

 PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY

Improving public financial management.

Supporting sustainable development.

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**PEFA report template**

**Second edition**

 **November 20, 2018**

Below is the complete template for the PEFA report preparation.

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

PEFA was initiated and is supported by the seven international partners:

[**COVER PAGE** – assessment report should be able to upload their flag or other emblem as well as logos of funding agencies on the front page]

**COUNTRY**

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

**Date**

**Version of the report**

**Country’s currency and indicative exchange rates**

**Fiscal year**

**Table of content**

**Abbreviations and acronyms**

**Executive summary**

*The objective of the executive summary is to provide an integrated and strategic overview of the findings of the report. The executive summary covers the impact of public financial management on three fiscal and budgetary outcomes: achievement of aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery. It summarizes the main changes in performance since any previous assessment.*

*The indicative length of this section is three pages.*

*The section includes a table, not exceeding one page, which gives an overview of the scores for each of the PEFA indicators (See Table 1: Overview of the scores of the PEFA indicators). (Note: A more detailed table that sets out the scores at both indicator and dimension level, as well as a brief description of the requirements met is included in Annex 1. Performance indicator summary. Annex I also includes columns to capture scores from a previous assessment that used the PEFA 2016 methodology. However, annex 1 cannot be used to compare scores with a previous assessment that used the 2005 or 2011 versions of the framework. Tracking performance changes in these circumstances will require assessors to complete a supplementary annex (See Annex 4: Tracking changes in performance based on previous versions of PEFA). The supplementary annex should be prepared in compliance with the* [*Guidance on reporting performance changes in PEFA 2016 from previous assessments that applied PEFA 2005 or PEFA 2011*](https://pefa.org/sites/default/files/Guidance%20on%20performance%20changes%20from%202011%20or%202005%20versions%20in%20PEFA%202016%20FINAL%20edited_0.pdf) *at www.pefa.org.))*

*The executive summary presents a synopsis of the key information, data, and analysis presented in sections 1-5 of the report. It includes the following:*

* **Purpose and management**

*A brief explanation of the main reason for the assessment and how it relates to the PFM reform agenda; and a brief description of the management arrangements, including the model of assessment (e.g., self or joint assessment) and the funding source.*

* **Scope, coverage, and timing**

*Explanation of the assessment’s scope (e.g., central government, sub-national government), coverage (e.g., budgetary units and extrabudgetary units), and timing (i.e., what is being assessed and at what point in time).*

* **Impact of PFM on budgetary and fiscal outcomes**

*Explanation of how PFM performance affects the three main fiscal and budgetary outcomes. This takes into account the specific economic, political and administrative structure of the country, and highlights the major strengths and weaknesses identified in the report that are likely to impact PFM performance.*

* **Performance changes (if applicable)**

*A summary of the main performance changes since any earlier PEFA assessment. This is also structured according to the three main fiscal and budgetary outcomes.*

* **PFM reform agenda**

*A brief overview of the country’s ongoing and planned PFM reform agenda or program, including links to recent performance changes and the main identified weaknesses identified in the report.*

**Table 1: Overview of the scores of the PEFA indicators**

| **PFM performance indicator** | **Scoring method** | **Dimension score** | **Overall score**  |
| --- | --- | --- | --- |
|  **i.** |  **ii.** | **iii.** | **iv.** |
| **Pillar I. Budget reliability** |
| PI-1 | Aggregate expenditure outturn | M1 |  |  |  |  |  |
| PI-2 | Expenditure composition outturn | M1 |  |  |  |  |  |
| PI-3 | Revenue outturn | M1 |  |  |  |  |  |
| **II. Transparency of public finances** |
| PI-4 | Budget classification | M1 |  |  |  |  |  |
| PI-5 | Budget documentation | M1 |  |  |  |  |  |
| PI-6 | Central government operations outside financial reports | M2 |  |  |  |  |  |
| PI-7 | Transfers to subnational governments | M2 |  |  |  |  |  |
| PI-8 | Performance information for service delivery | M2 |  |  |  |  |  |
| PI-9 | Public access to fiscal information | M1 |  |  |  |  |  |
| **III. Management of assets and liabilities**  |
| PI-10 | Fiscal risk reporting | M2 |  |  |  |  |  |
| PI-11 | Public investment management | M2 |  |  |  |  |  |
| PI-12 | Public asset management | M2 |  |  |  |  |  |
| PI-13 | Debt management  | M2 |  |  |  |  |  |
| **IV. Policy-based fiscal strategy and budgeting** |
| PI-14 | Macroeconomic and fiscal forecasting | M2 |  |  |  |  |  |
| PI-15 | Fiscal strategy | M2 |  |  |  |  |  |
| PI-16 | Medium-term perspective in expenditure budgeting | M2 |  |  |  |  |  |
| PI-17 | Budget preparation process | M2 |  |  |  |  |  |
| PI-18 | Legislative scrutiny of budgets | M2 |  |  |  |  |  |
| **V. Predictability and control in budget execution** |
| PI-19 | Revenue administration | M2 |  |  |  |  |  |
| PI-20 | Accounting for revenue | M1 |  |  |  |  |  |
| PI-21 | Predictability of in-year resource allocation | M2 |  |  |  |  |  |
| PI-22 | Expenditure arrears | M1 |  |  |  |  |  |
| PI-23 | Payroll controls | M1 |  |  |  |  |  |
| PI-24 | Procurement management | M2 |  |  |  |  |  |
| PI-25 | Internal controls on non-salary expenditure | M2 |  |  |  |  |  |
| PI-26 | Internal audit | M1 |  |  |  |  |  |
| **VI. Accounting and reporting** |
| PI-27 | Financial data integrity | M2 |  |  |  |  |  |
| PI-28 | In-year budget reports | M1 |  |  |  |  |  |
| PI-29 | Annual financial reports | M1 |  |  |  |  |  |
| **VII. External scrutiny and audit** |
| PI-30 | External audit  | M1 |  |  |  |  |  |
| PI-31 | Legislative scrutiny of audit reports | M1 |  |  |  |  |  |

1. **Introduction**

*The introduction explains the context and purpose of the PFM assessment, the process by which the PEFA report was prepared, and the methodology used in undertaking the assessment.*

*The indicative length of this section is three to five pages.*

* 1. **Rationale and purpose**

*This section describes the objective of the PEFA assessment and important background information, including why it has been undertaken at this time, reference to any previous PEFA assessment(s), and its relevance to on-going reform activities.*

* 1. **Assessment management and quality assurance**

*This section describes the process of preparing the report, including:*

1. *The organization(s) that initiated, commissioned and funded the assessment; or any other funding arrangements;*
2. *The extent to which government institutions and government officials were involved in the preparation of the report;*
3. *The roles and contributions of any other stakeholders in the assessment, e.g., oversight agencies such as Supreme Audit Institutions (SAI), legislature, development partners, and non-state actors such as civil society organizations, chamber of commerce, etc.*

*The section includes information on the assessment management and quality assurance arrangements established for planning and managing the PEFA assessment as presented in the box below. Additionally, the section should refer to the* [*PEFA CHECK*](https://pefa.org/sites/default/files/20180111-PEFA%20Check%20from%20January%201%202018-Final.pdf) *requirements (*[*www.pefa.org*](http://www.pefa.org)*) and any other information relevant to the quality assurance process.*

|  |
| --- |
| **BOX 1.1: Assessment management and quality assurance arrangements****PEFA assessment management organization*** Oversight Team — Chair & Members: [names & organizations]
* Assessment Manager: [name and organization]
* Assessment Team Leader and Team Members: [name and organization for each]

**Review of concept note and/or terms of reference*** Date of reviewed draft concept note and/or terms of reference:
* Invited reviewers: [name and organization for each one, or as group e.g. the Oversight Team]
* Reviewers who provided comments: [name and organization for each one, in particular the PEFA Secretariat and date(s) of its review(s) or as group e.g. the Oversight Team]
* Date(s) of final concept note and/or terms of reference:

**Review of the assessment report*** Date(s) of reviewed draft report(s):
* Invited reviewers: [name and organization for each one, in particular the PEFA Secretariat and date(s) of its review(s) or as group e.g. the Oversight Team]
* Reviewers who provided comments: [name and organization for each one]
 |

* 1. **Assessment methodology**

*This section describes the methodological choices made for the assessment. Four main topics are covered:*

1. **Scope and coverage of the assessment**

*The scope refers to the tier of government covered, which is typically a central government or one subnational government. The report further specifies the coverage of the assessment by explaining which institutional units (such budgetary and extrabudgetary units) and operations are covered, and which are not. Setting the boundaries of the government being assessed concerns both the boundaries with other tiers of government and the boundaries with other parts of the general government sector, for example, institutional units outside central government such as public corporations. Any deviations from the coverage of central government or a subnational government specified in the coverage for each indicator must be explained and justified. In particular, the coverage of social security funds, sovereign wealth funds, and structured financing instruments such as PPPs shall be specified. Definition of the assessment coverage shall be consistent with the description of institutional units and fiscal operations, as provided in subsections 2.3 and 2.4 of the report.*

1. **When performance is assessed**

*Description of the timeline for the assessment with the data cut-off date for measurement is to be clearly defined. The cut-off date is the last date for which data included in the assessment was considered. This is crucial for identifying the “last completed fiscal year” as well as for the “last three completed years” referred to in many dimensions, and the critical date for consideration of circumstances applying “at the time of the assessment”, which is relevant to some dimensions. In addition, useful information received up to the date the report goes for final formatting and issue should be mentioned in footnotes and clearly state that this late information has not affected the score.*

1. **Sources of information**

*The assessment team will need to collect information from officials from central finance agencies as well as from a variety of budgetary units and other institutional units. In order to obtain a fair representation of institutions within the resource constraints on the assessment team, the units from which information is to be collected need to be selected on an indicator by indicator basis. The basis for selecting government units from which information is collected is often specified in the guidance for individual indicators. The government units selected for an indicator should be described in the report within the narrative for each indicator, together with the method used for selecting a sample, where relevant.*

*Other sources of information used for the assessment are described in this section of the report. This would include documents obtained from, and interviews with, representatives of other levels of government, public corporations, private sector, nongovernmental organizations, and external finance institutions and development partners. These latter sources will be particularly useful for corroborating evidence provided by government units. A full list of people interviewed and a full list of sources of information shall be provided in Annex 3 of the report. It is recommended that the sources of information are listed by indicator. See examples of presentation for Annex 3 A: List of related survey and analytical work; Annex 3 B: List of people who have been interviewed and provided information for the PFM performance; and Annex 3: C: Sources of Information by indicator.*

1. **Other methodological issues for the preparation of the report**

*This includes information such as any departure from use of the entire indicator set, and whether the assessment is a stand-alone assessment or is combined with any other analytical work. The treatment of indicators or dimensions that are not applicable or not used is discussed in part 2, section 2.1.2 of the PEFA 2016 Framework document (page 7). The report should provide a clear justification of why a specific dimension or an indicator is considered not applicable or why it was not used. In the latter, the indicator not to be used would normally have been identified, explained and agreed at the Concept Note (CN)/Terms of Reference (ToR) stage.*

1. **Country background information**

*The objective of this section is to provide information on the country being assessed, to allow sufficient understanding of the wider context to PFM reforms as well as the core characteristics of PFM in the country.*

*The indicative length of this section is six to ten pages.*

* 1. **Country economic situation**
* **Country context**

*The report presents information on the population, income level, percentage of population living below the poverty line, growth rate, inflation, economic structure and main challenges for growth and development. This should include information on any significant dependence of the economy and government revenue on specific sources, including extraction of natural resources or financial support from external finance agencies and development partners.*

* **The government’s main economic challenges and government-wide reforms**

*The report focuses on the issues that represent major fiscal risks and are likely to influence the objectives of fiscal and PFM reform.*

* **Key selected economic indicators**

*The report presents key selected indicators for the past three years (see illustration of key indicators in table 2.1).*

**TABLE 2.1: Selected economic indicators**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FY T-2** | **FY T-1** | **FY T** |
| GDPGDP 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) |  |  |  |

Key indicators are illustrative only—others may be relevant to the country situation

* 1. **Fiscal and budgetary trends**

*The information for this subsection is drawn from existing recent fiscal and expenditure policy analysis or other recent relevant studies.*

* **Fiscal performance**

*The report includes a short comment on the main trends in aggregate fiscal discipline for the last three years, based on the information provided by table 2.2. It also integrates other relevant information, for example on the debt stock, included in table 2.1. Information on stated aggregate fiscal objectives and targets, as well as any legislated fiscal rules, may be provided in this section or cross-referenced to PI-15 in Section 3 of the PEFA report.*

**TABLE 2.2: Aggregate fiscal data**

|  |
| --- |
| **Central government actuals (in percent of GDP)** |
|  | **FY T-2** | **FY T-1** | **FY T** |
| Total revenue—Own revenue—GrantsTotal expenditure—Noninterest expenditure—Interest expenditure Aggregate deficit (incl. grants) Primary deficitNet financing—External—Domestic |  |  |  |

The table should show the overall totals for the central government sector.

If only budget data is included this should be specifically mentioned.

* **Allocation of resources**

*The report should highlight the trends in sectoral and economic allocation of resources. It also provides a statement on the priorities embodied in the national strategy and whether budget allocations have been developed with reference to those priorities.*

**TABLE 2.3: Budget allocations by function**

|  |
| --- |
| **Actual budgetary allocations by sectors (as a percentage of total expenditures)** |
|  | **FY T-2** | **FY T-1** | **FY T** |
| Health Education AgricultureEtc. |  |  |  |

Data for tables 2-2 and 2-3 shall be presented according to the classification used by the government

**TABLE 2.4: Budget allocations by economic classification**

|  |
| --- |
| **Actual budgetary allocations by economic classification (as a percentage of total expenditures)** |
|  | **FY T-2** | **FY T-1** | **FY T** |
| Current expenditures—Wages and salaries—Goods and services—Interest—Transfers—OthersCapital expenditures |  |  |  |

* 1. **Legal and regulatory arrangements for PFM**

***The report lists and summarizes the laws and regulations that determine the structure and guide the operation of the PFM system.*** *Typically, the starting point is the country’s constitution. It explains the distinction between the different branches of government (legislative, executive, judicial), the legal basis for different layers of government (central, state, municipalities, etc.) and other organizational structures such as extrabudgetary units and public corporations. It describes the main laws governing PFM and the degree of integration or fragmentation of legislation covering different aspects of PFM such as budget management, revenue mobilization, investment and debt management, procurement, accounting, external oversight, etc. It also highlights important country–specific provisions. A brief description of recent changes made to the legal framework is included, if relevant.*

***A subsection should also describe the legal and regulatory arrangements for the internal control system.*** *According to international standards[[1]](#footnote-1), internal control is an integral process designed to address risks and provide reasonable assurance that, in pursuit of the entity’s mission, the following general objectives are being achieved: (i) executing orderly, ethical, economical, efficient, and effective operations; (ii) fulfilling accountability obligations; (iii) complying with applicable laws and regulations; and (iv) safeguarding resources against loss, misuse and damage.*

*To achieve those general objectives, the internal control system should consist of five interrelated components: a control environment, risk assessment, control activities, information and communication, and monitoring. This integrated approach is designed for public entities to establish effective controls customized to their objectives and risks. It also provides a basis on which internal control can be described and evaluated. The description of the policies and the legal and regulatory arrangements for internal control in this subsection should be presented in relation to each of those five components.*

*This description should be complemented in section 2.4 with information about the institutional structure supporting the implementation of the internal control system. An overall indication of the effectiveness of the internal control framework is given in section 4.2. That section draws on both this subsection and the control activities included in the performance indicator assessments. Thus, subsections 2.3 and 2.4 should describe the design of the internal control framework and section 4.2 should evaluate whether it operates so as to achieve the intended objectives.*

* 1. **Institutional arrangements for PFM**

***The report here describes the structure of the overall public sector and the central government respectively****, in terms of the number of institutions involved and the financial importance of each segment, as illustrated in tables 2-5, 2-6 and 2.7. The information may be gathered from various sources such as government financial statistics, consolidated government accounts, and statistics or accounts for individual institutions. Data should preferably cover the last completed fiscal year. The sources of information are explained. Any double counting in totals or deviations from data used for scoring indicators PI-1, 2 and 3 should be mentioned.*

*The information serves as a basis for understanding the coverage and boundaries of the assessment as presented in section 1.3 of the report. It also provides an opportunity to explain the relative importance of different segments of the public sector for the analysis in section 4.*

**TABLE 2.5: Structure of the public sector (number of entities and financial turn-over) YEAR**

|  |  |
| --- | --- |
|  | **Public sector** |
| Year | **Government subsector** | **Social security funds 1/** | **Public corporation subsector** |
|  | **Budgetary unit** | **Extrabudgetary units** |  | **Nonfinancial public corporations** | **Financial public corporations** |
| Central1st tier subnational (State)Lower tier(s) of subnational | 2/ |  |  |  |  |

1/ Depending on management control and funding arrangements, a social security fund is a public-sector entity that may form part of a particular level of government or be classified as a separate sub-sector of the government sector (GFS 2014, para- graph 2.78).

2/ ‘Budgetary central government‘ comprises all central government entities included in the central government budget.

**TABLE 2.6: Financial structure of central government—budget estimates (in currency units) YEAR**

|  |  |
| --- | --- |
| **Year** | **Central government** |
|  | **Budgetary unit** | **Extrabudgetary units** | **Social security funds** | **Total aggregated 1/** |
| RevenueExpenditureTransfers to (-) and from (+) other units of general government’sLiabilitiesFinancial assetsNonfinancial assets  |  |  |  |  |

1/Where available this should be the consolidated total, but other aggregation method may be used (with explanation).

**TABLE 2.7: Financial structure of central government – actual expenditure (in currency units)**

|  |  |
| --- | --- |
| **Year** | **Central government** |
|  | **Budgetary unit** | **Extrabudgetary units** | **Social security funds** | **Total aggregated 1/** |
| RevenueExpenditureTransfers to (-) and from (+) other units of general government’LiabilitiesFinancial assetsNonfinancial assets  |  |  |  |  |

1/ Where available this should be the consolidated total, but other aggregation method may be used (with explanation).

*This subsection describes the responsibilities of the main entities involved in PFM, including those in the different branches of government (executive, legislative, and the judicial), those in the different tiers of government (central and subnational governments), and those in extrabudgetary units (where relevant with cross-reference to the data for relative importance of the different segments of the public sector as per subsection 2.3). Additional information on the broad responsibilities for public financial management between the central finance agencies (such as Ministry of Finance, Ministry of Economic Planning, Revenue Authority, the Central Bank, Supreme Audit Institution, etc.), and between the Ministry of Finance and the line ministries is included. The organizational structure and departmental responsibilities of the Ministry of Finance are described, with an organization chart, if available, to be included as an annex. Any recent changes in responsibilities are mentioned.*

*In particular, the subsection highlights the institutional structures that have been established as part of the internal control framework, including their respective roles and responsibilities.*

* 1. **Other key features of PFM and its operating environment**

*This subsection describes the key features of the PFM system. This includes:*

1. *The degree of centralization of the PFM system*
2. *The extent of earmarked revenue or extrabudgetary units*
3. *The type of control exercised by the external oversight bodies, and*
4. *Any recent changes or reforms.*

*This subsection also explains any legal provisions and institutional structures for* ***public participation*** *in budget management, complementary to the role of the legislature as the representative of citizens’ interests. If no such legal provisions or institutional structures exist, this should be noted in the report.*

*The information provided here is to be descriptive and is not intended to make a statement on compliance with existing rules or effective roles played by the legislature and external audit. Such issues are captured in the detailed assessment of the PFM system in section 3 and the cross-functional analysis in section 4.*

1. **Assessment of PFM performance**

*The objective of this section is to provide an assessment of the key elements of the PFM system, as captured by the indicators.*

*The indicative length for this section is 30-40 pages.*

*The structure of the section is based on the seven pillars as follows:*

* 1. *Budget reliability*
	2. *Transparency of public finances*
	3. *Management of assets and liabilities*
	4. *Policy-based fiscal strategy and budgeting*
	5. *Predictability and control in budget execution*
	6. *Accounting and reporting*
	7. *External scrutiny and audit*

*Each indicator is reported separately and discusses the assessment of the present situation, performance change over time, and a description of the reform measures being introduced to address the identified weaknesses. The discussion should include five elements:*

1. *General description of the characteristics of the indicator within the scope covered*
2. *Performance level and evidence for scoring of each dimension*
3. *Performance change since the previous assessment, where applicable*
4. *Recent or ongoing reform activities*
5. *Summary of scores and performance table*

## **PILLAR ONE: Budget reliability**

### **PI-1. Aggregate expenditure outturn**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-1. Aggregate expenditure outturn** | Overall score |  |
| * 1. Aggregate expenditure outturn
 | Dimension score  |  |

###### ***General description of the characteristics of the indicator within the scope covered***

“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. There is one dimension for this indicator –Dimension 1.1. Aggregate expenditure outturn.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

* 1. **Aggregate expenditure outturn**

###### **Performance level and evidence for scoring of the dimension**

|  |
| --- |
| **Table: Total budget and actual expenditure** |
|  | **FY T-2** | **FY T-1** | **FY T** |
| Budget |  |  |  |
| Actual |  |  |  |
| % Deviation |  |  |  |

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [*www.pefa.org.*](http://www.pefa.org/) *Calculations for the indicator should be included in the assessment report as an Annex. A template is provided in Annex 5: Calculation sheet templates for PI-1, PI-2 and PI-3. The Calculation Sheet for dimensions PI-1.1, PI-2.1 and PI-2.3 can be filled in as described below.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

***How to fill in the*** ***Calculation Sheet for dimensions PI-1.1, PI-2.1 and PI-2.3***

*The first tab of the Excel sheet template enables to calculate the results for PI-1, PI-2.1 and PI-2.3.*





***Step 1: In Table 1, enter the last three completed fiscal years as defined in the assessment.***

*Table 2 calculates results for Year 1; Table 3 for Year 2; and Table 4 for Year 3.*

***In Table 2, 3 and 4:***

***Step 2: Enter the administrative OR functional head for up to 20 heads. The 21st line will be the sum of figures for all remaining heads (if any).***

***Step 3: Enter budget and actual expenditure data (no space, or comma style to separate thousands).***

***Step 4: Enter budget and actual amounts for interests and for contingency.***

*Results can be read directly for each year.*





***Step 5: Read the results for all last three completed fiscal years directly in Table 5. Scores for PI-1.1, PI-2.1 and PI-2.3 can be determined accordingly.***

######

### **PI-2. Expenditure composition outturn**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-2. Expenditure composition outturn** | Overall score |  |
| * 1. Expenditure composition outturn by function
 | Dimension score  |  |
| * 1. Expenditure composition outturn by economic type
 | Dimension score |  |
| * 1. Expenditure from contingency reserves
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. It contains three dimensions and uses the M1 (WL) method for aggregating dimension scores”.

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**2.1. Expenditure composition outturn by function**

###### **Performance level and evidence for scoring of the dimension**

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [*www.pefa.org.*](http://www.pefa.org/) *A detailed explanation is also provided under PI-1 (see above). Calculations for the indicator should be included in the assessment report as an Annex. A template is provided in Annex 5: Calculations sheets templates for PI-1, PI-2, and PI-3.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**2.2. Expenditure composition outturn by economic type**

###### **Performance level and evidence for scoring of the dimension**

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [*www.pefa.org.*](http://www.pefa.org/) *Calculations for the indicator should be included in the assessment report as an Annex. A template is provided in Annex 5: Calculations sheets templates for PI-1, PI-2, and PI-3. The Calculation Sheet for Expenditure by Economic Classification Variance PI-2.2 can be filled in as described below.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**2.3. Expenditure from contingency reserves**

###### **Performance level and evidence for scoring of the dimension**

*The spreadsheet provided on the PEFA website for indicator PI-1 and for dimension 2.1 can also be used to assist with calculations for this dimension (see Annex 5: Calculations sheets templates for PI-1, PI-2, and PI-3). A detailed explanation is provided under PI-1 (see above).*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

***How to fill in the*** ***Calculation Sheet for PI-2.2 Expenditure by Economic Classification Variance***



*The second tab of the Excel sheet template enables to calculate the results for PI-2.2.*



***Step 1: In Table 1, enter the last three completed fiscal years as defined in the assessment.***

*In Table 2, 3 and 4, economic heads are prepopulated in accordance with the GFS 2014 Economic Classification of Expense (2 digits). See Fieldguide PI-2.2 para 2.2:2 if you would like to use another classification.*

***Step 2: Enter budget and actual expenditure data (no space, or comma style to separate thousands) for each year.***



*Results can be read directly for each year.*



***Step 3: Read the results for all last three completed fiscal years directly in Table 5. The score for PI-2.2 can be determined accordingly.***

### **PI-3. Revenue outturn**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-3. Revenue outturn** | Overall score |  |
| * 1. Aggregate revenue outturn
 | Dimension score  |  |
| * 1. Revenue composition outturn
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator measures the change in revenue between the original approved budget and end-of-year outturn. It contains two dimensions and uses the M2 (AV) method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**3.1. Aggregate revenue outturn**

**Performance level and evidence for scoring the dimension**

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [*www.pefa.org.*](http://www.pefa.org/) *Calculations for the indicator should be included in the assessment report as an Annex. A template is provided in Annex 5: Calculations sheets templates for PI-1, PI-2, and PI-3. The template can be filled in as described below.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**3.2. Revenue composition outturn**

**Performance level and evidence for scoring the dimension**

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website* [*www.pefa.org.*](http://www.pefa.org/) *Calculations for the indicator should be included in the assessment report as an Annex. A template is provided in Annex 5: Calculations sheets templates for PI-1, PI-2, and PI-3. A detailed explanation is provided under PI-3.1 (see above).*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

***How to fill in the Calculation Sheet for Revenue outturn***



***Step 1: In Table 1, enter the last three completed fiscal years as defined in the assessment.***

****

*Results can be read directly for each year.*

*In Table 2, 3 and 4, economic heads are prepopulated in accordance with the GFS 2014 Economic Classification of Revenue (3 digits). See Fieldguide PI-3.2 para 3.2:1 if you would like to use another classification.*

***Step 2: Enter budget and actual revenue data (no space, or comma style to separate thousands) for each year.***

****

***Step 3: Read the results for all last three completed fiscal years directly in Table 5. The score for PI-3.1 and PI-3.2 can be determined accordingly.***

## **PILLAR TWO: Transparency of public finances**

### **PI-4. Budget classification**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-4. Budget classification**  | Overall score |  |
| * 1. Budget classification
 | Dimension score  |  |

###### ***General description of the characteristics of the indicator within the scope covered***

“This indicator assesses the extent to which the government budget and accounts classification is consistent with international standards. There is one dimension for this indicator.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**4.1. Budget classification**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-5. Budget documentation**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-5. Budget documentation** | Overall score |  |
| * 1. Budget documentation
 | Dimension score  |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the comprehensiveness of the information provided in the annual budget documentation, as measured against a specified list of basic and additional elements. There is one dimension for this indicator.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**5.1. Budget documentation**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report presents the evidence used and the results of the assessment for PI-5.1 in a summary box for checklists.*

*[Recommended summary box for checklists]*

|  |  |  |
| --- | --- | --- |
| **Element/ Requirements** | **Met****(Y/N)** | **Evidence used/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 |  |  |
| 4. Aggregated budget data for both revenue and expenditure |  |  |
| **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 |  |  |
| 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 changes to expenditure programs |  |  |
| 11. Documentation on the medium-term fiscal forecasts  |  |  |
| 12.Quantification of tax expenditures |  |  |

“The requirements are met for X basic elements out of 4 and Y additional elements out of 8.”

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-6. Central government operations outside financial reports**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-6. Central government operations outside financial reports**  | Overall score |  |
| * 1. Expenditure outside financial reports
 | Dimension score  |  |
| * 1. Revenue outside financial reports
 | Dimension score |  |
| * 1. Financial reports of extrabudgetary units
 | Dimension score |  |

*For PI-6.1 and PI-6.2, it is recommended that the PEFA report includes a table that identifies known revenues and expenditures not recorded in government financial reports (see table 6.1).*

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator measures the extent to which government revenue and expenditure are reported outside central government financial reports. It contains three dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**6.1. Expenditure outside financial reports**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**6.2. Revenue outside financial reports**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**6.3. Financial reports of extrabudgetary units**

**Performance level and evidence for scoring the dimension**

*For PI-6.3, it is recommended that the PEFA report includes a table that provides details of extrabudgetary units financial reports.*

**Table 6.2: Financial reports of extrabudgetary units *[Recommended table]***

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

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

**Table 6.1: EXAMPLE of revenues and expenditures outside the government’s financial reports (*Actual entities and other details will vary between countries*) [Recommended table]**

| **Entity** | **Type of revenue outside government financial reports** | **Estimated amount of revenue reported outside government financial reports** | **Type of expendiure reported outside government financial reports** | **Estimated amount of expenditure reported outside government financial reports** | **Evidence and reporting** |
| --- | --- | --- | --- | --- | --- |
| **Extrabudgetary Units** |
| **Health Authority** | Medical registration fees | $ | Minor office equipment;Vehicles;Meal allowances | $ | Revenues from registering medical professionals are retained by authority and not recorded in FMIS.Authority maintains separate bookkeeping accounts for retained revenue. |
| **University** | Student facility fees | $ | Sports equipment, library acquisitions, computer hardware and software etc. |  | Supplementary fee ($100 per student per year) imposed to supplement official tuition fee. |
| **Natural Resource Fund**  | License fees and royalties from extraction. Returns from investment of fund balances. | $ | Fund administration charges. |  | Annual reports from Natural Resource Fund operations. All transfers to the budget are reported. |
| **National Trust** | Entrance fees to historic buildings | $ |  |  |  |
| **Etc.** |  |  |  |  |  |
| **Operations of Budgetary Units outside central government financial reports** |
| **Ministry of Transport** | Direct grant for transport modernisation project funded by development partner | $ |  |  | MoU between ministry and development partner.Separate budgetary unit bank a/c. Quarterly report to development partner. |
| **Ministry of Education** | Voluntary school fees collected from parents and encouraged by institutions. No legal basis | $ |  |  | School bookkeeping only. No fiscal reports. Quantity unknown. |
| **Ministry of Health** | Co-payments collected/ retained by primary medical facilities. Not recorded in FMIS.  | $ |  |  | Separate accounts/ bookkeeping records maintained. |
| **TOTAL** |  | $ |  |  |  |

 **Type of revenue**

### **PI-7. Transfers to subnational governments**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-7. Transfers to subnational governments**  | Overall score |  |
| * 1. System for allocating transfers
 | Dimension score  |  |
| * 1. Timeliness of information on transfers
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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 central government and whether subnational governments receive information on their allocations in time to facilitate budget planning. It contains two dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**7.1. System for allocating transfers**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used for assessing this dimension in a table: list of all transfers to subnational government from central government with the respective approved budgeted transfers and outturns actually transferred.*

**Table 7.1: System for allocating transfers *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Category of horizontal transfer** | **Budget** | **Actuals** |
| **Amount** | **Transparent and rule-based (Y/N)** | **Amount** | **Transparent and rule-based (Y/N)** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**7.2. Timeliness of information on transfers**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-8. Performance information for service delivery**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-8. Performance information for service delivery**  | Overall score |  |
| * 1. Performance plans for service delivery
 | Dimension score  |  |
| * 1. Performance achieved for service delivery
 | Dimension score |  |
| * 1. Resources received by service delivery units
 | Dimension score |  |
| * 1. Performance evaluation for service delivery
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator examines the service delivery information in the executive’s budget proposal or its supporting documentation, and in year-end reports or performance audits or evaluations, as well as the extent to which information on resources received by service delivery units is collected and recorded. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**8.1. Performance plans for service delivery**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a Table: list of ministries and services chosen, that have expenditure devoted to service delivery, presenting the corresponding estimate value, as described in Volume II-PEFA Assessment Fieldguide, para 8:7. A template of Table 8.1 is provided below.*

**Table 8.1: Scoring requirements dimension 8.1 (for program, service or function) *[Recommended table]***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Score** | **Program objectives** | **Key performance indicators** | **Planned outputs (quantity)** | **Planned outcomes (Measurable)** | **Activities** | **Materiality (No. of ministries)** |
| **Output indicators** | **Outcome indicators** |
| **A** | Y | Y | Y | Y | Y | NA | Most (>75%) |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **B** | Y | y | y | Y | N | NA | Most (>75%) |

 **or**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **B** | Y | y | y | N | Y | NA | Most (>75%) |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **C** | N | Y | Y | N | N | N | Majority (>50%) |

 **or**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **C** | N | N | N | N | N | Y | Majority (>50%) |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**8.2. Performance achieved for service delivery**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**8.3. Resources received by service delivery units**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**8.4. Performance evaluation for service delivery**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-9. Public access to fiscal information**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-9. Public access to fiscal information**  | Overall score |  |
| * 1. Public access to fiscal information
 | Dimension score  |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the comprehensiveness of fiscal information available to the public based on specified elements of information to which public access is considered critical. There is one dimension.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**9.1. Public access to fiscal information**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report presents the evidence used and the results of the assessment for PI-9 in a summary box for checklists.*

***[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Element/ Requirements** | **Met****(Y/N)** | **Evidence used/Comments** |
| **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-27. |  |  |
| 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**. 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 “citizen’s 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. |  |  |

“The requirements are met for X basic elements out of 5 and Y additional elements out of 4.”

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

## **PILLAR THREE: Management of assets and liabilities**

### **PI-10. Fiscal risk reporting**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-10. Fiscal risk reporting**  | Overall score |  |
| * 1. Monitoring of public corporations
 | Dimension score  |  |
| * 1. Monitoring of subnational governments
 | Dimension score |  |
| * 1. Contingent liabilities and other fiscal risks
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator measures the extent to which fiscal risks to central government are reported. Fiscal risks can arise from adverse macroeconomic situations, financial positions of subnational governments or public corporations, and contingent liabilities from the central government’s own programs and activities, including extra-budgetary units. They can also arise from other implicit and external risks such as market failure and natural disasters. This indicator contains three dimensions and uses the M2 (AV) method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**10.1. Monitoring of public corporations**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a table: financial reports of public corporations, as described in Volume II-PEFA Assessment Fieldguide, para. 10.1:10. A template of Table 10.1: Financial reports of public corporation is provided below.*

**Table 10.1: Financial reports of public corporations *[Recommended table]***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Public corporations*** | ***Date of audited financial statements*** | ***Total expenditure*** | ***As a % of total expenditure of public******corporations*** | ***Are contingent liabilities of the public corporation disclosed in the financial report? (Y/N)*** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**10.2. Monitoring of subnational governments**

**Performance level and evidence for scoring the dimension**

**10.3. Contingent liabilities and other fiscal risks**

###### **Performance change since the previous assessment, where applicable**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Recent or ongoing reform activities**

### **PI-11. Public investment management**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-11. Public investment management**  | Overall score |  |
| * 1. Economic analysis of investment projects
 | Dimension score  |  |
| * 1. Investment project selection
 | Dimension score |  |
| * 1. Investment project costing
 | Dimension score |  |
| * 1. Investment project monitoring
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the economic appraisal, selection, costing, and monitoring of public investment projects by the government, with emphasis on the largest and most significant projects. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

*The PEFA assessment report can present the evidence used for assessing this indicator in a table: list of major investment projects is to be provided with the corresponding amounts, as described in Volume II-PEFA Assessment Fieldguide, para. 11:2. A template is provided below.*

**Table 11: List of major investment projects *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Project description** | **Ministry in charge** | **Project cost** |
| **1** |  |  |  |
| **2** |  |  |  |
| **3** |  |  |  |
| **4** |  |  |  |
| **5** |  |  |  |
| **6** |  |  |  |
| **7** |  |  |  |
| **8** |  |  |  |
| **9** |  |  |  |
| **10** |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**11.1. Economic analysis of investment projects**

**Performance level and evidence for scoring the dimension**

**11.2. Investment project selection**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**11.3. Investment project costing**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**11.4. Investment project monitoring**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-12. Public asset management**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-12. Public asset management**  | Overall score |  |
| * 1. Financial asset monitoring
 | Dimension score  |  |
| * 1. Nonfinancial asset monitoring
 | Dimension score |  |
| * 1. Transparency of asset disposal
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the management and monitoring of government assets and the transparency of asset disposal. It contains three dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**12.1. Financial asset monitoring**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**12.2. Nonfinancial asset monitoring**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a table: categories of nonfinancial assets, as described in PEFA Framework, page 40. A template of Table 12.1: Categories of nonfinancial assets is provided below.*

**Table 12.1. Categories of nonfinancial assets *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Categories** | **Subcategories** | **Where captured** | **Comments** |
| Fixed assets | Buildings and structures |  |  |
| Machinery and equipment |  |  |
| Other fixed assets |  |  |
|  |  |  |
| Inventories | — |  |  |
| Valuables | — |  |  |
| Nonproduced assets | Land |  |  |
| Mineral and energy resources |  |  |
| Other naturally occurring assets |  |  |
| Intangible nonproduced assets |  |  |

*Note: The categories in the table are based on the GFS Manual 2014, but different categories applied by the government may be used.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**12.3. Transparency of asset disposal**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-13. Debt management**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-13. Debt management**  | Overall score |  |
| * 1. Recording and reporting of debt and guarantees
 | Dimension score  |  |
| * 1. Approval of debt and guarantees
 | Dimension score |  |
| * 1. Debt management strategy
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses the M2 (AV) method for aggregating scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**13.1. Recording and reporting of debt and guarantees**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**13.2. Approval of debt and guarantees**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**13.3. Debt management strategy**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

## **PILLAR FOUR: Policy based fiscal strategy and budgeting**

### **PI-14. Macroeconomic and fiscal forecasting**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-14. Macroeconomic and fiscal forecasting** | Overall score |  |
| * 1. Macroeconomic forecasts
 | Dimension score  |  |
| * 1. Fiscal forecasts
 | Dimension score |  |
| * 1. Macrofiscal sensitivity analysis
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses **M2 (AV)** for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**14.1. Macroeconomic forecasts**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**14.2. Fiscal forecast**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used of the assessment for this dimension in a table. Table 14.1 below provides an example of how such variations could be presented.*

|  |
| --- |
| **Table 14.1. Variations between approved fiscal forecast and the projections included in the previous year’s approved budget *(Example)*** |
|   | **2016** | **2017** | **2018** | **2019** | **2020** |
|   | **Budget Process 2015** |  |  |
| **Approved aggregate expenditure estimates 2016** | 100 | 90 | 90 |  |  |
|  | **Budget Process 2017** |  |
| + Forward year impact of 2016 supplementary estimates |  | 2 | 2 | 2 |  |
| + Approved wage and price increases  |  | 3 | 3 | 3 |  |
| + Net impact of expenditure policy decisions |   | 5 | 7 | 7 |   |
| **Approved aggregated expenditure estimates 2017** |   | **100** | **102** | **102** |   |
|  | **Budget Process 2018** |
| + Forward year impact of 2017 supplementary estimates |  |  | 0 | 0 | 0 |
| + Approved wage and price increases  |  |  | 2 | 2 | 2 |
| + Net impact of expenditure policy decisions |  |  | 3 | 4 | 4 |
| **Approved aggregated expenditure estimates 2018** |  |  | **107** | **108** | **108** |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**14.3. Macrofiscal sensitivity analysis**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Recent or ongoing reform activities**

### **PI-15. Fiscal strategy**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-15. Fiscal strategy**  | Overall score |  |
| * 1. Fiscal impact of policy proposals
 | Dimension score  |  |
| * 1. Fiscal strategy adoption
 | Dimension score |  |
| * 1. Reporting on fiscal outcomes
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**15.1. Fiscal impact of policy proposals**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension as described in Volume II-PEFA Assessment Fieldguide, para. 15.1:11. A template of Table 15.2: Fiscal impact of policy proposals submitted during budget preparation, is provided below.*

**Table 15.2: Fiscal impact of policy proposals submitted during budget preparation *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Ministry** | **Name of proposal** | **Fiscal impact ($)** | **Revenue/Cost information** |
| **Revenue policy proposals** |  |  | **Do the proposals present total revenues to be collected for all budget years** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Sub-total** |  |  |  |
| **Expenditure policy proposals** |  |  | **Do the proposals present full costs (including current costs of capital projects) for all budget years** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Sub-total** |  |  |  |
| **TOTAL** |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**15.2. Fiscal strategy adoption**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**15.3. Reporting on fiscal outcomes**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### “Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Recent or ongoing reform activities**

### **PI-16. Medium-term perspective in expenditure budgeting**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-16. Medium-term perspective in expenditure budgeting** | Overall score |  |
| * 1. . Medium-term expenditure estimates
 | Dimension score  |  |
| * 1. Medium-term expenditure ceilings
 | Dimension score |  |
| * 1. Alignment of strategic plans and medium-term budgets
 | Dimension score |  |
| * 1. Consistency of budgets with previous year’s estimates
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**16.1. Medium-term expenditure estimates**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**16.2. Medium-term expenditure ceilings**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**16.3. Alignment of strategic plans and medium-term budgets**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**16.4. Consistency of budgets with previous year’s estimates**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension as described in Volume II-PEFA Assessment Fieldguide, para. 16.4:2. Regarding the format to present changes, such information could be presented in the form of a table that highlights and explains the various changes between the forward years presented in the previous budget and the final budget submitted to the legislature including any changes in assumptions, economic parameters and major policy changes and adjustments. Such a table would be similar to that presented in Table 14.1.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Recent or ongoing reform activities**

### **PI-17. Budget preparation process**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-17. Budget preparation process** | Overall score |  |
| * 1. Budget calendar
 | Dimension score  |  |
| * 1. Guidance on budget preparation
 | Dimension score |  |
| * 1. Budget submission to the legislature
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**17.1. Budget calendar**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing the budget calendar, with the planned/required dates as well as the actual dates, for the last budget submitted to the legislature. A template for the summary table is provided below.*

**Table 17.1 Budget calendar for the last budget submitted to the legislature *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Activity** | **Planned date** | **Actual date** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**17.2. Guidance on budget preparation**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**17.3. Budget submission to the legislature**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing the budget submission to the legislature: actual dates of submission for last three completed fiscal years. A template for the summary table is provided below.*

**Table 17.3: Actual dates of budget submission for the last three completed fiscal years *[Recommended table]***

|  |  |
| --- | --- |
| **Fiscal year** | **Actual date of submission** |
| Fiscal Year 1 |  |
| Fiscal Year 2 |  |
| Fiscal Year 3 |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-18. Legislative scrutiny of budgets**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-18. Legislative scrutiny of budgets** | Overall score |  |
| * 1. Scope of budget scrutiny
 | Dimension score  |  |
| * 1. Legislative procedures for budget scrutiny
 | Dimension score |  |
| * 1. Timing of budget approval
 | Dimension score |  |
| * 1. Rules for budget adjustments by the executive
 |  |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. The indicator contains four dimensions and uses the **M1 (WL)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**18.1. Scope of budget scrutiny**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**18.2. Legislative procedures for budget scrutiny**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**18.3. Timing of budget approval**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table showing the timing of budget approval: actual dates of approval for last three completed fiscal years. A template for the summary table is provided below.*

**Table 18.3: Actual dates of budget approval for the last three completed fiscal years *[Recommended table]***

|  |  |
| --- | --- |
| **Fiscal year** | **Actual date of approval** |
| Fiscal Year 1 |  |
| Fiscal Year 2 |  |
| Fiscal Year 3 |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**18.4. Rules for budget adjustments by the executive**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

## **PILLAR FIVE: Predictability and control in budget execution**

### **PI-19. Revenue administration**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-19. Revenue administration**  | Overall score |  |
| * 1. Rights and obligations for revenue measures
 | Dimension score  |  |
| * 1. Revenue risk management
 | Dimension score |  |
| * 1. Revenue audit and investigation
 | Dimension score |  |
| * 1. Revenue arrears monitoring
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator covers the administration of all types of tax and non-tax revenue for central government. It assesses the procedures used to collect and monitor central government revenues. It contains four dimensions and uses **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**19.1. Rights and obligations for revenue measures**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**19.2. Revenue risk management**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**19.3. Revenue audit and investigation**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**19.4. Revenue arrears monitoring**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-20. Accounting for revenue**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-20 Accounting for revenue**  | Overall score |  |
| * 1. Information on revenue collections
 | Dimension score  |  |
| * 1. Transfer of revenue collections
 | Dimension score |  |
| * 1. Revenue accounts reconciliation
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses **M1 (WL)** for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator*.

**20.1. Information on revenue collections**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing information on revenue collections: breakdown by different categories of revenues, indicating the frequency of collection for each of them and the transferred data characteristics. A template for the summary table is provided below.*

**Table 20.1: Information on revenue collection *[Recommended table]***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collecting entity** | **Category of revenue** | **Total amount collected[[2]](#footnote-2)** | **Frequency of data transfer to the central agency** | **Transferred data characteristics (Y/N):** |
| **Broken down by revenue type** | **Consolidated into a report** | **Consolidated** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**20.2. Transfer of revenue collections**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing transfer of revenue collection: breakdown by different categories of revenue, indicating the frequency of transfer for each of them. A template for the summary table is provided below.*

**Table 20.2: Transfer of revenue collections *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Collecting entity** | **Category of revenue** | **Frequency of revenue collections transfer to the Treasury** |
|
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**20.3. Revenue accounts reconciliation**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing revenue accounts reconciliation: breakdown by different categories of revenues, indicating the frequency and timeline of reconciliation for each of them, as well as the type of reconciled data. A template for the summary table is provided below.*

**Table 20.3: Revenue accounts reconciliation *[Recommended table]***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collecting entity** | **Category of revenue** | **Frequency** | **Timeline** | **Type of reconciled data (Y/N):** |
| **Assessments** | **Collections** | **Arrears** | **Transfers to Treasury** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-21. Predictability of in-year resource allocation**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-21 Predictability of in-year resource allocation** | Overall score |  |
| * 1. . Consolidation of cash balances
 | Dimension score  |  |
| * 1. Cash forecasting and monitoring
 | Dimension score |  |
| * 1. Information on commitment ceilings
 | Dimension score |  |
| * 1. Significance of in-year budget adjustments
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the extent to which the central MoF is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**21.1. Consolidation of cash balances**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table showing consolidation of cash balances: list of bank and cash balances at the time of assessment, indicating the frequency of consolidation for each of them. A template for the summary table is provided below.*

**Table 21.1: Consolidation of cash balances *[Recommended table]***

|  |  |
| --- | --- |
| **Bank and cash - List of accounts** | **Frequency of reconciliation** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**21.2. Cash forecasting and monitoring**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**21.3. Information on commitment ceilings**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**21.4. Significance of in-year budget adjustments**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-22. Expenditure arrears**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-22 Expenditure arrears**  | Overall score |  |
| 22.1. Stock of expenditure arrears | Dimension score  |  |
| * 1. Expenditure arrears monitoring
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains two dimensions and uses the M1 (WL) method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**22.1. Stock of expenditure arrears**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table showing stock of expenditure arrears: breakdown by different categories of arrears, indicating for the last three completed fiscal years (i) the corresponding amounts of stock at the end of the fiscal year,; (ii) the total amount of arrears; (iii) the total expenditure as determined in PI-1 and (iv) the percentage represented by the ratio total amount of arrears/ total expenditure. A template for the summary table is provided below.*

**Table 22.1: Stock of expenditure arrears****: breakdown by different categories *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Fiscal year 1** | **Fiscal year 2** | **Fiscal year 3** |
| Stock of arrears for Category 1 |  |  |  |
| Stock of arrears for Category 2 |  |  |  |
| … |  |  |  |
| **Total stock of arrears at the end of the FY (i)** |  |  |  |
| **Total actual expenditure for the FY[[3]](#footnote-3) (ii)** |  |  |  |
| **Ratio (i)/(ii)** |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**22.2. Expenditure arrears monitoring**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table showing* *expenditure arrears monitoring: breakdown by different categories of arrears, indicating how frequently and quickly the information is generated. A template for the summary table is provided below.*

**Table 22.2: Expenditure arrears monitoring: breakdown by different categories *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Category of arrears** | **Data generated (Y/N):** | **Frequency** | **Timeline** |
| **Stock** | **Age** | **Composition** |
| Category 1 |  |  |  |  |  |
| Category 2 |  |  |  |  |  |
| … |  |  |  |  |  |
|  |  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-23. Payroll controls**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-23 Payroll controls**  | Overall score |  |
| 23.1 Integration of payroll and personnel records | Dimension score  |  |
| * 1. Management of payroll changes
 | Dimension score |  |
| * 1. Internal control of payroll
 | Dimension score |  |
| * 1. Payroll audit
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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 labor and discretionary allowances that do not form part of the payroll system are included in the assessment of non-salary internal controls, PI-25. This indicator contains four dimensions and uses the M1 (WL) method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**23.1. Integration of payroll and personnel records**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**23.2. Management of payroll changes**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**23.3. Internal control of payroll**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**23.4. Payroll audit**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-24. Procurement**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-24 Procurement**  | Overall score |  |
| 24.1 Procurement monitoring | Dimension score  |  |
| * 1. Procurement methods
 | Dimension score |  |
| * 1. Public access to procurement information
 | Dimension score |  |
| * 1. Procurement complaints management
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**24.1. Procurement monitoring**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**24.2 Procurement methods**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**24.3. Public access to procurement information**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary box for checklists. A template for the summary box for checklists is provided below.*

Key procurement information to be made available to the public comprises: ***[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **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 |  |  |

“The requirements are met for X elements out of 6.”

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**24.4. Procurement complaints management**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary box for checklists. A template for the summary box for checklists is provided below.*

Complaints are reviewed by a body that: ***[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **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) |  |  |

“The requirements are met for element (1), and X additional elements out of 5.”

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-25. Internal controls on nonsalary expenditure**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-25 Internal controls on nonsalary expenditure** | Overall score |  |
| 25.1 Segregation of duties | Dimension score  |  |
| * 1. Effectiveness of expenditure commitment controls
 | Dimension score |  |
| * 1. Compliance with payment rules and procedures
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains three dimensions and uses the M2 (AV) method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**25.1. Segregation of duties**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**25.2 Effectiveness of expenditure commitment controls**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**25.3. Compliance with payment rules and procedures**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-26. Internal audit**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-26 Internal audit**  | Overall score |  |
| 26.1 Coverage of internal audit | Dimension score  |  |
| 26.2 Nature of audits and standards applied | Dimension score |  |
| * 1. Implementation of internal audits and reporting
 | Dimension score |  |
| * 1. Response to internal audits
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the standards and procedures applied in internal audit. It contains four dimensions and uses the **M1 (WL)** method for aggregating dimension score.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**26.1. Coverage of internal audit**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**26.2. Nature of audits and standards applied**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**26.3. Implementation of internal audits and reporting**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**26.4. Response to internal audits**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

## **PILLAR SIX: Accounting and reporting**

### **PI-27. Financial data integrity**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-27 Financial data integrity**  | Overall score |  |
| 27.1 Bank account reconciliation  | Dimension score  |  |
| 27.2 Suspense accounts  | Dimension score |  |
| * 1. Advance accounts
 | Dimension score |  |
| * 1. Financial data integrity processes
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**27.1. Bank account reconciliation**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing bank account reconciliation: list of bank accounts, indicating how frequently and quickly data is reconciled. A template for the summary table is provided below.*

**Table 27.1: Bank account reconciliation *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Bank account** | **Frequency of reconciliation** | **Timeline for reconciliation** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**27.2 Suspense accounts**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for this dimension in a summary table showing the suspense accounts: list of suspense accounts, indicating how frequently they are reconciled, and how frequently and quickly they are cleared. A template for the summary table is provided below.*

**Table 27.2: Suspense accounts reconciliation and clearance *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of suspense account** | **Frequency of reconciliation** | **Timeline for reconciliation** | **Timeline for clearance** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**27.3. Advance accounts**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table showing the advance accounts: list of suspense accounts, indicating how frequently they are reconciled, and how frequently and quickly they are cleared. A template for the summary table is provided below.*

**Table 27.3: Advance accounts reconciliation and clearance *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of advance account** | **Frequency of reconciliation** | **Timeline for reconciliation** | **Timeline for clearance** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**27.4. Financial data integrity processes**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-28. In-year budget reports**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-28 In-year budget report**  | Overall score |  |
| 28.1 Coverage and comparability of reports | Dimension score  |  |
| 28.2 Timing of in-year budget reports | Dimension score |  |
| * 1. Accuracy of in-year budget reports
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“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. This indicator contains three dimensions and uses the **M1 (WL)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**28.1. Coverage and comparability of reports**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**28.2. Timing of in-year budget reports**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary table showing timing of in-year budget report: period covered by the report and issuing dates of the reports. A template for the summary table is provided below.*

**Table 28.2: Timing of in-year budget reports for the last completed fiscal year *[Recommended table]***

|  |  |
| --- | --- |
| **Period covered by the report** | **Actual date of issuance** |
|  |  |
|  |  |
|  |  |
|  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**28.3. Accuracy of in-year budget reports**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-29. Annual financial reports**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-29 Annual financial reports**  | Overall score |  |
| 29.1 Completeness of annual financial reports | Dimension score  |  |
| 29.2 Submission of reports for external audit | Dimension score |  |
| * 1. Accounting standards
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards. This is crucial for accountability and transparency in the PFM system. It contains three dimensions and uses the **M1 (WL)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**29.1. Completeness of annual financial reports**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table that provides detail of BCG financial reports (see table 29.1 below). This table would also assist scoring with dimension 29.2.*

**Table 29.1: Financial reports of BCG *[Recommended table]***

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial report**[[4]](#footnote-4) | **Date annual report submitted for external audit** | **Content of annual financial report (Y/N):** | **Reconciled cash flow statement (Y/N)** |
| **Expenditures and revenues by economic classification** | **Financial and non-financial assets and liabilities** | **Guarantees and long-term obligations** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**29.2. Submission of reports for external audit**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report could present the evidence used and the results of the assessment for this dimension in a summary table that provides detail of BCG financial reports (see table 29.1 above). This table would also assist scoring with dimension 29.1.*

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**29.3. Accounting standards**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

## **PILLAR SEVEN: External scrutiny and audit**

### **PI-30. External audit**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-30 External audit**  | Overall score |  |
| 30.1 Audit coverage and standards | Dimension score  |  |
| 30.2 Submission of audit reports to the legislature | Dimension score |  |
| * 1. External audit follow-up
 | Dimension score |  |
| * 1. Supreme Audit Institution independence
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator examines the characteristics of external audit. It contains four dimensions and uses the **M1 (WL)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**30.1. Audit coverage and standards**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

* 1. **Submission of audit reports to the legislature**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary table showing submission of audit reports to the legislature: Date of receipt of the financial report by the audit office and date of submission of the audit report to the legislature. A template for the summary table is provided below.*

**Table 30.2: Timing of audit reports submission to the legislature *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Fiscal years** | **Dates of receipt of the financial reports by the audit office** | **Dates of submission of the financial audit reports to the legislature** |
| Year 1 |  |  |
| Year 2 |  |  |
| Year 3 |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**30.3. External audit follow-up**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**30.4.** **Supreme Audit Institution independence**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary box for checklists. A template for the* *summary box for checklists is provided below.*

|  |  |  |
| --- | --- | --- |
| **Element/ Requirements** | **Met****(Y/N)** | **Evidence used/Comments** |
| 1.The SAI operates independently from the executive with respect to:  |  |  |
| - procedures for appointment and removal of the head of the SAI |  |  |
| - the planning of audit engagements |  |  |
| - arrangements for publicizing reports |  |  |
| - the approval and execution of the SAI’s budget. |  |  |
| 2. This independence is assured by law. |  |  |
| 3. The SAI has unrestricted and timely access to records, documentation and information for: |  |  |
| - all audited entities |  |  |
| - most audited entities |  |  |
| - the majority of requested records |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

### **PI-31. Legislative scrutiny of audit reports**

###### **Summary of scores and performance table**

|  |  |  |
| --- | --- | --- |
| **Indicator/Dimension** | **Score** | **Brief justification for score** |
| **PI-31 Legislative scrutiny of audit reports** | Overall score |  |
| 31.1 Timing of audit report scrutiny | Dimension score  |  |
| 31.2 Hearings on audit findings  | Dimension score |  |
| * 1. Recommendations on audit by legislature
 | Dimension score |  |
| * 1. Transparency of legislative scrutiny of audit reports
 | Dimension score |  |

###### **General description of the characteristics of the indicator within the scope covered**

“This indicator focuses on legislative scrutiny of the audited financial reports of the 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. It contains four dimensions and uses the **M2 (AV)** method for aggregating dimension scores.”

*This may also describe the institutional and organization arrangements and the legislation relevant to the subject being assessed by the indicator.*

**31.1. Timing of audit report scrutiny**

**Performance level and evidence for scoring the dimension**

*The PEFA assessment report can present the evidence used and the results of the assessment for the dimension in a summary table presenting for the last three completed fiscal years: the dates of receipt of the financial audit report and the dates of scrutiny by the legislature. A template for the summary table is provided below.*

**Table 31.1: Timing of audit report scrutiny *[Recommended table]***

|  |  |  |
| --- | --- | --- |
| **Fiscal years** | **Dates of receipt of the financial audit reports** | **Dates of scrutiny by the legislature** |
| Year 1 |  |  |
| Year 2 |  |  |
| Year 3 |  |  |

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**31.2 Hearings on audit findings**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**31.3. Recommendations on audit by legislature**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

**31.4.** **Transparency of legislative scrutiny of audit reports**

**Performance level and evidence for scoring the dimension**

“Hence, the score for the present dimension is ...” or “Based on the analysis and supporting evidence, the score for the present dimension is…”

###### **Performance change since the previous assessment, where applicable**

###### **Recent or ongoing reform activities**

1. **Conclusions of the analysis of PFM systems**

*The objective of this section is to present an integrated analysis on the basis of information provided in the preceding sections 2 and 3, and to state overall conclusions on the performance of PFM. In particular, the analysis seeks to assess the PFM performance across the seven pillars and explain how this affects the government’s ability to deliver the intended fiscal and budgetary outcomes, and to identify the main weaknesses of PFM that need to be addressed.*

*The indicative length of this section is six to ten pages.*

* 1. **Integrated assessment of PFM performance**

*This subsection summarizes key strengths and weaknesses of PFM as identified by the performance indicators in Section 3, and explains them**in terms of the overall implications for the seven pillars of PFM performance.*

*The analysis captures the interdependence between the indicators within each pillar. It also examines the links between indicators across the pillars in order to explain how performance of certain functions depends on the performance of others.*

|  |  |
| --- | --- |
| ***Indicator/dimension*** | ***Interdependence***  |
| ***Budget reliability*** |
| ***PI-1. Aggregate expenditure outturn****1.1. Aggregate expenditure outturn* |  |
| *PI-11.3; PI-14.2; PI-15.1; PI-16.1; PI-18.4; PI-21.2* |
| ***PI-2. Expenditure composition outturn*** |  |
| *2.1. Expenditure composition outturn by function* | *PI-11.3; PI-14.2; PI-15.1; PI-16.1; PI-18.4; PI-21.4* |
| *2.2. Expenditure composition outturn by economic type* | *PI-11.3; PI-14.2; PI-15.1; PI-16.1; PI-18.4; PI-21.4* |
| *2.3. Expenditure from contingency reserves* | ***PI-16.1*** |
| ***PI-3. Revenue outturn*** | *PI-19**PI-20* |
| *3.1. Aggregate revenue outturn* | ***PI-14.2; PI-15.1*** |
| *3.2. Revenue composition outturn* | ***PI-14.2; PI-15.1*** |
| ***Transparency of public finances*** |
| ***PI-4. Budget classification****4.1 Budget classification* |  |
| *PI-5: Element 4**PI-28.1* |
| ***PI-5. Budget documentation*** | *PI-9 : Element 1* |
| *5.1 Budget documentation* | *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)* |
| ***PI-6. Central government operations outside financial reports*** | *PI-29* |
| *6.1. Expenditure outside financial reports* |  |
| *6.2. Revenue outside financial reports* |  |
| *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* |  |
| ***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- 9. Public access to fiscal information*** |  |
| *9.1. Public access to fiscal information*  | *Element 1: PI-5**Element 3: PI-28**Element 5: PI-30**Element 9: PI-14.1* |
| ***Management of assets and liabilities*** |
| ***PI-10. Fiscal risk reporting*** |  |
| *10.1. Monitoring of public corporations* | *PI-12.1* |
| *10.2. Monitoring of sub-national government*  |  |
| *10.3. Contingent liabilities and other fiscal risks*  | *PI-5: Element 9**PI-12.1* |
| ***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* | *PI-5: Element 8**PI-10.1**PI-10.3* |
| *12.2. Nonfinancial asset monitoring* |  |
| *12.3. Transparency of asset disposal.* |  |
| ***PI-13. Debt management***  |  |
| *13.1. Recording and reporting of debt and guarantees* | *PI-5: Element 7* |
| *13.2. Approval of debt and guarantees* |  |
| *13.3. Debt management strategy* |  |
| ***Policy-based fiscal strategy and budgeting*** |
| ***PI-14. Macroeconomic and fiscal forecasting***  |  |
| *14.1. Macroeconomic forecasts* | *PI-5: Element 6**PI-9: Element 9* |
| *14.2. Fiscal forecasts* | *PI-16.4* |
| *14.3. Macro-fiscal sensitivity analysis* |  |
| ***PI-15. Fiscal strategy*** |  |
| *15.1. Fiscal impact of policy proposals* | *PI-5: Element 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* | *PI-5: Element 11 (for expenditure)* |
| *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* | *PI-14.2* |
| ***PI-17. Budget preparation process*** |  |
| *17.1. Budget calendar* |  |
| *17.2. Guidance on budget preparation* |  |
| *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* |  |
| ***Predictability and control in budget execution*** |
| ***PI-19. Revenue administration***  | *PI-3**PI-20* |
| *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*** | *PI-3**PI-19* |
| *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. Information on commitment ceilings* |  |
| *21.4. Significance of in-year budget adjustments* |  |
| ***PI-22. Expenditure arrears*** |  |
| *22.1. Stock of expenditure arrears* | *PI-1* |
| *22.2. Expenditure arrears monitoring* |  |
| ***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* |  |
| ***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* |  |
| *25.3. Compliance with payment rules and procedures* |  |
| ***PI-26. Internal audit*** |  |
| *26.1. Coverage of internal audit* |  |
| *26.2. Nature of audits and standards applied* |  |
| *26.3. Implementation of internal audits and reporting* |  |
| *26.4. Response to internal audits* |  |
| ***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* | *PI-4.1* |
| *28.2. Timing of in-year budget reports* |  |
| *28.3. Accuracy of in-year budget reports* |  |
| ***PI-29. Annual financial reports*** | *PI-6**PI-30.1**PI-30.2**PI-31 (all dimensions)* |
| *29.1. Completeness of annual financial reports* |  |
| *29.2. Submission of the reports for external audit* |  |
| *29.3. Accounting standards* |  |
| ***External scrutiny and audit*** |
| ***PI-30. External audit***  | *PI-9: Element 5* |
| *30.1. Audit coverage and standards* | *PI-29* |
| *30.2. Submission of audit reports to the legislature*  | *PI-29* |
| *30.3. External audit follow up* |  |
| *30.4. Supreme Audit Institution independence* |  |
| ***PI-31. Legislative scrutiny of audit reports*** |  |
| *31.1. Timing of audit report scrutiny* | *PI-29* |
| *31.2. Hearings on audit findings* | *PI-29* |
| *31.3. Recommendations on audit by the legislature* | *PI-29* |
| *31.4. Transparency of legislative scrutiny of audit reports* | *PI-29* |

*Where applicable the narrative for each pillar should highlight any improvements or deterioration in overall performance between the period being assessed and a previous assessment. It should also note any apparent links between the main strengths and weakness of the pillar and specific reform initiatives undertaken or planned. (Note: government reform initiatives are discussed further in Section 5.)*

* 1. **Effectiveness of the internal control framework**

*An effective internal control system plays a vital role across every pillar in addressing risks and providing reason- able assurance that operations meet the four control objectives: (i) operations are executed in an orderly, ethical, economical, efficient, and effective manner; (ii) accountability obligations are fulfilled; (iii) applicable laws and regulations are complied with; and (iv) resources are safeguarded against loss, misuse and damage.*

*The analysis of the internal control system should assess the extent to which it contributes to the achievement of those four control objectives, based on available information. This section should provide a unified and coherent overview of how effectively the internal control system operates. This is done by drawing on relevant findings related to the internal control arrangements and activities, and by structuring the information around the following five internal control components identified by international standards*

1. *Control environment*
2. *Risk assessment*
3. *Control activities*
4. *Information and communication*
5. *Monitoring*

*The internal control framework approach to designing and operating internal control systems is a useful tool to build an integrated assessment and to highlight areas insufficiently addressed or where irregularities or errors might be more significant. It also helps to identify whether the control system goes beyond the traditional approach focused on isolated control activities.*

*The assessment should draw on relevant documentation collected for the preceding sections of the report and conclusions leading to the scoring of the indicator set. It should build on the description of the design of internal controls (through legal, regulatory and institutional arrangements, in Section 2 of the PEFA report) as well as the individual assessment of specific control activities as covered by a significant number of performance indicators (without being exhaustive: PI-6, 8, 10, 11, 12, 13, 16, 19, 21, 22, 23, 24, 25, 27, 28 in Section 3).*

*This section should also draw on recent evaluations of the effectiveness of internal control issued by internal audit, external audit, or other external bodies to the extent that such reports exist. Reports on the functioning of internal control issued by government may equally be useful. Cross-country assessments of governance by inter- national organizations may also provide useful inputs to the assessment if they provide insight into the establishment and performance of the government’s internal control framework.*

*Detailed findings concerning the main elements of the five internal control components are summarized in a table (Annex 2) that also highlights any gaps in coverage of the control components by the assessed internal control system.*

*External oversight mechanisms contribute to monitoring of the effectiveness of the internal control system and to putting pressure on the executive to improve it. Such mechanisms include, e.g., undertaking systems audits, review of audits by the legislature, follow-up systems for the executive’s implementation of remedial measures, and providing public access to relevant reports and debates. Such activities therefore serve as reinforcement mechanisms and form part of the analysis of effectiveness of the control systems. The interaction between the external oversight and the internal control system shall therefore be considered in the analysis.*

*The analysis in this subsection also aims at reaching an impression of how internal controls contribute to addressing the risks related to achieving each of the three main fiscal and budgetary outcomes. To facilitate this analysis, assessors should consider how internal control elements of each individual indicator dimension contribute to each of the three main fiscal/budgetary outcomes.*

*The effectiveness of internal control also offers a perspective on the reliability of data obtained from government systems and therefore contributes to explaining the degree of confidence with which conclusions may be drawn on the basis of indicator assessments which rely on such data.*

* 1. **PFM strengths and weaknesses**

*This subsection analyzes the extent to which the performance of the assessed PFM system appears to be supporting or affecting the overall achievement of three important fiscal and budgetary outcomes.*

*The subsection builds on the strengths and weaknesses identified across the seven pillars of PFM performance (subsection 4.1 of the PEFA report) and the extent of effectiveness found for various internal control components (subsection 4.2 of the PEFA report). It also identifies the links between the performance of different areas of PFM and the ability to deliver the three main fiscal and budgetary outcomes. This subsection explains why the weaknesses identified in PFM performance across the seven pillars would be a concern for the government by drawing into the analysis the specific country characteristics and policy objectives that are relevant to the three main outcomes.*

*The analysis is organized along the three main fiscal and budgetary outcomes. However, the assessment does not examine the extent to which the intended outcomes are achieved, for example, whether revenue measures and expenditures incurred through the budget have their desired effect on spurring economic growth, reducing poverty, or achieving other policy objectives. Rather it assesses the extent to which the PFM system constitutes an enabling factor for achieving the planned fiscal and budgetary outcomes.*

*This analysis integrates PFM system performance measured by the performance indicators, information on relevant economic country features, the government’s fiscal policy objectives, the structure of the public sector and characteristics of the PFM (subsection 2.1 through 2.5 of the PEFA report), as well as any other factors which have an impact on PFM performance.*

*In sum, the analysis provides a story line, concluded by highlighting the three or four main weaknesses of the PFM system that appear to be the most important to address in order to support the government’s pursuit of its fiscal and budgetary objectives.*

*Results highlighted in 4.1 and 4.3 could be presented in a table combining both analysis. The table would highlight main strengths and weaknesses as identified per pillar and the impact on the ability to deliver the three budgetary outcomes. The table may be used as a basis to draw main conclusions on PFM strengths and weaknesses without going into too much detail. It is not intended to include a comprehensive list of issues and implications of indicators for each of the outcomes but is more indicative of the kinds of issues that could be important, amongst many others that may vary between locations and systems.*

**TABLE 4.3.1 : PEFA performance indicators and the three budgetary outcomes**

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/dimension** | **Aggregate fiscal discipline** | **Strategic allocation of resources** | **Efficient service delivery** |
| **Pillar one: Budget reliability**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. |
| **PI-1. Aggregate expenditure outturn** | X | Aggregate expenditure and revenue outturns and composition that deviates significantly from the approved budget undermines fiscal discipline and the ability of governments to control the total budget. |  | Reliable revenue forecasts and expenditure allocations are essential for the government to effectively and predictably allocate resources to strategic policy priorities. |  | Service delivery may be affected where large deviations from planned expenditure result in the contraction or suspension of services. |
| **PI-2. Expenditure composition outturn** |  | X | X |
| **PI-3. Revenue outturn** | X |  |  |
| **Pillar two: Transparency of public finances.** Information on PFM 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. |
| **PI-4. Budget classification** |  | A robust classification system and comprehensive and publicly available annual budget documentation enables budget decisions, transactions and the performance of service delivery programs to be monitored throughout the budget’s formulation, execution, and reporting cycle which is essential for providing the executive and legislature a complete picture of central government public finances. | X | Transparent and comprehensive budget management information, including the performance of service delivery programs, strengthens accountability of government for budget allocation decisions, including transfers to lower levels of government, that are consistent with the country’s social and economic priorities.  |  | Transparent Information on the structure of the budget, the resources available to, and the performance of service delivery units enables government and communities to monitor the efficiency of service delivery.  |
| **PI-5. Budget documentation** |  | X |  |
| **PI-6. Central government operations outside financial reports** | X | X |  |
| **PI-7. Transfers to subnational governments** |  | X | X |
| **PI-8**. **Performance information for service delivery** |  |  | X |
| **PI- 9. Public access to fiscal information** |  |  | X |
| **Pillar three: Management of assets and liabilities.** Effective management of assets and liabilities 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. |
| **PI-10. Fiscal risk reporting** | X | Failure to adequately monitor, report, and manage fiscal risks can undermine fiscal discipline. The efficient and effective management of public investment resources requires careful analysis to prioritize investment expenditure (and their future recurrent costs) within sustainable fiscal limits.The size and management of government assets and liabilities (in particular debt and guarantee obligations) can have a substantial impact on a country’s capacity to maintain fiscal discipline.The size and management of debt and guarantee obligations can have a substantial impact on a country’s capacity to maintain fiscal discipline. |  | The effectiveness and efficiency of public investment is a key determinant in maximizing its impact and helping to support government’s social and economic development objectives.Failure to monitor and manage financial liabilities may create unnecessarily high debt service costs diverting resources from the government’s social and economic priorities. |  | Sound public investment management promotes operational efficiency by supporting projects and programs that deliver outputs and outcomes in a cost-efficient manner.Information on assets not used or needed, allows government timely decisions on whether it is more efficient to transfer them to other users or exchange for different assets of greater value for more efficient service delivery. |
| **PI-11. Public investment management** | X | X |  |
| **PI-12. Public asset management** | X |  |  |
| **PI-13. Debt management**  | X |  |  |
| **Pillar four: Policy-based fiscal strategy and budgeting.** The fiscal strategy and the budget are prepared with due regard to government fiscal policies, strategic plans, and adequate macroeconomic and fiscal projections. |
| **PI-14. Macroeconomic and fiscal forecasting**  | X | Robust and verifiable macroeconomic and fiscal projections are essential to support the development of a predictable and sustainable fiscal strategy that supports aggregate fiscal discipline.Adherence to a clear fiscal strategy ensures that budget policy decisions align with fiscal targets. Medium term budgeting supports aggregate fiscal discipline by establishing forward year estimates that provide the baseline for future budget ceilings and allocations.  |  | Robust macroeconomic and fiscal forecasts, a fiscal strategy that sets clear fiscal policy objectives, and a medium-term perspective in budgeting enable governments to more effectively plan budget allocations in accordance with priorities. An orderly budget process is necessary to provide government the information and time necessary to prioritize budget allocations among competing demands.Legislative scrutiny enables the government to be held accountable for its budget policy decisions.  |  | Medium term budgeting provides greater predictability in budget allocations that supports budget units to plan resource use more efficiently. Legislative scrutiny can highlight potential inefficiencies in resources allocated for service delivery. |
| **PI-15. Fiscal strategy** | X | X |  |
| **PI-16. Medium-term perspective in expenditure budgeting** | X | X | X |
| **PI-17. Budget preparation process** |  | X |  |
| **PI-18. Legislative scrutiny of budgets**  |  | X |  |
| **Pillar five: Predictability and control in budget execution.** The budget is implemented within a system of effective standards, processes, and internal controls, ensuring that resources are obtained and used as intended. |
| **PI-19. Revenue administration**  |  | Efficient administration and accurate recording and reporting of tax and nontax revenue collections is important to ensure all revenue is collected in accordance with relevant laws to support the government’s budget framework. Expenditure arrears can have a significant impact on fiscal discipline because they constitute a failure in controlling commitments and making payments when obligations are due.Effective expenditure and payroll controls ensure resources are used are consistent with approved allocations.  | X | A predictable revenue base and flow of resources to budget units helps ensure those priorities are implemented. Weak payroll controls can also undermine allocative efficiency if they result in unintended expansion of payroll costs (crowding out expenditures on other priorities) or unmet obligations to employees.Internal audit provides assurance that systems are operating to achieve government objectives efficiently and effectively. | X | Frequent and unpredictable in-year adjustments can undermine the efficient delivery of services. The existence of arrears can be an indication that budget allocations are insufficient to meet the service levels expected. Weak payroll controls can lead to a higher wage bill than planned resulting in higher costs per output.  A well-functioning procurement system improves the efficiency of service delivery by ensuring better value for money of government purchases.Internal audit helps identify weaknesses and inefficiencies in internal control and operations. |
| **PI-20. Accounting for revenues** |  | X | X |
| **PI-21. Predictability of in-year resource allocation** | X |  | X |
| **PI-22. Expenditure arrears** | X |  |  |
| **PI-23. Payroll controls** |  |  | X |
| **PI-24. Procurement** |  |  | X |
| **PI-25. Internal controls on non-salary expenditure** | X |  | X |
| **PI-26. Internal audit** |  |  | X |
| **Pillar six: Accounting and reporting.** Accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs. |
| **PI-27. Financial data integrity** |  | The integrity of financial data and the availability of comprehensive annual financial reports and regular in-year reporting are important to ensure that budgets are executed as intended within approved fiscal targets. |  | Reliable fiscal data and reporting on financial information is important for ensuring resources are allocated, as intended, to the government strategic priorities. | X | Reliable fiscal data and reporting on financial information is an important part of internal control and a foundation for good information for efficiently managing service delivery. |
| **PI-28. In-year budget reports** | X | X | X |
| **PI-29. Annual financial reports** |  |  | X |
|  |
| **PI-30. External audit**  |  | Reliable and extensive external audit, and legislative scrutiny of those audits provides assurance that information in financial reports is accurate. |  | Reliable and extensive external audit and legislative scrutiny ensures governments are accountable for allocating resources in accordance with the approved budget. | X | Reliable and extensive external audit and legislative scrutiny is important for identifying inefficiencies in government programs and service delivery. |
| **PI-31. Legislative scrutiny of audit reports** |  |  | X |

* 1. **Performance changes since a previous assessment**

***This section introduces a dynamic perspective on PFM performance and its impact on achieving the three fiscal/ budgetary outcomes.******It is relevant only to successive assessments that use the same framework as the previous assessment****. It draws on the description of change in performance included in the analysis of each indicator and the overview of performance changes provided in section 3 and the summary table in Annex 1, where the previous assessment used PEFA 2016. If there is no previous assessment or the previous assessment uses a difference version of the PEFA framework, annex 1 will only provide information related to the current assessment.*

*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). For comparisons with previous assessments that used a different version of PEFA a* ***supplementary annex*** *using indicators of the previous version is required as set out in the separate guidelines.*

*An assessment of how the changes since the previous assessment are likely to strengthen the ability to achieve of the three fiscal and budgetary outcomes and address the main weaknesses in this respect marks the conclusion of this subsection.*

1. **Government PFM reform process**

*This section aims to describe the overall efforts made by the government to improve PFM performance and to provide a forward-looking perspective on the factors that are likely to affect future reform planning, implementation and monitoring.*

*The indicative length of this section is three to five pages.*

* 1. **Approach to PFM reforms**

*The government’s overall approach to PFM reform is described including the existence, origins, and structure of a PFM reform program or any alternative approach used such as several parallel, independent, or institution-specific reform and capacity development initiatives.*

*It describes how the PFM reform program is linked to the overall policy and planning of government reforms, for example, through an overall national development plan, strategic planning arrangements, medium-term expenditure frameworks, etc. Relationships with other administrative reforms of the public sector are highlighted, including technical links and interdependencies, as well as planning and management coordination.*

*Any recent external reviews or independent evaluations of the PFM reform program(s) are mentioned, including their main conclusions.*

* 1. **Recent and on-going reform actions**

*The most important recent and ongoing reforms are briefly summarized to give an overview of the progress made by government in strengthening the PFM system. The report shall provide a relevant summary of key objectives and expected outcomes of the reform program(s).*

*This subsection highlights the extent to which ongoing reforms are targeting the PFM areas with the most important weaknesses identified in section 4 of the report.*

* 1. **Institutional considerations**

*This part of the report provides a* ***forward-looking*** *perspective of the extent to which institutional factors are likely to support the reform planning and implementation process.*

*The following identifies several factors that are likely to be relevant in supporting an effective reform process in many country contexts. In each case, this part of the PEFA report takes into account recent and ongoing reform experiences and identifies, where appropriate, any other country specific factors in addition to those suggested below.*

* **Government leadership and ownership**

*Government ownership is likely to contribute to a more effective PFM reform process by setting the objectives, direction, and pace of reforms, clarifying organizational responsibilities for the reform process, and addressing, in a timely manner, any resistance to change. Consideration may be given to the specific drivers or incentives for administrative reform, for example, based on information from section 2.1. Other drivers could include the extent of political engagement in the reform process, whether the government articulates a compelling case for PFM reforms, the dissemination of the government vision in public documents such as national development programs, specific PFM strategy or action plans, and the provision of resources by government for PFM reforms. Cross reference to information on whether the reform process is progressing according to government plans may be included.*

* **Coordination across government**

*Coordination is likely to contribute to a more prioritized and sequenced reform agenda, as existing capacities of different entities and levels of government are taken into account in planning and implementing reforms. In assessing the extent to which arrangements for coordination are in place, consideration may be given to the contribution of relevant entities, especially line ministries, which are associated in the reform decision making process. Consideration may also be given to the existence of mechanisms to ensure timely decision-making especially for cross-cutting reforms, the clarity of roles and responsibilities in the implementation of reforms, and the existence of a focal point in government for coordination of donors in relation to PFM reforms. Involving the legislature and the external audit unit in the PFM reform process may also be considered, where relevant.*

* **A sustainable reform process**

*Sustainability is likely to influence the impact of PFM reforms. The extent to which such a process is supported by existing arrangements should be considered. In this context, the report could examine the contribution of government experts or technical assistance, whether reforms are being associated with comprehensive capacity development programs, and retention of trained staff. Any information on funding of the recurrent costs resulting from the implementation of reforms may also be included.*

* **Transparency of the PFM program**

*Transparency is important for setting expectations and soliciting contributions and collaboration from various stakeholders. The report describes transparency in terms of reform program documents being publicly accessible and the program’s financing fully reflected in the government’s budget documentation ex-ante and ex-post.*

*The assessment of those institutional factors is as factual as possible and does not rely on government plans or commitments. The report includes observations on the situation but does not make explicit recommendations for the reform program of the government. It does not make a judgment as to whether the government reform program addresses the right PFM weaknesses or whether the proposed reform measures are adequate.*

**Annex 1: Performance indicator summary**

*This annex provides a summary table of the performance at indicator and dimension level. The table specifies the scores with a brief explanation for the scoring for each indicator and dimension of the current and previous assessment. It also includes columns to capture scores from a previous assessment where the PEFA 2016 methodology was applied. However, annex 1 cannot be used to compare scores with a previous assessment that used the 2005 or 2011 versions of the framework. Tracking performance changes in these circumstances will require assessors to complete a supplementary annex (See Annex 4: Tracking changes in performance based on previous versions of PEFA). The supplementary annex should be prepared in compliance with the* [*Guidance on reporting performance changes in PEFA 2016 from previous assessments that applied PEFA 2005 or PEFA 2011*](https://pefa.org/sites/default/files/Guidance%20on%20performance%20changes%20from%202011%20or%202005%20versions%20in%20PEFA%202016%20FINAL%20edited_0.pdf) *at www.pefa.org.)*

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

**Annex 2: Summary of observations on the internal control framework**

|  |  |
| --- | --- |
| **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)
 |  |
| * 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)
 |  |
| * 1. Controls over access to resources and records
 |  |
| * 1. Verifications
 |  |
| * 1. Reconciliations
 |  |
| * 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** |
| **5. Monitoring** |
| * 1. Ongoing monitoring
 |  |
| * 1. Evaluations
 |  |
| * 1. Management responses
 |  |

**Template Annex 3: Sources of information by indicator**

**Annex 3: Sources of information**

**Annex 3A: Related surveys and analytical work**

| **No** | **Institution**  | **Document title**  | **Date**  | **Link**  |
| --- | --- | --- | --- | --- |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |

**Annex 3B: List of people interviewed**

| No | **Institution**  | **Department**  | **Person**  |  **Position** |
| --- | --- | --- | --- | --- |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 3  |  |  |  |  |
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**Annex 3C: Sources of information used to extract evidence for scoring each indicator**

|  |  |
| --- | --- |
| **Indicator/dimension** | **Data Sources**  |
| **Budget reliability** |
| **PI-1. Aggregate expenditure outturn**1.1. Aggregate expenditure outturn |  |
| **PI-2. Expenditure composition outturn** |  |
| 2.1. Expenditure composition outturn by function |
| 2.2. Expenditure composition outturn by economic type |
| 2.3. Expenditure from contingency reserves |
| **PI-3. Revenue outturn** |  |
| 3.1. Aggregate revenue outturn |
| 3.2. Revenue composition outturn |
| **Transparency of public finances** |
| **PI-4. Budget classification**4.1 Budget classification |  |
| **PI-5. Budget documentation**5.1 Budget documentation |  |
| **PI-6. Central government operations outside financial reports** |  |
| 6.1. Expenditure outside financial reports |
| 6.2. Revenue outside financial reports |
| 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 |
| **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- 9. Public access to fiscal information** |  |
| 9.1. Public access to fiscal information  |
| **Management of assets and liabilities** |
| **PI-10. Fiscal risk reporting** |  |
| 10.1. Monitoring of public corporations |
| 10.2. Monitoring of sub-national government  |
| 10.3. Contingent liabilities and other fiscal risks  |
| **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 |
| 12.2. Nonfinancial asset monitoring |
| 12.3. Transparency of asset disposal. |
| **PI-13. Debt management**  |  |
| 13.1. Recording and reporting of debt and guarantees |
| 13.2. Approval of debt and guarantees |
| 13.3. Debt management strategy |
| **Policy-based fiscal strategy and budgeting** |
| **PI-14. Macroeconomic and fiscal forecasting**  |  |
| 14.1. Macroeconomic forecasts |
| 14.2. Fiscal forecasts |
| 14.3. Macro-fiscal sensitivity analysis |
| **PI-15. Fiscal strategy** |  |
| 15.1. Fiscal impact of policy proposals |
| 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 |
| 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 |
| **PI-17. Budget preparation process** |  |
| 17.1. Budget calendar |
| 17.2. Guidance on budget preparation |
| 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 |
| **Predictability and control in budget execution** |
| **PI-19. Revenue administration**  |  |
| 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** |  |
| 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. Information on commitment ceilings |
| 21.4. Significance of in-year budget adjustments |
| **PI-22. Expenditure arrears** |  |
| 22.1. Stock of expenditure arrears |
| 22.2. Expenditure arrears monitoring |
| **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 |
| **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 |
| 25.3. Compliance with payment rules and procedures |
| **PI-26. Internal audit** |  |
| 26.1. Coverage of internal audit |
| 26.2. Nature of audits and standards applied |
| 26.3. Implementation of internal audits and reporting |
| 26.4. Response to internal audits |
| **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 |
| 28.2. Timing of in-year budget reports |
| 28.3. Accuracy of in-year budget reports |
| **PI-29. Annual financial reports** |  |
| 29.1. Completeness of annual financial reports |
| 29.2. Submission of the reports for external audit |
| 29.3. Accounting standards |
| **External scrutiny and audit** |
| **PI-30. External audit**  |  |
| 30.1. Audit coverage and standards |
| 30.2. Submission of audit reports to the legislature  |
| 30.3. External audit follow up |
| 30.4. Supreme Audit Institution independence |
| **PI-31. Legislative scrutiny of audit reports** |  |
| 31.1. Timing of audit report scrutiny |
| 31.2. Hearings on audit findings |
| 31.3. Recommendations on audit by the legislature |
| 31.4. Transparency of legislative scrutiny of audit reports |

**Annex 4: Tracking change in performance based on previous versions of PEFA**

*This annex provides a summary table of the performance at indicator and dimension level. The table specifies the scores with a brief explanation for the scoring for each indicator and dimension of the current and previous assessment. This annex should present comparisons with previous assessments that used the 2005 or 2011 versions of the framework and should be prepared in compliance with the Guidance on reporting performance changes in PEFA 2016 from previous assessments that applied PEFA 2005 or PEFA 2011 at www.pefa.org.*

| **Indicator/Dimension** | **Score previous assessment** | **Score current assessment** | **Description of requirements met in current assessment** | **Explanation of change (include comparability issues)** |
| --- | --- | --- | --- | --- |
| **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 |  |  |  |  |
| 1. Extent of the variance in expenditure composition during the last three years, excluding contingency items
 |  |  |  |  |
| 1. The average amount of expenditure actually charged to the contingency vote over the last three years.
 |  |  |  |  |
| 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. KEY CROSS-CUTTING ISSUES: 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 Sub-national Governments
 |  |  |  |  |
| 1. Timeliness and reliable information to SN Governments 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 SN government’s fiscal position
 |  |  |  |  |
| PI-10 Public access to key fiscal information |  |  |  |  |
| **C. BUDGET CYCLE**  |
| ***C(i) 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. Multiyear 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(ii) 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. Transparency, comprehensiveness and competition in the legal and regulatory framework.
 |  |  |  |  |
| 1. Use of competitive procurement methods
 |  |  |  |  |
| 1. Public access to complete, reliable and timely procurement information
 |  |  |  |  |
| 1. Existence of an independent administrative procurement complaints system
 |  |  |  |  |
| 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 function.
 |  |  |  |  |
| ***C(iii) 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(iv) 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 5: Calculations for PI-1, PI-2 and PI-3**

*Templates with* ***automated calculations*** *are available at* [*www.pefa.org*](http://www.pefa.org) *INSERT UPDATED LINK*

|  |  |
| --- | --- |
| **Calculation Sheet for Dimensions PI-1.1, PI-2.1 and PI-2.3** |  |
| Step 1: Enter the three fiscal years used for assessment in table 1. |  |
| Step 2: Enter the **administrative** OR **functional** head for up to 20 heads.  |  |  |  |  |  |
|  The 21st line will be the sum of figures for all remaining heads (if any). |  |  |  |  |
| Step 3: Enter **budget** and **actual** expenditure data for each of the three years in tables 2, 3, and 4 respectively. |
| Step 4: Enter **contingency** data for each of the three years in tables 2, 3, and 4 respectively. |
| Step 5: Read the results for each of the three years for each indicator in table 5. |
| Step 6: Refer to the scoring tables for indicators PI-1 and PI-2 respectively in the Performance Measurement Framework in order to decide the score for each indicator. |
|  |  |  |  |  |  |  |  |  |
| **Table 1 - Fiscal years for assessment** |  |  |  |  |  |  |  |  |
| Year 1 = |   |  |  |  |  |  |  |  |
| Year 2 = |   |  |  |  |  |  |  |  |
| Year 3 = |   |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 2** |  |  |  |  |  |  |
| **Data for year =**  | **0** |  |   |   |   |   |
| administrative or functional head | **budget** | **actual** | adjusted budget | deviation | absolute deviation | percent |
| 1 |   |   |  |  |  |  |
| 2 |   |   |  |  |  |  |
| 3 |   |   |  |  |  |  |
| 4 |   |   |  |  |  |  |
| 5 |   |   |  |  |  |  |
| 6 |   |   |  |  |  |  |
| 7 |   |   |  |  |  |  |
| 8 |   |   |  |  |  |  |
| 9 |   |   |  |  |  |  |
| 10 |   |   |  |  |  |  |
| 11 |   |   |  |  |  |  |
| 12 |   |   |  |  |  |  |
| 13 |   |   |  |  |  |  |
| 14 |   |   |  |  |  |  |
| 15 |   |   |  |  |  |  |
| 16 |   |   |  |  |  |  |
| 17 |   |   |  |  |  |  |
| 18 |   |   |  |  |  |  |
| 19 |   |   |  |  |  |  |
| 20 |   |   |  |  |  |  |
| 21 (= sum of rest) |   |   |  |  |  |  |
| allocated expenditure | 0 | 0 |  |  |  |   |
| interests |   |   |  |  |  |   |
| contingency |   |   |  |  |  |   |
| total expenditure | 0 | 0 |  |  |  |  |
| aggregate outturn (PI-1) |  |   |  |  |  |  |
| composition (PI-2) variance |  |  |  |  |   |  |
| contingency share of budget |  |  |  |  |  |  |

**Table 3 and 4 are the exact same as Table 2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 5 - Results Matrix** |  |  |  |  |  |
|   | for PI-1.1 | for PI-2.1 | for PI-2.3 |
| year | total exp. Outturn | composition variance | contingency share |
| 0 |  |  |  |
| 0 |  |  |
| 0 |  |  |

|  |
| --- |
| **Calculation Sheet for Expenditure by Economic Classification Variance PI-2.2** |
| Step 1: Enter the three fiscal years used for assessment in table 1. |
| Step 2: Enter **budget** and **actual** expenditure data for each of the three years in tables 2, 3, and 4 respectively. |  |  |  |  |  |  |  |
| Step 3: Read the results for each of the three years for each indicator in table 5. |  |  |  |
|  |  |  |  |  |  |  |  |
| **Table 1 - Fiscal years for assessment** |  |  |  |  |  |  |  |
| Year 1 = |   |  |  |  |  |  |  |
| Year 2 = |   |  |  |  |  |  |  |
| Year 3 = |   |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 2** |  |  |  |  |  |  |
| **Data for year =**  | **0** |  |   |   |   |   |
| Economic head | **budget** | **actual** | adjusted budget | deviation | absolute deviation | percent |
| Compensation of employees |   |   |  |  |  |  |
| Use of goods and services |   |   |  |  |  |  |
| Consumption of fixed capital |   |   |  |  |  |  |
| Interest |   |   |  |  |  |  |
| Subsidies |   |   |  |  |  |  |
| Grants |   |   |  |  |  |  |
| Social benefits |   |   |  |  |  |  |
| Other expenses |   |   |  |  |  |  |
| **Total expenditure** | 0 | 0 |  |  |  |  |
|   |  |   |  |  |  |   |
| composition variance |  |  |   |   |   |  |

**Table 3 and 4 are the exact same as Table 2**

|  |
| --- |
| **Table 5 - Results Matrix** |
|   |   |
| Year | composition variance |
|  |  |
|  |  |
|  |  |

|  |
| --- |
| **Calculation Sheet for Revenue outturn (Oct 2018)** |
| Step 1: Enter the three fiscal years used for assessment in table 1. |  |
| Step 2: Enter **budget** and **actual** revenue data for each of the three years in tables 2, 3, and 4 respectively. |
| Step 3: Read the results for each of the three years for each dimension in table 5. |
|  |  |  |  |  |  |  |
| **Table 1 - Fiscal years for assessment** |  |  |  |  |  |  |
| Year 1 = |   |  |  |  |  |  |
| Year 2 = |   |  |  |  |  |  |
| Year 3 = |   |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 2** |  |  |  |  |  |  |
| **Data for year =**  |  |  |   |   |   |   |
| Economic head | **budget** | **actual** | adjusted budget | deviation | absolute deviation | percent |
| Tax revenues |
| Taxes on income, profit and capital gains |   |   |  |  |  |  |
| Taxes on payroll and workforce |   |   |  |  |  |  |
| Taxes on property |   |   |  |  |  |  |
| Taxes on goods and services |   |   |  |  |  |  |
| Taxes on international trade and transactions |   |   |  |  |  |  |
| Other taxes |   |   |  |  |  |  |
| Social contributions |
| Social security contributions |   |   |  |  |  |  |
| Other social contributions |   |   |  |  |  |  |
| Grants |
| Grants from foreign governments |   |   |  |  |  |  |
| Grants from international organizations |   |   |  |  |  |  |
| Grants from other government units |   |   |  |  |  |  |
| Other revenue |
| Property income |   |   |  |  |  |  |
| Sales of goods and services |   |   |  |  |  |  |
| Fines, penalties and forfeits |   |   |  |  |  |  |
| Transfers not elsewhere classified |   |   |  |  |  |  |
| Premiums, fees, and claims related to nonlife insurance and standardized guarantee schemes |   |   |  |  |  |  |
| Sum of rest |   |   |  |  |  |  |
| **Total revenue** | 0 | 0 |  |  |  |   |
| overall variance |  |   |  |  |  |  |
| composition variance |  |  |   |   |   |  |

**Table 3 and 4 are the exact same as Table 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 5 - Results Matrix** |  |  |  |
|   |   |   |
| year | total revenue deviation | composition variance |
| 0 |  |  |
| 0 |  |  |
| 0 |  |  |

1. International Organization of Supreme Audit Institutions, “Guidelines for Internal Control Standards for the Public Sector” (INTOSAI GOV 9100). [↑](#footnote-ref-1)
2. As described under PI-19 to determine the materiality [↑](#footnote-ref-2)
3. As described under PI-1 [↑](#footnote-ref-3)
4. This may be a consolidated financial report or a list of financial reports from all individual BCG units. [↑](#footnote-ref-4)