

Global Partnership for Effective Development Co-operation
Monitoring Framework

INDICATOR 9A:

Quality of Countries' Public Financial Management Systems

Methodology

Draft for consultation

Summary:

Government systems able to manage resources effectively help ensure greater development effectiveness. Indicator 9a measures the quality of countries' public financial management systems.

The original indicator relied on World Bank staff estimates. Specifically, a specific measure in their Country Policy and Institutional Assessments, called CPIA 13). CPIA scores were difficult to unpack or interpret, and less sensitive to small changes. Countries also asked for a more objective measure.

The revised indicator is constructed based on the Public Expenditure and Financial Accountability (PEFA) Framework. PEFA assessments are the most common type of joint government-donor assessments of a country's public financial management system. The sub-set of PEFA dimensions selected for indicator 9a reflects the quality of the budgeting process, auditing, financial reporting and procurement systems and practices. The indicator will monitor whether countries make progress in these various dimensions.

Note: The following draft methodology, put forth by the OECD-UNDP Joint Support Team of the Global Partnership for Effective Development Co-operation, builds on the Nairobi Outcome Document, the technical advice of the Monitoring Advisory Group and lessons learned following the 2016 monitoring round, and inputs from the PEFA Secretariat and its multi-donor Steering Committee.

Background

The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda recognise the Global Partnership for Effective Development Co-operation (Global Partnership or GPEDC) as a solid foundation to drive more effective development co-operation. To meet the ambitions of the 2030 Agenda, the Global Partnership must deliver evidence and data that address the needs of countries in better monitoring the effectiveness of their development efforts. In the [Nairobi Outcome Document](#), the international development community stressed the need to “update the existing monitoring framework to reflect the challenges of the 2030 Agenda, including the pledge to leave no-one behind”.

To address these challenges, the Steering Committee of the Global Partnership outlined an inclusive strategy to refine the monitoring framework, following a three-track approach:

1. Strengthening the current 10 indicators to ensure their relevance for the 2030 Agenda context;
2. Adapting the scope of monitoring to address major systemic issues critical to the 2030 Agenda, such as climate change, gender equality, conflict and fragility as well as progressively reflecting all the modalities and development co-operation actors;
3. Enhancing the impact of the monitoring process by improving the quality and inclusiveness of country-level monitoring and facilitating follow-up and action on the results.

The refinement of the Global Partnership monitoring framework is guided by the Nairobi Outcome Document, the [technical advice](#) of the Monitoring Advisory Group and the OECD-UNDP Joint Support Team, and lessons learned in the 2016 monitoring round, including feedback from participating countries. The refinement began in April 2017 and is drawing on the technical assistance of expert groups, related to specific thematic areas, paired with iterative consultations with relevant stakeholders and country-level testing.

The refined indicators will be used in the third Global Partnership monitoring round, scheduled to be launched in May 2018. Further revisions will be incorporated in subsequent monitoring exercises. Findings from the third monitoring round will feed into high-level political processes, in particular the 2019 High-Level Political Forum on Sustainable Development.

Quick Overview

Indicator 9a. Quality of Countries' Public Financial Management Systems

What does it measure?

The quality of country systems, by looking at public financial management and procurement systems

Relevance to effective development co-operation

Measurement of the quality and use of country systems is critical in assessing the principle of country ownership. Government systems able to manage resources effectively help ensure country leadership in implementation, an efficient and proper use of funds, and greater development effectiveness.

ORIGINAL METHODOLOGY	REFINED METHODOLOGY
<ul style="list-style-type: none"> Based on criterion 13 ('quality of budgetary and public financial management) of the World Bank's Country Policy and Institutional Assessment (CPIA). A country improves the strength of PFM systems when the CPIA score increases (+0.5) compared to the previous year. 	<ul style="list-style-type: none"> Globally-sourced: based on 9 dimensions of PEFA methodology for assessing public financial management performance. A country improves the strength of PFM systems when 5 or more of 9 PEFA dimensions have higher scores compared to the baseline. <i>Optionally:</i> Countries with no recent PEFA assessment (few) can estimate the selected dimensions.
<p>Shortcomings</p> <ul style="list-style-type: none"> CPIA scores are difficult to interpret and to unpack (e.g. no disaggregated info on budgeting process, auditing, financial reporting and procurement systems). Limited sensitivity to incremental change. Partner countries requested a more objective, broadly-owned measure. 	<p>Key improvements</p> <ul style="list-style-type: none"> Clear interpretation by reflecting separately quality of the budgeting process, auditing, financial reporting and procurement. Provides great granularity on quality of countries' systems and reflects progress in different dimensions. Assessments are independent, credible, owned by all parties (signed off by partner governments and development partners).



METHODOLOGICAL PROPOSAL

INDICATOR 9A: QUALITY OF COUNTRIES' PUBLIC FINANCIAL MANAGEMENT SYSTEMS

1. Introduction

This document presents a proposal to refine the [Global Partnership for Effective Development Co-operation](#) (Global Partnership) indicator – Indicator 9a – measuring the quality of countries' public financial management systems. This indicator is part of the current Global Partnership monitoring framework, which is being refined to more adequately respond to the effectiveness challenges related to implementing the 2030 Agenda for Sustainable Development.

To inform the refinement of this indicator methodology, the Global Partnership OECD-UNDP Joint Support Team has consulted with subject-matter experts from the PEFA Secretariat and multi-donor Steering Committee¹, partner countries, as well as a broad range of development stakeholders. This document presents the rationale for change the indicator methodology, an overview of the current methodology, an overview and assessment of expert input and independent analysis. It concludes with a proposal for a revised measurement approach.

This proposal is open for general consultation and will be piloted in four countries during March and April 2018. Based on feedback received and lessons learned from the consultation and pilots, the methodology will be further refined and finally submitted to the Global Partnership Steering Committee. Upon Steering Committee endorsement, the refined indicator will be rolled out as part of the third monitoring round starting in May 2018.

2. Rationale

Achievement of national, regional and global development goals is contingent on ownership of development priorities by countries. This means implementing approaches that are led by countries and tailored to specific country contexts. It also means using country's own systems – including public financial management (PFM), accounting, auditing and procurement systems – to deliver development co-operation. Use of country systems not only promotes country ownership over development but it also ensures sustainability of development results, lowers transaction costs by eliminating the creation and maintenance of parallel structures, and increases overall effectiveness by providing an entry point for donors to harmonise their processes.

Through the 2005 [Paris Declaration on Aid Effectiveness](#), both development partners and countries committed to strengthening country systems ([OECD, 2005](#)). Development partners further committed to the use of country systems to the maximum extent possible (PD §17-30). The dual nature of this commitment is vital as the non-use of country systems diverts resources and capacity. This commitment to strengthen and use country systems was reaffirmed in the 2008 [Accra Agenda for Action](#) (United Nations, 2015) and the 2011 Busan Partnership Agreement (OECD, 2011), which established the Global Partnership. The commitment is further reaffirmed in the [Nairobi Outcome Document](#) (GPEDC, 2016; §42.e, and §43.f)

¹ The PEFA program provides a framework for assessing and reporting on the strengths and weaknesses of public financial management (PFM) using quantitative indicators to measure performance.

This commitment was originally measured through Indicator 2 of the Paris Declaration Survey. Indicator 9 of the [Global Partnership Monitoring Framework](#), which was established in 2012, continues to measure progress on this commitment. Indicator 9a measures progress in strengthening countries' public financial management systems and Indicator 9b measures progress of development partners in using those countries' own systems to deliver development co-operation.

Measurement of the quality and use of country systems have long been recognized as critical in assessing the principle of country ownership. Following the 2015-2016 Global Partnership monitoring round, an exit survey was conducted to obtain feedback on the exercise. It asked, among other things, which areas within the monitoring framework would be priorities for countries going forward. Strengthening of country systems was noted as a high priority by many respondents. This is further reflected by feedback obtained during the 2016 post-monitoring regional workshops, as well as at the 2017 Busan Annual Partnership Forum.

Given limited or uneven progress in this area over the past decade, the importance of strengthening and increasing the use of country systems is considered as part of the "unfinished business" of the effectiveness agenda, as highlighted in the Annex 2 of the [Nairobi Outcome Document](#). This sustained attention to enabling countries' capacities and ownership is in line with the 2030 Agenda for Sustainable Development, which highlights the importance of building effective, accountable and inclusive institutions as part of Sustainable Development Goal (SDG) 16.

This note proposes a revised methodology for Global Partnership indicator 9a on the quality of countries' public financial management systems.

3. Current Methodology

Indicator 9a is currently based on criterion 13 of the World Bank's Country Policy and Institutional Assessment (CPIA). The CPIA is undertaken annually by the World Bank to evaluate the quality of a country's current policy and institutional framework, with "quality" referring to how conducive the framework is to fostering poverty reduction, sustainable growth and the effective use of development co-operation. World Bank country teams propose ratings, ranging from 1 to 6 (with 1 referring to very weak performance and 6 referring to very strong performance), for each of the CPIA's 16 criteria, which fall under one of four clusters: (a) economic management; (b) structural policies; (c) policies for social inclusion/equity; and (d) public sector management and institutions. CPIA ratings are presented as a single score for each criterion, which is aggregated into scores for each of the four CPIA clusters and an overall country score.

CPIA-13, under the public sector management and institutions cluster, measures the quality of budgetary and financial management, under three interrelated dimensions: (a) a comprehensive and credible budget, linked to policy priorities; (b) effective financial management systems to ensure that the budget is implemented as intended in a controlled and predictable way; and (c) timely and accurate accounting and fiscal reporting, including timely audit of public accounts and effective arrangements for follow up. Each of the dimensions is rated separately and given equal weight when determining the final rating for the criterion.

For use in the Global Partnership monitoring exercise, CPIA-13 scores are reported for each participating country, along with baseline scores. When aggregating to the global level, the percentage of countries moving up at least 0.5 points since the baseline year is reported.

4. Overall assessment

Refinement of the measurement framework for Indicator 9a is being considered in response to concerns from partner countries that CPIA-13 is not a sufficiently robust measurement of the strength of a country's PFM system. Particular concerns include:

- The write-ups and sub-ratings that provide the rationale for the specific criterion ratings are confidential. As such, CPIA ratings provide limited information on the various aspects of PFM systems, as compared with other assessments of PFM systems.
- With a significant amount of information distilled into a single CPIA criterion rating, there is often little variance in CPIA ratings over time.
- Countries eligible to borrow from the International Bank for Reconstruction and Development (IBRD) are exempt from disclosure of CPIA ratings.
- While efforts are made to ensure the comparability of ratings across countries, assessments are carried out by in-country World Bank staff and are therefore subjective.

Given these concerns, the Effective Institutions Platform (EIP) and the Collaborative African Budget Reform Initiative (CABRI) explored the [revision of the Indicator 9a measurement framework](#), suggesting that selected Public Expenditure and Financial Accountability (PEFA) Framework indicators be used as the basis for the Global Partnership's measurement of the strength of country systems. In September 2016, the Global Partnership Monitoring Advisory Group (MAG)² presented an [assessment of the Global Partnership Monitoring Framework](#) (GPEDC, 2016b) to the Global Partnership Steering Committee, which supported further exploration of the EIP-CABRI proposal, as well as the inclusion of non-fiduciary dimensions of PFM systems, including budget transparency and monitoring and evaluation systems.

A PEFA assessment provides thorough, evidence-based analysis on various aspects of a country's PFM system and can be reapplied in successive assessments to track changes over time. With 7 pillars and 31 indicators, a PEFA assessment gives a comprehensive picture of the overall strength of a PFM system in a country, as well as providing disaggregated information on the different components of that system.

In developing the refinement proposal, other existing tools or methodologies for assessing the strength of the entirety of PFM systems at the national level were examined in addition to CPIA-13 and PEFA Framework indicators. These other tools and methodologies include: the European Commission's *Operational Assessments*; the Global Initiative on Fiscal Transparency's *Principles on Budget Transparency*; the International Budget Partnership's *Open Budget Survey*; the International Monetary Fund's *Fiscal Transparency Evaluation*; the OECD's *International Budget Practices and Procedures Database*; the OECD's *Recommendation of the Council of Budgetary Governance*; the Support for Improvement in Governance and Management (SIGMA) Program's *Principles of Public Administration*; and the World Bank's *Public Expenditure Reviews*.

All these tools can provide valuable information to countries in evaluating their PFM systems and identifying reform areas. The most appropriate tool(s) used in a country will be determined by

² The Global Partnership Monitoring Advisory Group (MAG) was established in 2015 to provide technical expertise and advice to strengthen the Global Partnership monitoring framework and ensure its relevance in the evolving post-2015 development landscape. The group is composed of 12 high-level experts from developing country governments, development co-operation providers, think tanks and civil society organisations. From mid-2015 to late 2016, the MAG performed a full assessment of the 10 indicator monitoring framework and the monitoring process.

stakeholders. However, the PEFA Framework is the most commonly used instrument for assessing the quality of PFM systems, providing complementary analysis alongside other diagnostic tools, particularly those that focus on specific areas of PFM.

5. Refinement Proposal

In line with the Busan Agreement and the Nairobi Outcome Document, and following directions of the Global Partnership Steering Committee to refine the monitoring framework, including this indicator. The proposed refinement draws on existing assessments covering the relevant PFM issues that rather than proposing a new, standalone assessment methodology specifically for Indicator 9a. This approach reduces duplication of efforts and reporting burden for participating countries.

The PEFA Framework provides broad coverage in its assessment of PFM systems. It is made up of 31 specific indicators, disaggregated into 94 dimensions that focus on key, measurable aspects of the PFM systems, ranging from expenditure outturn to debt management to payroll controls to accounting standards.³ For the purposes of Global Partnership monitoring, only the scores of a selected number of PEFA dimensions will be used. Selected dimensions will respond to the core aspects of PFM systems: budget preparation; budget execution; accounting and reporting; and accountability and audit. These selected elements reflect the components of PFM systems measured by CPIA-13. Further, given the reciprocal nature of Indicator 9, the selected elements reflect aspects of PFM systems deemed critical by development partners when choosing to use country systems, as reported in [Using Country Public Financial Management Systems: A Practitioner’s Guide](#), a 2011 report commissioned by the Task Force on Public Financial management, under the auspices of the Working Party on Aid Effectiveness (OECD, 2011b). According to this report, development partners surveyed indicated that budget preparation and classification, budget execution and accounting systems are most commonly examined when assessing a partner country’s PFM system. The fewest development partners indicated that they examine external oversight by parliament, integrated financial management systems or treasury procedures to manage local and foreign currencies. In this vein, the following PEFA dimensions have been selected to inform Indicator 9a:

Table 1: Selected PEFA Dimensions

PI 1.1	Aggregate expenditure outturn
PI 2.1	Expenditure composition outturn by function
PI 4.1	Budget classification
PI 9.1	Public access to fiscal information
PI 18.3	Timing of budget approval
PI 24.2	Procurement methods
PI 26.1	Coverage of internal audit
PI 29.1	Completeness of annual financial reports
PI 30.1	Audit coverage and standards (external)

³ The PEFA Frameworks consists of 31 indicators, each made up of up to four dimensions, which are scored separately on a four-point scale, according to precise criteria, barring any subjectivity. Using one of two predefined methods an overall score for each indicator is given. To avoid challenges in comparing composite indicators aggregated in different ways and to allow for easier collection of data independent of full PEFA assessments, if required, it is proposed that PEFA dimensions, rather than indicators, be used as the basis for Indicator 9a measurement. Additional details can be found in the PEFA Framework for Assessing Public Financial Management.

Full descriptions of what is measured by each of the dimensions can be found in Annex II. Unlike using CPIA-13 alone, using these indicators will provide specific data on various aspects of PFM systems, highlighting trends in those areas and driving informed discussions and decision-making related to the use of country systems. This detail is one of the key rationales for using PEFA data and as such, should not be lost by attempting to summarise the scores of various PEFA dimensions into an overall PEFA score for a country.

6. Methodology

Indicator 9a assesses the quality of countries PFM systems. For each country, the scores for the above-mentioned PEFA dimensions from the two most recent PEFA assessments will be presented. A country will be considered to have improved the strength of PFM systems when five (5) or more of the nine (9) selected PEFA dimensions have an increased score from the baseline year. When aggregating at global level, because there is no single benchmark for this, the indicator will present the number of countries reporting overall progress in strengthening PFM systems since the last measurement.

In cases where no baseline exists because only one PEFA assessment has been conducted, or in the case where the most recent PEFA assessment was not conducted within the last three years, fresh data can be collected for selected dimensions, through a questionnaire, based on the PEFA methodology. The questionnaire can be found in Annex III.

Additional methodological considerations and proposed approach

Limited availability of PEFA data

PEFA assessments are generally only undertaken every 3 to 5 years, with approximately 20 to 30 new national PEFA assessments planned each year. Additionally, participating countries may choose to keep final PEFA reports confidential. However, an analysis shows that 48 percent of countries that participated in the 2016 Global Partnership monitoring round have conducted and made public a PEFA assessment within the past three years, with an additional 9 percent having conducted a confidential PEFA assessment in the same timeframe. Further, 13 percent of countries that participated in the 2016 Global Partnership monitoring round are planning for an upcoming PEFA assessment. This shows that data for selected PEFA dimensions is likely to be largely available to inform Global Partnership monitoring. Countries that have not made public recent PEFA assessments but that do participate in Global Partnership monitoring may be willing to release scores for the selected dimensions. In cases where sufficient or fresh PEFA data is not available, the above-mentioned questionnaire will be used.

Comparing PEFA 2005/2011 dimensions with 2016 dimensions

In 2016, the PEFA Framework was revised. Most countries that have undertaken PEFA assessments after the 2016 methodology change have included in their PEFA report, a comparison to the indicators and dimensions in the earlier version of the methodology. A mapping of 2011 versus 2016 indicators is also publicly available for cases in which the comparison between PEFA Frameworks is not already done. A mapping of selected 2016 dimensions to earlier versions of the methodology can be found in Annex IV.

ANNEX I: METHODOLOGY FOR INDICATOR 9A

Indicator construction

Indicator 9a measures the number of countries reporting progress in strengthening PFM systems. For each country, the scores for the above-mentioned PEFA dimensions from the two most recent PEFA assessments will be presented. PEFA dimension scores range from A (highest) to D (lowest), based on the scores received for selected PEFA dimensions. Scores from the two most recent PEFA assessments will be presented.

Table I.1 Sample data collection table

		Baseline assessment	Most recent assessment	Trend
Country A		2010	2016	
PI 1.1	Aggregate expenditure outturn	B	B	No change
PI 2.1	Expenditure composition outturn by function	D	D	No change
PI 4.1	Budget classification	B	C	Retreating
PI 9.1	Public access to fiscal information	B	D	Retreating
PI 18.3	Timing of budget approval	D	A	Improving
PI 24.2	Procurement methods	B	B	No change
PI 26.1	Coverage of internal audit	D	D	No change
PI 29.1	Completeness of annual financial reports	C	D	Retreating
PI 30.1	Audit coverage and standards (external)	C	D	Retreating
Summary		Improving: 1; No change: 4; Retreating: 4		
Country B		2011	2015	
PI 1.1	Aggregate expenditure outturn	A	A	No change
PI 2.1	Expenditure composition outturn by function	D	D	No change
PI 4.1	Budget classification	B	B	No change
PI 9.1	Public access to fiscal information	B	C	Retreating
PI 18.3	Timing of budget approval	A	C	Retreating
PI 24.2	Procurement methods	C	D	Retreating
PI 26.1	Coverage of internal audit	B	A	Improving
PI 29.1	Completeness of annual financial reports	C	B	Improving
PI 30.1	Audit coverage and standards (external)	C	C	No change
Summary		Improving: 2; No change: 4; Retreating: 3		

In cases where only one PEFA assessment has been conducted or the most recent PEFA assessment was not conducted within the last three years, up to date data can be collected for selected dimensions, through a questionnaire, based on the PEFA methodology. The questionnaire can be found in Annex III.

Data source

The Global Partnership OECD-UNDP Joint Support Team will use data from publicly available PEFA reports. In cases where PEFA reports have not been made public, countries will be asked to report on selected dimensions. In cases where no PEFA assessment has been done, countries will be asked to complete a questionnaire (Annex IV).

ANNEX II: DESCRIPTION OF DIMENSIONS

PI 1.1 Aggregate expenditure outturn

This dimension measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports.

PI 2.1 Expenditure composition outturn by function

This dimension measures the difference between the original, approved budget and end-of-year outturn in expenditure composition, by functional classification.

PI 4.1 Budget classification

This dimension assesses the extent to which the government budget and accounts classification is consistent with international standards.

PI 9.1 Public access to fiscal information

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

PI 18.3 Timing of budget approval

This dimension assesses the timeliness of the scrutiny process in terms of the legislature's ability to approve the budget before the start of the new fiscal year.

PI 24.2 Procurement methods

This dimension examines key aspects of procurement management and analyses the percentage of the total value of contracts awarded with and without competition.

PI 26.1 Coverage of internal audit

This dimension assesses the extent to which government entities are subject to internal audit.

PI 29.1 Completeness of annual financial reports

This dimension assesses the extent to which annual financial statements are complete, timely, and consistent with generally accepted accounting principles and standards assesses the completeness of financial reports.

PI 30.1 External audit coverage and standards

This dimension assesses key elements of external audit in terms of the scope and coverage of audit, as well as adherence to auditing standards.

ANNEX III: COMPARISON OF 2005/2011 PEFA DIMENSIONS VERSUS 2016 DIMENSIONS

Table III.1 Comparability across PEFA dimensions across time

2016 Dimensions		2011 Dimensions
PI 1.1	Aggregate expenditure outturn	PI 1.1
PI 2.1	Expenditure composition outturn by function	PI 2.1
PI 4.1	Budget classification	PI 5.1
PI 9.1	Public access to fiscal information	PI 10.1
PI 18.3	Timing of budget approval	PI 27.3
PI 24.2	Procurement methods	PI 19.2
PI 26.1	Coverage of internal audit	PI 21.1
PI 29.1	Completeness of annual financial reports	PI 25.1
PI 30.1	Audit coverage and standards (external)	PI 26.1

ANNEX IV: ADDITIONAL QUESTIONNAIRE FOR COUNTRIES WITH NO RECENT PEFA ASSESSMENT

In cases where only one Public Expenditure and Financial Accountability (PEFA) assessment has been conducted or the most recent PEFA assessment was not conducted within the last three years, governments can collect up to date data for these selected PEFA dimensions, following the questionnaire below and detailed step-by-step guidance provided in the Monitoring Guide.

1. To what extent does the aggregate budget expenditure outturn reflect the amount originally approved, as defined in government budget documentation and fiscal reports?

Please choose the level that best matches the situation in your country.

A	Aggregate expenditure outturn was between 95% and 105% of the approved aggregate budgeted expenditure in at least two of the last three years.
B	Aggregate expenditure outturn was between 90% and 110% of the approved aggregate budgeted expenditure in at least two of the last three years.
C	Aggregate expenditure outturn was between 85% and 115% of the approved aggregate budgeted expenditure in at least two of the last three years.
D	Performance is less than required for a 3 score.

2. What is the variance between the original, approved budget and end-of-year outturn in expenditure composition, by functional classification?

Please choose the level that best matches the situation in your country.

A	Variance in expenditure composition by program, administrative or functional classification was less than 5% in at least two of the last three years.
B	Variance in expenditure composition by program, administrative or functional classification was less than 10% in at least two of the last three years.
C	Variance in expenditure composition by program, administrative or functional classification was less than 15% in at least two of the last three years.
D	Performance is less than required for a 3 score.

3. To what extent is the government budget and accounts classification consistent with international standards?

Please choose the level that best matches the situation in your country.

A	Budget formulation, execution, and reporting are based on every level of administrative, economic, and functional classification using GFS/COFOG standards or a classification that can produce consistent documentation comparable with those standards. Program classification may substitute for sub functional classification if it is applied with a level of detail at least corresponding to sub functional classification.
B	Budget formulation, execution, and reporting are based on administrative, economic (at least

	“Group” level of the GFS standard—3 digits), and functional/sub functional classification, using GFS/COFOG standards or a classification that can produce consistent documentation comparable with those standards.
C	Budget formulation, execution, and reporting are based on administrative and economic classification using GFS standards (at least level 2 of the GFS standard—2 digits) or a classification that can produce consistent documentation comparable with those standards.
D	Performance is less than required for a 3 score.

4. To what extent is comprehensive fiscal information available to the public, based on the elements specified below?

Basic elements

- Annual executive budget proposal documentation
- Enacted budget
- In-year budget execution report
- Annual budget execution report
- Audited annual financial report, incorporating or accompanied by the external auditor’s report

Additional elements

- Prebudget statement
- Other external audit reports
- Summary of the budget proposal
- Macroeconomic forecasts

Please choose the level that best matches the situation in your country.

A	The government makes available to the public eight elements, including all five basic elements, in accordance with the specified time frames.
B	The government makes available to the public six elements, including at least four basic elements, in accordance with the specified time frames.
C	The government makes available to the public four basic elements, in accordance with the specified time frames.
D	Performance is less than required for a 3 score.

5. How timely is the scrutiny process in terms of the legislature’s ability to approve the budget before the start of the new fiscal year?

Please choose the level that best matches the situation in your country.

A	The legislature has approved the annual budget before the start of the year in each of the last three fiscal years.
B	The legislature has approved the annual budget before the start of the year in two of the last three fiscal years, with a delay of up to one month in the third year.
C	The legislature has approved the annual budget within one month of the start of the year in two or more of the last three fiscal years.

D	Performance is less than required for a 3 score.
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6. The total value of contracts awarded through competitive methods in last completed fiscal year represents?

Please choose the level that best matches the situation in your country.

A	80% or more of total value of contracts.
B	70% or more of total value of contracts.
C	60% or more of total value of contracts.
D	Performance is less than required for a 3 score.

7. To what extent are government entities subject to internal audit?

Please choose the level that best matches the situation in your country.

A	Internal audit is operational for all central government entities.
B	Internal audit is operational for central government entities representing most total budgeted expenditures and for central government entities collecting most budgeted government revenue.
C	Internal audit is operational for central government entities representing the majority of budgeted expenditures and for central government entities collecting the majority of budgeted government revenue.
D	Performance is less than required for a 3 score.

8. To what extent are annual financial statements complete, timely and consistent with generally accepted accounting principles and standards?

Please choose the level that best matches the situation in your country.

A	Financial reports for budgetary central government are prepared annually and are comparable with the approved budget. They contain full information on revenue, expenditure, financial and tangible assets, liabilities, guarantees, and long-term obligations, and are supported by a reconciled cash flow statement.
B	Financial reports for budgetary central government are prepared annually and are comparable with the approved budget. They contain information on at least revenue, expenditure, financial assets, financial liabilities, guarantees, and long-term obligations.
C	Financial reports for budgetary central government are prepared annually, and are comparable with the approved budget. They include information on revenue, expenditure, and cash balances.
D	Performance is less than required for a 3 score.

9. What is the extent of the scope and coverage of external audit and to what extent are auditing standards adhered?

Please choose the level that best matches the situation in your country.

A	Financial reports including revenue, expenditure, assets, and liabilities of all central government entities have been audited using the International Standards of Supreme Audit Institutions (ISSAIs) or consistent national auditing standards during the last three completed fiscal years. The audits have highlighted any relevant material issues and systemic and control risks.
B	Financial reports of central government entities representing most total expenditures and revenues have been audited using ISSAIs or national auditing standards during the last three completed fiscal years. The audits have highlighted any relevant material issues and systemic and control risks.
C	Financial reports of central government entities representing the majority of total expenditures and revenues have been audited, using ISSAIs or national auditing standards during the last three completed fiscal years. The audits have highlighted any relevant significant issues.
D	Performance is less than required for a 3 score.

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