

Tool for Determining the Level of Development and Use of PFM Systems (GUS) - Inter-American Development Bank



Objective and features

1. Objective

GUS aims to measure the level of development against the five key pillars or subsystems of PFM systems in IADB member countries.

2. Institutional coverage

National and subnational governments (IADB member countries).

3. Technical coverage

GUS includes (1) fiscal framework and policy, (2) budget management, (3) expenditure management, (4) treasury and cash management, (5) revenue management and tax administration, (6) accounting and reporting, and (7) external audit and scrutiny.

4. Application method

Custodian. While there have been some cases of self-assessment, this is not a standard practice.



Methodology

5. Methodology

GUS is made up of five pillars, namely, budget, treasury, accounting and reporting, internal audit, and external audit. These are divided into indicators and sub-indicators. The scope of GUS is defined at the start of each assessment and consequently can focus on a combination of the pillars based on the scope.

6. Benchmarking system

Benchmarking with scoring system. Each indicator and sub-indicator are scored from 0 to 3.

7. Linkage to PEFA framework

Based on the pillars covered, GUS has linkages to almost all aspects of the PEFA framework.

8. Complementarity with PEFA framework

GUS has links with all seven PEFA pillars. IADB takes PEFA indicators into consideration when carrying out GUS assessments. GUS is carried out with the specific aim of validating and informing IADB's project financing decisions.



Development and use

9. Development and coordination

GUS was developed in 2009 and revised in 2012. IADB is currently in the process of updating GUS, with the intention of automating the data collection process for the assessment.

10. Assessment management

GUS is carried out by IADB in coordination with the government. IADB establishes the need for an assessment, then coordinates with the government to conduct it. Typically, IADB procures an external consultant who helps in managing the assessment. At the inception phase of an assessment, IADB works with the government to decide who will participate in and review the assessment. This can include multilateral development banks and the government. In addition, there is a peer review system in place involving teams in other IADB country offices.

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

The tool is used for IADB's internal purposes - to measure the level of development of PFM systems in IADB members.

12. Sequencing with other tools

The assessors should consult recent PEFA (AO1) assessments. Findings should be taken into consideration before deciding whether a GUS is required.

13. PFM capacity building

The assessment provides recommendations, and IADB supports the governments in putting together an action plan to help implement them. However, the government ultimately decides the recommendations and actions that it wants to focus on.

14. Tracking of changes and frequency of assessments

IADB monitors development between assessments using its internal central repository for all assessment reports. Recommended frequency is every five years.

15. Resource requirements

It costs between US\$20,000 and \$30,000 for carrying out an assessment covering all pillars. Costs increase if there is a need to do a deep dive into one of the pillars. A standard assessment that covers all five pillars typically takes one to two months.



Transparency

16. Access to methodology

Methodology is not publicly available since the tool is used for internal purposes only. The user guide is not publicly available, although access is provided to external consultants carrying out an assessment on behalf of IADB and other relevant stakeholders.

17. Access to assessment results

IADB maintains an internal repository. Results from the assessment are also shared with relevant government authorities but it is the discretion of the governments to publish the reports.