



Aligning assessments based on the PEFA 2015 Testing Version with PEFA 2016

Background and purpose

1. The development of an upgraded Public Expenditure and Financial Accountability (PEFA) Framework in 2016 benefited significantly from assessments that used the 2015 Testing Version. Many of the amendments seen in PEFA 2016 are directly attributable to the lessons learned and valuable feedback received from assessments conducted in 2015. Users recognized the possibility that there would be differences between the Testing Version and the final PEFA Framework approved by the PEFA Steering Committee following testing, and indeed there have been refinements.

2. With the release of the upgraded PEFA Framework on February 1, 2016, users of the Testing Version will need to decide whether to refine their assessments to comply with PEFA 2016, in light of the improvements that have been made. This guidance provides details on how Testing Version assessments can be aligned with PEFA 2016.

Differences between PEFA 2016 and the Testing Version

PEFA indicators (PIs)

3. PEFA 2016 has 31 indicators and 94 dimensions, compared with 30 indicators and 90 dimensions in the Testing Version. The additional PEFA 2016 indicator, *PI-22: Expenditure Arrears*, was created by expanding the Testing Version's dimension 13.4 into a separate indicator with two dimensions. Other refinements to the Testing Version indicators relate to PIs 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 19, 20, 25, and 26. The refinements range from the minor simplification of dimensions to substantial revisions of entire indicators. Dimension calibrations have also been updated to remove negative references, and terminology has been aligned with the IMF Government Finance Statistics Manual 2014.

4. Notwithstanding these changes, 50 percent of the dimensions remain largely unchanged and do not require reassessment under PEFA 2016. A further 25 percent of dimensions can be reassessed using the same data as the Testing Version. Additional data are required to assess or reassess scores for 25 percent of the dimensions (and relevant indicators).

5. Annex A highlights the differences between PEFA 2016 and the Testing Version, including changes to the description or scope of indicators and dimensions. The annex identifies changes in data requirements and/or their calibration, and recommends ways that users might best align the scoring of previous dimensions and indicators with PEFA 2016.

PEFA assessment report format

6. Refinements to guidance on the format of assessment reports include additional economic and fiscal tables, a new annex summarizing findings on internal controls, and minor changes to headings and the overall structure. Annex B identifies changes to the scope and data requirements for the PEFA report as well as recommendations on how to update previous reports to reflect the recommendations of PEFA 2016.

Upgrading to PEFA 2016

7. The options for aligning Testing Version assessments with the report format provided in the PEFA 2016 Framework document depends on whether or not the reports have been finalized:

- **If reports have not been finalized**, assessors may revise the draft report to reflect the indicators, dimensions, and report formatting suggestions of PEFA 2016.
- **If reports have been finalized**, an addendum containing an updated PI summary may be attached to the original report. This would include a brief explanation and/or description of the requirements met.

To qualify for the PEFA Check¹, amendments or an addendum must be reviewed by at least four peer reviewers, preferably those who also reviewed the report. If a report using the testing version has already received a PEFA Check then the amendments or addendum need only be reviewed by the PEFA Secretariat, although teams are encouraged to involve other reviewers where practical.

8. The PEFA Secretariat estimates that aligning earlier reports with PEFA 2016 will require between five and ten days (for an individual assessor), a figure that might vary depending on country circumstances.

9. Countries that have prepared PEFA assessments using the Testing Version are strongly encouraged to update their reports (and tables) using the option that is most appropriate to their circumstances. Updating scores will ensure their comparability with future assessments based on PEFA 2016.

10. The PEFA Secretariat considers the alignment of Testing Version assessments with PEFA 2016 to be a high-priority task and welcomes enquiries about how best to achieve alignment in assessors' specific contexts.

¹ PEFA Check is a mechanism for confirming the adequacy of quality assurance processes in planning and implementing a PEFA assessment. Details of the PEFA Check process are provided on the PEFA website.

Annex A. Aligning Testing Version indicators with PEFA 2016 – additional data requirements and calibration differences

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
1. Aggregate expenditure outturn	1. Aggregate expenditure outturn compared to original approved budget	Shortened indicator and dimension titles. No change in scope.	Same data.	Expenditure assigned to suspense accounts is no longer included in the aggregate, unless there are specific reasons (which must be clearly stated in the PEFA report).	No reassessment required unless there is significant expenditure assigned to suspense accounts.
2. Expenditure composition outturn	2. Composition of expenditure outturn compared to original approved budget	Shortened indicator and dimension titles. No change in scope.	Same data.	No change.	No reassessment required.
3. Revenue outturn	3. Aggregate revenue outturn compared to original approved budget	Scope broadened to include composition, moved from 15.3. Title shortened.			Recalculation of global score required. Move previous 15.3 to new dimension 3.2. Apply M2 (AV).
3.1. Aggregate revenue outturn	3.1. Actual revenue compared with the forecasted estimate approved in the budget	Shortened title. No change in scope.	Same data.	No change.	No reassessment required.
3.2. Revenue composition outturn	15.3. Extent of variance in revenue composition over the previous three years	Dimension moved from previous 15.3.	Same data (as previous 15.3).	No change (as previous 15.3).	No reassessment required. However, score and narrative will move here.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
4. Budget classification	4. Classification of the budget	Scope unchanged. Title shortened.			
4.1. Budget classification	4.1. Extent to which the classification system used to formulate, execute, and report the central government's budget is consistent with international standards	Scope unchanged. Title shortened. Terminology clarified.	Same data.	Minor revisions to wording.	No reassessment required.
5. Budget documentation	5. Comprehensiveness of information included in budget documentation	Scope unchanged. Title changed.	Same data.	Flexibility in number of basic elements for "B" and "C" scores from "all" to "at least 3."	Reassess using existing data and revised calibration.
6. Central government operations outside financial reports	6. Extent of reporting of extra-budgetary operations (EBOs)	Subject and scope unchanged. Indicator title revised.	Reference to AGAs and PEs removed to align with GFS.		Reassess to reflect any changes in 6.1 and 6.2.
6.1. Expenditure outside financial reports	6.1. The level of EBOs (revenue and expenditure) that is unreported, i.e., not included in ex ante and ex post fiscal reports	Simplified dimension titles. Scope narrowed to focus on annual financial reports.	No longer requires review of ex-ante reports.	Separate dimensions for expenditure and revenue. Minor wording revisions. Negative terminology eliminated.	Reassess expenditure and revenue separately based on annual (ex-post) financial reports.
6.2. Revenue outside financial reports					
6.3. Financial reports of extra-budgetary units	6.2. The details of income, expenditure, and financing information on reported	Simplified dimension title.	Minor changes only.	Reference to "ex ante" report eliminated. Calibration based on number of EBUs	Reassess based on extent and timing of submission of financial reports.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
	EBOs (not applicable if EBOs constitute less than 1% of total budgetary expenditure)	Scope narrowed to annual financial reports. Terminology aligned with GFS (i.e., EBUs; reference to AGAs and PEs eliminated).	No longer requires review of ex ante reports. Information on timing of EBU financial reports now required. Table 6 amended and simplified.	submitting financial reports (all, most, majority) and time frame of submission (within three months, six months, or nine months).	
7. Transfers to subnational governments	7. Transparency of intergovernmental fiscal relations	Scope of indicator narrowed. Title changed. Dimension 7.3 removed to eliminate overlap with indicator 10.	Reduced data requirements.	Now two dimensions instead of three.	Reassess overall indicator based on two dimensions.
7.1. System for allocating transfers	7.1. Transparent and rules-based systems in the horizontal allocation among SNGs of transfers from central government	Simplified title. No other change.	Same data.	Minor adjustment in calibration of “B” and “C” regarding level of budget allocations determined by transparent rules.	Reassess using revised calibration for “B” and “C.”
7.2. Timeliness of information on transfers	7.2. Timeliness of reliable information given to SNGs on their allocations from central government for the coming year	Simplified title. No other change.	Same data.	No change.	No reassessment required.
	7.3. Extent to which consolidated fiscal data are collected and reported for general government	Dimension 7.3 removed to eliminate overlap with indicator 10.	NA	NA	Delete 7.3 score and narrative. Incorporate relevant information under 10.2.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
8. Performance information for service delivery	8. Performance information for achieving efficiency in service delivery	Subject and scope unchanged. Indicator title shortened.	Some additional data required.	Changes to calibration.	Reassess.
8.1. Performance plans for service delivery	8.1. Disclosure, within budget documentation, of key performance indicators and targets for service delivery	Minor change to nomenclature. Emphasis on “planned” performance rather than “targets.”	Additional data required. Measurement broadened to include indicators of outcomes as well as outputs. Performance information disaggregated by the program or function required, if available.	Assessment of “service delivery function” replaced with “ministry.” Calibration changed to reflect standardized progression (all, most, majority of ministries), indicator type (output, outcome, activity), and level of disaggregation (program or function, ministry).	Reassess using additional data and new calibration.
8.2. Performance achieved for service delivery	8.2. Disclosure, within budget documentation, year-end reports, or other public documents, of data on the performance results achieved by service delivery functions	Subject and scope unchanged. Dimension title shortened.	Same data. However, requires greater specification of data, i.e., “outputs” and “outcomes” rather than “performance results.”	Assessment of “service delivery function” replaced with “ministry.” Calibration changed based on coverage (all, most, majority of ministries), indicator type (output, outcome, activity), and level of disaggregation (program or function, ministry).	Reassess existing data based on revised terminology and new calibration.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
8.3. Resources received by service delivery units	8.3. Monitoring of resources received by service delivery units	Change of scope of dimension from a “system” that “monitors” resources being received, to actual data collected and recorded by one or two large ministries.	Additional data required on actual resources received by one or two large ministries.	Calibration based on availability and frequency of data collection.	Reassess using new data and calibration.
8.4. Performance evaluation for service delivery	8.4. Content and coverage of independent performance evaluations	No change in scope. Minor changes in wording.	Same data.	The requirement for “independent” evaluation now only applies for a score of “A.”	Reassess using existing data and revised calibration for “B” and “C” score.
9. Public access to information	9. Public access to key fiscal information	No change in scope.	Increase in basic elements to include annual budget execution report.	Flexibility established in the number of basic elements for “B” and “C” scores from “all” to “at least 4.”	Reassess using expanded data and revised calibration for “B” and “C” score.
10. Fiscal risk reporting	10. Fiscal risk management	Change of title, scope, and coverage.	Additional data.	Changes to calibration across dimensions.	Reassess.
10.1. Monitoring of public corporations	10.1. Extent of central government monitoring of AGAs and PEs	Reference to AGAs and PEs eliminated to align terminology with GFS. Scope limited to public corporations.	Same data. However, will require clarification of coverage (i.e., only public corporations).	Timing of publication of audited financial statements added to calibration.	Reassess using existing data, revised terminology, and calibration.
10.2. Monitoring of subnational governments (SNGs)	10.2. Extent of central government monitoring of SNGs’ fiscal position	Greater focus on financial reports. Duplication with indicator 7 eliminated by deleting 7.3.	Additional data required on audited financial reports of SNGs.	Calibration now based on availability and timing of audited or unaudited financial reports.	Reassess based on availability and timeliness of financial reports.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
10.3. Contingent liabilities and other fiscal risks	10.3. Extent of central government monitoring of explicit contingent liabilities from central government programs and projects	Scope unchanged but wording clarified. Narrative requires qualitative assessment of implicit contingent liabilities.	Additional data required for narrative on major <i>implicit</i> contingent liabilities.	Changes to wording but progression broadly similar.	Reassess using existing data. Narrative requires information on implicit contingent liabilities.
11. Public investment management	11. Public investment management	Title unchanged. Scope expanded to four dimensions.	Additional data.		Reassess. Apply M2 (AV) as before.
11.1. Economic analysis of investment proposals	11.1. Objective economic analysis	Wording revised. Scope unchanged.	Same data.	“B” and “C” scores amended to reflect coverage across CG rather than five largest ministries.	Reassess using existing data and revised calibration.
11.2. Investment project selection		New dimension.	Additional data on selection procedures for major investment projects.		Assessment of new dimension required.
11.3. Investment project costing	11.2. Costing over the project life cycle	Revised title. Focus on actual costs rather than regulations/guidelines.	Same data.	Progression revised based on extent of life-cycle cost projections undertaken.	Reassess using existing data and revised calibration.
11.4. Investment project monitoring	11.3. Project monitoring and reporting	Revised title and wording. Scope unchanged.	Same data.	Reference to databases removed. Progression based on procedures and availability of information, rather than databases.	Reassess using existing data and revised calibration.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
12. Public asset management	12. Public asset management	Changes in scope.	Additional data required.		Reassess.
12.1. Financial asset monitoring	12.1. Quality of central government financial asset monitoring	Revised title and wording. Scope unchanged.	Same data but a requirement for the value of financial assets has been clarified.	Simplified wording. Requirement for “C” score reduced, since reporting has been removed.	Reassess using existing data and revised calibration.
12.2. Nonfinancial asset monitoring	12.2. Quality of central government nonfinancial asset monitoring	Scope broadened to include land and subsoil assets.	Additional data required. Greater specificity on age of assets, subsoil assets, publication.	Revised progression based on greater specificity of data.	Reassess using revised data and calibration.
12.3. Transparency of asset disposal	12.3. Transparency in the sale, transfer, and disposal of nonfinancial assets and usage rights	Shorter title. Revised wording. Scope unchanged.	Same data. Reference to weapons systems removed.	Revised wording.	Reassess using existing data and revised calibration.
13. Debt management	13. Management and reporting of debt and expenditure arrears	Revised to more closely align with DeMPA. (Some differences remain.)	Additional data.	Significant changes in calibration across dimensions.	Reassess based on additional data and revised calibration.
13.1. Recording and reporting of debt and guarantees	13.1. Domestic and foreign debt data recording and reporting	Scope unchanged. Title amended.	Same data.	Some changes to calibration for scores “B” and “C.”	Reassess using existing data and new calibration.
13.2. Approval of debt and guarantees	13.2. Systems for contracting loans and issuance of guarantees	Revised title. Changes to scope.	Additional data required on legislation (primary and secondary) and authorizing entity.	Major revisions relating to legislation and monitoring.	Reassess based on revised dimension and calibration.
13.3. Debt management strategy	13.3. Preparation of a debt-management strategy	Scope unchanged. Wording revised.	Same data.	Calibration changed in terms of timing and content.	Reassess using existing data and new calibration.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
				Score "A" requirements now include annual reporting against debt-management objectives to legislature.	
14. Macroeconomic and fiscal forecasting	14. Credible fiscal strategy	Substantially revised indicator focusing on macrofiscal forecasts and sensitivity analysis. Incorporates revenue budgeting from indicator 15 of January 2015 Testing Version. Dimension related to fiscal strategy moved to separate indicator 15.	More data.	Significantly revised.	Reassess based on new indicator and dimensions.
14.1. Macroeconomic forecasts	14.2. Preparation and use of macroeconomic forecasts as a basis for annual and medium-term budgets	Sensitivity analysis moved to new, separate dimension 14.3.	Same data.	Score "A" includes requirement for updated forecasts at least once a year and review by other entity. Requirement for sensitivity analysis moved to separate dimension (14.3).	Reassess using existing data and revised calibration.
14.2. Fiscal forecasts	15.1. Medium-term forecasting of revenues	New dimension that replaces 15.1. Revised dimension is more comprehensive incorporating revenue,	More data on fiscal forecasts for revenue by type and aggregate expenditure. Requires specification of assumptions and	New dimension. Calibration includes extent of reporting to legislature.	Additional assessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
		expenditure, and fiscal balance forecasts.	differences from previous forecasts.		
14.3. Macroeconomic sensitivity analysis		New dimension created from splitting previous 14.2 into two separate dimensions.	Same data.	Substantially revised and recalibrated.	Reassess using existing data and revised dimension and calibration.
15. Fiscal strategy	15. Revenue budgeting	New indicator based on previous indicator 14 (dimension 14.1). Previous indicator 15 absorbed within 14.2 and 14.3.			
15.1. Fiscal impact of policy proposals	15.2. Assessment of the fiscal impact of proposed policy changes	Dimension revised significantly. Coverage includes revenue and expenditure policy proposals.	More data. Includes fiscal impact of both revenue and expenditure proposals in medium term.	Substantially revised dimension and calibration.	Additional assessment required.
15.2. Fiscal strategy adoption	14.1. Formulation of fiscal objectives and strategy	Scope largely unchanged. Revised wording.	Same data.	Revised calibration.	Reassess existing data using revised calibration.
15.3. Reporting on fiscal outcomes	14.3. Difference between the actual and the originally forecasted central government fiscal balance	Scope broadened to include report, not just numerical data.	More data regarding the extent of reporting on fiscal strategy outcomes.	New calibration based on revised scope.	Reassess using additional data and new calibration.
16. Medium-term perspective in expenditure budgeting	16. Medium-term perspective in expenditure budgeting	Significant change in scope.	More data.	New calibration.	Reassess.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
		New and revised dimensions.			
16.1. Medium-term expenditure estimates	16.2. Reconciliation of top-down and bottom-up approaches in the medium-term budget framework	Scope has significantly changed. Dimension 16.1 now assesses the extent to which detailed medium-term budget estimates are prepared.	More data on medium-term expenditure estimates and classification of expenditure estimates.	New calibration based on level of detail of medium-term estimates.	New assessment required.
16.2. Medium-term expenditure ceilings		New dimension.	More data on existence and procedures for medium-term ceilings.	New dimension.	New assessment required.
16.3. Alignment of strategic plans and medium-term budgets	16.1. Coverage and content of sector strategies	Scope changed. Reference to sector strategies replaced with ministerial sector plans.	More data. Extends to all ministries rather than largest sectors. Reference to strategic plans rather than sector strategies.	Revised calibration based on extent to which strategic plans are prepared, costed, and aligned with approved expenditure policy proposals.	New assessment required.
16.4. Consistency of budgets with previous year estimates	16.3. Links between the medium-term framework and annual budgets	Revised wording and some change of scope.	Same data.	Calibration broadened. Reflects extent of explanation rather than number of MDAs.	Reassess using existing data and revised calibration.
17. Budget preparation process	17. Orderliness and participation in the annual budget preparation process	Shortened title. Scope unchanged.			

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
17.1. Budget calendar	17.1. Existence of and adherence to a fixed budget calendar	Shortened title. Scope unchanged.	Same data.	Minor changes to wording to align with GFS (i.e., “budgetary units” replaces MDAs).	No reassessment required.
17.2. Guidance on budget preparation	17.2. Clarity, comprehensiveness, and political involvement in the guidance on preparing budget submissions	Shortened title. Scope unchanged.	Same data.	Calibration allows multiple circulars. Minor changes to align with GFS.	Reassess if existence of multiple circulars had an impact on score.
17.3. Budget submission to the legislature	17.3. Timely submission of the annual budget proposal to the legislature or similarly mandated body	Shortened title. Scope unchanged.	Same data.	No change.	No reassessment required.
18. Legislative scrutiny of budgets	18. Legislative scrutiny of the annual budget law	Minor wording changes. Scope unchanged.			No reassessment required.
18.1. Scope of budget scrutiny	18.1. Scope of the legislature’s scrutiny	Scope unchanged.	Same data.	Minor wording revisions. Negative language removed.	No reassessment required.
18.2. Legislative procedures for budget scrutiny	18.2. Extent to which the legislature’s procedures are well established and respected	Scope unchanged.	Same data.	Minor wording revisions: calibration (“A,” “B”) requires procedures to be approved in advance of hearings.	Reassess if requirement impacts on score.
18.3. Timing of budget approval	18.3. Timeliness of budget proposal approval	Scope unchanged.	Same data.	No change.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
18.4. Rules for budget adjustments by the executive	18.4. Rules for in-year amendments to the budget without ex ante approval by the legislature	Scope clarified to distinguish budget adjustments approved by legislature from actual executive adjustments (captured by 21.4).	Same data.	No change.	Confirm assessment aligns with revised guidance.
19. Revenue administration	19. Revenue administration compliance	Scope unchanged. Title simplified.	Some additional data.	Some changes.	Reassess.
19.1. Rights and obligations for revenue measures	19.1. Information to individuals and enterprises about their obligations and rights concerning payments to the government	Scope unchanged. Title simplified. Wording more precise.	Additional data on channels used by main revenue-collecting entities.	Wording revised. Calibration largely unchanged.	Cross-check with revised calibration. No reassessment likely.
19.2. Revenue risk management	19.2. Management of risks to revenue	Scope unchanged. Title simplified. Wording more precise.	Additional data on treatment of large and medium revenue payers.	Wording revised and strengthened. Calibration largely unchanged.	Cross-check with revised calibration. No reassessment likely.
19.3. Revenue audit and investigation	19.3. Audit and fraud investigation practices to achieve planned outputs in terms of coverage and additional revenue	Scope unchanged. Title simplified. Wording more precise.	Additional data on compliance improvement plans.	Wording revised and strengthened. Calibration largely unchanged.	Cross-check with revised calibration. No reassessment likely.
19.4. Revenue arrears monitoring	19.4. Management of revenue arrears	Scope unchanged. Title simplified. Wording more precise.	Same data.	Some changes in progression related to size and age of arrears.	Reassess using existing data and revised calibration.
20. Accounting for revenues	20. Accounting for revenues	Scope largely unchanged.	Same data.	Minor changes to calibration.	Reassess using existing data.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
20.1. Information on revenue collections	20.1. Coverage and timeliness of revenue information collected by the Ministry of Finance	Scope unchanged. Simplified title.	Same data.	Minor revisions to wording.	No reassessment required.
20.2. Transfer of revenue collections	20.2. Effectiveness of transfer of revenue collections to the treasury or other designated agency	Scope unchanged. Simplified title.	Same data.	Minor revisions to wording.	No reassessment required.
20.3. Revenue accounts reconciliation	20.3. Frequency of complete accounts reconciliation between assessments, collections, arrears records, and receipts by the treasury or other designated agency	Scope unchanged. Simplified title.	Same data.	Progression reflects revised time frames.	Reassess using existing data and revised calibration.
21. Predictability of in-year resource allocation	21. Predictability in the availability of funds to support service delivery	Scope unchanged. Change of title and use of GFS terminology for budgetary units.	Same data.	Minor revisions to wording.	No reassessment required.
21.1. Consolidation of cash balances	21.1. Extent and frequency of consolidation of the central government's cash balances	Simplified title.	Same data.	Reference to EBUs deleted.	No reassessment required.
21.2. Cash forecasting and monitoring	22.2. Extent to which cash flows are forecast and monitored	Simplified title.	Same data.	Minor changes to wording. Negative statement for score "C" removed.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
21.3. Information on commitment ceilings	22.3. Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment	Simplified title.	Same data.	Minor amendment to calibration for score "C." Specifies commitment for one month (rather than one or two months) in advance.	No reassessment required.
21.4. Significance of in-year budget adjustments	22.4. Frequency and transparency of adjustments to budget allocations, which are decided above the level of MDAs	Simplified title.	Same data.	Minor changes to wording. "Once or twice" replaced with "no more than twice."	No reassessment required.
22. Expenditure arrears	13.4. Stock and monitoring of expenditure arrears	New indicator created. Assessment split into two dimensions (stock of arrears and monitoring of arrears).	Same data.	Two dimensions instead of one. Calibration changed in terms of timing and content.	Reassess using existing data and new indicator, dimensions, and calibration. Apply M1 (AV).
22.1. Stock of expenditure arrears					
22.2. Expenditure arrears monitoring					
23. Payroll controls	22. Effectiveness of payroll controls	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
23.1. Integration of payroll and personnel records	22.1. Degree of integration and reconciliation between approved staff list, personnel records, and payroll data	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
23.2. Management of payroll changes	22.2. Timeliness of changes to personnel records and the payroll	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
23.3. Internal control of payroll	22.3. Internal controls of changes to personnel records and the payroll	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
23.4. Payroll audit	22.4. Existence of payroll audits to identify control weaknesses and/or ghost workers	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
24. Procurement	23. Efficiency, transparency, competition, and complaint mechanism in procurement	Scope unchanged. Some revisions to wording.	Additional data.	Some changes to 23.1 and 23.3.	Reassessment required.
24.1. Procurement monitoring	23.1. Monitoring the efficiency and effectiveness of the procurement system	Scope unchanged. Some revisions to wording.	Additional data on the accuracy and completeness of data for all procurement methods.	Additional requirement on data content.	Reassessment required.
24.2. Procurement methods	23.2. Use of competitive procurement methods	Scope unchanged. Change to title.	Same data.	No change.	No reassessment required.
24.3. Public access to procurement information	23.3. Public access to complete, reliable, and timely procurement information	Increase in scope.	Additional data. Requirement for annual procurement statistics.	Calibration amended to reflect additional reporting element. Standard terminology of “all, most, majority” used rather than percentages.	Reassess using additional data and revised calibration.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
24.4. Procurement complaints management	23.4. Effectiveness of an independent administrative procurement complaint system	Scope unchanged. Change to title.	Same data.	No change.	No reassessment required.
25. Internal controls on nonsalary expenditure	24. Effectiveness of internal controls for nonsalary expenditure	Indicator title shortened.			
25.1. Segregation of duties	24.1. Segregation of duties	Scope unchanged. Wording clarified.	Same data.	No change.	No reassessment required.
25.2. Effectiveness of expenditure commitment controls	24.2. Effectiveness of expenditure commitment controls	Scope unchanged. Dimension title shortened.	Same data.	No change.	No reassessment required.
25.3. Compliance with payment controls	24.3. Compliance with systems of control for making payments	Scope unchanged. Dimension title shortened. Wording clarified.	Same data.	Calibration revised to reflect standardized progression (i.e., all, most, majority).	No reassessment required.
26. Internal audit effectiveness	25. Effectiveness of internal audit				
26.1. Coverage of internal audit	25.1. Coverage of the internal audit function	Scope unchanged. Some revisions to wording.	Same data.	Calibration revised to reflect standardized progression (i.e., all, most, majority).	No reassessment required.
26.2. Nature of audits and standards applied	25.4. Nature of audit performed and adherence to professional standards	Scope broadened to cover internal audit activities and QA process.	More data on the nature of audits.	Significantly revised calibration to reflect inclusion of focus on nature of audits.	Reassessment using additional data and new calibration required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
26.3. Internal audit activity and reporting	25.2. Implementation of audits and distribution of reports	Increase focus on programmed audits and distribution of reports.	Some additional data on the existence of audit programs.	Revised calibration based on existence of audit programs. Negative wording removed.	Reassess using existing data and revised calibration.
26.4. Response to internal audits	25.3. Extent of management response to internal audit findings	Revised dimension focusing on response to internal audits rather than quality assurance.	More specific data on management response.	New calibration based on revised wording.	New assessment required.
27. Financial data integrity	26. Accounts reconciliation and financial data integrity	Shortened indicator and dimension titles. Scope unchanged.	Same data.	Very minor changes to wording. No impact on calibration.	No reassessment required.
27.1. Bank account reconciliation	26.1. Regularity of bank reconciliations	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
27.2. Suspense accounts	26.2. Regularity of reconciliation and clearance of suspense accounts	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
27.3. Advance accounts	26.3. Regularity of reconciliation and clearance of advance accounts	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.
27.4. Financial data integrity processes	Processes supporting financial data integrity	Some revisions to wording. Scope unchanged.	Same data.	No change.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
28. In-year budget reports	27. Quality and timeliness of in-year budget reports	Shortened indicator and dimension titles. Scope unchanged. Revised GFS terminology used in guidance.	Same data.	Very minor changes to wording.	No reassessment required.
28.1. Coverage and comparability of reports	27.1. Coverage and compatibility of reports	No change.	Same data.	No change.	No reassessment required.
28.2. Timing of in-year budget reports	27.2. Timeliness of the issue of reports	No change.	Same data.	No change.	No reassessment required.
28.3. Accuracy of in-year budget reports	27.3. Quality of the information contained in the reports	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
29. Annual financial reports	28. Quality and timeliness of annual financial reports	Shortened indicator and dimension titles. Scope unchanged.	Same data.	Very minor changes to wording.	No reassessment required.
29.1. Completeness of annual financial reports	28.1. Completeness of the financial reports	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
29.2. Submission of reports for external audit	28.2. Timeliness of submission of the financial reports	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
29.3. Accounting standards	28.3. Transparency, completeness, and consistency of accounting standards applied	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
30. External audit	29. SAI independence and external audit of the government's annual financial reports	Shortened indicator and dimension titles. Scope unchanged.			
30.1. Audit coverage and standards	29.1. Scope of audit performed (coverage and auditing standards)	Scope unchanged. Some revisions to wording.	Same data.	Very minor changes to wording of 30.1.	No reassessment required.
30.2. Submission of audit reports to the legislature	29.2. Timeliness of submission of audit reports to legislature on government's financial reports	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
30.3. External audit follow-up	29.3. Evidence of follow-up on audit recommendations or observations by the executive or audited entity	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
30.4. Supreme Audit Institution (SAI) independence	29.4. Independence of the Supreme Audit Institution and access to information	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
31. Legislative scrutiny of audit reports	30. Legislative scrutiny of external audit reports	Shortened indicator and dimension titles. Scope unchanged.			
31.1. Timing of audit report scrutiny	30.1. Timeliness of examination of audit reports by the legislature (for reports received	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.

PEFA 2016 indicators and dimensions	2015 Testing Version indicators and dimensions	Changes to subject/scope/description	Changes to data needs	Changes to calibration	Recommended action
	within the last three years)				
31.2. Hearings on audit findings	30.2. Extent of hearings on key findings undertaken by the legislature	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
31.3. Recommendations on audit by the legislature	30.3. Issuance of recommended actions by the legislature and follow up on implementation	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.
31.4. Transparency of legislative scrutiny of audit reports	30.4. Transparency of the legislative scrutiny function	Scope unchanged. Some revisions to wording.	Same data.	No change.	No reassessment required.

Note: AGAs = autonomous government agencies; M2 (AV) = averaging method for aggregating dimension scores; BCG = budgetary central government; CG = central government; DeMPA = Debt Management Performance Assessment; EBOs = extra-budgetary operations; EBU = extra-budgetary units; GFS = IMF Government Finance Statistics; MDAs = ministries, departments, and agencies; NA = not applicable; PEs = public enterprises; QA = quality assurance; SAI = supreme audit institution; SNG = subnational government.

Annex B. Aligning Testing Version assessments with PEFA 2016 – revisions to PEFA report format

PEFA 2016 report format	2015 Testing Version report format	Changes to subject/scope/description	Changes to data needs	Recommended action
1. Introduction	1. Introduction			
1.1. Rationale and purpose	1.1. Rationale for and purpose of the assessment	Minor change to heading.	No change.	No action required.
1.2. Assessment management and quality assurance	1.2. Assessment management and quality assurance	No change.	No change.	No action required.
1.3. Assessment methodology	1.3. Assessment methodology	Some minor changes to guidance.	No change.	No action required.
2. Country background information	2. Country background information			
2.1. Country economic situation	2.1. Description of the country economic situation	Minor change to title.	Additional table required on selected economic indicators.	Complete new table 2.1. Selected economic indicators.
2.2. Fiscal and budgetary trends	2.2. Description of fiscal and budgetary outcomes	Minor amendments to formatting. “Fiscal and budgetary trends” replaces “fiscal and budgetary outcomes.”	No change.	No action required.
2.3. Legal and regulatory arrangements for PFM	2.3. Description of the structure of the public sector	Sections 2.3 and 2.4 reversed. Titles clarified.	Key features of PFM systems moved to new section 2.5.	Update text to reflect revised structure and headings.
2.4. Institutional arrangements for PFM	2.4. Description of the legal and institutional framework for PFM	Table on financial structure of central government includes both budget estimates and actual expenditure.	Revised tables for structure of public sector in section 2.5 display estimated and actual expenditures.	

PEFA 2016 report format	2015 Testing Version report format	Changes to subject/scope/description	Changes to data needs	Recommended action
		Section 2.3 includes description of the internal control legal and regulatory framework.		
2.5. Other important features of PFM and its operating environment	2.5. Description of the internal control framework	New section on other features of PFM added. Information on internal control framework captured in 2.3, 4.2, and new annex 2.	Includes key features of PFM systems included in previous section 2.4.	Update text to reflect revised structure and headings.
3. Assessment of PFM performance	3. Assessment of the PFM systems, processes, and institutions	Minor revisions to headings. Changes to indicators as explained above. Specifies indicative length of 30–40 pages.	Changes to specific indicators explained above.	Revise narrative to reflect changes in indicators and dimensions as above.
4. Conclusions on the analysis of PFM systems	4. Analysis of systems available to deliver on the budgetary outcomes	Revised heading. Emphasis on conclusions of analysis.		
4.1. Integrated assessment of PFM performance	4.1. Integrated assessment across the performance indicators	Minor revision to heading. Pillar titles updated.	No change.	Update pillar titles only.
4.2. Effectiveness of the internal control framework	4.2. Effectiveness of the internal control framework	Integrates information previously included in section 2.5. Format and guidance updated.	Additional data required for annex 2.	Update text to reflect revised structure, headings and findings, and information gaps identified in annex 2.
4.3. Strengths and weaknesses of PFM	4.3. Assessment of the impact of PFM strengths and weaknesses	Minor revision to heading.	No change.	No action required.

PEFA 2016 report format	2015 Testing Version report format	Changes to subject/scope/description	Changes to data needs	Recommended action
4.4. Performance changes since a previous assessment	4.4. Performance changes since a previous assessment	Minor amendments to guidance.	No change.	No action required.
5. Government PFM reform process	5. Government PFM reform process	Some minor changes in headings and formatting.	No change.	Update headings only.
Annexes				
Annex 1. Performance indicator summary	Annex 1. Performance indicator summary	No change.	No change.	No action required.
Annex 2. Summary of findings on the internal control framework		New annex.	Additional data on internal control components and findings including control environment, risk assessment, control activities, information and communication, and monitoring.	Provide a summary of findings, including information gaps, against each component and detailed element.
Annex 3. Sources of information	Annex 2. Sources of information	No change.	No change.	No action required.

Note: PFM = public financial management.