA Handbook Volume II: PEFA Assessment Field Guide for more detailed measurement guidance.*

*The “****Assessment of Performance****” table for each indicator should include sufficient narrative for the reader to understand the analysis of evidence by the assessors, in the context of the scoring criteria for each dimension, leading to the assignment of a specific score. The scoring methodology for some dimensions include “and”/” or” elements and it is important that the narrative describe which elements are observed (or not) that justify the score assigned. By necessity, this narrative will repeat, and indeed highlight, aspects of the evidence provided in the tables under each indicator but may also briefly note other evidence and aspects of context which are relevant to readers for their understanding of the performance of the PFM system in relation to each dimension. Nonetheless, it is not necessary for the table to include descriptive information which is superfluous for the scoring of the dimension.*

*The tables under “****Evidence to score*** *“, help present evidence to support scoring but does not replace the need for narrative to justify the assessment of performance. Nonetheless, as they are a critical source of data and inform the assessment, the tables should be completed in full (unless abridged due to sampling) and not altered. Additional tables may be added under each indicator.*

*The term “not applicable” and its abbreviation “NA” is to be used in tables where an indicator, dimension, or evidence sought is not applicable to the government system being assessed. When NA is used, an explanation should be included in the narrative.*

*The term “no evidence’ and its abbreviation “NE" is to be used in tables where the evidence is applicable and relevant to the country system being assessed but that evidence is not available to the assessment team. In some cases, significant lack of evidence will contribute to a D\* score which signifies insufficient evidence to establish the actual level of performance.*

PILLAR ONE: Budget Reliability

Pillar one includes three indicators which assess whether the government budget is realistic and is implemented as intended**.** This is measured by comparing actual revenues and expenditures (the immediate results of the PFM system) with the original approved budget.

***Overall performance***

*Describe the overall performance of the three indicators for this pillar. Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
| ***Pillar I- Budget reliability*** | | | | | | | |
| ***PI-1. Aggregate expenditure outturn*** |  |  |  |  |  |  |  |
| *1.1. Aggregate expenditure outturn* | *2.1*  *2.2* | *6.1* |  | *14.2*  *17.2*  *18.4* | *22.1* |  |  |
| ***PI-2. Expenditure composition outturn*** |  |  |  |  |  |  |  |
| *2.1. Expenditure composition outturn by function* | *PI-1.1*  *PI.2.2* |  |  | *16.1* |  |  |  |
| *2.2. Expenditure composition outturn by economic type* | *1.1*  *2.1* |  |  | *14.2*  *16.1* |  |  |  |
| *2.3. Expenditure from contingency reserves* |  |  |  |  |  |  |  |
| ***PI-3. Revenue outturn*** |  |  |  |  | ***19***  ***20*** |  |  |
| *3.1. Aggregate revenue outturn* |  | *6.2* |  | *14.2* |  |  |  |
| *3.2. Revenue composition outturn* |  |  |  | *14.2* |  |  |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. Pillar One: Budget reliability (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-1 Aggregate expenditure outturn[[1]](#footnote-2)

This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports. Coverage is BCG for the last three completed fiscal years.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-1: Aggregate expenditure outturn** **(M1)** | |  |
| **1.1 Aggregate expenditure outturn** | *Provide narrative explanation of actual performance against the requirements of each dimension/score.* |  |

***Evidence for score***

*Provide evidence of scoring requirements met/not met. Annex 7 should present the complete PEFA guidance spreadsheets showing the original budgets approved by the legislative compared with the actual outturns. The excel template for the spreadsheets can be found on the PEFA website* [*www.pefa.org*](http://www.pefa.org) *at* https://www.pefa.org/resources/calculation-sheets-pefa-performance-indicators-pi-1-pi-2-and-pi-23-november-2018

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Include here any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Consistency should be ensured with total expenditure amounts presented in:*

*- Table Aggregate fiscal data*

*- Table Financial structure of central government – actual expenditure*

*- PI-2.1 excluding contingency items and interests*

*- PI-2.2 excluding contingency items*

*- Any reference to total expenditure amount of budget or actuals for BCG used in the PEFA report, particularly to assess materiality.*

**Table 1.1: Aggregate expenditure outturn** **(Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Aggregate expenditure (amount)** | **FY T-2** | **FY T-1** | **FY T** |
| Original approved budget |  |  |  |
| Outturn |  |  |  |
| **Outturn as a percentage of original approved budget (%)** |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-2. Expenditure composition outturn

This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. Coverage is BCG for the last three completed fiscal years.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-2. Expenditure composition outturn (M1)** | |  |
| **2.1 Expenditure composition outturn by function** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **2.2 Expenditure composition outturn by economic type** |  |  |
| **2.3 Expenditure from contingency reserves** |  |  |

***Evidence for score***

*Provide evidence of scoring requirements met/not met.*

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [www.pefa.org](http://www.pefa.org) *at* <https://www.pefa.org/resources/calculation-sheets-pefa-performance-indicators-pi-1-pi-2-and-pi-23-november-2018> *Calculations for the indicator must be included in the assessment report as an Annex. A template is provided in Annex -7: Calculation sheet templates for PI-1, PI-2 and PI-3.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Include here any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Consistency should be ensured with total expenditure amounts presented in:*

*- Table Aggregate fiscal data*

*- Table Financial structure of central government – actual expenditure*

*- PI-1.1 except for contingency items and interests*

*- PI-2.2 except for contingency items*

*- Any reference to total expenditure amount of budget or actuals for BCG used in the PEFA report, particularly to assess materiality.*

**Table 2.1, 2.2 and 2.3: Expenditure composition outturn compared to original approved budget and expenditure from contingency reserves (last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FY T-2** (%) | **FY T-1** (%) | **FY-T** (%) |
| Program, administrative or functional classification *– edit as appropriate* |  |  |  |
| Economic classification |  |  |  |
| Actual expenditure charged to a contingency vote |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-3. Revenue outturn

This indicator measures the change in revenue between the original approved budget and end-of-year outturn. Coverage is BCG for the last three completed fiscal years.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-3. Revenue outturn (M2)** | |  |
| **3.1 Aggregate revenue outturn** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **3.2 Revenue composition outturn** |  |  |

***Evidence for score***

*Provide evidence of scoring requirements met/not met.*

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website*  www.pefa.org. *at* <https://www.pefa.org/resources/calculation-sheets-pefa-performance-indicators-pi-1-pi-2-and-pi-23-november-2018>. *Calculations for the indicator must be included in the assessment report as an Annex. A template is provided in Annex 7: Calculation sheet templates for PI-1, PI-2 and PI-3. The Calculation Sheet for dimensions PI-3.1 and PI-3.2 can be filled in as described below.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Include here any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Consistency should be ensured with total expenditure amounts presented in:*

*- Table Aggregate fiscal data*

*- Table Financial structure of central government – actual expenditure*

*- PI-1.1 except for contingency items and interests*

*- PI-2.2 except for contingency items*

*- Any reference to total expenditure amount of budget or actuals for BCG used in the PEFA report, particularly to assess materiality.*

**Table 3.1 and 3.2: Aggregate outturn and composition of revenue**

|  |  |  |  |
| --- | --- | --- | --- |
| **Total revenue (amount)** | **FY T-2** | **FY T-1** | **FY T** |
| Original approved budget |  |  |  |
| Outturn |  |  |  |
| **Outturn as a percentage of the original approved budget (%)** |  |  |  |
| **Composition Variance (%)** |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**PILLAR TWO: Transparency of Public Finances**

Pillar two includes six indicators which assess whether information on public financial management is comprehensive, consistent and accessible to users. This is achieved through comprehensive budget classification, transparency of all government revenue and expenditure including intergovernmental transfers, published information on service delivery performance and ready access to fiscal and budget documentation.

***Overall performance***

*Describe the overall performance of the six indicators for this pillar. Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | | ***VII*** |
| ***Pillar II-Transparency of public finances*** | | | | | | | | | |
| ***PI-4. Budget classification*** |  |  |  |  |  |  |  | |
| *4.1 Budget classification* |  | *5 (El.4)* |  | *16.1* | *22.2* | *28.1*  *29.1* |  | |
| ***PI-5. Budget documentation*** |  |  |  |  |  |  |  | |
| *5.1 Budget documentation* |  | *9 (El.1)*  *El.4: 4* | *El.7: 13.1*  *El. 8: 12.1*  *El. 9:10.3* | *El.6: 14.1*  *El.10:15.1*  *El.11:16.1* |  |  |  | |
| ***PI-6. Central government operations outside financial reports*** |  |  |  |  |  | ***29*** |  | |
| *6.1. Expenditure outside financial reports* | *1* |  |  |  |  |  |  | |
| *6.2. Revenue outside financial reports* | *3.1* |  |  |  |  |  |  | |
| *6.3. Financial reports of extra-budgetary units* |  |  |  |  |  |  |  | |
| ***PI-7. Transfers to subnational governments*** |  |  |  |  |  |  |  | |
| *7.1. System for allocating transfers* |  |  |  |  |  |  |  | |
| *7.2. Timeliness of information on transfers* |  |  |  | *17.1* |  |  |  | |
| ***PI-8****. Performance information for service delivery* |  |  |  |  |  |  |  | |
| *8.1. Performance plans for service delivery* |  |  |  |  |  |  |  | |
| *8.2. Performance achieved for service delivery* |  |  |  |  |  |  |  | |
| *8.3. Resources received by service delivery units* |  |  |  |  |  |  |  | |
| *8.4. Performance evaluation for service delivery* |  |  |  |  |  |  | *PI-26*  *PI-30* | |
| ***PI- 9. Public access to fiscal information*** |  |  |  |  |  |  |  | |
| *9.1. Public access to fiscal information* |  | *El.1: 5* |  | *El.9: 14.1* |  | *El.3: 28.2*  *El.5: 29* | *El.5: 30*  *El.7: 30.4* | |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. Pillar Two: Transparency of Public Finances (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-4. Budget classification

This indicator assesses the extent to which the government budget and accounts classification is consistent with international standards. Coverage is BCG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-4. Budget classification** | |  |
| **4.1 Budget classification** | *Provide a summary description of performance highlighting the extent to which requirements are met based on evidence. This should include sufficient narrative for the reader to understand the analysis of the assessment team which justifies a particular score. For this indicator, for example, an A or B score could be justified due to the presence of either a functional classification or a program structure which is comparable – the narrative should explain which approach is observed.* |  |

***Evidence for score***

*Evidence should be provided in the following table, specifying the elements covered in the chart of accounts structure.*

*Include here any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Consistency should be ensured with references to budget classifications presented in:*

*- PI-5: Element 4*

*- PI-16.1*

*- PI-28.1*

*- PI-29.1*

**Table 4.1: Budget classification and chart of accounts (Last completed fiscal year)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Element** | **Classification structure** | | | | | | |
| **Admin** (Y/N) | **Economic: Number of digits and GFS compliance** (Y/N) | | | **Function** (Y/N) | **Subfunction/ Program**  (S/P/N) \* | **COFOG** (or comparable)  (Y/N) |
| **Revenue** | **Recurrent** | **Capital** |
| **Chart of accounts** |  |  |  |  |  |  |  |
| **Budget formulation** |  |  |  |  |  |  |  |
| **Budget execution** |  |  |  |  |  |  |  |
| **Reporting** |  |  |  |  |  |  |  |

***\* Note:*** *S = Subfunction; P = Program; Y=Yes and N = No*

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-5. Budget documentation

This indicator assesses the comprehensiveness of the information provided in the annual budget documentation, as measured against a specified list of four basic and eight additional elements. Coverage is BCG for the last budget submitted to the legislature.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-5. Budget documentation** | |  |
| **5.1 Budget documentation** | *Provide a summary description of performance highlighting the extent to which requirements are met based on evidence. This should include sufficient narrative for the reader to understand the analysis of the assessment team which justifies a particular score.* |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score. For this indicator, there are some elements which are “either/or”, the third column should explain which element is observed.*

*Include here any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Consistency should be ensured with the following elements presented in:*

*- PI-9: Element 1*

*- Element 4: PI-4*

*- Element 6: PI-14.1*

*- Element 7: PI-13.1*

*- Element 8: PI-12.1*

*- Element 9: PI-10.3*

*- Element 10: PI-15.1*

*- Element 11: PI-16.1 (for expenditure)*

**Table 5.1 Budget documentation (Last budget submitted to the legislature)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | | **Included** (Y/N) | **Source of evidence and comments** |
| **Basic elements** | | | | |
| 1 | Forecast of the fiscal deficit or surplus or accrual operating result. |  |  |
| 2 | Previous year’s budget outturn, presented in the same format as the budget proposal. |  |  |
| 3 | Current fiscal year’s budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn. |  |  |
| 4 | Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates. |  |  |
| **Additional elements** | | | | |
| 5 | Deficit financing, describing its anticipated composition. |  |  |
| 6 | Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate. |  |  |
| 7 | Debt stock, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard. |  |  |
| 8 | Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard. |  |  |
| 9 | Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as public-private partnership (PPP) contracts, and so on. |  |  |
| 10 | Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/or major changes to expenditure programs. |  |  |
| 11 | Documentation on the medium-term fiscal forecasts. |  |  |
| 12 | Quantification of tax expenditures. |  |  |

PI-6. Central government operations outside financial reports

This indicator measures the extent to which government revenue and expenditure are reported outside central government financial reports. Coverage is CG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-6. Central government operations outside financial reports (M2)** | |  |
| **6.1 Expenditure outside financial reports** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **6.1 Revenue outside financial reports** |  |  |
| **6.3 Financial Reports of Extrabudgetary Units** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Completing table 6 will assist assessors to identify extrabudgetary operations and those entities and institutions reporting outside government financial reports. Please indicate whether each element is met Y=Yes, N=No, P=Partially met; and NA=Not applicable.*

*It is important for assessors to cross check Annex 2 to ensure consistency, noting that the content of Annex 2 may evolve as entities are identified and their status determined during the assessment.*

*Where a complete set of information regarding extra-budgetary operations is impractical to collect, assessors may use a sampling methodology. To ensure materiality, such methodology should ensure that the sample includes at least 5 extra-budgetary operations and should include the two largest (based on available evidence).*

**Table 6: Identification of Extrabudgetary Operations (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Existence of extrabudgetary operations** | **Within budget documents**  (Y/N) | **Within central government financial reports**  (Y/N) | **Financial reporting to government**  (Y/N) | **Any additional off-budget elements**  (describe/N) |
| Budgetary Units |  |  |  |  |
| Extrabudgetary Entities |  |  |  |  |
| Social Security Funds *(depending on institutional coverage)* |  |  |  |  |
| Development Partners and Donors: |  |  |  |  |
| * Budget support |  |  |  |  |
| * Project funds managed through host country systems |  |  |  |  |
| * Project funds managed by project implementation units outside country systems |  |  |  |  |

***Data source****:* *Specify details of source/documents, including website addresses.*

**Table 6.1 and 6.2: Expenditure and revenue outside financial reports (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Entity** | **Type of revenue outside government financial reports**  (Y/N) | **Estimated amount of revenue reported outside government financial reports**  (Y/N) | **Type of expenditure reported outside government financial reports**  (Y/N) | **Estimated amount of expenditure reported outside government financial reports**  (Y/N) | **Evidence and reporting**  (Y/N) |
| **Budgetary units** | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| … |  |  |  |  |  |
| **Extrabudgetary units** | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| … |  |  |  |  |  |
| **Social security funds** *(depending on institutional coverage)* |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| … |  |  |  |  |  |

***Data source****: Specify details of source/documents, including website addresses.*

**Table 6.3: Financial reports of extrabudgetary units (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of extrabudgetary unit** | **Date annual report received by CG** | **Content of annual financial report** (Y/N)**:** | | | **Expenditure as a percentage of total *(or sampled)* extrabudgetary unit expenditure** (estimated) |
| **Expenditures and revenues by economic classification** | **Financial and non-financial assets and liabilities** | **Guarantees and long-term obligations** |
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| … |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

***Note to assessors****: Where extrabudgetary units have different fiscal years from the CG, the scoring should be based on respective FYs of the extrabudgetary units, not the CG FY. See Fieldguide 6.3:5.*

PI-7. Transfers to subnational governments

This indicator assesses the transparency and timeliness of transfers from central government to subnational governments with direct financial relationships to it. It considers the basis for transfers from the assessed government and whether subnational governments receive information on their allocations in time to facilitate budget planning. This covers CG and the subnational governments with direct financial relationships with CG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-7. Transfers to subnational governments (M2)** | |  |
| **7.1 System for allocating transfers** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **7.2. Timeliness of information on transfers** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Ensure that tables and/or supporting narrative provides evidence and details of any formulae for the transfers from central government to SNGs (including relevant legislation or determinations) together with evidence of the timing of transfers (such as letters of advice from central government to SNGs).*

**Table 7.1: System for allocating transfers (Last completed fiscal year)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Type of transfer** |  | **Budget** | | | | **Actual** | | | |
| **Source of rules** | **Amount** | **% of total** | **Transparent and rule-based** (Y/N) | **Amount** | | **% of total** | **Transparent and rule-based** (Y/N) |
| 1. |  |  |  |  |  | |  |  |
| 2. |  |  |  |  |  | |  |  |
| 3. |  |  |  |  |  | |  |  |
| … |  |  |  |  |  | |  |  |

***Data source****: Specify details of source/documents, including website addresses.*

**Table 7.2: Timeliness of information on transfers (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of transfer** | **Date when advice regarding transfers is received by SNGs** | **Source of evidence - date of advice on transfers** | **Date of budget submission to SNG legislature** |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| … |  |  |  |

***Data source****: Specify details of source/documents, including website addresses.*

PI-8. Performance information for service delivery

This indicator examines the service delivery performance information in the executive’s budget proposal or its supporting documentation and in year-end reports. It determines whether performance audits or evaluations are carried out. It also assesses the extent to which information on resources received by service delivery units is collected and recorded. Coverage is CG for all four dimensions and for PI-8.1, performance indicators and planned outputs and outcomes for the next fiscal year; for PI-8.2, outputs and outcomes of the last completed fiscal year; and for PI-8.3 and 8.4, last three completed fiscal years.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-8. Performance information for service delivery (M2)** | |  |
| **8.1. Performance plans for service delivery** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **8.2. Performance achieved for service delivery** |  |  |
| **8.3. Resources received by service delivery units** |  |  |
| **8.4. Performance evaluation for service delivery** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*For calibration and assessment of materiality, table 8 is to be included which sets out the list of ministries and service delivery programs in accordance with clarifications 8:7 and 8:8 (see Volume II, page 60). Assessors should note that the data in Table 8 should be from the last approved budget.  Assessors should check (and comment accordingly) that there has been no material change in the relative size of ministries and service delivery programs since the last approved budget (for which the time period for such budget is not the “next fiscal year”) – such as may occur if, within the intervening period, there is a change in administrative arrangements, major policy changes or significant economic disruption.*

*Where a complete set of information regarding the performance management of all central government entities (including EBUs) is impractical to collect, assessors may use a sampling methodology. To ensure materiality, such methodology should ensure that the sample should be representative and include at least the two largest service delivery ministries (based on available evidence).*

**Table 8: Service delivery agencies**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of service delivery ministry or other unit as appropriate** | **Budget** | | |
| **Total** (amount) | **Service delivery** (amount) | **Percentage of service delivery (%)** |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| … |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 8.1: Performance plans of the largest service delivery agencies (next fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of service delivery ministry or other unit as appropriate** | **Program objectives specified** (Y/N) | **Key performance indicator**  (Y/N) | **Planned performance** | |
| **Planned outputs** (Y/N) | **Planned outcomes** (Y/N) |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| … |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 8.2: Performance reporting of the largest service delivery agencies (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of service delivery agency** **ministry or other unit as appropriate** | **Data on actual outputs**  **produced** (Y/N) | **Data on actual outcomes achieved** (Y/N) | **Information on activities undertaken (if no outputs or outcomes)** (Y/N) |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| … |  |  |  |
| *Same as table 8.1* |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 8.3: Resources received by service delivery units (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ministry or other unit as appropriate** | **Annual estimates by service delivery unit**  (Y/N) | **Actual resources received by service delivery unit**  (Y/N) | **Annual report prepared**  (Y/N) |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| … |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 8.4: Performance evaluation for service delivery (Last three completed fiscal years)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ministry or other unit as appropriate** | **Percentage of service delivery ministries or units** (%) | **Program or service evaluated within last 3 years** (Y/N) | **Type of evaluation** | **Independent** (Y/N) | **Efficiency assessed** (Y/N) | **Effectiveness assessed** (Y/N) |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |
| … |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-9. Public access to fiscal information

This indicator assesses the comprehensiveness of fiscal information available to the public based on nine specified elements (five basic and four additional elements) of information to which public access is considered critical. Coverage is BCG for the last completed fiscal year.

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-9. Public access to fiscal information** | |  |
| **9.1 Public access to fiscal information** | *For this dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence* |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

**Table 9.1: Budget documentation (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Element/Requirement** | | **Criteria met**  (Y/N) | **Within timeframe**  (Y/N) | **Explanation (including specification of the actual timeframe)** | **Source of evidence** |
| **Basic elements** | | | | | | |
| 1 | **Annual executive budget proposal documentation.** A complete set of executive budget proposal documents (as presented by the country in PI-5) is available to the public within one week of the executive’s submission of them to the legislature. |  |  |  |  |
| 2 | **Enacted budget.** The annual budget law approved by the legislature is publicized within two weeks of passage of the law. |  |  |  |  |
| 3 | **In-year budget execution reports.** The reports are routinely made available to the public within one month of their issuance, as assessed in PI- 28. |  |  |  |  |
| 4 | **Annual budget execution report.** The report is made available to the public within six months of the fiscal year’s end. |  |  |  |  |
| 5 | **Audited annual financial report**, incorporating or accompanied by the external auditor’s report, as assessed in PI-29 and PI-30. The reports are made available to the public within twelve months of the fiscal year’s end. |  |  |  |  |
| **Additional elements** | | | | | | |
| 6 | **Prebudget statement.** The broad parameters for the executive budget proposal regarding expenditure, planned revenue, and debt is made available to the public at least four months before the start of the fiscal year. |  |  |  |  |
| 7 | **Other external audit reports.** All nonconfidential reports on central government consolidated operations are made available to the public within six months of submission. |  |  |  |  |
| 8 | **Summary of the budget proposal.** A clear, simple summary of the executive budget proposal or the enacted budget accessible to the nonbudget experts, often referred to as a “citizens’ budget,” and where appropriate translated into the most commonly spoken local language, is publicly available within two weeks of the executive budget proposal’s submission to the legislature and within one month of the budget’s approval. |  |  |  |  |
| 9 | **Macroeconomic forecasts.** The forecasts, as assessed in PI-14.1, are available within one week of their endorsement. |  |  |  |  |

**PILLAR THREE: Management of Assets and Liabilities**

Pillar three includes four indicators which assess theeffectiveness of the government’s management of assets and liabilities and the extent to which this ensures that public investments provide value for money, assets are recorded and managed, fiscal risks are identified, and debts and guarantees are prudently planned, approved, and monitored.

***Overall performance***

*Describe the overall performance of the four indicators for this pillar.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
| ***Pillar III-Management of assets and liabilities*** | | | | | | | | |
| ***PI-10. Fiscal risk reporting*** |  |  |  |  |  |  |  |
| *10.1. Monitoring of public corporations* |  |  | *12.1* |  |  |  |  |
| *10.2. Monitoring of subnational government* |  |  |  |  |  |  |  |
| *10.3. Contingent liabilities and other fiscal risks* |  | *5 (El.9)* |  |  |  |  |  |
| ***PI- 11. Public investment management*** |  |  |  |  |  |  |  |
| *11.1. Economic analysis of investment proposals* |  |  |  |  |  |  |  |
| *11.2. Investment project selection* |  |  |  |  |  |  |  |
| *11.3. Investment project costing* |  |  |  |  |  |  |  |
| *11.4. Investment project monitoring* |  |  |  |  |  |  |  |
| ***PI-12. Public asset management*** |  |  |  |  |  |  |  |
| *12.1. Financial asset monitoring* |  | *5 (El.8)* | *10.1* |  |  | *29.1* |  |
| *12.2. Nonfinancial asset monitoring* |  |  |  |  |  | *29.1* |  |
| *12.3. Transparency of asset disposal* |  |  |  |  |  |  |  |
| ***PI-13. Debt management*** |  |  |  |  |  |  |  |
| *13.1. Recording and reporting of debt and guarantees* |  | *5 (El.7)* |  |  |  |  |  |
| *13.2. Approval of debt and guarantees* |  |  |  |  |  |  |  |
| *13.3. Debt management strategy* |  |  |  |  |  |  |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. PILLAR THREE: Management of Assets and Liabilities (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-10: Fiscal risk reporting

This indicator measures the extent to which fiscal risks to central government are reported, including risks associated with subnational governments, public corporations, and contingent liabilities from the central government’s own programs and activities, including extra-budgetary units. For the last completed fiscal year, this indicator covers CG-controlled public corporations for PI-10.1, subnational government entities that have direct fiscal relations with CG for PI-10.2, and CG for PI-10.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-10: Fiscal risk reporting (M2)** | |  |
| **10.1. Monitoring of public corporations** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **10.2.** **Monitoring of subnational governments** |  |  |
| **10.3. Contingent liabilities and other fiscal risks** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Where a complete set of information regarding the reporting of all public corporations is impractical to collect, assessors may use a sampling methodology. To ensure materiality, such methodology should ensure that the sample includes at least 5 major public corporations and should include the two largest (based on available evidence).*

**Table 10.1: Monitoring of public corporations (Last completed fiscal year)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Public corporations** | **Total expenditure (Amount)** | **Percentage of all *(or sample)* public corporations** | **Date of publication of audited financial report** | **Date financial report submitted to government** | **Financial report includes revenue, expenditure, assets, liabilities and long-term obligations** (Y/N) | **Consolidated report published annually**  (Y/N) |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| … |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 10.2: Monitoring of subnational governments (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Subnational government** | **Total expenditure** | **Percentage of all (or sample of) SNGs** | **Date of publication of audited financial report** | **Date financial report submitted to government** | **Consolidated report published annually**  (Y/N) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| … |  |  |  |  |  |
| **Total** |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 10.3: Contingent liabilities and fiscal risk (Last completed fiscal year)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Coverage** | **Loan guarantees (Central Government)** | **State insurance scheme** | **PPPs** | **Included in financial report**  (Y/N) | **Date published** | **Consolidated report**  (Y/N) |
|  | (Quantify or “NE” if no evidence) | | |
| **Budgetary Units** |  |  |  |  |  |  |
| **Extrabudgetary Units** |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

*Include any relevant remarks on the extent of any qualitative assessment of implicit contingent liabilities.*

PI-11 Public investment management

This indicator assesses the economic appraisal, selection, costing, and monitoring of public investment projects by the government. It also assesses the extent to which the government publishes information on the progress of the project, with an emphasis on the largest and most significant projects. Coverage is CG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-11 Public investment management (M2)** | |  |
| **11.1 Economic analysis of investment proposals** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **11.2 Investment project selection** |  |  |
| **11.3 Investment project costing** |  |  |
| **11.4 Investment project monitoring** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*The evidence for score should cover only major investment projects. For definition of “major” investment projects, please see the PEFA Handbook Volume II: PEFA Assessment Field Guide.*

*Where a complete set of information regarding major investment projects is impractical to collect, assessors may use a sampling methodology. To ensure materiality, such sample must include at least 5 major investment projects and should include the two largest (based on available evidence).*

*For calibration and assessment of materiality, table 11 is to be included which sets out the list of major projects and their relative value. A major investment project is any project where the total investment cost is greater than 1% of total annual BCG expenditure and the project is among the largest 10 projects (by total investment cost) for each of the 5 largest central government units, measured by the unit’s investment project expenditure.*

**Table 11: Major investment proposals (Last completed fiscal year)**

|  |  |  |
| --- | --- | --- |
| **Major investment projects (>1% of BCG expenditure)** | **Total investment cost of project** | **As a % of the total cost of all listed projects** |
| 1. |  |  |
| 2. |  |  |
| 3. |  |  |
| … |  |  |
| **Total/Coverage** | *Sum above* | **100%** |

***Data source:*** *Specify details of source/documents, including website addresses.*

***Note:*** *Major investment project is any project where the total investment cost is greater than 1% of total annual BCG expenditure.*

**Table 11.1: Economic analysis of investment proposals (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Major investment projects** | **Completed** (Y/N) | **Consistent with national guidelines** (Y/N) | **Published** (Y/N) | **Reviewing entity** | **Is reviewing entity the sponsoring entity** (Y/N) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| … |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 11.2: Investment project selection (Last completed fiscal year)**

|  |  |  |
| --- | --- | --- |
| **Major investment projects** | **Prioritized by central entity**  (Y/N) | **Consistent with standard selection criteria** (Y/N) |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| *Same as Table 11.1* |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 11.3: Investment project costing (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Major investment projects** | **Life cycle cost in budget documents** (Y/N) | **Capital cost breakdown in budget documents** (Annual/ multi-year/N) | **Recurrent costs included in budget documents** (Annual/ multi-year/N) |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| *Same as Table 11.1* |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 11.4: Investment project monitoring (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Major investment project** | **Total cost**  (Y/N) | **Physical progress** (Y/N) | **Standard rules and procedures exist**  (Y/N) | **High level of compliance with procedures**  (Y/N) | **Information on total cost and physical progress published annually**  (Y/N) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| *Same as Table 11.1* |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-12. Public asset management

This indicator assesses the management and monitoring of government assets and the transparency of asset disposal. For the last completed fiscal year, coverage is CG for PI-12.1, BCG for PI-12.2, and both CG and BCG for PI-12.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-12. Public asset management (M2)** | |  |
| **12.1. Financial asset monitoring** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **12.2. Nonfinancial asset monitoring** |  |  |
| **12.3. Transparency of asset disposal** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 12.1: Financial asset monitoring (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Asset Type** | **Record of holdings of financial assets maintained**  (Y/N) | **Acquisition cost recorded**  (Y/N) | **Fair value recognized**  (Y/N) | **In line with international accounting standards**  (Y/N) | **Information on performance published annually**  (Y/N) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| … |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 12.2: Non-financial asset monitoring (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Register of fixed assets**  (Y/N) | **Information on usage and age**  (Y/N/Partial) | **Register of land assets**  (Y/N) | **Register of subsoil assets (if applicable)**  (Y/N/NA) | **Information on performance published annually**  (Y/N) |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 12.3: Transparency of asset disposal (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Procedures for non-financial asset transfer or disposal established**  (Y/N) | **Procedures for financial asset transfer or disposal established**  (Y/N) | **Information included in budget documents, financial reports or other reports** (Full/Partial) | **Information on asset transfer and disposal submitted to legislature**  (Y/N) |
|  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-13. Debt management

This indicator assesses the management of domestic and foreign debt and guarantees. It seeks to identify whether satisfactory management practices, records, and controls are in place to ensure efficient and effective arrangements. Coverage is CG for all three dimensions - at time of assessment for PI-13.1, for last completed fiscal year for PI-13.2, and at time of assessment with reference to the last three completed fiscal years for PI-13.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-13. Debt management (M2)** | |  |
| **13.1. Recording and reporting of debt and guarantees** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **13.2. Approval of debt and guarantees** |  |  |
| **13.3. Debt management strategy** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 13.1: Recording and reporting of debt and guarantees (At time of assessment)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Type of liability** | **Records are maintained, complete and accurate** (Y/N) | **Frequency of update of records**  (M/Q/A) | **Frequency of reconciliation** M=Monthly  Q=Quarterly  A=Annually  N=Not done  (Add whether All; Most; Some; Few) | **Statistical reports (covering debt service, stock and operations prepared)**  M/Q/A/N | **Gaps in reconciliation**  **are documented**  Y/N |
| **Domestic debt** |  |  |  |  |  |
| **Foreign debt** |  |  |  |  |  |
| **Guarantees** |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 13.2: Approval of debt and guarantees (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Primary legislation exists**  (Y/N; Name of Act) | **Documented policies and guidance**  *(complete both columns below but note they are alternatives)* | | **Debt management responsibility**  **(for each column below: Y/N; Name and location of unit)** | | **Annual borrowing approved by government or legislature**  (Y/N, specify last date of approval) |
| **Guidance to single debt management entity**  (Y/N) | **Guidance to multiple entities**  (Y/N, Name of regulation/ policy) | **Authorization of debt granted to single responsible entity** | **Transactions reported to and monitored only by single responsible entity** |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 13.3: Debt management strategy (at time of assessment with reference to last 3 completed fiscal years)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Debt management strategy has been prepared** (Y/N) | **Date of most recent update** | **Time horizon**  (No. of years) | **Targets included in debt strategy** | | | | **Annual report on debt strategy submitted to legislature**  (Y/N, Date) |
| **Interest rates**  (Y/N) | **Refinancing**  (Y/N) | **Foreign currency**  **risk**  (Y/N) | **Evolution of risk indicators only**  (Y/N) |
|  |  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting**

This pillar includes five indicators which assesswhether the government’s fiscal strategy and the budget are prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections. The indicators also examine the orderliness of the budget preparation process and the legislative scrutiny of budget proposal.

***Overall performance***

*Describe the overall performance of the five indicators for this pillar.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | | ***III*** | | ***IV*** | | ***V*** | | ***VI*** | | ***VII*** | |
| ***Pillar IV-Policy-based fiscal strategy and budgeting*** | | | | | | | | | | | | | |
| ***PI-14. Macroeconomic and fiscal forecasting*** |  | |  | |  | |  | |  | |  | |  |
| *14.1. Macroeconomic forecasts* |  | | *5 (El.6)*  *9 (El.9)* | |  | |  | |  | |  | |  |
| *14.2. Fiscal forecasts* | *1*  *3.1*  *3.2* | |  | |  | | *16.4* | |  | |  | |  |
| *14.3. Macro-fiscal sensitivity analysis* |  | |  | |  | |  | |  | |  | |  |
| ***PI-15. Fiscal strategy*** |  | |  | |  | |  | |  | |  | |  |
| *15.1. Fiscal impact of policy proposals* |  | | *5 (El.10)* | |  | |  | |  | |  | |  |
| *15.2. Fiscal strategy adoption* |  | |  | |  | |  | |  | |  | |  |
| *15.3. Reporting on fiscal outcomes* |  | |  | |  | |  | |  | |  | |  |
| ***PI-16. Medium-term perspective in expenditure budgeting*** |  | |  | |  | |  | |  | |  | |  |
| *16.1. Medium-term expenditure estimates* | *2.1*  *2.2* | | *4*  *9 (El.11)* | |  | |  | |  | |  | |  |
| *16.2. Medium-term expenditure ceilings* |  | |  | |  | |  | |  | |  | |  |
| *16.3. Alignment of strategic plans and medium-term budgets* |  | |  | |  | |  | |  | |  | |  |
| *16.4 Consistency of budgets with previous year’s estimates* |  | |  | |  | | *14.2* | |  | |  | |  |
| ***PI-17. Budget preparation process*** |  | |  | |  | |  | |  | |  | |  |
| *17.1. Budget calendar* |  | | *7.2* | |  | |  | |  | |  | |  |
| *17.2. Guidance on budget preparation* | *1.1* | |  | |  | |  | |  | |  | |  |
| *17.3. Budget submission to the legislature* |  | |  | |  | |  | |  | |  | |  |
| ***PI-18. Legislative scrutiny of budgets*** |  | |  | |  | |  | |  | |  | |  |
| *18.1. Scope of budget scrutiny* |  | |  | |  | |  | |  | |  | |  |
| *18.2. Legislative procedures for budget scrutiny* |  | |  | |  | |  | |  | |  | |  |
| *18.3. Timing of budget approval* |  | |  | |  | |  | |  | |  | |  |
| *18.4. Rules for budget adjustments by the executive* | *1.1* | |  | |  | |  | | *21.4* | |  | |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. PILLAR FOUR: Policy Based Fiscal Strategy and Budgeting (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-14. Macroeconomic and fiscal forecasting

This indicator measures the ability of a country to develop robust macroeconomic and fiscal forecasts, which are crucial to developing a sustainable fiscal strategy and ensuring greater predictability of budget allocations. It also assesses the government’s capacity to estimate the fiscal impact of potential changes in economic circumstances. For the last three completed fiscal years, coverage is whole economy for PI-14.1 and CG for PI-14.2 and 14.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-14. Macroeconomic and fiscal forecasting (M2)** | |  |
| **14.1. Macroeconomic forecasts** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **14.2. Fiscal forecasts** |  |  |
| **14.3. Macro-fiscal sensitivity analysis** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

Table 14.1: Macroeconomic forecasts (Last three completed fiscal years)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Budget document year** | **Years covered by forecasts** | | | **Underlying assumptions provided** (Y/N) | **Frequency of update**  1= once a year  2=more than once a year  N=Not updated | **Submitted to legislature**  1=budget year only  3= budget year plus two following fiscal years  N= Not submitted |
| **Budget** | **Forward year 1** | **Forward year 2** |  |  |  |
| **GDP growth** | FY T  FY T-1  FY T-2 |  |  |  |  |  |  |
| **Inflation** | FY T  FY T-1  FY T-2 |  |  |  |  |  |  |
| **Interest rates** | FY T  FY T-1  FY T-2 |  |  |  |  |  |  |
| **Exchange rate** | FY T  FY T-1  FY T-2 |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

Table 14.2: Fiscal forecasts (Last three completed fiscal years)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Budget document year** | **Years covered by forecasts** | | | **Underlying assumptions provided** (Y/N) | **Explanation of the main differences included**  (Y/N) | **Submitted to legislature**  1=budget year only  3= budget year plus two following fiscal years  N= Not submitted |
| **Budget** | **Forward year 1** | **Forward year 2** |
| **Revenue by type** | FY-T  FY-T-1  FY-T-2 |  |  |  |  |  |  |
| **Aggregate revenue** | FY-T  FY-T-1  FY-T-2 |  |  |  |  |  |  |
| **Aggregate expenditure** | FY-T  FY-T-1  FY-T-2 |  |  |  |  |  |  |
| **Budget balance** | FY-T  FY-T-1  FY-T-2 |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

Table 14.3: Macrofiscal sensitivity analysis

|  |  |
| --- | --- |
| **Type of macrofiscal sensitivity analysis (none/qualitative only/quantitative scenario analysis)** | **Analysis published (None, discussion in budget docs, quantified scenarios)** |
|
|  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-15. Fiscal strategy

This indicator provides an analysis of the capacity to develop and implement a clear fiscal strategy. It also measures the ability to develop and assess the fiscal impact of revenue and expenditure policy proposals that support the achievement of the government’s fiscal goals. Coverage is CG for the last three completed fiscal years for PI-15.1 and the last completed fiscal year for PI-15.2 and 15.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-15. Fiscal strategy (M2)** | |  |
| **15.1. Fiscal impact of policy proposals** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **15.2. Fiscal strategy adoption** |  |  |
| **15.3. Reporting on fiscal outcomes** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 15.1: Fiscal impact of policy proposals (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Estimates of fiscal impact done for ALL proposed policy changes** (Y/N/Partial) | **Budget year**  (Y/N) | **Two following fiscal years**  (Y/N) | **Submitted to legislature** (  Y/N) |
|  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 15.2: Fiscal strategy adoption (Last completed fiscal year)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Fiscal strategy prepared**  **(Y/N)** | **Submitted to legislature** (Y/N, Date) | **Published**  **(Y/N, Date)** | **Internal use only**  (Y/N) | **Includes quantitative information** (Y/N) | | | **Includes qualitative**  **objectives**  (Y/N) – *Specify in the narrative* |
| **Time based goals and targets** | **Or objectives only** | |
| **Budget** | **Forward Years** |
|  |  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 15.3: Reporting on fiscal outcomes (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Progress report completed**  (Y/N) | **Last fiscal year covered** | **Submitted to legislature**  (Y/N, Date) | **Published with budget**  (Y/N, Date) | **Includes explanation of deviation from target**  (Y/N) | **Includes actions planned to address deviations** |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-16. Medium-term perspective in expenditure budgeting

This indicator examines the extent to which expenditure budgets are developed for the medium term within explicit medium-term budget expenditure ceilings. It also examines the extent to which annual budgets are derived from medium-term estimates and the degree of alignment between medium-term budget estimates and strategic plans. Coverage is BCG for the last budget submitted to the legislature for PI-16.1, 16.2 and 16.3, and last medium-term budget /current medium-term budget for PI-16.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-16. Medium-term perspective in expenditure budgeting (M2)** | |  |
| **16.1. Medium-term expenditure estimates** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **16.2. Medium-term expenditure ceilings** |  |  |
| **16.3. Alignment of strategic plans and medium-term budgets** |  |  |
| **16.4. Consistency of budgets with previous year’s estimates** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 16.1: Medium-term expenditure estimates (Last budget submitted to the legislature)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Classification** | **Level of disaggregation** | **Budget year** (Y/N) | **Two following fiscal years** (Y/N) |
| **Administrative** |  |  |  |
| **Economic** |  |  |  |
| **Program/Function** |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 16.2: Medium-term expenditure ceilings (Last budget submitted to the legislature)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level** | **Budget year** (Y/N) | **Two following fiscal years** (Y/N) | **Date of approval of ceilings** | **Date of issuance of first budget circular** |
| **Aggregate ceiling** |  |  |  |  |
| **Ministry Ceiling** |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 16.3: Alignment of strategic plans and medium-term budgets (at least five largest ministries) (Last budget submitted to the legislature)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ministry** | **Budget**  **Allocation** | **Medium-term strategic plan prepared**  (Y/N) | **MTSP Costed**  (Y/N) | **Expenditure proposals consistent with MTSP**  (Most, majority, some, none) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| … |  |  |  |  |
| **Total** |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 16.4: Consistency of budgets with previous year’s estimates (at least five largest ministries) (budget approved by the legislature for the last competed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ministry** | **Changes to expenditure estimates** (amount) | **Explanation of change to previous year’s estimates prepared included in budget documents** (Y/N) | **Reconciled with medium term budget estimates** (Y/N) | **Reconciled with first year of new budget estimates**  (Y/N) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| … |  |  |  |  |
| **Total** |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-17. Budget preparation process

This indicator measures the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. Coverage is BCG for the last budget submitted to the legislature for PI-17.1 and 17.2, and the last three completed fiscal years for 17.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-17. Budget preparation process (M2)** | |  |
| **17.1 Budget calendar** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **17.2 Guidance on budget preparation** |  |  |
| **17.3 Budget submission to the legislature** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*If assessors find that coverage of the budget circular is limited (in terms of the period, inclusion of all expenditure types and funding sources), this should be reflected in the percentage calculation (which is based on the size of the expenditure of the respective budgetary unit).*

*If there are multiple budget circulars which require submission of estimates by budgetary units, these should be listed in the table 17.2.*

**Table 17.1 and 17.2: Budget calendar and budget circular (Last budget submitted to the legislature)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Budget calendar exists**  (Y/N) | **Date of budget circular (s)** | **Deadline for submission of estimates** | **Coverage: expenditure – capital & recurrent, for full year**  (full, partial) | **% of budgetary units complying with deadline** | **Date Cabinet approved ceilings** | **Budget estimates are reviewed and approved by Cabinet after completion (if ceilings not issued)**  (Y/N) |
|  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 17.3: Budget submission to legislature (Last three completed fiscal years)**

|  |  |
| --- | --- |
| **Fiscal year**  (last three completed fiscal years) | **Date of submission of budget proposal** |
|  |  |
|  |  |
|  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-18. Legislative scrutiny of budgets

This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature’s procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex ante approval by the legislature. Coverage is BCG for last completed fiscal year for PI-18.1, 18.2 and 18.4, and last three completed fiscal years for PI-18.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-18. Legislative scrutiny of budgets (M1)** | |  |
| **18.1. Scope of budget scrutiny** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **18.2. Legislative procedures for budget scrutiny** |  |  |
| **18.3. Timing of budget approval** |  |  |
| **18.4. Rules for budget adjustments by the executive** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 18.1: Scope of budget scrutiny (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Budget scrutiny by Legislature** (Y/N) | **Coverage (specify)** | | | | |
| **Fiscal policies**  (Y/N) | **Medium-term fiscal forecasts**  (Y/N) | **Medium-term priorities**  (Y/N) | **Aggregate expenditure and revenue** (Y/N) | **Details of expenditure and revenue** (Y/N) |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 18.2: Legislative procedures for budget scrutiny (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Legislative procedures exist**  (Y/N) | **Approved in advance of budget hearings**  (Y/N) | **Procedures are adhered to**  (Y/N) | **Include arrangements for public consultation** (Y/N) | **Procedures include organizational arrangements**  (Y/N) |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 18.3: Timing of budget approval (Last three completed fiscal years)**

|  |  |  |
| --- | --- | --- |
| **Fiscal year** | **Budget for fiscal year** | **Date of budget approval** |
|  |  |  |
|  |  |  |
|  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 18.4: Rules for budget adjustments by the executive (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Clear rules exist** (Y/N) | **Rule includes strict limits (extent and value)** | **Rules limit seeking retroactive approval of appropriations** (Y/N) | **Actual amount of reallocations in accordance with rules**  (% of BCG budget) | **Extent of adherence to rules**  (All, most, some) |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**PILLAR FIVE: Predictability and Control in Budget Execution**

This pillar includes eight indicators which assesswhether the budget is implemented within a system of effective standards, processes, and internal controls**,** which ensure that resources are obtained and used as intended.

***Overall performance***

*Describe the overall performance of the eight indicators for this pillar.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
| ***Pillar V-Predictability and control in budget execution*** | | | | | | | |
| ***PI-19. Revenue administration*** | ***3*** |  |  |  | ***20***  ***26.1*** |  |  |
| *19.1. Rights and obligations for revenue measures* |  |  |  |  |  |  |  |
| *19.2. Revenue risk management* |  |  |  |  |  |  |  |
| *19.3. Revenue audit and investigation* |  |  |  |  |  |  |  |
| *19.4. Revenue arrears monitoring* |  |  |  |  |  |  |  |
| ***PI-20. Accounting for revenues*** | ***3*** |  |  |  | ***19***  ***26.1*** |  |  |
| *20.1. Information on revenue collections* |  |  |  |  |  |  |  |
| *20.2. Transfer of revenue collections* |  |  |  |  |  |  |  |
| *20.3. Revenue accounts reconciliation* |  |  |  |  |  |  |  |
| ***PI-21. Predictability of in-year resource allocation*** |  |  |  |  |  |  |  |
| *21.1. Consolidation of cash balances* |  |  |  |  |  |  |  |
| *21.2. Cash forecasting and monitoring* |  |  |  |  | *21.3* |  |  |
| *21.3. Information on commitment ceilings* |  |  |  |  | *21.2* |  |  |
| *21.4. Significance of in-year budget adjustments* |  |  |  | *18.4* |  |  |  |
| ***PI-22. Expenditure arrears*** |  |  |  |  |  |  |  |
| *22.1. Stock of expenditure arrears* | *1.1* |  |  |  | *25.2* |  |  |
| *22.2. Expenditure arrears monitoring* |  | *4.1* |  |  |  |  |  |
| ***PI-23. Payroll controls*** |  |  |  |  |  |  |  |
| *23.1. Integration of payroll and personnel records* |  |  |  |  |  |  |  |
| *23.2. Management of payroll changes* |  |  |  |  |  |  |  |
| *23.3. Internal control of payroll* |  |  |  |  |  |  |  |
| *23.4. Payroll audit* |  |  |  |  | *26.3* |  |  |
| ***PI-24. Procurement*** |  |  |  |  |  |  |  |
| *24.1. Procurement monitoring* |  |  |  |  |  |  |  |
| *24.2. Procurement methods* |  |  |  |  |  |  |  |
| *24.3. Public access to procurement information* |  |  |  |  |  |  |  |
| *24.4. Procurement complaints management* |  |  |  |  |  |  |  |
| ***PI-25. Internal controls on non-salary expenditure*** |  |  |  |  |  |  |  |
| *25.1. Segregation of duties* |  |  |  |  |  |  |  |
| *25.2. Effectiveness of expenditure commitment controls* |  |  |  |  | *22.1* |  |  |
| *25.3. Compliance with payment rules and procedures* |  |  |  |  |  |  |  |
| ***PI-26. Internal audit*** |  |  |  |  |  |  |  |
| *26.1. Coverage of internal audit* |  |  |  |  | *19*  *20* |  |  |
| *26.2. Nature of audits and standards applied* |  |  |  |  |  |  |  |
| *26.3. Implementation of internal audits and reporting* |  |  |  |  | *23.4* |  |  |
| *26.4. Response to internal audits* |  |  |  |  |  |  |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. PILLAR FIVE: Predictability and Control in Budget Execution (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

P-19. Revenue Administration

This indicator relates to the entities that administer central government revenues, which may include tax administration, customs administration, and social security contribution administration. It also covers agencies administering revenues from other significant sources such as natural resources extraction. The indicator assesses the procedures used to collect and monitor central government revenues. Coverage is CG at time of assessment for PI-19.1 and 19.2 and for the last completed fiscal year for PI-19.3 and 19.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-19. Revenue administration (M2)** | |  |
| **19.1. Rights and obligations for revenue measures** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **19.2. Revenue risk management** |  |  |
| **19.3. Revenue audit and investigation** |  |  |
| **19.4. Revenue arrears monitoring** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Narrative for this dimension should explain the nature of the risk management approach and its coverage. This can be included in table 19.1, in narrative under this heading, or briefly in the Assessment of Performance table.*

*For calibration and assessment of materiality, table 19 is to be included which sets out the main revenue types. Assessors should note that the data in Table 19 is “at time of assessment”, yet 19-3 and 19-4 cover last completed fiscal year. Assessors should ensure that there is no material change in the relative portion of revenue collected by agencies from the last year to the time of assessment – such as may occur if, within the intervening period, there is a change in administrative arrangements, major policy changes or significant economic disruption.*

*If there are a large number of entities collecting revenues and the gathering of evidence from all such entities is problematic, sampling may be undertaken. However, sampling should include a minimum of 5 entities and, if more than 5 entities are within the sample, include the 5 largest entities (by value of revenue collected). Even where sampling is utilized, the materiality of the collections of such entities/revenue should be assessed by determining the percentage of such revenue of total revenue collections of all entities (not the total of the sample).*

**Table 19: Collected revenues by entity and category** **(at time of assessment)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Entity** | **Category of revenue** | **Receipts** (amount) | **% of total revenue** |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| … |  |  |  |
| **Total** |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 19.1: Rights and obligations for revenue measures (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Collecting entity** | **Information available to taxpayers on revenue rights and obligations** | | | | | |
| **Revenue obligations** (Y/N) | **Redress processes and procedures** (Y/N) | **Comprehensive**  (Y/N) | **Up to date** (Y/N) | **Source of information** (Specify) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| … |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 19.2: Revenue risk management**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collecting entity** | **Approaches for assessing and prioritizing compliance risks** | | **Coverage** | |
| **Comprehensive**  (Y/N) | **Structured and systematic**  (Y/Partly/N) | **Large taxpayers**  (Y/N) | **Medium taxpayers**  (Y/N) |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| … |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 19.3: Revenue audit and investigation (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Collecting entity** | **Audit and fraud investigations undertaken** (Y/N) | **In accordance with compliance improvement plan**  (Y/N) | **Compliance improvement plan documented** (Y/N) | **Completion rate of planned audits and investigations** | | |
| **Completed** | **Planned** | **Completed/Planned (%)** |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| … |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 19.4: Revenue arrears (At time of assessment)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Entity** | **Revenue amounts**  ($) | **Stock of arrears** | | | |
| **Amount**  ($) | **% of annual collection** | **Age profile** (Y/N) | **Arrears older than 12 months % of annual collection** |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-20. Accounting for revenue

This indicator assesses procedures for recording and reporting revenue collections, consolidating revenues collected, and reconciling tax revenue accounts. It covers both tax and nontax revenues collected by the central government. Coverage is CG at time of assessment.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-20. Accounting for revenue (M1)** | |  |
| **20.1. Information on revenue collections** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **20.2. Transfer of revenue collections** |  |  |
| **20.3. Revenue accounts reconciliation** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 20.1 and 20.2: – Information on revenue collections and transfers (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Entity** | **Revenue and % of Total CG Revenue** | **Data collected by a Central Agency** | | | **Revenue collections deposited** | |
| **At least monthly**  (Y/N) - | **Revenue type** (Y/N) | **Consolidated report**  (Y/N) – | **Frequency (daily, weekly, fortnightly)** | **To accounts controlled by the Treasury of MoF Account** |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| … |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 20.3: Revenue accounts reconciliation (At time of assessment)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Collecting entity** | **Revenue and % of Total CG Revenue** | **Frequency of reconciliation**  (month, quarter,semi-annual, annual) | **Timeline of reconciliation**  (2 months, 8 weeks, 4 weeks) | **Type of reconciled data** (Y/N): | | | |
| **Assessments** | **Collections** | **Arrears** | **Transfers to Treasury** |
| 1. |  |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-21. Predictability of in-year resource allocation

This indicator assesses the extent to which the central Ministry of Finance is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. Coverage is BCG at time of assessment for PI-21.1 and last completed fiscal year for PI-21.2, 21.3 and 21.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-21. Predictability of in-year resource allocation (M2)** | |  |
| **21.1. Consolidation of cash balances** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **21.2. Cash forecasting and monitoring** |  |  |
| **21.3. Information on commitment ceilings** |  |  |
| **21.4. Significance of in-year budget adjustments** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 21.1: Consolidation of bank and cash balances (At time of assessment)**

|  |  |
| --- | --- |
| **Extent of consolidation**  (All, Most, < Most) | **Frequency of consolidation**  (D, W, M) |
|  |  |

***Note:*** *D= Daily, W=Weekly, M= Monthly*

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 21-2: Cash flow forecasts (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash flow forecast**  (Y/N) | **Frequency of update** (D/M/Q/A) | **Period of projection**  (D/M/Q/A) | **Update based on actual cash flows** (Y/N) |
|  |  |  |  |

***Note:*** *D= Daily, M= Monthly, Q=Quarterly, A=Annually*

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 21.3: Information on commitment ceilings**

|  |  |  |
| --- | --- | --- |
| **Information on commitment ceilings** | | |
| **It is reliable**  (Y/N) | **Frequency of release of commitment ceilings**  (M/Q/S/A) | **In accordance with appropriations and cash/ commitment releases** (Y/N) |
|  |  |  |

***Note:*** *M= Monthly, Q= Quarterly, S=Semiannually, A= Annually*

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 21.4: Significance of in-year budget adjustments (Last completed fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Frequency** (describe) | **% of BCG expenditure** | **Transparency** (partial, fairly, fully) | **Documented procedures** (Y/N) | **Rules for adjustments** | |
| **Defined rules** (Y/N) | **Compliance with rules** (Y/N) |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-22. Expenditure arrears

This indicator measures the extent to which there is a stock of arrears, and the extent to which a systemic problem in this regard is being addressed and brought under control. Coverage is BCG for the last completed fiscal year for PI-22.1 and at time of assessment for PI-22.2.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-22. Expenditure arrears (M1)** | |  |
| **22.1. Stock of expenditure arrears** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **22.2. Expenditure arrears monitoring** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score. Assessors may add additional lines to table 22-2 for different categories related to analysis of arrears (for example payment arrears vs debt service arrears).*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 22.1: Stock of expenditure arrears (Last three completed fiscal years)**

|  |  |  |
| --- | --- | --- |
| **Stock of arrears** | | |
| **Year** | **$** | **As % of BCG expenditure** |
|  |  |  |
|  |  |  |
|  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 22.2: Monitoring of expenditure arrears (At time of assessment)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Stock and composition**  (Y/N/NA) | **Age profile**  (Y/N/NA) | **Frequency of reports**  (M/Q/A) | **Time required to generate data** (4 weeks, 8 weeks, more than 8 weeks) |
|  |  |  |  |

***Note:*** *M= Monthly, Q=Quarterly, A=Annually*

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-23. Payroll controls

This indicator is concerned with the payroll for public servants only: how it is managed, how changes are handled, and how consistency with personnel records management is achieved. Wages for casual labour and discretionary allowances that do not form part of the payroll system are included in the assessment of non-salary internal controls, PI-25. Coverage is CG at time of assessment for PI-23.1, 23.2 and 23.3 and last three completed fiscal years for PI-23.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-23. Payroll controls (M1)** | |  |
| **23.1. Integration of payroll and personnel records** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **23.2. Management of payroll changes** |  |  |
| **23.3. Internal control of payroll** |  |  |
| **23.4. Payroll audit** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Assessors are reminded that PI-23 covers the entire central government, with the field guide suggesting that “every important payroll” should be assessed. Therefore, the evidence provided needs to have regard to materiality of divergent arrangements and as also suggested by the field guide, sampling may be appropriate where procedures are not standardized and/or payroll is decentralized.*

**Table 23.1: Integration of payroll and personnel records (at time of assessment)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Function** | **Y/N** | **By whom** | **Frequency (if applicable)** | **Divergence in practice across CG (or sample)** |
| Staff hiring and promotion checked against approved staff list |  |  |  |  |
| Reconciliation of payroll and personnel database |  |  |  |  |
| Documentation maintained for payroll changes |  |  |  |  |
| Payroll checked and reviewed for variances from last payroll |  |  |  |  |
| Updates to personnel records and payroll |  |  |  |  |
| Updates includes validation with approved staff list |  |  |  |  |
| Audit trail of internal controls |  |  |  |  |
| Payroll audits in last three years.  Define coverage. |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-24. Procurement

This indicator examines key aspects of procurement management. It focuses on transparency of arrangements, emphasis on open and competitive procedures, monitoring of procurement results, and access to appeal and redress arrangements. Coverage is CG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-24. Procurement (M2)** | |  |
| **24.1. Procurement monitoring** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **24.2. Procurement methods** |  |  |
| **24.3. Public access to procurement information** |  |  |
| **24.4. Procurement complaints management** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 24.1: Procurement monitoring (Last completed fiscal year)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Procurement method**  **(Specify method in second column)** | | **Coverage** (from Table 24.2) | **Databases or records are maintained** (Y/N) | | | **Data is accurate and complete** | |
| **What has been procured** | **Value** | **Vendor** | **Third party assurance**  (Y/N, specify) | **Sample**  (Y/N, specify) |
| With competition/ Above threshold |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Without competition/ Below threshold |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 24.2: Procurement method (Last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Procurement method**  **(Specify method in second column)** | | **Amount** | **Coverage**  (% of total ) |
| With competition/ Above threshold |  |  |  |
|  |  |  |
|  |  |  |
| **Subtotal 1/ Coverage 1** | |  |  |
| Without competition/ Below threshold |  |  |  |
|  |  |  |
|  |  |  |
| **Subtotal 2/ Coverage 2** | |  |  |
| **Total value of contracts/ Coverage** | |  | 100% |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 24.3: Public access to procurement information (Last completed fiscal year)**

Key procurement information to be made available to the public comprises:

|  |  |  |
| --- | --- | --- |
| **Element/ Requirements** | **Met**  **(Y/N)** | **Evidence used/Comments** |
| (1) legal and regulatory framework for procurement |  |  |
| (2) government procurement plans |  |  |
| (3) bidding opportunities |  |  |
| (4) contract awards (purpose, contractor and value) |  |  |
| (5) data on resolution of procurement complaints |  |  |
| (6) annual procurement statistics |  |  |

**Table 24.4: Procurement complaint management (Last completed fiscal year)**

Complaints are reviewed by a body that:

|  |  |  |
| --- | --- | --- |
| **Element/ Requirements** | **Met**  (Y/N) | **Evidence used/Comments** |
| (1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions |  |  |
| (2) does not charge fees that prohibit access by concerned parties |  |  |
| (3) follows processes for submission and resolution of complaints that are clearly defined and publicly available |  |  |
| (4) exercises the authority to suspend the procurement process |  |  |
| (5) issues decisions within the timeframe specified in the rules/ regulations |  |  |
| (6) issues decisions that are binding on every party (without precluding subsequent access to an external higher authority) |  |  |

PI-25. Internal controls on non-salary expenditure

This indicator measures the effectiveness of general internal controls for non-salary expenditures. Specific expenditure controls on public service salaries are considered in PI-23. Coverage is CG at time of assessment.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-25. Internal controls on non-salary expenditure (M2)** | |  |
| **25.1. Segregation of duties** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **25.2. Effectiveness of expenditure commitment controls** |  |  |
| **25.3. Compliance with payment rules and procedures** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 25.1 and 25.2: Segregation of duties and commitment controls (At time of assessment)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Segregation of duties** | | **Commitment controls** | | |
| **Prescribed throughout the process**  (Y/N) | **Responsibilities**  C= Clearly laid down  M= Clearly laid down for most key steps  N= More precise definition needed | **In place**  (Y/N) | **Limited to cash availability**  A= All expenditure  M= Most expenditure  P= Partial coverage | **Limited to approved budget allocations**  A= All expenditure  M= Most expenditure  P= Partial coverage |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 25.3: Compliance with payment rules and procedures (At time of assessment)**

|  |  |
| --- | --- |
| **Payments compliant with procedures**  A= All expenditure  M= Most expenditure  Maj.= Majority | **Exceptions are properly authorized and justified**  A= All expenditure  M= Most expenditure  Maj.= Majority |
|  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-26. Internal audit

This indicator assesses the standards and procedures applied in internal audit. Coverage is CG at time of assessment for PI-26.1 and 26.2, for the last completed fiscal year for PI-26.3, and the audit reports that should have been issued in the last three fiscal years for PI-26.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-26. Internal audit (M1)** | |  |
| **26.1. Coverage of internal audit** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **26.2. Nature of audits and standards applied** |  |  |
| **26.3. Implementation of internal audits and reporting** |  |  |
| **26.4. Response to internal audits** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*In decentralized systems, or where complete information is not available, a sampling approach should be applied for PI 26.1, 26.2 and 26.3, using the 5 major budgetary units or institutional units as measured by gross expenditure in the last completed fiscal year. The approach taken to sampling should be documented here.*

*In countries with decentralized internal audit function, a sample of (at a minimum) the five largest entities in terms of budgeted expenditures and revenues may be agreed with the government.*

**Table 26.1: Coverageof internal audit (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ministry (or Department or Agency)** | **Operational internal audit function** (Y/N) | **Internal Audit unit in charge** (specify) | **Budgeted expenditure** | | **Budgeted revenue** | |
| **Amount** | **% of total** | **Amount** | **% of total** |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| … |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 26.2: Nature of audits and standards applied (At time of assessment)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Primary focus** (Compliance / adequacy and effectiveness of internal control) | **Quality assurance process** (Y/N) | **Professional standards**  (Y/N) | **Risk based approach**  (Y/N) |
|  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

**Table 26.3: Implementation of internal audits and reporting (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ministry (or Department or Agency)** | **Expenditure in last completed fiscal year**  **(amount)** | **Existence of an annual program**  (Y/N) | **Completed audits as share of programmed audits (%)** | **Audit report completed and distributed to appropriate parties** (Y/N) |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| … |  |  |  |  |
| Total |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

***Note to assessors:*** *the total share of completion should be weighted by value of expenditures.*

**Table 26.4: Response to internal audits (Reports issued within last three fiscal years)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Ministry (or Department or Agency)** | **Expenditure in last completed fiscal year** (amount) | **Expenditure in last completed fiscal year** (%) | **Extent of management response to audit recommendations** | | | **Management response within 12 months** (Y/N) |
| **Full response**  (Y/N) | **Partial**  (Y/N) | **None**  (Y/N) |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| … |  |  |  |  |  |  |
| Total |  | 100% |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**PILLAR SIX: Accounting and Reporting**

This pillar includes three indicators which assesswhether accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs.

***Overall performance***

*Describe the overall performance of the three indicators for this pillar.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
| ***Pillar VI-Accounting and reporting*** | | | | | | | | |
| ***PI-27. Financial data integrity*** |  |  |  |  |  |  |  |
| *27.1. Bank account reconciliation* |  |  |  |  |  |  |  |
| *27.2. Suspense accounts* |  |  |  |  |  |  |  |
| *27.3. Advance accounts* |  |  |  |  |  |  |  |
| *27.4. Financial data integrity processes* |  |  |  |  |  |  |  |
| ***PI-28. In-year budget reports*** |  |  |  |  |  |  |  |
| *28.1. Coverage and comparability of reports* |  | *4* |  |  |  |  |  |
| *28.2. Timing of in-year budget reports* |  | *9 (El.3)* |  |  |  |  |  |
| *28.3. Accuracy of in-year budget reports* |  |  |  |  |  |  |  |
| ***PI-29. Annual financial reports*** |  | ***6***  ***9 (El.5)*** |  |  |  |  | ***30.1***  ***30.2***  ***31.1***  ***31.2*** |
| *29.1. Completeness of annual financial reports* |  | *4* | *12.1*  *12.2* |  |  |  |  |
| *29.2. Submission of the reports for external audit* |  |  |  |  |  |  |  |
| *29.3. Accounting standards* |  |  |  |  |  |  |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. PILLAR SIX: Accounting and Reporting (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-27. Financial data integrity

This indicator assesses the extent to which treasury bank accounts, suspense accounts, and advance accounts are regularly reconciled and how the processes in place support the integrity of financial data. Coverage is CG for PI-27.1 and BCG for PI-27.2, 27.3 and 27.4. Time period is at time of assessment for all four dimensions, specifically covering the preceding fiscal year for PI-27.1, 27.2 and 27.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-27. Financial data integrity (M2)** | |  |
| **27.1. Bank account reconciliation** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **27.2. Suspense accounts** |  |  |
| **27.3. Advance accounts** |  |  |
| **27.4. Financial data integrity processes** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 27.1: Bank account reconciliation (At time of assessment, covering the preceding fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **All active accounts**  (Y/N) | **Frequency**  (W/M/Q) | **Within**  (1/4/8 weeks) | **Aggregate and detailed level**  (Y/N) |
|  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

***Note****: detail of any sampling****.***

**Table 27.2 and 27.3: Suspense and advance accounts (At time of assessment, covering the preceding fiscal year)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Suspense accounts reconciliation** | | | **Advance accounts reconciliation** | | |
| **Frequency**  (M/Q/A) | **Within**  1 month;  2 months;  N = > 2 | **Timeliness of clearance**  Y= no later than end of fiscal year (unless justified)/N | **Frequency**  (M/Q/A) | **Within:**  1 month;  2 months;  N = > 2 | **Accounts cleared timely**  A= All without delay  M= Most without delay  F= Frequent with delay  N= <F |
|  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

***Note****: detail of any sampling****.***

**Table 27.4: Financial data integrity (At time of assessment)**

|  |  |  |
| --- | --- | --- |
| **Access and changes to records** | | |
| **Restricted and recorded**  (Y/N) | **Results in audit trail**  (Y/N) | **Financial integrity verified by operational team**  (Y/N) |
|  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-28. In-year budget reports

This indicator assesses the comprehensiveness, accuracy and timeliness of information on budget execution. In-year budget reports must be consistent with budget coverage and classifications to allow monitoring of budget performance and, if necessary, timely use of corrective measures.Coverage is BCG for the last completed fiscal year.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-28. In-year budget reports (M1)** | |  |
| **28.1. Coverage and comparability of reports** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **28.2. Timing of in-year budget reports** |  |  |
| **28.3. Accuracy of in-year budget reports** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 28.1, 28.2 and 28.3: In-year budget reports**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Coverage and comparability** | | | **Timeliness** | | **Accuracy** | | |
| **Allows direct comparison to original budget** (Y/N) | **Level of detail**  A=All budget items  P= Partial aggregation  M= Main administrative headings E=Main economic headings | **Includes transfers to de-concentrated units**  (Y/N) | **Frequency**  W/M/Q  N= >Q | **Within:**  2/4/8 weeks  N= >8weeks | **Material concerns** (Y/N) | **Half Year/Yearly Analysis prepared**  (Y/N) | **Payment info**  E=Expenditure  C=Commit-ments |
|  |  |  |  |  |  |  |  |

***Note:*** *W=Weekly; M=Monthly; Q=Quarterly*

***Data source:*** *Specify details of source/documents, including website addresses.*

PI-29. Annual financial reports

This indicator assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards. Coverage is BCG for the last completed fiscal year for PI-29.1, the last annual financial report submitted for audit for PI-29.2, and the last three years’ financial reports for PI-29.3.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-29. Annual financial reports (M1)** | |  |
| **29.1. Completeness of annual financial reports** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **29.2. Submission of reports for external audit** |  |  |
| **29.3. Accounting standards** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 29.1 and 29.2: Annual financial reports**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Content of annual financial reports** | | | **Most recent financial report submitted for audit** | | | | |
| **Prepared annually** (Y/N) | **Comparable with approved budget**  (Y/N) | **Operating or cash flow statement** (revenue and expenditure) (Y/N) | **Balance Sheet**  C=Cash only  FO=Financial assets & liabilities only  F=Full | **FY of report most recently submitted** | **Date of submission** | **Within:**  (3/6/9 months) |
|  |  |  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

***Note for assessors****: “basic” information includes revenue, expenditure and cash balances only – excluding a more detailed balance sheet.*

**Table 29.3: Accounting standards (Last annual financial report submitted for audit)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Accounting standards applied to all financial reports** | | | | |
| **Type of standard**  I= International  C= Country | **Consistency**  M=Most IS applied  Mj= Majority IS applied  C=Consistent over time only | **Disclosure on standards**  (Y/N) | **Disclosure on variations**  (Y/N) | **Gaps explained**  (Y/N) |
|  |  |  |  |  |

***Note: IS = International standards***

***Data source:*** *Specify details of source/documents, including website addresses.*

PILLAR SEVEN: External Scrutiny and Audit

This pillar includes two indicators which assesswhether public finances are independently reviewed and there is external follow-up on the implementation of recommendations for improvement by the executive.

***Overall performance***

*Describe the overall performance of the two indicators for this pillar.*

*Discuss inter-relationships with other indicators and pillars. The following table is included to guide assessors in making such analysis. Narrative regarding inter-relationships should be limited to one or two paragraphs and avoid duplication of the respective section in other pillars.*

| ***Indicator/dimension*** | ***Pillars*** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
| ***Pillar VII-External scrutiny and audit*** | | | | | | | |
| ***PI-30. External audit*** |  | ***9 (El.5)*** |  |  |  |  |  |
| *30.1. Audit coverage and standards* |  |  |  |  |  | *29* |  |
| *30.2. Submission of audit reports to the legislature* |  |  |  |  |  | *29* | *31.1* |
| *30.3. External audit follow up* |  |  |  |  |  |  |  |
| *30.4. Supreme Audit Institution independence* |  | *9 (El.7)* |  |  |  |  |  |
| ***PI-31. Legislative scrutiny of audit reports*** |  |  |  |  |  |  |  |
| *31.1. Timing of audit report scrutiny* |  |  |  |  |  | *29*  *30.2* |  |
| *31.2. Hearings on audit findings* |  |  |  |  |  | *29*  *30.2* |  |
| *31.3. Recommendations on audit by the legislature* |  |  |  |  |  |  |  |
| *31.4. Transparency of legislative scrutiny of audit reports* |  |  |  |  |  |  |  |

*Include a graph summarizing performance within the pillar as per example below.*

**Figure XX. PILLAR SEVEN: External Scrutiny and Audit (example)**



***Recent and ongoing reform activity***

*Summarize recent and ongoing PFM reform activity and its impact on performance and the strengths and weaknesses.*

PI-30. External audit

This indicator examines the characteristics of external audit. Coverage is CG for the last three completed fiscal years for PI-30.1, 30.2, 30.3 and at time of assessment for PI-30.4.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF PERFORMANCE** | **SCORE** |
| **PI-30. External audit (M1)** | |  |
| **30.1. Audit coverage and standards** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **30.2. Submission of audit reports to the legislature** |  |  |
| **30.3. External audit follow up** |  |  |
| **30.4. Supreme Audit Institution (SAI) independence** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

*Assessors should note paragraph 30.2:4 of the Field Guide clarifies that PI-30.2 relates to the activity of the SAI during the last 3 completed fiscal years. The financial reports actually received and audited by the SAI during that period may relate to different years (and more/less years) than the last three completed fiscal years (for example, if there were delays and/or a backlog were cleared, etc.). Assessors should list in the first column of this table the fiscal years for which financial reports were received and audited by the SAI during the last three completed fiscal years.*

**Table 30.1 and 30.2: Audit coverage, standards and submission to legislature (Last three completed fiscal years)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fiscal Year audited** | **Date submitted to external audit** | **Date submitted to legislature** | **Standards applied**  ISSAI/  National (consistent)/  National (other) | **Issues highlighted**  M = Material/ Systemic/ Control OR  S = Significant |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 30.3: External audit follow up (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Features of external audit follow up** | | | |
| **Formal response was made** (Y/N) | **Formal and comprehensive**  (Y/N) | **Timely**  (Y/N) | **Effective and timely follow up**  (Y/N) |
|  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 30.4: SAI Independence – requirements (At time of assessment)**

|  |  |  |
| --- | --- | --- |
| **Independence criteria** | **Criteria met** (Y/N) | **Comments** |
| Appointment and removal of head of SAI |  |  |
| Planning audit engagements |  |  |
| Arrangements for publicizing reports |  |  |
| Approval of budget |  |  |
| Execution of budget |  |  |
| Legal basis for independence |  |  |
| Unrestricted/timely access to records (Majority / most / all entities) | *(Majority / most / all entities)* |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

PI-31. Legislative scrutiny of audit reports

This indicator focuses on legislative scrutiny of the audited financial reports of central government, including institutional units, to the extent that either (a) they are required by law to submit audit reports to the legislature or (b) their parent or controlling unit must answer questions and take action on their behalf. Coverage is CG for the last three completed fiscal years.

***Indicator and dimension scores and analysis***

|  |  |  |
| --- | --- | --- |
| **INDICATORS/ DIMENSIONS** | **ASSESSMENT OF**  **PERFORMANCE** | **SCORE** |
| **PI-31. Legislative scrutiny of audit reports (M2)** | |  |
| **31.1. Timing of audit report scrutiny** | *For each dimension provide a summary description of performance highlighting the extent to which requirements are met based on evidence.* |  |
| **31.2. Hearings on audit findings** |  |  |
| **31.3. Recommendations on audit by the legislature** |  |  |
| **31.4. Transparency of legislative scrutiny of audit reports** |  |  |

***Evidence for score***

*Complete the following tables which describe the findings from the observed evidence regarding the elements required for each score.*

*Include in this section any supplementary narrative or data which complements the tables below by providing information that is relevant to the assessment of performance but that is not covered in the tables. Assessors should ensure that such narrative is brief and not superfluous to the analysis of performance.*

*Any divergence from guidance or issues with data availability and reliability should be disclosed.*

**Table 31.1: Timing of legislative scrutiny of audit reports (Last three completed fiscal years)**

|  |  |  |
| --- | --- | --- |
| **Audited annual financial statements for fiscal year** | **Date of receipt of audited financial reports** | **Date of finalization of legislative scrutiny** |
|  |  |  |
|  |  |  |
|  |  |  |

***Data source:*** *Specify details of source/documents. Insert website address where relevant.*

***Note****: This dimension assesses the activity of the legislature during the last three completed fiscal years. The financial reports do not necessarily cover the last three completed fiscal years*

**Table 31.2 and 31.3: Hearings on audit findings and issuance of recommendations (Last three completed fiscal years)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Audited annual financial statements for fiscal year** | **Hearings on audits reports that received a qualified or adverse opinion or disclaimer**  (Y/N) | **Hearings conducted – entities with qualified audit**  A = All  M = Most  F= Few  N=None | **Legislature issues recommendations**  (Y/N) | **Recommendations followed-up**  S= Follow-up systematically  F= Follow-up  N= No follow-up |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

**Table 31.4: Transparency of legislative scrutiny of audit reports (Last three completed fiscal years)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Audited annual financial statements for fiscal year** | **Committee reports** | | | **Public hearings conducted**  **A= All except limited circumstances**  **F= Yes, with a few exceptions** |
| **Published**  **(Y/N – Method)** | **Provided to the full chamber of legislature**  (Y/N) | **Debated in the full chamber of legislature**  (Y/N) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***Data source:*** *Specify details of source/documents, including website addresses.*

***Note****: This dimension assesses the activity of the legislature during the last three completed fiscal years. The financial reports do not necessarily cover the last three completed fiscal years.*

Annex 1: Assessment management and quality assurance arrangements

|  |  |  |
| --- | --- | --- |
| **Oversight Team** | | |
| **Name** | **Position/Organization** | **Role** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Assessment Team** | | |
| **Name** | **Position/Organization** | **Role** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Quality Assurance** | | |
| **Reviewers:** | | |
|  | | |
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| **Concept Note** | | |
| Date submitted for review: |  | |
| Date of final CN: |  | |
| **PEFA Report** | | |
| Date submitted for review: |  | |
| Date submitted for follow-up: |  | |
| Date of final draft: |  | |
| Proposed date of publication: |  | |

Annex 2: Public sector agencies covered by the assessment

|  |  |  |  |
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| **Table 2: Structure of the public sector (list)** | | |  |
| **Budgetary units (All)** | **Extrabudgetary units**  **(or those covered by sampling)** | **Public corporations**  **(or those covered by sampling)** | **Social Security Funds**  **(if part of public sector but outside of the General Government Sector)** |
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Annex 3: Evidence for scoring indicators

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| **Indicators**  **(PEFA 2016 framework)** | **Evidence** |
| 1. Aggregate expenditure out-turn |  |
| 2. Expenditure composition out-turn |  |
| 3. Revenue out-turn |  |
| 4. Budget classification |  |
| 5. Budget documentation |  |
| 6. Central government operations outside financial reports |  |
| 7. Transfers to sub-national governments |  |
| 8. Performance information for service delivery |  |
| 9. Public access to fiscal information |  |
| 10. Fiscal risk reporting |  |
| 11. Public investment management |  |
| 12. Public asset management |  |
| 13. Debt management |  |
| 14.  Macroeconomic and fiscal forecasting |  |
| 15.  Fiscal strategy |  |
| 16. Medium term perspective in expenditure budgeting |  |
| 17. Budget preparation process |  |
| 18. Legislative scrutiny of budgets |  |
| 19. Revenue administration |  |
| 20. Accounting for revenue |  |
| 21. Predictability of in-year resource allocation |  |
| 22. Expenditure arrears |  |
| 23. Payroll controls |  |
| 24. Procurement management |  |
| 25. Internal controls on non-salary expenditure |  |
| 26. Internal audit |  |
| 27. Financial data integrity |  |
| 28. In-year budget reports |  |
| 29. Annual financial reports |  |
| 30. External audit |  |
| 31. Legislative scrutiny of audit reports |  |

Annex 4: Sources of data – persons interviewed

|  |  |
| --- | --- |
| **Name** | **Position** |
| **Ministry of Finance** | |
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| **Ministry of Revenue and Customs** | |
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| **Office of the Auditor General** | |
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| **Prime Minister's Office** | |
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| **Line ministries** | |
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| **Parliament** | |
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| **Development Partners** | |
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| **Other institutions (Specify)** | |
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Annex 5: Observations on internal control

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| **Internal control components and elements** | **Summary of observations** |
| 1. **Control environment** | |
| * 1. The personal and professional integrity and ethical values of management and staff, including a supportive attitude toward internal control constantly throughout the organisation |  |
| * 1. Commitment to competence |  |
| * 1. The “tone at the top” (i.e. management’s philosophy and operating style) |  |
| * 1. Organisational structure |  |
| * 1. Human resource policies and practices |  |
| 1. **Risk assessment** | |
| * 1. Risk identification |  |
| * 1. Risk assessment (significance and likelihood) | e.g.  Economic Analysis of Investment Proposals in 11.1 is rated X.  Debt Management Strategy in 13.3 is rated X.  Macrofiscal sensitivity analysis in 14.3 is rated X.  Revenue Risk Management in 19.2 is rated X.  Cash Flow Forecasting and Monitoring in 21.2 is rated X. |
| * 1. Risk evaluation |  |
| * 1. Risk appetite assessment |  |
| * 1. Responses to risk (transfer, tolerance, treatment or termination) |  |
| 1. **Control activities** | |
| * 1. Authorization and approval procedure |  |
| * 1. Segregation of duties (authorizing, processing, recording, reviewing) | e.g.  Segregation of duties is rated X in Dimension 25.1 |
| * 1. Controls over access to resources and records | e.g.  Compliance with payment rules and procedures is rated X in Dimension 25.3.  Financial data integrity processes are rated X in Dimension 27.4. |
| * 1. Verifications | e.g.  Accuracy of in-year budget reports is rated X in Dimension 28.3.  Effectiveness of controls over data used to verify payroll calculation in Dimension 23.3 is rated X. |
| * 1. Reconciliations | e.g.  Revenue accounts are regularly reconciled but do not cover tax arrears leading to score X in Dimension 20.3.  Bank account reconciliations in Dimension 27.1 are rated X. |
| * 1. Reviews of operating performance |  |
| * 1. Reviews of operations, processes and activities |  |
| * 1. Supervision (assigning, reviewing and approving, guidance and training) |  |
| **4. Information and communication** | |
|  | e.g.  Integrity of financial data scored X in Dimension 27.4.  The volume of performance information assessed in Dimension 8.2 scored X. |
| **5. Monitoring** | |
| * 1. Ongoing monitoring | e.g.  Resources received by service delivery units in Dimension 8.3 is rated X.  Monitoring of public corporations in Dimension 10.1 is rated X.  Monitoring of SNGs in Dimension 10.2 is rated X.  Contingent liabilities and other fiscal risks in Dimension 10.3 is rated X.  Investment project monitoring in Dimension 11.4 is rated X.  Quality of central government financial asset monitoring in Dimension 12.1 is rated X.  Quality of central government non-financial asset monitoring in Dimension 12.2 is rated X.  Revenue arrears monitoring in Dimension 19.4 is rated X.  Expenditure arrears monitoring in Dimension 22.2 is rated X.  Procurement monitoring in Dimension 24.1 is rated X. |
| * 1. Evaluations | e.g.  Performance evaluation for service delivery in Dimension 8.4 is rated X.  Evaluation practices by implementing agencies for Investment project selection in Dimension 11.2 are rated X. |
| * 1. Management responses | e.g.  Response to IA recommendations in Dimension 26.4 is rated X.  External audit follow-up in Dimension 30.3 is rated X. |

Annex 6 A: Tracking performance since previous PEFA assessment using PEFA 2005/2011 framework

| **Indicator/Dimension** | **Previous Assessment Year** | **Current Assessment Year** | **Change** | **Description of requirements met and progress between 20XX and 20XX using 2005/2011 PEFA methodology** |
| --- | --- | --- | --- | --- |
| **A. PFM OUT-TURNS: CREDIBILITY OF THE BUDGET** | | | | |
| **PI-1 Aggregate expenditure out-turn compared to original approved budget** |  |  |  |  |
| **PI-2 Composition of expenditure out-turn compared to original approved budget** |  |  |  |  |
| **PI-3 Aggregate revenue out-turn compared to original approved budget** |  |  |  |  |
| **PI-4 Stock and monitoring of expenditure payment arrears** |  |  |  |  |
| 1. Stock of expenditure payment arrears and a recent change in the stock |  |  |  |  |
| 1. Availability of data for monitoring the stock of expenditure payment arrears |  |  |  |  |
| **B. COMPREHENSIVENESS AND TRANSPARENCY** | | | | |
| **PI-5 Classification of the budget** |  |  |  |  |
| **PI-6 Comprehensiveness of information included in budget documentation** |  |  |  |  |
| **PI-7 Extent of unreported government operations** |  |  |  |  |
| 1. Level of unreported government operations |  |  |  |  |
| 1. Income/expenditure information on donor-funded projects |  |  |  |  |
| **PI-8 Transparency of inter-governmental fiscal relations** |  |  |  |  |
| 1. Transparency and objectivity in the horizontal allocation amongst subnational governments |  |  |  |  |
| 1. Timeliness and reliable information to SNGs on their allocations |  |  |  |  |
| 1. Extent of consolidation of fiscal data for general government according to sectoral categories |  |  |  |  |
| **PI-9 Oversight of aggregate fiscal risk from other public sector entities** |  |  |  |  |
| 1. Extent of central government monitoring of autonomous entities and public enterprises |  |  |  |  |
| 1. Extent of central government monitoring of SNG’s fiscal position |  |  |  |  |
| **PI-10 Public access to key fiscal information** |  |  |  |  |
| **C. BUDGET CYCLE** | | | | |
| **C (1) Policy-Based Budgeting** | | | | |
| **PI-11 Orderliness and participation in the annual budget process** |  |  |  |  |
| 1. Existence of, and adherence to, a fixed budget calendar |  |  |  |  |
| 1. Guidance on the preparation of budget submissions |  |  |  |  |
| 1. Timely budget approval by the legislature |  |  |  |  |
| **PI-12 Multi-year perspective in fiscal planning, expenditure policy and budgeting** |  |  |  |  |
| 1. Multi-year fiscal forecasts and functional allocations |  |  |  |  |
| 1. Scope and frequency of debt sustainability analysis |  |  |  |  |
| 1. Existence of costed sector strategies |  |  |  |  |
| 1. Linkages between investment budgets and forward expenditure estimates |  |  |  |  |
| **C (2) Predictability and Control in Budget Execution** | | | | |
| **PI-13 Transparency of taxpayer obligations and liabilities** |  |  |  |  |
| 1. Clarity and comprehensiveness of tax liabilities |  |  |  |  |
| 1. Taxpayer access to information on tax liabilities and administrative procedures |  |  |  |  |
| 1. Existence and functioning of a tax appeal mechanism. |  |  |  |  |
| **PI-14 Effectiveness of measures for taxpayer registration and tax assessment** |  |  |  |  |
| 1. Controls in the taxpayer registration system |  |  |  |  |
| 1. Effectiveness of penalties for non-compliance with registration and declaration obligations |  |  |  |  |
| 1. Planning and monitoring of tax audit and fraud investigation programs |  |  |  |  |
| **PI-15 Effectiveness in collection of tax payments** |  |  |  |  |
| 1. Collection ratio for gross tax arrears |  |  |  |  |
| 1. Effectiveness of transfer of tax collections to the Treasury by the revenue administration |  |  |  |  |
| 1. Frequency of complete accounts reconciliation between tax assessments, collections, arrears records, and receipts by the Treasury |  |  |  |  |
| **PI-16 Predictability in the availability of funds for commitment of expenditures** |  |  |  |  |
| 1. Extent to which cash flows are forecasted and monitored |  |  |  |  |
| 1. Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure |  |  |  |  |
| 1. Frequency and transparency of adjustments to budget allocations above the level of management of MDAs |  |  |  |  |
| **PI-17 Recording and management of cash balances, debt and guarantees** |  |  |  |  |
| 1. Quality of debt data recording and reporting |  |  |  |  |
| 1. Extent of consolidation of the government’s cash balances |  |  |  |  |
| 1. Systems for contracting loans and issuance of guarantees |  |  |  |  |
| **PI-18 Effectiveness of payroll controls** |  |  |  |  |
| 1. Degree of integration and reconciliation between personnel records and payroll data |  |  |  |  |
| 1. Timeliness of changes to personnel records and the payroll |  |  |  |  |
| 1. Internal controls of changes to personnel records and the payroll |  |  |  |  |
| 1. Existence of payroll audits to identify control weaknesses and/or ghost workers |  |  |  |  |
| **PI-19 Competition, value for money and controls in procurement** |  |  |  |  |
| 1. Evidence on the use of open competition for awards of contracts that exceed the nationally established monetary threshold or small contracts (percentage of the number of contract awards that are above the threshold) |  |  |  |  |
| 1. Extent of justification for use of less competitive procurement methods |  |  |  |  |
| 1. Existence and operation of a procurement complaints mechanism |  |  |  |  |
| **PI-20 Effectiveness of internal controls for non-salary expenditure** |  |  |  |  |
| 1. Effectiveness of expenditure commitment controls |  |  |  |  |
| 1. Comprehensiveness, relevance and understanding of other internal control rules/procedures |  |  |  |  |
| 1. Degree of compliance with rules for processing and recording transactions |  |  |  |  |
| **PI-21 Effectiveness of internal audit** |  |  |  |  |
| 1. Coverage and quality of the internal audit function |  |  |  |  |
| 1. Frequency and distribution of reports |  |  |  |  |
| 1. Extent of management response to internal audit findings |  |  |  |  |
| **C (3) Accounting, Recording and Reporting** | | | | |
| **PI-22 Timeliness and regularity of accounts reconciliation** |  |  |  |  |
| 1. Regularity of bank reconciliation |  |  |  |  |
| 1. Regularity and clearance of suspense accounts and advances |  |  |  |  |
| **PI-23 Availability of information on resources received by service delivery units** |  |  |  |  |
| **PI-24 Quality and timeliness of in-year budget reports** |  |  |  |  |
| 1. Scope of reports in terms of coverage and compatibility with budget estimates |  |  |  |  |
| 1. Timeliness of the issue of reports |  |  |  |  |
| 1. Quality of information |  |  |  |  |
| **PI-25 Quality and timeliness of annual financial statements** |  |  |  |  |
| 1. Completeness of the financial statements |  |  |  |  |
| 1. Timeliness of submissions of the financial statements |  |  |  |  |
| 1. Accounting standards used |  |  |  |  |
| **C (4) External Scrutiny and Audit** | | | | |
| **PI-26 Scope, nature and follow-up of external audit** |  |  |  |  |
| 1. Scope/nature of audit performed (including adherence to auditing standards) |  |  |  |  |
| 1. Timeliness of submission of audit reports to the legislature |  |  |  |  |
| 1. Evidence of follow up on audit recommendations |  |  |  |  |
| **PI-27 Legislative scrutiny of the annual budget law** |  |  |  |  |
| 1. Scope of the legislature scrutiny |  |  |  |  |
| 1. Extent to which the legislature’s procedures are well established and respected |  |  |  |  |
| 1. Adequacy of time for the legislature to provide a response to budget proposals both the detailed estimates and, where applicable, for proposals on macro-fiscal aggregates earlier in the budget preparation cycle (time allowed in practice for all stages combined) |  |  |  |  |
| 1. Rules for in-year amendments to the budget without ex-ante approval by the legislature |  |  |  |  |
| **PI-28 Legislative scrutiny of external audit reports** |  |  |  |  |
| 1. Timeliness of examination of audit reports by the legislature |  |  |  |  |
| 1. Extent of hearing on key findings undertaken by the legislature |  |  |  |  |
| 1. Issuance of recommended actions by the legislature and implementation by the executive |  |  |  |  |

Annex 6 B: Tracking performance since previous PEFA assessment using PEFA 2016 framework

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **COUNTRY NAME:** | | | **Current assessment** | **Previous assessment (applying PEFA 2016 framework)** | |
|  |  | |
| **Pillar** | **Indicator/Dimension** | | **Score** | **Score** | **Explanation of change (including comparability issues)** |
| **Budget Reliability** | **PI-1** | **Aggregate expenditure out-turn** |  |  |  |
| **PI-2** | **Expenditure composition outturn** |  |  |  |
|  | (1) Expenditure composition outturn by function |  |  |  |
|  | (2) Expenditure composition outturn by economic type |  |  |  |
|  | (3) Expenditure from contingency reserves |  |  |  |
| **PI-3** | **Revenue outturn** |  |  |  |
|  | (1) Aggregate revenue outturn |  |  |  |
|  | (2) Revenue composition outturn |  |  |  |
| **Transparency of Public Finances** | **PI-4** | **Budget Classification** |  |  |  |
| **PI-5** | **Budget Documentation** |  |  |  |
| **PI-6** | **Central government operations outside financial reports** |  |  |  |
|  | (1) Expenditure outside financial reports |  |  |  |
|  | (2) Revenue outside financial reports |  |  |  |
|  | (3) Financial reports of extra-budgetary units |  |  |  |
| **PI-7** | **Transfers to subnational governments** |  |  |  |
|  | (1) System for allocating transfers |  |  |  |
|  | (2) Timeliness of information on transfers |  |  |  |
| **PI-8** | **Performance information for service delivery** |  |  |  |
|  | (1) Performance plans for service delivery |  |  |  |
|  | (2) Performance achieved for service delivery |  |  |  |
|  | (3) Resources received by service delivery units |  |  |  |
|  | (4)Performance evaluation for service delivery |  |  |  |
| **PI-9** | **Public access to information** |  |  |  |
| **Management of assets and liabilities** | **PI-10** | **Fiscal risk reporting** |  |  |  |
|  | (1) Monitoring of public corporations |  |  |  |
|  | (2) Monitoring of subnational government (SNG) |  |  |  |
|  | (3) Contingent liabilities and other fiscal risks |  |  |  |
| **PI-11** | **Public investment management** |  |  |  |
|  | (1) Economic analysis of investment proposals |  |  |  |
|  | (2) Investment project selection |  |  |  |
|  | (3) Investment project costing |  |  |  |
|  | (4) Investment project monitoring |  |  |  |
| **PI-12** | **Public asset management** |  |  |  |
|  | (1) Financial asset monitoring |  |  |  |
|  | (2) Nonfinancial asset monitoring |  |  |  |
|  | (3) Transparency of asset disposal |  |  |  |
| **PI-13** | **Debt management** |  |  |  |
|  | (1) Recording and reporting of debt and guarantees |  |  |  |
|  | (2) Approval of debt and guarantees |  |  |  |
|  | (3) Debt management strategy |  |  |  |
| **Policy-based fiscal strategy and budgeting** | **PI-14** | **Macroeconomic and fiscal forecasting** |  |  |  |
|  | (1) Macroeconomic forecasts |  |  |  |
|  | (2) Fiscal forecasts |  |  |  |
|  | (3) Macro-fiscal sensitivity analysis |  |  |  |
| **PI-15** | **Fiscal strategy** |  |  |  |
|  | (1) Fiscal impact of policy proposals |  |  |  |
|  | (2) Fiscal strategy adoption |  |  |  |
|  | (3) Reporting on fiscal outcomes |  |  |  |
| **PI-16** | **Medium-term perspective in expenditure budgeting** |  |  |  |
|  | (1) Medium-term expenditure estimates |  |  |  |
|  | (2) Medium-term expenditure ceilings |  |  |  |
|  | (3) Alignment of strategic plans and medium-term budgets |  |  |  |
|  | (4) Consistency of budgets with previous year estimates |  |  |  |
| **PI-17** | **Budget preparation process** |  |  |  |
|  | (1) Budget calendar |  |  |  |
|  | (2) Guidance on budget preparation |  |  |  |
|  | (3) Budget submission to the legislature |  |  |  |
| **PI-18** | **Legislative scrutiny of budgets** |  |  |  |
|  | (1) Scope of budget scrutiny |  |  |  |
|  | (2) Legislative procedures for budget scrutiny |  |  |  |
|  | (3) Timing of budget approval |  |  |  |
|  | (4) Rules for budget adjustments by the executive |  |  |  |
| **Predictability and control in budget execution** | **PI-19** | **Revenue administration** |  |  |  |
|  | (1) Rights and obligations for revenue measures |  |  |  |
|  | (2) Revenue risk management |  |  |  |
|  | (3) Revenue audit and investigation |  |  |  |
|  | (4) Revenue arrears monitoring |  |  |  |
| **PI-20** | **Accounting for revenues** |  |  |  |
|  | (1) Information on revenue collections |  |  |  |
|  | (2) Transfer of revenue collections |  |  |  |
|  | (3) Revenue accounts reconciliation |  |  |  |
| **PI-21** | **Predictability of in-year resource allocation** |  |  |  |
|  | (1) Consolidation of cash balances |  |  |  |
|  | (2) Cash forecasting and monitoring |  |  |  |
|  | (3) Information on commitment ceilings |  |  |  |
|  | (4) Significance of in-year budget adjustments |  |  |  |
| **PI-22** | **Expenditure arrears** |  |  |  |
|  | (1) Stock of expenditure arrears |  |  |  |
|  | (2) Expenditure arrears monitoring |  |  |  |
| **PI-23** | **Payroll controls** |  |  |  |
|  | (1) Integration of payroll and personnel records |  |  |  |
|  | (2) Management of payroll changes |  |  |  |
|  | (3) Internal control of payroll |  |  |  |
|  | (4) Payroll audit |  |  |  |
| **PI-24** | **Procurement** |  |  |  |
|  | (1) Procurement monitoring |  |  |  |
|  | (2) Procurement methods |  |  |  |
|  | (3) Public access to procurement information |  |  |  |
|  | (4) Procurement complaints management |  |  |  |
| **PI-25** | **Internal controls on non-salary expenditure** |  |  |  |
|  | (1) Segregation of duties |  |  |  |
|  | (2) Effectiveness of expenditure commitment controls |  |  |  |
|  | (3) Compliance with payment rules and procedures |  |  |  |
| **PI-26** | **Internal audit effectiveness** |  |  |  |
|  | (1) Coverage of internal audit |  |  |  |
|  | (2) Nature of audits and standards applied |  |  |  |
|  | (3) Implementation of internal audits and reporting |  |  |  |
|  | (4) Response to internal audits |  |  |  |
| **Accounting and Reporting** | **PI-27** | **Financial data integrity** |  |  |  |
|  | (1) Bank account reconciliation |  |  |  |
|  | (2) Suspense accounts |  |  |  |
|  | (3) Advance accounts |  |  |  |
|  | (4) Financial data integrity processes |  |  |  |
| **PI-28** | **In-year budget reports** |  |  |  |
|  | (1) Coverage and comparability of reports |  |  |  |
|  | (2) Timing of in-year budget reports |  |  |  |
|  | (3) Accuracy of in-year budget reports |  |  |  |
| **PI-29** | **Annual financial reports** |  |  |  |
|  | (1) Completeness of annual financial reports |  |  |  |
|  | (2) Submission of reports for external audit |  |  |  |
|  | (3) Accounting standards |  |  |  |
| **External scrutiny and audit** | **PI-30** | **External audit** |  |  |  |
|  | (1) Audit coverage and standards |  |  |  |
|  | (2) Submission of audit reports to the legislature |  |  |  |
|  | (3) External audit follow up |  |  |  |
|  | (4) Supreme Audit Institution (SAI) independence |  |  |  |
| **PI-31** | **Legislative scrutiny of audit reports** |  |  |  |
|  | (1) Timing of audit report scrutiny |  |  |  |
|  | (2) Hearings on audit findings |  |  |  |
|  | (3) Recommendations on audit by the legislature |  |  |  |
|  | (4) Transparency of legislative scrutiny of audit reports |  |  |  |

Annex 7: Calculation of budget outturns for PI-1, PI-2 and PI-3

**PEFA 2016 METHODOLOGY**

**PEFA 2005/2011 METHODOLOGY (if applicable)**

1. The calculations for PI-1, PI-2 and PI-3 include development partners’ contributions to budget resources (i.e. general budget support and development funds) and expenditures of these funds. However, it excludes ‘in-kind’ resources paid for by development partners which is included in the budget estimates document but not the annual financial statements or unaudited budget execution reports provided to the assessment team. [↑](#footnote-ref-2)