

PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY.

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**Subnational National Government PEFA report template**

**Second edition**

**Revised as at June 25, 2024**

Below is the complete template for the SNG PEFA report preparation.

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

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

**COUNTRY**

**SUBNATIONAL GOVERNMENT**

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

**Date**

**Version of the report**

**PEFA Check logo (if eligible)**

**PEFA Check endorsement**

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

XXX

**PEFA CHECK, ASSESSMENT MANAGEMENT AND QUALITY ASSURANCE**

|  |
| --- |
| **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]* |

*The section on Assessment Management and Quality Assurance is followed by a table of contents and list of abbreviations.*

**SNG MAIN FACTS**

*The main characteristics of the subnational government are summarized in a table at the beginning of the report, between the PEFA Check endorsement and the table of contents. Adding a map locating the SNG in the country may be useful.*

|  |  |
| --- | --- |
| **Name of the SNG** | |
| **Tier of government** | *The tier of government the SNG belongs to (name of SNG + indicate if first, second, or third tier).* |
| **Population** | *Number of inhabitants.* |
| **Main characteristics** | *Mention whether it is a rural or urban territory, a capital city, an economic capital, a regional capital, etc.* |
| **Economy** | *The main economic activities of the SNG.* |
| **Services provided by the SNG** | *The main public services delivered by the SNG.* |

**Table of contents**

**Abbreviations and acronyms**

**Methodology**

**This section briefly presents the main elements of methodology applied during the PEFA assessment**

**Type of assessment:** XXX*This should indicate first whether the assessment is a standalone assessment or is part of a set of subnational assessments. In the latter case, the list of the other subnational governments covered by the set of assessments should be provided. In addition, this section should indicate whether the assessment (i) is a baseline or a successive exercise, and the version of the SNG PEFA guidance that has been used; (ii) is a self or a joint assessment; and (iii) is combined with the assessment of the national government, and/or one or two assessments using PEFA supplementary frameworks, or any other analytical work.*

**Number of indicators used:** XXX *This should specify how many performance indicators were used from the version of the 2022 SNG PEFA guidance and, if relevant, 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.* *In addition, in the case of set of assessments, this section should mention how particular indicators or dimensions, such as HLG-2 or PI-30.4, are dealt with.*

**Timeline/ Dates of mission:** XXX*The timeline for the assessment is to be clearly defined. In the case of a set of assessment, this should provide information on both the general timeline and the dates of field mission for the specific assessments.*

**Years covered:** XXX*This should specify what are the last three completed fiscal years considered for the assessment, with a clear mention of whether there were audited.*

**Cut-off date:** XXX *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.*

**Coverage:** XXX *The scope refers to the tier of government covered. 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. In addition, description of service delivery units and whether they belong to the subnational government, or another tier of government should be provided. Any deviations from the coverage of a subnational government specified in the coverage for each indicator must be explained and justified. In particular, the coverage of social security funds, national investment funds for subnational governments, 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 1.1 and 1.2 of the report.*

**Sources of information:** XXX*The assessment team will need to collect information from officials from SNG finance department 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. In addition to information collected at the subnational level, assessors may need to collect data and information from national government agencies.*

*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.*

**Country fiscal year:** XXX

**Exchange rate:** XXX *This should specify the currency unit used in the country and the exchange rate against USD or EUR effective as of the relevant date.*

**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 of text plus up to two pages of graphs****. In addition, 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)[[1]](#footnote-2). Worksheets that help producing the overview of scores and automated graphs to be used in the PEFA report are available on the PEFA website [[2]](#footnote-3).*

*The executive summary presents a synopsis of the key information, data, and analysis presented in sections 1-4 of the report. It includes the following:*

* **Purpose and management**

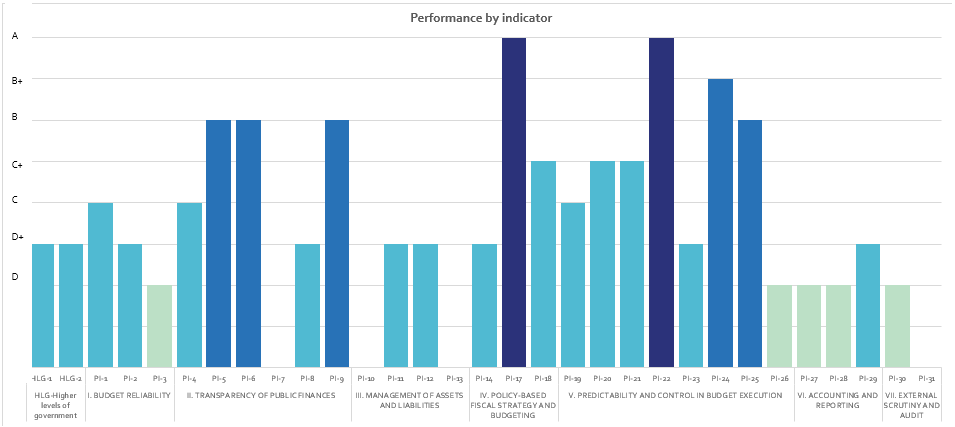
*XXX A brief explanation of the main reason for the assessment and how it relates to the national PFM reform agenda, the subnational government PFM reform agenda and/or the fiscal decentralization agenda.*

*A brief summary of the main characteristics of the assessment and its management arrangements (no more than a paragraph).*

* **Main strengths and weaknesses of the PFM systems in subnational government X**

*XXX Brief description of the main findings of the assessment by using the main strengths and weaknesses (up to maximum five for each)*

**Figure 1: Summary of PEFA scores by indicator (below as example)**



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

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

* **Performance changes since the previous PEFA assessment (if applicable)**

XXX *A summary of the main performance changes since any earlier PEFA assessment. This is also structured according to the eight subnational pillars and the three main fiscal and budgetary outcomes. See section 3.2.*

**Figure 2: Comparison over time**

*Insert corresponding Figure*

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

| **PFM performance indicator** | | **Scoring method** | **Dimension score** | | | | **Overall score** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **i.** | **ii.** | **iii.** | **iv.** |
| **SNG. Intergovernmental fiscal relations** | | | | | | | |
| HLG-1 | Transfers from higher level of government | M2 |  |  |  |  |  |
| HLG-2 | Fiscal rules and monitoring of fiscal position | M1 |  |  |  |  |  |
| **I. Budget reliability** | | | | | | | |
| PI-1 | Aggregate expenditure outturn | M1 |  |  |  |  |  |
| PI-2 | Expenditure composition outturn | M1 |  |  |  |  |  |
| PI-3 | Revenue outturn | M2 |  |  |  |  |  |
| **II. Transparency of public finances** | | | | | | | |
| PI-4 | Budget classification | M1 |  |  |  |  |  |
| PI-5 | Budget documentation | M1 |  |  |  |  |  |
| PI-6 | Subnational government operations outside financial reports | M2 |  |  |  |  |  |
| PI-7 | Transfers to subnational governments | M2 |  |  |  |  |  |
| PI-8 | Performance information for service delivery | M2 |  |  |  |  |  |
| PI-9A | Public access to fiscal information | M1 |  |  |  |  |  |
| PI-9B | Public consultation | M2 |  |  |  |  |  |
| **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 | Medium-term budget strategy | M2 |  |  |  |  |  |
| PI-17 | Budget preparation process | M2 |  |  |  |  |  |
| PI-18 | Legislative scrutiny of budgets | M1 |  |  |  |  |  |
| **V. Predictability and control in budget execution** | | | | | | | |
| PI-19 | Tax 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 | M2 |  |  |  |  |  |

1. **PFM Context in subnational government X**

XXX *The objective of this section is to provide information on the core characteristics of PFM and fiscal decentralization in the country and the subnational government.*

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

* 1. **Subnational government X financial overview**

XXX *This subsection describes the structure of the overall public sector and the subnational government respectively, in terms of the number of institutions involved and the financial importance of each segment. 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 cover the last completed fiscal year.*

*The information serves as a basis for understanding the coverage and boundaries of the assessment as presented in the methodology section of the report. It also provides an opportunity to explain the relative importance of different segments of the public sector for the analysis in sections 2 and 3 as well the relative importance of the SNG under assessment in relation to the country’s public finance.*

*Under table 1.1, budgetary units are those which are directly charged with responsibility for implementing the budget in line with sector policies and which directly receive funds or authorization to spend from the subnational department of finance or another central agency. Extrabudgetary units are those which are controlled by the subnational government. Public corporations are those which are controlled or owned by the subnational government.*

**TABLE 1.1: Structure of the subnational public sector (number of entities, financial turn-over and 10 largest entities by expenditure)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Budgetary units** | **Extrabudgetary units[[3]](#footnote-4)** | **Subnational Public corporations** | **Subnational governments[[4]](#footnote-5)** |
| Number of entities |  |  |  |  |
| Financial turn-over |  |  |  |  |
| Ten largest entities (name[[5]](#footnote-6)) |  |  |  |  |
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*This section also includes a short comment on the main trends in aggregate fiscal discipline for the last three years. Table 1.2 summarizes the main aggregate fiscal data. The table can be adjusted to the subnational government context by the assessors. For example, if budget deficit is not allowed in the country, expenditure can be disaggregated into recurrent and investment expenditure.*

**TABLE 1.2: Aggregate fiscal data**

|  |  |  |  |
| --- | --- | --- | --- |
| **Subnational government actuals (in currency units)** | | | |
|  | **FY T-2** | **FY T-1** | **FY T** |
| Total revenue |  |  |  |
| —Own revenue |  |  |  |
| —Transfers from HLG |  |  |  |
| —Other grants |  |  |  |
| Total expenditure |  |  |  |
| —Noninterest expenditure |  |  |  |
| —Interest expenditure |  |  |  |
| Aggregate deficit (incl. grants) |  |  |  |
| Primary deficit |  |  |  |
| Net financing |  |  |  |
| —External |  |  |  |
| —Domestic |  |  |  |

* 1. **Institutional arrangements**

XXX *This section may include two subsections: Institutional arrangements for decentralization, which is optional, and institutional arrangements for PFM, which should be included in all reports.*

***Institutional arrangements for decentralization (optional)***

XXX *This subsection should be included when the subnational government being assessed is part of an assessment whose purpose is to prepare a PFM reform action plan for both SNGs and the CG (limited to SNG-related functions) as stated in the purpose of the Executive Summary. In all other cases, it is optional. The subsection may be the same in all of the reports when more than one SNG is being assessed in a country.*

*This subsection addresses the following:*

1. *Identify and describe the higher-level government legislation and regulations defining and guiding the SNG structure. It is important to provide the name and date, and to describe the laws on decentralization.*
2. *Summarize information on the number of government-level and administrative tiers and the average size of the population they serve in a table such as the example in table 1.3 below.*
3. *Identify the main responsibilities of the government level under consideration and their extent (for example, full responsibility for water and sanitation, school equipment) and explain where the assignment of these responsibilities is defined (for example, in law or a constitution). In addition, indicate whether these assignments are clear, and followed in practice and whether these responsibilities are devolved, delegated, or shared with a higher-level government.*
4. *Identify the revenue assignment, including the extent of the subnational taxing power.*
5. *Describe the composition of intergovernmental transfers and explain whether the right of subnational governments to borrow and incur debt is limited.*

**Table 1.3: Overview of subnational governance structure**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Government tier** | **Own political leadership?** | **Approves own budget?** | **Number of jurisdictions** | **Average population** | **% of total public expenditure** | **% of total public revenues** | **% funded by transfers** | | **Tier 1** |  |  |  |  |  |  |  | | **Tier 2** |  |  |  |  |  |  |  | | **Tier 3** |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |
| *Note 1: Add more rows as needed to include all government levels or administrative tiers.*  *Note 2: Provide a footnote if the government level does not cover the entire territory (as in the case of municipalities) or if major asymmetries are present in the subnational governance structure.* |

***Institutional arrangements for PFM***

*This subsection describes the responsibilities of the main entities involved in subnational PFM, including those in the different branches of the subnational government (executive and legislative), those in the central government, 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 1.1). This should describe the key features of the fiscal decentralization system applied to the level of decentralization to which the assessed subnational government belongs, in particular,*

1. *The arrangements for preparing and adopting the budget (adoption by the subnational council/legislative, right of subsequent modification by a higher-level government).*
2. *The arrangements for holding accounts (part of the national treasury, bank accounts in their own name, requirement to hold accounts in the central bank).*
3. *The extent to which SNGs can procure their own supplies and capital infrastructure.*
4. *The right to borrow and guarantee debts.*
5. *The composition of financial resources collected and received by the SNG—in particular, the transfers from higher-level government (unconditional grants, earmarked grants) and own revenue (tax revenue, nontax revenue)*
6. *The ability of SNGs to increase revenues (right to set the rate and basis of local taxes).*

*This should explain how the main PFM responsibilities are shared between the SNG and the higher level of government, in particular regarding revenue collection, investment management, procurement, salary expenditure, external audit.*

*Additional information on the broad responsibilities for public financial management between the department of finance, the line departments and other subnational entities, such as the department of planning or the revenue department, should be included. The organizational structure of the subnational government is described, with an organization chart, if available, to be included as an annex.*

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

XXX ***The report lists and summarizes the laws and regulations that determine the structure and guide the operation of the subnational 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.*

XXX ***A subsection should also describe the legal and regulatory arrangements for the internal control system.*** *According to international standards[[6]](#footnote-7), 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 and adjusted to the tier of subnational government being assessed.*

XXX *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.***

**Table 1.4: Main PFM laws and regulations**

| **PFM area** | **Law/ regulation** | **Brief description and coverage** |
| --- | --- | --- |
| **All** | Constitution |  |
| **Planning** |  |  |
| **Budgeting** |  |  |
| **Accounting** |  |  |
| **Internal Audit** |  |  |
| **Intergovernmental fiscal relations** |  |  |
| **Parliament** |  |  |
| **Internal control** |  |  |
| **External audit** |  |  |
| **Procurement** |  |  |
| **Public participation** |  |  |

* 1. **PFM Reform process**

XXX *This section provides an overview of the government’s overall approach to PFM reform, including the existence, origins, and structure of a PFM reform program or any alternative approach used such as parallel, independent, or institution-specific reform and capacity development initiatives. The section also gives an overview of country’s main PFM priorities and progress made in strengthening the PFM system.*

*If needed, the subsection may be divided into two parts: a subsection focused on PFM reforms of the subnational government and a subsection focused on reforms undertaken by the central government regarding the decentralization and intergovernmental fiscal relations in the country.*

1. **Detailed analysis 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 pillars, the indicators and the dimensions.*

*There is no recommended length for this section.* ***The narrative should focus on the description of the situation and provide only the relevant evidence to support the score.***

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

*SNG Pillar: Intergovernmental fiscal relations*

*Pillar1: Budget reliability*

*Pillar 2: Transparency of public finances*

*Pillar 3: Management of assets and liabilities*

*Pillar 4: Policy-based fiscal strategy and budgeting*

*Pillar 5: Predictability and control in budget execution*

*Pillar 6: Accounting and reporting*

*Pillar 7: External scrutiny and audit*

*Each subsection should discuss the findings per pillar and per relevant indicators. For example, subsection on transparency of public finances focuses on PI-4 to PI-9B. Reporting follows the numerical order of the indicators.*

***Each pillar*** *should present the following elements:*

* ***What the pillar measures:*** *This is a standardized text to inform new report users on the subject matter being assessed under the pillar.*
* ***Overall performance****:* 
  + *Analysis of key strengths and weaknesses of PFM as identified by the performance indicators of the pillars should be summarized. 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 links between the main strengths and weakness of the pillar and specific reform initiatives undertaken or planned.*
  + *The analysis should capture the interdependence between the indicators within each pillar. It should also examine the links between indicators across the pillars in order to explain how performance of certain functions depends on the performance of others (see matrix under each pillar -Interdependence between indicators).*
  + *The analysis may highlight the responsibilities of the CG or the SNG for a specific performance.*
  + *The analysis will be summarized using a graph.*
* ***Detailed performance for each indicator within the specific pillar*** *(See below for indicators and dimensions)*

***Each performance indicator (PI)*** *should be reported separately and discuss the assessment of the elements described below:*

* ***What the PI measures:*** *This is a standardized text to inform new report users on subject matter being assessed under the indicator. For each performance indicator, this will briefly quote the description provided in the 2022 SNG PEFA guidance.* *It also provides standardized details of institutional coverage and scope in terms of timeframes for which performance is assessed.*
* ***Methodological notes:*** *Where applicable, the use of sampling should be explained with reference to the guidance for indicators which accommodate such option. The report should also disclose any divergence from guidance or issues with data availability and reliability.*
* ***A summary table of scores:*** *When CG is responsible for the process, function or system under assessment with a direct impact on the SNG performance the report may acknowledge that in the short explanation of the dimension’s performance. It is the case when, for example, the SNG is required to use the CG budget classification which is not compliant with international standards.*
  + *The table should provide a summary of actual performance against the requirements of each dimension score.*
* ***Detailed description of the SNG PFM system for the assessed performance indicator:*** *This subsection should describe the institutional and organizational arrangements and the legislation relevant to the subject being assessed by the indicator.*
* ***Recent or ongoing reform activities:*** *Activities relevant to the indicator include reforms that:*
  + *may already have impacted performance.*
  + *have been implemented but where evidence for their impact is not yet available may be under implementation, or*
  + *are to start during the time of the assessment.*

*The report does not attempt to assess reform relevance or success and is limited to noting possible links between performance and reform. Reference to government reform plans or description of existing conditions agreed by development partners (i.e., reform measures yet to be implemented) are not considered evidence for status or progress of reform efforts.*

* ***Detailed performance for each dimension within the specific indicator*** *(See below for dimensions)*

***Each dimension*** *should discuss the assessment of the elements described below:*

* ***Performance level and evidence for scoring:*** *For each dimension, assessors should focus on the analysis of performance against PEFA criteria. The text gives a clear understanding of the actual performance of each of the PFM dimensions captured by the indicators and the rationale for its scoring. Each dimension of the indicator is discussed in the text and addressed in a way that enables understanding of the specific score (A, B, C or D) achieved for the dimension. The report indicates the factual evidence, including quantitative data, which has been used to substantiate the assessment. The information is specific wherever possible, for example, in terms of quantities, dates, and time spans. Where relevant, evidence used for scoring should be presented in the mandatory tables and further described in the narrative. Tables are used to support the scores assigned. They do not replace the narrative which is still required. All tables presented in Section 2 of the report template are mandatory unless otherwise indicated. Any issues in relation to the timeliness or reliability of data and evidence is noted. If insufficient information has been obtained either for a whole indicator or one of its dimensions, the text explicitly mentions it.*
* ***Performance change since a previous PEFA assessment:*** *Performance change over time is reported for each dimension in cases where an earlier PEFA assessment has taken place. This is intended to capture the dynamic aspects of the reform process and capacity development in the country while retaining sufficient rigor in assessing ongoing changes[[7]](#footnote-8).* *Reporting on performance change over time involves:*
  + *Presentation of evidence for each dimension and indicator score compared with the previous score.*
  + *Highlighting comparability issues in relation to the previous assessment, such as differences in methodology, differences in coverage, changes in definitions related to the subject, different interpretation of data, etc., so that the robustness of the evidence of change is fully disclosed.*
  + *Explanation of changes in performance that may not be captured by a change of the score but are nevertheless evidenced. These may include a performance change for one or more scoring requirements for a dimension or the fact that the overall indicator score may not have changed despite changes in one or more dimensions scores.*

*This subsection is to be used only in successive assessments where both the previous and the current assessment use either the 2016 Supplementary Guidance for SNG PEFA Assessments or the 2022 SNG PEFA guidance (see Guidance on tracking changes in performance based on the 2016 Supplementary Guidance for SNG PEFA Assessments).*

*Assessors should follow further guidance for completing section 2 provided in:*

* The 2022 Guidance for Subnational Government PEFA assessments [[8]](#footnote-9).
* [The PEFA Framework](http://pefa.org/sites/default/files/resources/downloads/49357-PEFA-Framework-E-v2.pdf)[[9]](#footnote-10)***.***
* [*Volume II of the PEFA Handbook: PEFA Assessment Fieldguide[[10]](#footnote-11)****.***](http://pefa.org/sites/default/files/resources/downloads/PEFA%20Handbook%20Volume%202%20-%20second%20edition%20publication.pdf) ***Each indicator presents measurement guidance both at the indicator and at the dimension level, with some elements dealing with narrative part.***

*Color codes for scores are inserted below and can be used throughout the report*

|  |  |
| --- | --- |
| A | High level of performance that meets good international practices |
| B | Sound performance in line with many elements of good international practices |
| C | Basic level of performance |
| D | Less than the basic level of performance |
| D\* | Insufficient information to score[[11]](#footnote-12) |
| NA | Not applicable[[12]](#footnote-13) |

**SNG PILLAR: Intergovernmental fiscal relations**

**What does SNG Pillar measure?** Subnational governments obtain reliable and timely information on transfers from the central government to help them prepare meaningful budgets. Central government sets effective fiscal rules and monitors the fiscal position of the subnational governments

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table SNG PILLAR: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***SNG Pillar- Intergovernmental fiscal relations*** | | | | | | | | |
| ***HLG-1. Transfers from higher level of government*** | |  |  |  |  |  |  |  |  |
| *HLG-1.1. Outturn of transfers from higher level of government* | | *HLG-1.4* | *3.1* |  |  |  |  |  |  |
| *HLG-1.2. Transfers composition outturn* | |  | *3.2* |  |  |  |  |  |  |
| *HLG-1.3. Timeliness of transfers from higher level of government* | |  |  |  |  | *14.1* | *20.1* |  |  |
| *HLG-1.4. Predictability of transfers* | | *HLG-1.1* |  |  |  | *14.1*  *14.3* |  |  |  |
| ***HLG-2. Fiscal rules and monitoring of fiscal position*** | |  |  |  |  |  |  |  |  |
| *HLG-2.1. Fiscal rules for subnational governments* | |  | *1.1*  *2.1* | *5 (El. 1)*  *5 (El. 5)* |  | *14.1* |  |  |  |
| *HLG-2.2. Debt rules for subnational governments* | |  |  | *5 (El. 7)* | *13.2* |  |  |  |  |
| *HLG-2.3. Monitoring of subnational governments* | |  |  |  | *10.2* |  |  | *29.2* | *30.2* |

**Figure SNG PILLAR: Intergovernmental fiscal relations**

**GRAPH**

**HLG-1. Transfers from higher level of government**

**What does HLG-1. measure?** This indicator assesses the extent to which transfers to the subnational government (SNG) from higher level of government (HLG) are consistent with original approved budgets of the HLG and are provided according to agreed time frames. Coverage is budgetary units of the SNG and HLG for the last three completed fiscal years for HLG-1.1, HLG-1.2 and HLG-1.3 and the last completed fiscal year for HLG-1.4. It uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

Source data and calculations are available in Annex **X *(to be specified by the report)***.

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website www.pefa.org. Copy of the template is provided in Annex 5: Calculation sheet templates for HLG-1[[13]](#footnote-14), PI-1, PI-2, and PI-3. The Calculation Sheet for dimensions HLG-1.1 and HLG-1.2 can be filled in as described in the spreadsheet. Completed calculations must be included in the assessment report as an Annex.*

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **HLG-1. Transfers from higher level of government (M2)** | |  |  |
| HLG-1.1. Outturn of transfers from higher level of government |  |  |  |
| HLG-1.2. Transfers composition outturn |  |  |  |
| HLG-1.3. Timeliness of transfers from higher level of government |  |  |  |
| HLG-1.4. Predictability of transfers |  |  |  |

**Detailed description of the country PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**HLG-1.1. Outturn of transfers from higher level of government**

**Performance level and evidence for scoring:**

**Table HLG-1.1: Actual transfers compared to original budget estimate (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Outturn (%)** | **FY T-2** | **FY T-1** | **FY T** |
| Transfers from HLG |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

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

*- Table 1.2 Aggregate fiscal data*

*- HLG-1.2 Transfers composition outturn*

*- PI-3 Revenue outturn: revenue covered by indicator PI-3 should not be included in HLG-1.*

**Performance change since a previous PEFA assessment:**

xxx

**HLG-1.2. Transfers composition outturn**

**Performance level and evidence for scoring:**

**Table 2.2: Transfers composition outturn compared to original approved budget**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variance (%)** | **FY T-2** | **FY T-1** | **FY T** |
| Transfers composition outturn |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

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

*- Table 1.2 Aggregate fiscal data*

*- HLG-1.1 Outturn of transfers from HLG*

*- PI-3 Revenue outturn: revenue covered by indicator PI-3 should not be included in HLG-1.*

**Performance change since a previous PEFA assessment:**

xxx

**HLG-1.3. Timeliness of transfers from higher level of government HLG-1.4. Predictability of transfers**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**HLG-1.4. Predictability of transfers**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**HLG-2 Fiscal rules and monitoring of fiscal position (Optional)**

**What does HLG-2 measure?** This indicator assesses the extent to which the central government sets fiscal rules framing the budget and granting subnational governments the right to borrow. It also assesses the extent to which the central government monitors the financial position of subnational governments. Coverage is budgetary units of the SNG and HLG for the last completed fiscal year. It uses the **M1 (WL)** method for aggregating dimension scores

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **HLG-2. Fiscal rules and monitoring of fiscal position (M1)** | |  |  |
| HLG-2.1. Fiscal rules for subnational governments |  |  |  |
| HLG-2.2. Debt rules for subnational governments |  |  |  |
| HLG-2.3. Monitoring of subnational governments |  |  |  |

**Detailed description of the country PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**HLG-2.1. Fiscal rules for subnational governments**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

Xxx

**HLG-2.2. Debt rules for subnational governments**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

**HLG-2.3. Monitoring of subnational governments**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PILLAR ONE: Budget reliability**

**What does Pillar I measure?** The subnational government budget is realistic and is implemented as intended. This is measured by comparing actual revenues and expenditures (the immediate results of the PFM system) with the original approved budget.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR ONE: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar I- Budget reliability*** | | | | | | | | |
| ***PI-1. Aggregate expenditure outturn*** | |  |  |  |  |  |  |  |  |
| *1.1. Aggregate expenditure outturn* | | *HLG-2.1* | *2.1*  *2.2* | *6.1* |  | *14.3*  *17.2*  *18.4* | *22.1* |  |  |
| ***PI-2. Expenditure composition outturn*** | |  |  |  |  |  |  |  |  |
| *2.1. Expenditure composition outturn by function* | | *HLG-2.1* | *1.1*  *2.2* |  |  | *14.3* |  |  |  |
| *2.2. Expenditure composition outturn by economic type* | |  | *1.1*  *2.1* |  |  | *14.3* |  |  |  |
| *2.3. Expenditure from contingency reserves* | |  |  |  |  |  |  |  |  |
| ***PI-3. Revenue outturn*** | |  |  |  |  |  | ***19***  ***20*** |  |  |
| *3.1. Aggregate revenue outturn* | | *HLG-1.1* |  | *6.2* |  | *14.3* |  |  |  |
| *3.2. Revenue composition outturn* | | *HLG-1.2* |  |  |  | *14.3* |  |  |  |

**Figure PILLAR ONE: Budget reliability**

**GRAPH**

**PI-1. Aggregate expenditure outturn**

**What does PI-1 measure?** This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in subnational government budget documentation and fiscal reports. Coverage is budgetary units of the SNG for the last three completed fiscal years.

**Methodological notes:**

Source data and calculations are available in Annex **X *(to be specified by the report)***.

*The methodology for calculating this dimension is provided in a spreadsheet on the PEFA website www.pefa.org. Copy of the template is provided in Annex 5: Calculation sheet templates for HLG-1, PI-1, PI-2, and PI-3. The Calculation Sheet for dimensions PI-1.1, PI-2.1 and PI-2.3 (first tab)[[14]](#footnote-15) can be filled in as described in the spreadsheet (first tab). Completed calculations must be included in the assessment report as an Annex.*

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-1. Aggregate expenditure outturn (M1)** | |  |  |
| * 1. Aggregate expenditure outturn |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

* 1. **Aggregate expenditure outturn**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

*In addition, consistency should be ensured with total expenditure amounts presented in:*

*- Table 1.2 Aggregate fiscal data*

*- PI-2.1 excluding contingency items and interests*

*- PI-2.2 excluding contingency items*

*- Any reference to budgetary units of the SNG approved aggregate expenditure or aggregate expenditure outturn used in the PEFA report, particularly to assess materiality*

**Performance change since a previous PEFA assessment:**

xxx

**PI-2. Expenditure composition outturn**

**What does PI-2 measure?** This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition. Coverage is budgetary units of the SNG for the last three completed fiscal years. It uses the **M1** (WL) method for aggregating dimension scores.

**Methodological notes:**

Source data and calculations are available in Annex **X *(to be specified by the report)***.

*The same automated spreadsheet as for PI-1 is used to calculate PI-2.1 and 2.3 (first tab) and PI-2.2 (second tab). Calculations* ***must*** *be included in the assessment report as an Annex.*

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-2. Expenditure composition outturn (M1)** | |  |  |
| 2.1. Expenditure composition outturn by function |  |  |  |
| * 1. Expenditure composition outturn by economic type |  |  |  |
| * 1. Expenditure from contingency reserves |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**2.1. Expenditure composition outturn by function**

**Performance level and evidence for scoring:**

**Table 2.1: Expenditure composition outturn compared to original approved budget – by program, administrative, or functional classification (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variance (%)** | **FY T-2** | **FY T-1** | **FY T** |
| Program, administrative or functional classification – *edit as appropriate* |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

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

*- Table 1.2 Aggregate fiscal data*

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

*- PI-2.2 except for contingency items*

*- Any reference to BCG budgetary units of SNG approved aggregate expenditure or aggregate expenditure outturn used in the PEFA report, particularly to assess materiality.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

**Table 2.2: Expenditure composition outturn compared to original approved budget – by economic classification (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variance (%)** | **FY T-2** | **FY T-1** | **FY T** |
| Economic classification |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

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

*- Table 1.2 Aggregate fiscal data*

*- PI-1.1 except for contingency items*

*- PI-2.1 except for contingency items and interests*

*- Any reference to budgetary units of SNG approved aggregate expenditure or aggregate expenditure outturn used in the PEFA report, particularly to assess materiality.*

**Performance change since a previous PEFA assessment:**

xxx

**2.3. Expenditure from contingency reserves**

**Performance level and evidence for scoring:**

**Table 2.3: Expenditure from contingency reserves (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **%** | **FY T-2** | **FY T-1** | **FY T** |
| Actual expenditure charged to a contingency vote |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**PI-3. Revenue outturn**

**What does PI-3 measure?** This indicator measures the change in SNG own revenue between the original approved budget and end-of-year outturn. Coverage is budgetary units of the SNG for the last three completed fiscal years. This indicator uses the **M2** (AV) method for aggregating dimension scores.

**Methodological notes:**

Source data and calculations are available in Annex **X *(to be specified by the report)***.

*The methodology for calculating dimensions of this indicator is provided in a spreadsheet on the PEFA website* [*www.pefa.org[[15]](#footnote-16).*](http://www.pefa.org/) *Calculations for the indicator* ***must*** *be included in the assessment report as an Annex. A template is provided in Annex 5: Calculation sheet templates for HLG-1, PI-1, PI-2, and PI-3.*

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA..*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-3. Revenue outturn (M2)** | |  |  |
| * 1. Aggregate revenue outturn |  |  |  |
| * 1. Revenue composition outturn |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**3.1. Aggregate revenue outturn**

**Performance level and evidence for scoring:**

**Table 3.1: Aggregate revenue outturn (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Total revenue** | **FY T-2** | **FY T-1** | **FY T** |
| Original approved budget |  |  |  |
| Outturn |  |  |  |
| **Outturn as a percentage of original approved budget** |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

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

*- Table 1.2 Aggregate fiscal data*

*- For the application of this indicator, the revenues to be assessed are all own source revenues of the SNG (excluding transfers which are assessed in HLG-1*

*- PI-3.2*

*- PI-19*

*- PI-20*

*- Any reference to budgetary units of SNG approved aggregate revenue or aggregate revenue outturn used in the PEFA report, particularly to assess materiality.*

**Performance change since a previous PEFA assessment:**

xxx

**3.2. Revenue composition outturn**

**Performance level and evidence for scoring:**

**Table 3.2: Revenue composition outturn compared to the original approved budget (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variance (%)** | **FY T-2** | **FY T-1** | **FY T** |
| Revenue composition |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PILLAR TWO: Transparency of public finances**

**What does Pillar II measure?** Information on public financial management is comprehensive, consistent, and accessible to users. This is achieved through comprehensive budget classification, transparency of all government revenue and expenditure including intergovernmental transfers, published information on service delivery performance, ready access to fiscal and budget documentation and public consultation.

**Overall performance: Analysis of key PFM strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per table below.*

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

***Table PILLAR TWO: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar II-Transparency of public finances*** | | | | | | | | |
| ***PI-4. Budget classification*** | |  |  |  |  |  |  |  |  |
| *4.1 Budget classification* | |  |  | *5 (El.4)* |  | *14.3* | *22.2* | *28.1*  *29.1* |  |
| ***PI-5. Budget documentation*** | |  |  |  |  |  |  |  |  |
| *5.1 Budget documentation* | | *El.1: HLG-2.1*  *El.5: HLG-2.1*  *El.7: HLG-2.2* |  | *9 (El.1)*  *El.4: 4* | *El.7: 13.1*  *El. 8: 12.1*  *El. 9:10.3* | *El.6: 14.2*  *El.10:14.1, 14.2*  *El.11:14.3* |  |  |  |
| ***PI-6. Subnational government operations outside financial reports*** | |  |  |  |  |  |  | ***29*** |  |
| *6.1. Expenditure outside financial reports* | |  | *1* |  |  |  |  |  |  |
| *6.2. Revenue outside financial reports* | |  | *3.1* |  |  |  |  |  |  |
| *6.3. Financial reports of extra-budgetary units* | |  |  |  |  |  |  |  |  |
| ***PI-7. Transfers to subnational governments*** | |  |  |  |  |  |  |  |  |
| *7.1. System for allocating transfers* | |  |  |  |  |  |  |  |  |
| *7.2. Timeliness of information on transfers* | |  |  |  |  | *17.1* |  |  |  |
| ***PI-8****. Performance information for service delivery* | |  |  |  |  |  |  |  |  |
| *8.1. Performance plans for service delivery* | |  |  | *9B.2* |  |  |  |  |  |
| *8.2. Performance achieved for service delivery* | |  |  | *9B.2* |  |  |  |  |  |
| *8.3. Resources received by service delivery units* | |  |  |  |  |  |  |  |  |
| *8.4. Performance evaluation for service delivery* | |  |  | *9B.2* |  |  |  |  | *PI-26*  *PI-30* |
| ***PI- 9A. Public access to fiscal information*** | |  |  |  |  |  |  |  |  |
| *9A.1. Public access to fiscal information* | |  |  | *El.1: 5*  *El.8: 9B.1* |  | *El.9: 14.1*  *El.11: 14.3* |  | *El.3: 28.2*  *El.5: 29* | *El.5: 30*  *El.7: 30.4* |
| ***PI- 9B. Public consultation*** | |  |  |  |  |  |  |  |  |
| *9B.1. Public consultation in budget preparation* | |  |  | *9 (El.8)* |  | *14.1*  *17.1*  *18.1* |  |  |  |
| *9B.2. Public consultation in the design of service delivery programs* | |  |  | *8.1*  *8.2*  *8.4* |  |  |  |  |  |
| *9B.3. Public consultation in investment planning* | |  |  |  | *11.1*  *11.2*  *11.4* |  |  |  |  |

**Figure PILLAR TWO: Transparency of Public Finances**

**GRAPH**

**PI-4. Budget classification**

**What does PI-4 measure?** This indicator assesses the extent to which the budget and accounts classification used by the subnational government is consistent with international standards. Coverage is budgetary units of the SNG for the last completed fiscal year.

**Methodological notes:**

XXX

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-4. Budget classification** | |  |  |
| 4.1. Budget classification |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**4.1. Budget classification**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-5. Budget documentation**

**What does PI-5 measure?** 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. Coverage is budgetary units of the SNG for the last budget submitted to the subnational council/legislature.

**Methodological notes:**

XXX

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-5. Budget documentation** | |  |  |
| 5.1. Budget documentation |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**5.1. Budget documentation**

**Performance level and evidence for scoring:**

*All four basic elements are applicable at the subnational level. However, some of the additional elements— 5, 6, and 7—may not be applicable. Scoring will need to be adjusted to reflect the number of the additional elements applicable to the SNG (see 2022 Guidance for SNG PEFA assessments, page 45).*

**Table 5.1: Budget documentation (last budget submitted to the subnational council/legislature)**

| **Element/ Requirements** | **Included**  **(Y/N)** | **Source of evidence and comments** |
| --- | --- | --- |
| **Basic elements** |  |  |
| 1. Forecast of the fiscal deficit or surplus or accrual operating result |  |  |
| 2. Previous year’s budget outturn, presented in the same format as the budget proposal |  |  |
| 3. Current fiscal year’s budget presented in the same format as the budget proposal |  |  |
| 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 |  |  |

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-6. Subnational government operations outside financial reports**

**What does PI-6 measure?** This indicator measures the extent to which government revenue and expenditure are reported outside subnational government financial reports. Coverage is budgetary and extrabudgetary units of the SNG for the last completed fiscal year. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-6. Central government operations outside financial reports (M2)** | |  |  |
| * 1. Expenditure outside financial reports |  |  |  |
| * 1. Revenue outside financial reports |  |  |  |
| * 1. Financial reports of extrabudgetary units |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**6.1. Expenditure outside financial reports**

**Performance level and evidence for scoring:**

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

| **Entity** | **Type of expenditure reported outside government financial reports** | **Estimated amount of expenditure reported outside government financial reports** | **Evidence and reporting** |
| --- | --- | --- | --- |
| **Budgetary units** | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |
| **Extrabudgetary units** | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |
| **Social security funds** *(when they belong to the subnational government being assessed)* | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |
| **Externally funded projects** | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**6.2. Revenue outside financial reports**

**Performance level and evidence for scoring:**

**Table 6.2: Revenue outside financial reports (Last completed fiscal year)**

| **Entity** | **Type of revenue outside government financial reports** | **Estimated amount of revenue reported outside government financial reports** | **Evidence and reporting** |
| --- | --- | --- | --- |
| **Budgetary units** | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |
| **Extrabudgetary units** | | | |
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|  |  |  |  |
| Etc. |  |  |  |
| **Social security funds** *(when they belong to the subnational government being assessed)* | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |
| **Externally funded projects** | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Etc. |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**6.3. Financial reports of extrabudgetary units**

**Performance level and evidence for scoring:**

*If the SNG being assessed has more than ten extrabudgetary units (EBU), for the purpose of this dimension, sampling could be used by focusing on the ten most important EBUs (measured by expenditure).*

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of extrabudgetary unit** | **Date of end of FY *(if different from SNG)*** | **Date of annual financial report received by SNG** | **Content of annual financial report (Y/N):** | | | | **Expenditure as a percentage of total extrabudgetary unit expenditure (estimated)** |
| **Expenditures, revenues and cash balances** | **Financial assets and liabilities, guarantees and long-term obligations** | **Tangible assets** | **Cash flow statement** |
|  |  |  |  |  |  |  |  |
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xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-7 measure?** This indicator assesses the transparency and timeliness of transfers from the assessed subnational government to lower-tier subnational governments with direct financial relationships to it. It considers the basis for transfers from assessed subnational government and whether lower-tier subnational governments receive information on their allocations in time to facilitate budget planning. This covers the assessed subnational government and the lower-tier subnational governments with direct financial relationships for the last completed fiscal year. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-7. Transfers to subnational governments (M2)** | |  |  |
| 7.1. System for allocating transfers |  |  |  |
| 7.2. Timeliness of information on transfers |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**7.1. System for allocating transfers**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Type of transfer** | **Budget** | | | | **Actuals** | | | | |
| **Amount** | **% of the total** | **Transparent and rule-based (Y/N)** | **Source of rules** | | **Amount** | **% of the total** | **Transparent and rule-based (Y/N)** | **Source of rules** |
|  |  |  |  |  | |  |  |  |  |
|  |  |  |  |  | |  |  |  |  |
|  |  |  |  |  | |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**7.2. Timeliness of information on transfers**

**Performance level and evidence for scoring:**

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of transfer** | **Date when information regarding transfers is received by lower-tier SNGs** | **Source of evidence of the date of transfers** | **Date of budget submission to lower-tier SNG council** |
|  |  |  |  |
|  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-8 measure?** 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. Coverage is budgetary and extrabudgetary units of the SNG for all four dimensions and for PI-8.1, performance indicators and planned outputs and outcomes for the next fiscal year; for PI-8.2, outputs and outcomes of the last completed fiscal year; and for PI-8.3 and 8.4, last three completed fiscal years. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-8. Performance information for service delivery (M2)** | |  |  |
| * 1. Performance plans for service delivery |  |  |  |
| * 1. Performance achieved for service delivery |  |  |  |
| * 1. Resources received by service delivery units |  |  |  |
| * 1. Performance evaluation for service delivery |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

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

**Table 8. Performance information for service delivery – List of departments *(or other unit as appropriate)***

|  |  |  |  |
| --- | --- | --- | --- |
| **Department *(or other unit as appropriate)*** | **Budget** | | |
| **Total (Amount)** | **Service delivery (Amount)** | **Percentage of service delivery** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total** |  |  |  |

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

**Recent or ongoing reform activities:**

xxx

**8.1. Performance plans for service delivery**

**Performance level and evidence for scoring:**

**Table 8.1: Performance plans (Performance indicators and planned outputs and outcomes for the next fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Department *(or other unit as appropriate)*** | **Program objectives specified** (Y/N) | **Key performance indicators** (Y/N) | **Performance plans** | |
| **Planned outputs** (Y/N) | **Planned outcomes** (Y/N) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
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|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**8.2. Performance achieved for service delivery**

**Performance level and evidence for scoring:**

**Table 8.2: Performance achieved (Outputs and outcomes of the last completed fiscal year)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Department *(or other unit as appropriate)*** | **Performance achieved** | | |
| **Data on actual outputs**  **produced** (Y/N) | **Data on actual outcomes achieved** (Y/N) | **Information on activities undertaken (if no outputs or outcomes)** (Y/N) |
|  |  |  |  |
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***Data source****: Specify details of source/documents. Insert website address where relevant.*

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**8.4. Performance evaluation for service delivery**

**Performance level and evidence for scoring:**

**Table 8.4: Information on performance evaluation for service delivery (Last three completed fiscal years)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Department *(or other unit as appropriate)*** | **Program or service evaluated** | **Date of evaluation** | **Type of evaluation** | **Lead institution** | **Efficiency assessed** (Y/N) | **Effectiveness assessed** (Y/N) |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-9A measure?** 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. Coverage is budgetary units of the SNG for the last completed fiscal year.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-9A. Public access to fiscal information** | |  |  |
| 9A.1. Public access to fiscal information |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**9A.1. Public access to fiscal information**

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

*Elements 5 and 7 may not be applicable. Scoring will need to be adjusted to reflect the number of basic and additional elements applicable to the SNG (see 2022 Guidance for SNG PEFA assessments, page 60).*

**Table 9A.1: Budget documentation (Last completed fiscal year)**

| **Element/ Requirements** | **Criteria met**  **(Y/N)** | **Within the timeframe (Y/N)** | **Explanation and source of evidence** |
| --- | --- | --- | --- |
| **Basic elements** |  |  |  |
| 1. **Annual executive budget proposal documentation**. A complete set of executive budget proposal documents (as presented by the country in PI-5) is available to the public within one week of the executive’s submission of them to the legislature. |  |  |  |
| 2. **Enacted budget.** The annual budget law approved by the legislature is publicized within two weeks of passage of the law. |  |  |  |
| 3. **In-year budget execution reports**. The reports are routinely made available to the public within one month of their issuance, as assessed in PI-28. |  |  |  |
| 4. **Annual budget execution report**. The report is made available to the public within six months of the fiscal year’s end. |  |  |  |
| 5. **Audited annual financial report, incorporating or accompanied by the external auditor’s report**. 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**. Either (i) a clear, simple summary of the executive budget proposal is publicly available within two weeks of the executive budget proposal's submission to the legislature, or (ii) the enacted budget understandable by the nonbudget experts, often referred to as a “citizens’ budget,” and where appropriate, translated into the most commonly spoken local language(s), is publicly available within one month of the budget’s approval. |  |  |  |

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-9B. Public consultation**

**What does PI-9B measure?** This indicator assesses the extent to which the SNG conducts public consultation in preparing the budget, designing service delivery programs, and planning investments. Coverage is budgetary units of the SNG for the last budget submitted to the subnational council/legislature. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-9B. Public consultation (M2)** | |  |  |
| 9B.1. Public consultation in budget preparation |  |  |  |
| 9B.2. Public consultation in the design of service delivery programs |  |  |  |
| 9B.3. Public consultation in investment planning |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

**Recent or ongoing reform activities:**

xxx

**9B.1. Public consultation in budget preparation**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**9B.2. Public consultation in the design of service delivery programs**

**Performance level and evidence for scoring:**

**Table 9B.2: Public consultation in the design of service delivery programs**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Service delivery program *(or other unit as appropriate)*** | **Total** | | **Public consultation** | | | | | |
| **Amount** | **Percentage** | **Date of public consultation** | **Formal mechanism for feedback** (Y/N) | **Publication of feedbacks** (Y/N) | **Publication of summary of inputs**  (Y/N) | **Explanation on those inputs**  (Y/N) | **Inclusive process**  (Y/N) |
|  |  |  |  |  |  |  |  |  |
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***Data source****: Specify details of source/documents. Insert website address where relevant.*

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**9B.3. Public consultation in investment planning**

**Performance level and evidence for scoring:**

*This dimension covers major investment projects (as defined in PI–11, Public investment management) managed and decided by the SNG, including those funded from transfers and other external revenue sources. For calibration and assessment of materiality, please refer to table 11 below.*

**Table 9B.3: Public consultation in investment planning**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Major investment project** | | | **Public consultation** | | | |
| **Name** | **Amount** | **Percentage** | **Public consultation during preparation**  (Y/N) | **Consultation document includes summary of economic analyses** (Y/N) | **Publication of summary of inputs**  (Y/N) | **Inclusive process**  (Y/N) |
|  |  |  |  |  |  |  |
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xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does Pillar III measure?** 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.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR THREE: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar III-Management of assets and liabilities*** | | | | | | | | |
| ***PI-10. Fiscal risk reporting*** | |  |  |  |  |  |  |  |  |
| *10.1. Monitoring of public corporations* | |  |  |  | *12.1* |  |  |  |  |
| *10.2. Monitoring of sub-national government* | | *HLG-2.3* |  |  |  |  |  |  |  |
| *10.3. Contingent liabilities and other fiscal risks* | |  |  | *5 (El.9)* |  |  |  |  |  |
| ***PI- 11. Public investment management*** | |  |  |  |  |  |  |  |  |
| *11.1. Economic analysis of investment proposals* | |  |  |  | *9B.3* |  |  |  |  |
| *11.2. Investment project selection* | |  |  |  | *9B.3* |  |  |  |  |
| *11.3. Investment project costing* | |  |  |  |  |  |  |  |  |
| *11.4. Investment project monitoring* | |  |  |  | *9B.3* |  |  |  |  |
| ***PI-12. Public asset management*** | |  |  |  |  |  |  |  |  |
| *12.1. Financial asset monitoring* | |  |  | *5 (El.8)* | *10.1* |  |  | *29.1* |  |
| *12.2. Nonfinancial asset monitoring* | |  |  |  |  |  |  | *29.1* |  |
| *12.3. Transparency of asset disposal.* | |  |  |  |  |  |  |  |  |
| ***PI-13. Debt management*** | |  |  |  |  |  |  |  |  |
| *13.1. Recording and reporting of debt and guarantees* | |  |  | *5 (El.7)* |  |  |  |  |  |
| *13.2. Approval of debt and guarantees* | | *HLG-2.2* |  |  |  |  |  |  |  |
| *13.3. Debt management strategy* | |  |  |  |  |  |  |  |  |

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

**GRAPH**

**PI-10. Fiscal risk reporting**

**What does PI-10 measure?** This indicator measures the extent to which fiscal risks to subnational government (SNG) are reported. Fiscal risks can arise from financial positions of lower-tier(s) of SNGs or public corporations, and/or contingent liabilities and other fiscal risks. For the last completed fiscal year, this indicator covers SNG controlled and/or owned and shared public corporations for PI-10.1, Lower-tier of SNGs that have direct financial relations with the SNG for PI-10.2, and budgetary and extrabudgetary units of the SNG for PI-10.3. It uses the **M2** (AV) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-10. Fiscal risk reporting (M2)** | |  |  |
| 10.1. Monitoring of public corporations |  |  |  |
| 10.2. Monitoring of subnational governments |  |  |  |
| 10.3. Contingent liabilities and other fiscal risks |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**10.1. Monitoring of public corporations**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Public corporations** | **Total expenditure**  **(Amount)** | **As a % of total expenditure of public**  **corporations** | **Date of publication of audited financial reports** | **Date of submission of financial report to government** | **Financial report includes revenue, expenditure, assets, liabilities and long-term obligations (Y/N)** | **Consolidated report published**  **(Y/N)** |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |
| 3. |  |  |  |  |  |
| … |  |  |  |  |  |
| 10. |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**10.2. Monitoring of subnational governments**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Lower-tier SNG** | **Total expenditure**  **(Amount)** | **As a % of total expenditure of all lower-tier SNGs** | **Date of publication of audited financial reports** | **Date of submission of financial report to government** | **Consolidated report published annually**  (Y/N) |
| 1. |  |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| … |  |  |  |  |
| 10. |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-11. Public investment management**

**What does PI-11 measure?** 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. Coverage is budgetary and extrabudgetary units of the SNG for the Iast completed fiscal year. This indicator uses the **M2** (AV) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-11. Public investment management (M2)** | |  |  |
| 11.1. Economic analysis of investment projects |  |  |  |
| 11.2. Investment project selection |  |  |  |
| 11.3. Investment project costing |  |  |  |
| 11.4. Investment project monitoring |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

*For the purpose of this indicator, major investment projects are defined as projects meeting both of the following criteria:*

*• The total investment cost of the project amounts to 1 percent or more of total annual budget expenditure; and/or*

*• The project is among the largest 10 projects (by total investment cost) of the SNG.*

*The following table must be inserted to support materiality used in all four dimensions.*

**Table 11: List of major investment projects (Last completed fiscal year)**

| **#** | **Project name** | **Institution in charge** | **Total investment cost of project** | **As a % of the total cost of all major projects** |
| --- | --- | --- | --- | --- |
| **1** |  |  |  |  |
| **2** |  |  |  |  |
| **3** |  |  |  |  |
| **4** |  |  |  |  |
| **5** |  |  |  |  |
| **6** |  |  |  |  |
| **7** |  |  |  |  |
| **8** |  |  |  |  |
| **9** |  |  |  |  |
| **10** |  |  |  |  |
| **Total/ Coverage** | | |  | 100% |

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

xxx

**Recent or ongoing reform activities:**

xxx

**11.1. Economic analysis of investment projects**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Project name** | **As a % of the total cost of all major projects** | **Economic analysis conducted (Y/N)** | **Consistent with national guidelines (Y/N)** | **Published (Y/N)** | **Sponsoring entity**  **(specify)** | **Reviewing entity**  **(specify)** |
| **1** |  |  |  |  |  |  |  |
| **2** |  |  |  |  |  |  |  |
| **3** |  |  |  |  |  |  |  |
| **…** |  |  |  |  |  |  |  |
| **10** |  |  |  |  |  |  |  |
|  | **Total/Coverage** |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**11.2. Investment project selection**

**Performance level and evidence for scoring:**

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

| **#** | **Project name** | **As a % of the total cost of all major projects** | **Prioritized by central entity**  **(Y/N)** | **Consistent with standard selection criteria (Y/N)** |
| --- | --- | --- | --- | --- |
| **1** |  |  |  |  |
| **2** |  |  |  |  |
| **3** |  |  |  |  |
| **…** |  |  |  |  |
| **10** |  |  |  |  |
|  | **Total/Coverage** |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**11.3. Investment project costing**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Project name** | **Contents presented in the annual budget documents** | | | | | **As a % of the total cost of all listed projects** |
| **Projections of the total life-cycle cost**  (Y/N) | **Capital cost breakdown** | | **Recurrent costs** | |
| **Budget year only**  (Y/N) | **Medium term** (T, T+1, T+2)  (Y/N) | **Budget year only**  (Y/N) | **Medium term**  (T, T+1, T+2)  (Y/N) |
| 1 |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | **Coverage** |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**11.4. Investment project monitoring**

**Performance level and evidence for scoring:**

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

| **#** | **Project name** | **Total cost**  (Y/N) | **Physical progress** (Y/N) | **Existence of standard rules and procedures** (Y/N) | **High level of compliance with procedures**  (Y/N) | **Information on total cost and physical progress published annually**  (Y/N) |
| --- | --- | --- | --- | --- | --- | --- |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |
| … |  |  |  |  |  |  |
| 10 |  |  |  |  |  |  |
|  | **Coverage** |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-12. Public asset management**

**What does PI-12 measure?** This indicator assesses the management and monitoring of government assets and the transparency of asset disposal. For the last completed fiscal year, coverage is budgetary units of SNG. This indicator uses the M2 (AV) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-12. Public asset management (M2)** | |  |  |
| 12.1. Financial asset monitoring |  |  |  |
| 12.2. Nonfinancial asset monitoring |  |  |  |
| 12.3. Transparency of asset disposal |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**12.1. Financial asset monitoring**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Asset Type**  (\*) | **Records of holdings of financial assets maintained**  (Y/N) | **Recognized at acquisition cost** (Y/N) | **Recognized at fair value**  (Y/N) | **In line with international accounting standards**  (Y/N) | **Information on performance published annually**  (Y/N) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

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

*(\*)See clarification 12.1:2 in Volume II of the PEFA Handbook for the type of assets*

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**12.2. Nonfinancial asset monitoring**

**Performance level and evidence for scoring:**

**Table 12.2: Nonfinancial asset monitoring (last completed fiscal year)**

| **Categories**  *(Complete as needed)* | **Subcategories (as relevant)** | **Records maintained in registers** | **Information on usage and age included**  (Full/Partial/No) | **Information published**  Y/N  *(If yes, specify frequency)* | **Comments** |
| --- | --- | --- | --- | --- | --- |
| Fixed assets | Buildings and structures |  |  |  |  |
| Machinery and equipment |  |  |  |  |
| Other fixed assets |  |  |  |  |
| … |  |  |  |  |  |
| … |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**12.3. Transparency of asset disposal**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned*

**Performance change since a previous PEFA assessment:**

xxx

**PI-13. Debt management**

**What does PI-13 measure?** This indicator assesses the management of domestic and foreign debt and guarantees. It seeks to identify whether satisfactory management practices, records, and controls are in place to ensure efficient and effective arrangements. Coverage is budgetary and extrabudgetary units of the SNG for all three dimensions - at time of assessment for PI-13.1, for last completed fiscal year for PI-13.2, and at time of assessment with reference to the last three completed fiscal years for PI-13.3. This indicator uses the M2 (AV) method for aggregating scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score**  **current PEFA** | **Score**  **previous PEFA** |
| **PI-13. Debt management (M2)** | |  |  |
| 13.1. Recording and reporting of debt and guarantees |  |  |  |
| 13.2. Approval of debt and guarantees |  |  |  |
| 13.3. Debt management strategy |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

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

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Categories** | **Records maintained** (Y/N) | **Records are complete and accurate**  (Y/N) | **Frequency of update of records**  M=Monthly  Q=Quarterly  A=Annually  N=Not done | **Frequency of reconciliation** M/Q/A/N | **Statistical reports prepared (covering debt service, stock and operations)**  M/Q/A/N | **Records of areas where additional information needed**  *(if no statistical report)*  Y/N |
| **Domestic debt** |  |  |  |  |  |  |
| **Foreign debt** |  |  |  |  |  |  |
| **Guarantee** |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**13.2. Approval of debt and guarantees**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**13.3. Debt management strategy**

**Performance level and evidence for scoring:**

**Table 13.3: Debt management strategy (At time of assessment, with reference to the last three completed fiscal years)**

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does Pillar IV measure?** The budget is prepared with due regard to government policies, information on fiscal transfers, strategic plans, and adequate economic information and fiscal projections**.** It also examines orderliness in the budget preparation process and the legislative scrutiny of the budget proposal.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR FOUR: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar IV-Policy-based fiscal strategy and budgeting*** | | | | | | | | |
| ***PI-14. Medium-term budget strategy*** | |  |  |  |  |  |  |  |  |
| *14.1. Underlying forecasts for medium-term budget* | | *HLG-1.3*  *HLG-1.4*  *HLG-2.1* |  | *5 (El.6)*  *5 (El.10)*  *9A (El.9)*  *9B.1* |  |  |  |  |  |
| *14.2. Fiscal impact of policy proposals* | |  |  | *5 (El.10)* |  |  |  |  |  |
| *14.3. Medium-term expenditure and revenue estimates* | | *HLG-1.4* | *1*  *2.1*  *2.2*  *3.1*  *3.2* | *4*  *9A (El.11)* |  |  |  |  |  |
| *14.4 Consistency of budgets with previous year’s estimates* | |  |  |  |  |  |  |  |  |
| ***PI-17. Budget preparation process*** | |  |  |  |  |  |  |  |  |
| *17.1. Budget calendar* | |  |  | *7.2*  *9B.1* |  |  |  |  |  |
| *17.2. Guidance on budget preparation* | |  | *1.1* |  |  |  |  |  |  |
| *17.3. Budget submission to the legislature* | |  |  |  |  |  |  |  |  |
| ***PI-18. Legislative scrutiny of budgets*** | |  |  |  |  |  |  |  |  |
| *18.1. Scope of budget scrutiny* | |  |  | *9B.1* |  |  |  |  |  |
| *18.2. Legislative procedures for budget scrutiny* | |  |  |  |  |  |  |  |  |
| *18.3. Timing of budget approval* | |  |  |  |  |  |  |  |  |
| *18.4. Rules for budget adjustments by the executive* | |  | *1.1* |  |  |  | *21.4* |  |  |

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

**GRAPH**

**PI-14. Medium-term budget strategy**

**What does PI-14 measure?** This indicator measures the ability of the subnational government (SNG) to prepare budget estimates on the basis of a fiscal strategy, the impact of economic context and policy changes. It assesses the ability of the SNG to develop a medium-term budget that is aligned with the strategic plans for service delivery. It also examines the extent to which annual budgets are derived from medium-term estimates. For the last budget submitted to the subnational council, coverage is the budgetary units of the SNG. It uses the **M2 (AV)** method for aggregating dimension scores

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-14. Medium-term budget strategy (M2)** | |  |  |
| 14.1. Underlying forecasts for medium-term budget |  |  |  |
| 14.2. Fiscal impact of policy proposals |  |  |  |
| 14.3. Medium-term expenditure and revenue estimates |  |  |  |
| 14.4 Consistency of budgets with previous year’s estimates |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**14.1. Underlying forecasts for medium-term budget**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**14.2. Fiscal impact of policy proposals**

**Performance level and evidence for scoring:**

**Table 14.2 Fiscal impact of policy proposals (Last three completed fiscal years)**

*This table is optional.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Estimates of fiscal impact of proposed changes prepared** | | | **Data source** |
| **Budget year T**  (Y/N) | **Two following fiscal years T+1, T+2**  (Y/N) | **Submitted to subnational council**  (Y/N) |
| **Proposed changes in revenue policy** | |  |  |  |  |
|  | **Policy impacted** |  |  |  |  |
| **1** |  |  |  |  |  |
| **2** |  |  |  |  |  |
| **…** |  |  |  |  |  |
| **Proposed changes in expenditure policy** | |  |  |  |  |
|  | **Policy impacted** |  |  |  |  |
| **1** |  |  |  |  |  |
| **2** |  |  |  |  |  |
| **…** |  |  |  |  |  |

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**14.3. Medium-term expenditure and revenue estimates**

**Performance level and evidence for scoring:**

**Table 14.3: Medium-term expenditure and revenue estimates (last budget submitted to legislature)**

|  |  |  |
| --- | --- | --- |
| **Classification** | **Budget year**  (Y/N) | **Two following fiscal years** (Y/N) |
| **Expenditure** | | |
| **Administrative** |  |  |
| **Economic** |  |  |
| **Program/Function** |  |  |
| **Revenue** | | |
| **Type** |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

**Table 14.4. Consistency of budgets with previous year’s estimates (The last medium-term budget and the current medium-term budget)**

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-17. Budget preparation process**

**What does PI-17 measure?** This indicator measures the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. Coverage is budgetary units of the SNG for the last budget submitted to the subnational council for PI-17.1 and 17.2, and the last three completed fiscal years for 17.3. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-17. Budget preparation process (M2)** | |  |  |
| 17.1. Budget calendar |  |  |  |
| 17.2. Guidance on budget preparation |  |  |  |
| 17.3. Budget submission to the subnational council |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**17.1. Budget calendar**

**Performance level and evidence for scoring:**

**Table 17.1 Budget calendar (Last budget submitted to the subnational council)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Planned date** | **Actual date** | **Comment** |
| Issuance of the budget circular (specify for each budget circular if there is more than one) |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Submission of estimates |  |  | *Insert percentage of budgetary units that comply with the deadline using the budget amount they represent compared to the total budget* |
|  |  |  |  |
|  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**17.2. Guidance on budget preparation**

**Performance level and evidence for scoring:**

**Table 17.2: Guidance on budget preparation (Last budget submitted to the subnational council)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date(s) of budget circular(s)** | **Total budget expenditure covered** (Y/N) | **Ceilings approved by the Cabinet or equivalent**  (Y/N) | |
| **If Y, date of ceilings approval by Cabinet or equivalent** | **If N, budget estimates reviewed and approved by Cabinet or equivalent after completion**  (Y/N) |
|  |  | *(to be compared to date of submission in Table 17.1)* |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**17.3. Budget submission to the subnational council**

**Performance level and evidence for scoring:**

**Table 17.3 Budget submission to the subnational council (Last three completed fiscal years)**

|  |  |
| --- | --- |
| **Fiscal year** | **Date of submission of budget proposal** |
| Fiscal Year 1 |  |
| Fiscal Year 2 |  |
| Fiscal Year 3 |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-18 measure?** indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the subnational council[[16]](#footnote-17) scrutinizes, debates, and approves the annual budget, including the extent to which the subnational council’s procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex-ante approval by the legislature. Coverage is budgetary units of the SNG for the last completed fiscal year for PI-18.1, 18.2 and 18.4, and last three completed fiscal years for PI-18.3. This indicator uses the **M1 (WL)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-18. Legislative scrutiny of budgets (M1)** | |  |  |
| 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 |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**18.1. Scope of budget scrutiny**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**18.2. Legislative procedures for budget scrutiny**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **gislative procedures** | **Exist**  (Y/N) | **Are approved in advance of budget hearings**  (Y/N) | **Are adhered to**  (Y/N) | **Include arrangements for public consultation** (Y/N) | **Include organizational arrangements**  (Y/N) |
|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**18.3. Timing of budget approval**

**Performance level and evidence for scoring:**

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

|  |  |  |
| --- | --- | --- |
| **Fiscal year**  **(PEFA time period)** | **Budget for fiscal year**  *(specify)* | **Date of budget approval** |
|  |  |  |
|  |  |  |
|  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does Pillar V measure?** The budget is implemented within a system of effective standards, processes, and internal controls, ensuring that resources are obtained and used as intended.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR FIVE: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar V-Predictability and control in budget execution*** | | | | | | | | |
| ***PI-19. Tax administration*** | |  | ***3*** |  |  |  | ***20***  ***26.1*** |  |  |
| *19.1. Rights and obligations for tax measures* | |  |  |  |  |  |  |  |  |
| *19.2. Property tax register and value assessment* | |  |  |  |  |  |  |  |  |
| *19.3. Tax risk management, audit and investigation* | |  |  |  |  |  |  |  |  |
| *19.4. Tax arrears monitoring* | |  |  |  |  |  |  |  |  |
| ***PI-20. Accounting for revenues*** | |  | ***3*** |  |  |  | ***19***  ***26.1*** |  |  |
| *20.1. Information on revenue collections* | | *HLG-1.3* |  |  |  |  |  |  |  |
| *20.2. Transfer of revenue collections* | |  |  |  |  |  |  |  |  |
| *20.3. Revenue accounts reconciliation* | |  |  |  |  |  |  |  |  |
| ***PI-21. Predictability of in-year resource allocation*** | |  |  |  |  |  |  |  |  |
| *21.1. Consolidation of cash balances* | |  |  |  |  |  |  |  |  |
| *21.2. Cash forecasting and monitoring* | |  |  |  |  |  | *21.3* |  |  |
| *21.3. Information on commitment ceilings* | |  |  |  |  |  | *21.2* |  |  |
| *21.4. Significance of in-year budget adjustments* | |  |  |  |  | *18.4* |  |  |  |
| ***PI-22. Expenditure arrears*** | |  |  |  |  |  |  |  |  |
| *22.1. Stock of expenditure arrears* | |  | *1.1* |  |  |  | *25.2* |  |  |
| *22.2. Expenditure arrears monitoring* | |  |  | *4.1* |  |  |  |  |  |
| ***PI-23. Payroll controls*** | |  |  |  |  |  |  |  |  |
| *23.1. Integration of payroll and personnel records* | |  |  |  |  |  |  |  |  |
| *23.2. Management of payroll changes* | |  |  |  |  |  |  |  |  |
| *23.3. Internal control of payroll* | |  |  |  |  |  |  |  |  |
| *23.4. Payroll audit* | |  |  |  |  |  | *26.3* |  |  |
| ***PI-24. Procurement*** | |  |  |  |  |  |  |  |  |
| *24.1. Procurement monitoring* | |  |  |  |  |  |  |  |  |
| *24.2. Procurement methods* | |  |  |  |  |  |  |  |  |
| *24.3. Public access to procurement information* | |  |  |  |  |  |  |  |  |
| *24.4. Procurement complaints management* | |  |  |  |  |  |  |  |  |
| ***PI-25. Internal controls on non-salary expenditure*** | |  |  |  |  |  |  |  |  |
| *25.1. Segregation of duties* | |  |  |  |  |  |  |  |  |
| *25.2. Effectiveness of expenditure commitment controls* | |  |  |  |  |  | *22.1* |  |  |
| *25.3. Compliance with payment rules and procedures* | |  |  |  |  |  |  |  |  |
| ***PI-26. Internal audit*** | |  |  |  |  |  |  |  |  |
| *26.1. Coverage of internal audit* | |  |  |  |  |  | *19*  *20* |  |  |
| *26.2. Nature of audits and standards applied* | |  |  |  |  |  |  |  |  |
| *26.3. Implementation of internal audits and reporting* | |  |  |  |  |  | *23.4* |  |  |
| *26.4. Response to internal audits* | |  |  |  |  |  |  |  |  |

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

**GRAPH**

**PI-19. Tax administration**

**What does PI-19 measure?** This indicator focuses on the administration of the core taxes of the subnational government (SNG). This indicator assesses the procedures used to collect and monitor the core taxes of the SNG. Coverage is budgetary and extrabudgetary units of the SNG at time of assessment for PI-19.1 and at time of assessment with a retrospective view of 10 years for 19.2 and for the last completed fiscal year for PI-19.3 and 19.4. This indicator uses **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-19. Tax administration (M2)** | |  |  |
| 19.1. Rights and obligations for tax measures |  |  |  |
| 19.2. Property tax register and value assessment |  |  |  |
| 19.3. Tax risk management, audit and investigation |  |  |  |
| 19.4. Tax arrears monitoring |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

*This indicator focuses on the administration of core taxes, which would serve as proxies for all subnational taxes. For the purpose of this indicator, core taxes of the SNG are the major direct and indirect taxes, including those (a) administered and collected directly by the SNG and/or (b) administered directly by the SNG but collected by a HLG or agency; that account for 75 percent or more of the total tax revenue of the SNG. Inclusion of many small revenue-generating taxes would complicate the assessment process. For instance, if the income tax and sales tax together amount to 75 percent or more of the total subnational tax revenue administered directly by the SNG, these two taxes will be considered as core taxes for that subnational entity. For calibration and assessment of materiality, table 19 is to be included which sets out the main core taxes.*

**Table 19: Core taxes by amount and percentage of total (Last completed FY)**

|  |  |  |
| --- | --- | --- |
| **Category of core taxes (name)** | **Receipts (Amount)** | **As a percentage of total core taxes (%)** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| ***TOTAL*** |  |  |

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

xxx

**Recent or ongoing reform activities:**

xxx

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

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Core taxes**  *(see detail of % in Table 19)* | **Information available to payers on revenue rights and obligations** | | | | |
| **Tax obligations** (Y/N) | **Redress processes and procedures** (Y/N) | **Comprehensive**  (Y/N) | **Up-to-date** (Y/N) | **Source of information** *(Specify)* |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**19.2. Property tax register and value assessment**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**19.3. Tax risk management, audit and investigation**

**Performance level and evidence for scoring:**

**Table 19.3. Tax risk management, audit and investigation (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Core taxes**  *(see detail of % in Table 19)* | **Approaches for assessing and prioritizing compliance risks** | | **Compliance improvement plan covering the core tax**  (Y/N) | **Completion rate of planned audits and investigations** | | |
| **Comprehensive**  (Y/N) | **Structured and systematic**  (Y/Partly/N) | **Completed** | **Planned** | **Completed/Planned as a percentage** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**19.4. Tax arrears monitoring**

**Performance level and evidence for scoring:**

**Table 19.4. Revenue arrears monitoring (Last completed fiscal year)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Core taxes**  *(See detail of % in Table 19)* | **Stock of arrears** | | | |
| **Total amount of arrears** | **Arrears % of annual collections** | **Amount of arrears older than 12 months** | **Arrears older than 12 months % of annual collections** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-20. Accounting for revenue**

This indicator assesses procedures for recording and reporting revenue collections, consolidating revenues collected, and reconciling revenue accounts. Coverage is budgetary units of the SNG at time of assessment for SNG revenue 20.1 and 20.2 and budgetary and extrabudgetary units of the SNG at time of assessment for core taxes for 20.3. This indicator uses **M1 (WL)** for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of PFM performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-20. Accounting for revenue (M1)** | |  |  |
| 20.1. Information on revenue collections |  |  |  |
| 20.2. Transfer of revenue collections |  |  |  |
| 20.3. Tax accounts reconciliation |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

*Dimensions 20.1 and 20.2 focus on the information and transfer of all subnational revenue, not limited to the core taxes. It includes core taxes, other taxes administered by the SNG, other revenue administered by the SNG and all transfers from HLG and shared revenue. For calibration and assessment of materiality, table 20 is to be included which sets out the main core taxes.*

**Table 20: Collected revenue by entity and category of revenue (Last completed FY)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Collecting entity** | **Category of revenue (incl. core taxes)** | **Receipts (Amount)** | **As a percentage of total revenue (%)** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| ***TOTAL*** |  |  |  |

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

xxx

**Recent or ongoing reform activities:**

xxx

**20.1. Information on revenue collections**

**Performance level and evidence for scoring:**

**Table 20.1: Information on revenue collections (At time of assessment)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Collecting entity** | **Category of revenue** | **Collection of revenue information by a central agency**  (Y/N) | **Frequency of data transfer to the central agency** | **Transferred data characteristics (Y/N):** | | |
| **Broken down by revenue type** | **Consolidated into a report** | **Consolidated** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**20.2. Transfer of revenue collections**

**Performance level and evidence for scoring:**

**Table 20.2: Transfer of revenue collections *(At time of assessment)***

|  |  |  |  |
| --- | --- | --- | --- |
| **Collecting entity** | **Category of revenue** | **Frequency of revenue collections transfer directly into accounts controlled by the Treasury** | **Frequency of revenue collections transfer to the Treasury and other designated agencies** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**20.3. Tax accounts reconciliation**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Core tax**  *(See detail of % in Table 19)* | **Frequency of reconciliation** | **Timeline of reconciliation** | **Type of reconciled data (Y/N):** | | | |
| **Assessments** | **Collections** | **Arrears** | **Transfers to Treasury/other agencies** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-21 measure?** This indicator assesses the extent to which the subnational MoF (or finance department) is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery. Coverage is budgetary units of SNG at time of assessment for PI-21.1 and for last completed fiscal year for PI-21.2, 21.3 and 21.4. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-21. Predictability of in-year resource allocation (M2)** | |  |  |
| 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 |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**21.1. Consolidation of cash balances**

**Performance level and evidence for scoring:**

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

|  |  |
| --- | --- |
| **Bank and cash – Category of accounts (\*)** | **Frequency of consolidation**  **(Daily, Weekly, Monthly)** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

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

*(\*) such as TSA, accounts held in commercial banks…*

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**21.2. Cash forecasting and monitoring**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**21.3. Information on commitment ceilings**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-22. Expenditure arrears**

**What does PI-22 measure?** This indicator measures the extent to which there is a stock of arrears, and the extent to which a systemic problem in this regard is being addressed and brought under control. Coverage is budgetary units of the SNG for the last completed fiscal year for PI-22.1 and at time of assessment for PI-22.2. This indicator uses the **M1** (WL) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-22. Expenditure arrears (M1)** | |  |  |
| 22.1. Stock of expenditure arrears |  |  |  |
| 22.2. Expenditure arrears monitoring |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

*The PEFA report narrative should explain how expenditure arrears are defined and through what means this definition has legal status (e.g. legislation, tender documents, contracts, court decisions).*

xxx

**Recent or ongoing reform activities:**

xxx

**22.1. Stock of expenditure arrears**

**Performance level and evidence for scoring:**

**Table 22.1: Stock of budgetary units of the SNG expenditure arrears** **(Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FY T-2** | **FY T-1** | **FY T** |
| 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[[17]](#footnote-18) (ii)** |  |  |  |
| **Ratio (i)/(ii)** |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**22.2. Expenditure arrears monitoring**

**Performance level and evidence for scoring:**

**Table 22.2: Expenditure arrears monitoring (At time of assessment)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Data generated (Y/N):** | | | **Frequency of reports** | **Timeline** |
| **Stock** | **Age profile** | **Composition** |
|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-23. Payroll controls**

**What does PI-23 measure?** 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. The indicator is applicable when payroll is covered by SNG budget. Coverage is budgetary and extrabudgetary units of the SNG at time of assessment for PI-23.1, 23.2 and 23.3 and for last three completed fiscal years for PI-23.4. This indicator uses the **M1** (WL) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-23. Payroll controls (M1)** | |  |  |
| 23.1. Integration of payroll and personnel records |  |  |  |
| 23.2. Management of payroll changes |  |  |  |
| 23.3. Internal control of payroll |  |  |  |
| 23.4. Payroll audit |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**23.2. Management of payroll changes**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**23.3. Internal control of payroll**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**23.4. Payroll audit**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-24. Procurement**

**What does PI-24 measure?** 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. The scope of this indicator covers every procurement of goods, services, civil works, and major equipment investments, whether classified as recurrent of capital investment expenditure. When the database is a CG system but the SNG does not have access and cannot autonomously manage the records, or when CG is in charge of procurement for the SNGs this dimension will be not applicable (NA) for the SNG being assessed. Coverage is budgetary and extrabudgetary units of the SNG for the last completed fiscal year. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score current PEFA** | **Score previous PEFA** |
| **PI-24. Procurement (M2)** | |  |  |
| 24.1. Procurement monitoring |  |  |  |
| 24.2. Procurement methods |  |  |  |
| 24.3. Public access to procurement information |  |  |  |
| 24.4. Procurement complaints management |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**24.1. Procurement monitoring**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**24.2 Procurement methods**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**24.3. Public access to procurement information**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**24.4. Procurement complaints management**

**Performance level and evidence for scoring:**

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

Complaints are reviewed by a body that:

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-25 measure?** This indicator measures the effectiveness of general internal controls for non - salary expenditures. Specific expenditure controls on public service salaries are considered in PI-23. Coverage is budgetary and extrabudgetary units of the SNG at time of assessment. This indicator uses the **M2** (AV) method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-25. Internal controls on nonsalary expenditure (M2)** | |  |  |
| 25.1. Segregation of duties |  |  |  |
| 25.2. Effectiveness of expenditure commitment controls |  |  |  |
| 25.3. Compliance with payment rules and procedures |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**25.1. Segregation of duties**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**25.2 Effectiveness of expenditure commitment controls**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PI-26. Internal audit**

**What does PI-26 measure?** This indicator assesses the standards and procedures applied in internal audit. If a higher-level entity is responsible for the internal audit function of an SNG (partially or totally), because the SNG has partial (or no) autonomy in undertaking this function, this indicator will not be applicable (NA). Coverage is budgetary and extrabudgetary units of the SNG at time of assessment for PI-26.1 and 26.2, for the last completed fiscal year for PI-26.3, and for PI-26.4, for audit reports that should have been issued in the last three fiscal years. This indicator uses the **M1 (WL)** method for aggregating dimension score.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-26. Internal audit (M1)** | |  |  |
| 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 |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**26.1. Coverage of internal audit**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Ministry, Department or Agency covered**  *(specify)* | **Internal Audit unit in charge** *(specify)* | **Budgeted expenditure** | | **Budgeted revenue** | | **Existence of**  (Y/N*, specify*) | | | |
|  |  | **Amount** | **% of total** | **Amount** | **% of total** | **Law and regulation** | **Audit work program** | **Audit documentation** | **Reporting and follow up activities** |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ministry, Department or Agency covered**  *(specify)* | **Internal Audit unit in charge** *(specify)* | **Existence of an annual program**  (Y/N) | **Completed audits as share of programmed audits** | **Audit report completed and distributed to appropriate parties** (Y/N) | **Comments** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**26.4. Response to internal audits**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PILLAR SIX: Accounting and reporting**

**What does Pillar VI measure?** Accurate and reliable records are maintained, and information is produced and disseminated at appropriate times to meet decision-making, management, and reporting needs.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR SIX: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar VI-Accounting and reporting*** | | | | | | | | |
| ***PI-27. Financial data integrity*** | |  |  |  |  |  |  |  |  |
| *27.1. Bank account reconciliation* | |  |  |  |  |  |  |  |  |
| *27.2. Suspense accounts* | |  |  |  |  |  |  |  |  |
| *27.3. Advance accounts* | |  |  |  |  |  |  |  |  |
| *27.4. Financial data integrity processes* | |  |  |  |  |  |  |  |  |
| ***PI-28. In-year budget reports*** | |  |  |  |  |  |  |  |  |
| *28.1. Coverage and comparability of reports* | |  |  | *4* |  |  |  |  |  |
| *28.2. Timing of in-year budget reports* | |  |  | *9 (El.3)* |  |  |  |  |  |
| *28.3. Accuracy of in-year budget reports* | |  |  |  |  |  |  |  |  |
| ***PI-29. Annual financial reports*** | |  |  | ***6***  ***9 (El.5)*** |  |  |  |  | ***30.1***  ***30.2***  ***31.1***  ***31.2*** |
| *29.1. Completeness of annual financial reports* | |  |  | *4* | *12.1*  *12.2* |  |  |  |  |
| *29.2. Submission of the reports for external audit* | | *HLG-2.3* |  |  |  |  |  |  |  |
| *29.3. Accounting standards* | |  |  |  |  |  |  |  |  |

**Figure PILLAR SIX: Accounting and Reporting**

**GRAPH**

**PI-27. Financial data integrity**

**What does PI-27 measure?** This indicator assesses the extent to which treasury bank accounts, suspense accounts, and advance accounts used by a subnational government (SNG) are regularly reconciled and how the processes in place support the integrity of financial data. Coverage is budgetary and extrabudgetary units of the SNG for PI-27.1 and budgetary units of the SNG for PI-27.2, 27.3 and 27.4. Time period is at time of assessment for all four dimensions, specifically covering the preceding fiscal year for PI-27.1, 27.2 and 27.3. This indicator uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-27. Financial data integrity (M2)** | |  |  |
| 27.1. Bank account reconciliation |  |  |  |
| 27.2. Suspense accounts |  |  |  |
| 27.3. Advance accounts |  |  |  |
| 27.4. Financial data integrity processes |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**27.1. Bank account reconciliation**

**Performance level and evidence for scoring:**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category of bank account** | **Reconciled (Y/N)** | **Frequency of reconciliation** | **Timeframe for reconciliation** | **Aggregate and detailed level** (Y/N) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**27.2 Suspense accounts**

**Performance level and evidence for scoring:**

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

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**27.3. Advance accounts**

**Performance level and evidence for scoring:**

**Table 27.3: Advance accounts (At time of assessment, covering the preceding fiscal year)**

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

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**27.4. Financial data integrity processes**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-28 measure?** This indicator assesses the comprehensiveness, accuracy and timeliness of information on budget execution. In-year budget reports must be consistent with budget coverage and classifications to allow monitoring of budget performance and, if necessary, timely use of corrective measures. Coverage is budgetary units of the SNG for the last completed fiscal year. This indicator uses the **M1 (WL)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-28. In-year budget reports (M1)** | |  |  |
| 28.1. Coverage and comparability of reports |  |  |  |
| 28.2. Timing of in-year budget reports |  |  |  |
| 28.3. Accuracy of in-year budget reports |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**28.1. Coverage and comparability of reports**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

**Table 28.2: Timing of in-year budget reports (Last completed fiscal year)**

|  |  |
| --- | --- |
| **Frequency of preparation** | **Actual date of issuance**  *Specify date for each period during the last completed fiscal year* |
|  |  |
|  |  |
|  |  |
|  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

Xxx

**PI-29. Annual financial reports**

**What does PI-29 measure?** 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. Coverage is budgetary units of the SNG for the last completed fiscal year for PI-29.1, the last annual financial report submitted for audit for PI-29.2, and the last three years’ financial report for PI-29.3. The indicator uses the **M1 (WL)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-29. Annual financial reports (M1)** | |  |  |
| 29.1. Completeness of annual financial reports |  |  |  |
| 29.2. Submission of reports for external audit |  |  |  |
| 29.3. Accounting standards |  |  |  |

**Detailed description of the country and subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**29.1. Completeness of annual financial reports**

**Performance level and evidence for scoring:**

**Table 29.1: Completeness of annual financial reports (Last completed fiscal year)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial reports prepared annually**[[18]](#footnote-19)  (Y/N) | **Comparable with approved budget**  (Y/N) | **Content of annual financial reports (**Y/N, specify when needed**):** | | | | | | **Reconciled cash flow statement (Y/N)** |
| **Revenue** | **Expenditure** | **Financial assets** | **Tangible assets (and possibly other non-financial assets)** | **Liabilities** | **Guarantees and long-term obligations** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

**Table 29.2: Submission of reports for external audit (Last annual financial report submitted for audit)**

|  |  |  |
| --- | --- | --- |
| **FY of the last financial report submitted for audit** | **Date of submission for external audit** | **Number of months after the end of the FY** |
|  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**29.3. Accounting standards**

**Performance level and evidence for scoring:**

**Table 29.3 Accounting standards (Last three years’ financial reports)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Accounting standards applied to all financial reports** | | | | |
| **Type of standard**  (International Standards/  Country framework/subnational framework) | **Consistency with national standards**  (Y/N) | **Alignment with international standards**  (Y/N) | **Disclosure of standards**  (Y/N) | **Consistency over time**  (Y/N) |
|  |  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**PILLAR SEVEN: External scrutiny and audit**

**What does Pillar VII measure?** Public finances are independently reviewed and there is external follow-up on the implementation of recommendations for improvement by the executive.

**Overall performance: Analysis of key strengths and weaknesses**

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

*Highlight main strengths and weaknesses, and where relevant, other diagnostic reports and analyses.*

*Discuss inter-relationships with other indicators and pillars as per Table below.*

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

***Table PILLAR SEVEN: Interdependence***

| ***Indicator/dimension*** | | ***Pillars*** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***SNG*** | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** | ***VI*** | ***VII*** |
|  | ***Pillar VII-External scrutiny and audit*** | | | | | | | | |
| ***PI-30. External audit*** | |  |  | ***9 (El.5)*** |  |  |  |  |  |
| *30.1. Audit coverage and standards* | |  |  |  |  |  |  | *29* |  |
| *30.2. Submission of audit reports to the subnational council* | |  |  |  |  |  |  | *29*  *HLG-2.3* | *31.1* |
| *30.3. External audit follow-up* | | *HLG-2.3* |  |  |  |  |  |  |  |
| *30.4. Independence of the public audit institution in charge of SNG* | |  |  | *9 (El.7)* |  |  |  |  |  |
| ***PI-31. Legislative scrutiny of audit reports*** | |  |  |  |  |  |  |  |  |
| *31.1. Timing of audit report scrutiny* | |  |  |  |  |  |  | *29*  *30.2* |  |
| *31.2. Hearings on audit findings* | |  |  |  |  |  |  | *29*  *30.2* |  |
| *31.3. Recommendations on audit by the subnational council* | |  |  |  |  |  |  |  |  |
| *31.4. Transparency of legislative scrutiny of audit reports* | |  |  |  |  |  |  |  |  |

**Figure PILLAR SEVEN: External Scrutiny and Audit**

**GRAPH**

**PI-30. External audit**

**What does PI-30 measure?** This indicator examines the characteristics of external audit. It is used when the external audit of SNGs is performed by the national supreme audit institution or its regional offices. Coverage is budgetary and extrabudgetary units of the SNG for the last three completed fiscal years for PI-30.1, 30.2, 30.3 and at time of assessment for PI-30.4. This indicator uses the **M1 (WL)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-30. External audit (M1)** | |  |  |
| 30.1. Audit coverage and standards |  |  |  |
| 30.2. Submission of audit reports to the legislature |  |  |  |
| 30.3. External audit follow-up |  |  |  |
| 30.4. Independence of the public audit institution in charge of SNGs |  |  |  |

**Detailed description of the country and subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**30.1. Audit coverage and standards**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

* 1. **Submission of audit reports to the subnational council**

**Performance level and evidence for scoring:**

**Table 30.2 Submission of audit reports to the subnational council (Last three completed fiscal years)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Last three completed fiscal years** | **Fiscal year covered by the report** | **Dates of receipt of the financial reports by the public audit institution** | **Dates of submission of the financial audit reports to the subnational council** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

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

xxx

*Insert a sentence justifying the score assigned.*

*Note: This dimension assesses the activity of the public audit institution in charge of SNGs during the last three completed fiscal years, i.e. the timeframe between the reception of all financial reports covered during the period and the submission of the audit reports to the legislature. The financial reports do not necessarily cover the last three completed fiscal years.*

**Performance change since a previous PEFA assessment:**

xxx

**30.3. External audit follow-up**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**30.4. Independence of the public audit institution in charge of SNGs**

**Performance level and evidence for scoring:**

**Table 30.4: Independence of the public audit institution in charge of SNGs (At time of assessment)**

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

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**What does PI-31 measure?** This indicator focuses on legislative scrutiny of the audited financial reports of the SNG, including institutional units, to the extent that either (a) they are required by law to submit audit reports to the legislature or (b) their parent or controlling unit must answer questions and take action on their behalf. Coverage is budgetary and extrabudgetary units of the SNG for the last three completed fiscal years. This dimension uses the **M2 (AV)** method for aggregating dimension scores.

**Methodological notes:**

xxx

**Summary table of scores:**

*In case of a successive assessment, when the previous assessment used other version of the framework than the 2022 Guidance for SNG PEFA assessments, please refer to the note on tracking changes in performance based on versions prior to 2022 SNG guidance. In case of a baseline assessment applying the 2022 SNG PEFA guidance, please disregard column Score previous PEFA.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator/Dimension** | **Assessment of performance** | **Score of current PEFA** | **Score of previous PEFA** |
| **PI-31. Legislative scrutiny of audit reports (M2)** | |  |  |
| 31.1. Timing of audit report scrutiny |  |  |  |
| 31.2. Hearings on audit findings |  |  |  |
| 31.3. Recommendations on audit by legislature |  |  |  |
| 31.4. Transparency of legislative scrutiny of audit reports |  |  |  |

**Detailed description of the subnational PFM system for the assessed performance indicator:**

xxx

**Recent or ongoing reform activities:**

xxx

**31.1. Timing of audit report scrutiny**

**Performance level and evidence for scoring:**

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Last three completed fiscal years** | **Fiscal years covered (\*)** | **Dates of receipt of the financial audit reports** | **Dates of scrutiny by the subnational council** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

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

*(\*) As for PI-30.2, this dimension assesses the activity of the legislature during the last three completed fiscal years but the reports received may cover other years.*

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**31.2 Hearings on audit findings**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

**31.3. Recommendations on audit by the subnational council**

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

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

**Performance level and evidence for scoring:**

xxx

*Insert a sentence justifying the score assigned.*

**Performance change since a previous PEFA assessment:**

xxx

1. **Overall analysis of PFM systems**

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

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

**3.1. 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 eight pillars of PFM performance (section 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 eight pillars would be a concern for the government by drawing into the analysis the specific SNG 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 and SNG features, the government’s fiscal policy objectives, the structure of the public sector and characteristics of the fiscal decentralization and PFM system (Section 1 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 this subsection could be presented in a table. 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.*

**Figure 3.1: Aggregate fiscal discipline**

**GRAPH**

XXX

**Figure 3.2: Strategic allocation of resources**

**GRAPH**

XXX

**TABLE 3.1.1: PEFA performance indicators and the three budgetary outcomes**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator/dimension** | **Aggregate fiscal discipline** | | **Strategic allocation of resources** | | **Efficient service delivery** | |
| **Subnational pillar: Intergovernmental fiscal relations**  Subnational governments obtain reliable and timely information on transfers from the central government to help them prepare meaningful budgets. Central government sets effective fiscal rules and monitors the fiscal position of the subnational governments. | | | | | | |
| **HLG-1. Transfers from higher level of government** | X | *Transfer outturn that deviates significantly from the approved budget undermines fiscal discipline at the subnational level. Lack of fiscal and debt rules and their monitoring can affect the government’s global fiscal discipline.* | X | *Reliable annual and mid-term transfer forecasts are essential for the subnational government to effectively and predictably allocate resources to its strategic policy priorities.* | X | *Service delivery may be affected by transfers and composition that deviate significantly from the approved budget. Delays in the disbursement schedule can also affect the service delivery.* |
| **HLG-2. Fiscal rules and monitoring of fiscal position** | X |  |  |
| **Pillar one: Budget reliability**  The subnational 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, ready access to fiscal and budget documentation and public consultation. | | | | | | |
| **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 subnational government public finances.* | X | *Public consultation and 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 SNG’s social and economic priorities.* |  | *Transparent Information on the structure of the budget, the resources available to, and the performance of service delivery units, supported by arrangements for public consultation, 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- 9A. Public access to fiscal information** |  |  | X |
| **PI- 9B. Public consultation** |  | X | 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 SNG’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 budget is prepared with due regard to government policies, information on fiscal transfers, strategic plans, and adequate economic information and fiscal projections. It also examines orderliness in the budget preparation process and the legislative scrutiny of the budget proposal. | | | | | | |
| **PI-14. Medium-term budget strategy** | X | *An informed preparation of the budget is essential to support aggregate fiscal discipline.*  *Medium term budgeting supports aggregate fiscal discipline by establishing forward year estimates that provide the baseline for future budget allocations.* | X | *An informed preparation of the budget 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.* | X | *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-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. Tax administration** | X | *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 subnational 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 tax 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.* |  | *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 | X |
| **PI-22. Expenditure arrears** | X |  |  |
| **PI-23. Payroll controls** |  | X | X |
| **PI-24. Procurement** |  |  | X |
| **PI-25. Internal controls on non-salary expenditure** | X |  | X |
| **PI-26. Internal audit** |  | X | 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** | X | *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.* | X | *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 | X | X |
| **Pillar seven: External scrutiny and audit.**  Public finances are independently reviewed and there is external follow-up on the implementation of recommendations for improvement by the executive. | | | | | | |
| **PI-30. External audit** | X | *Reliable and extensive external audit, and legislative scrutiny of those audits provides assurance that information in financial reports is accurate.* | X | *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 | X | 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 where both the previous and current assessments used either the 2016 Supplementary Guidance for SNG PEFA Assessments or the 2022 SNG PEFA guidance.*** *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 2 and the summary table in Annex 1. If the previous assessment used a difference version of the 2016 Supplementary Guidance for SNG PEFA Assessments or the 2022 SNG PEFA guidance, annex 1 will only provide information related to the current assessment.*

*When a previous assessment used either the 2016 Supplementary Guidance for SNG PEFA Assessments or the 2022 SNG PEFA guidance please see “Guidance on tracking performance changes based on the 2016 Supplementary Guidance for SNG PEFA Assessments”. 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 2016 PEFA (2005 or 2011), a supplementary annex using indicators of the previous version may be used (see annex 4).*

*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.*

*If is no previous assessment, this sub-section is not used.*

**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 either the 2016 Supplementary Guidance for SNG PEFA Assessments or the 2022 SNG PEFA guidance was applied (See Guidance on tracking performance changes based on the 2016 Supplementary Guidance for SNG PEFA Assessments). 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** | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |
| **Pillar** | **Indicator/Dimension** | | **Score** | **Description of requirements met** | **Score** | **Explanation of change (including comparability issues)** |
| **Intergovernmental fiscal relations** | **HLG-1.** | **Transfers from higher level of government** |  |  |  |  |
| 1. Outturn of transfers from higher level of government |  |  |  |  |
| 2. Transfers composition outturn |  |  |  |  |
| 3. Timeliness of transfers from higher level of government |  |  |  |  |
| 4. Predictability of transfers |  |  |  |  |
| **HLG-2.** | **Fiscal rules and monitoring of fiscal position** |  |  |  |  |
| 1. Fiscal rules for subnational governments |  |  |  |  |
| 2. Debt rules for subnational governments |  |  |  |  |
| 3. Monitoring of subnational governments |  |  |  |  |
| **Budget Reliability** | **PI-1** | **Aggregate expenditure out-turn** |  |  |  |  |
| **1. Aggregate expenditure out-turn** |  |  |  |  |
| **PI-2** | **Expenditure composition outturn** |  |  |  |  |
| 1.Expenditure composition outturn by function |  |  |  |  |
| 2.Expenditure composition outturn by economic type |  |  |  |  |
|  | 3.Expenditure from contingency reserves |  |  |  |  |
| PI-3 | **Revenue outturn** |  |  |  |  |
| 1.Aggregate revenue outturn |  |  |  |  |
| 2. Revenue composition outturn |  |  |  |  |
| **Transparency of Public Finances** | **PI-4** | **Budget Classification** |  |  |  |  |
|  | 1.Budget classification |  |  |  |  |
| **PI-5** | **Budget Documentation** |  |  |  |  |
|  | 1.Budget documentation |  |  |  |  |
| **PI-6** | **Subnational government operations outside financial reports** |  |  |  |  |
|  | 1. Expenditure outside financial reports |  |  |  |  |
|  | 2. Revenue outside financial reports |  |  |  |  |
|  | 3. Financial reports of extra-budgetary units |  |  |  |  |
| **PI-7** | **Transfers to subnational governments** |  |  |  |  |
|  | 1. System for allocating transfers |  |  |  |  |
|  | 2.Timeliness of information on transfers |  |  |  |  |
| **PI-8** | **Performance information for service delivery** |  |  |  |  |
|  | 1.Performance plans for service delivery |  |  |  |  |
|  | 2.Performance achieved for service delivery |  |  |  |  |
|  | 3.Resources received by service delivery units |  |  |  |  |
|  | 4.Performance evaluation for service delivery |  |  |  |  |
| **PI-9A** | **Public access to information** |  |  |  |  |
|  | 1. Public access to information |  |  |  |  |
| **PI-9B** | **Public consultation** |  |  |  |  |
|  | 1. Public consultation in budget preparation |  |  |  |  |
|  | 2. Public consultation in the design of service delivery programs |  |  |  |  |
|  | 3. Public consultation in investment planning |  |  |  |  |
| **Management of assets and liabilities** | **PI-10** | **Fiscal risk reporting** |  |  |  |  |
|  | 1.Monitoring of public corporations |  |  |  |  |
|  | 2.Monitoring of sub-national government |  |  |  |  |
|  | 3.Contingent liabilities and other fiscal risks |  |  |  |  |
| **PI-11** | **Public investment management** |  |  |  |  |
|  | 1.Economic analysis of investment proposals |  |  |  |  |
|  | 2.Investment project selection |  |  |  |  |
|  | 3.Investment project costing |  |  |  |  |
|  | 4.Investment project monitoring |  |  |  |  |
| **PI-12** | **Public asset management** |  |  |  |  |
|  | 1.Financial asset monitoring |  |  |  |  |
|  | 2.Nonfinancial asset monitoring |  |  |  |  |
|  | 3.Transparency of asset disposal |  |  |  |  |
| **PI-13** | **Debt management** |  |  |  |  |
|  | 1.Recording and reporting of debt and guarantees |  |  |  |  |
|  | 2.Approval of debt and guarantees |  |  |  |  |
|  | 3.Debt management strategy |  |  |  |  |
| **Policy-based fiscal strategy and budgeting** | **PI-14** | **Medium-term budget strategy** |  |  |  |  |
|  | 1. Underlying forecasts for medium-term budget |  |  |  |  |
|  | 2. Fiscal impact of policy proposals |  |  |  |  |
|  | 3. Medium-term expenditure and revenue estimates |  |  |  |  |
|  | 4 Consistency of budgets with previous year’s estimates |  |  |  |  |
| **PI-17** | **Budget preparation process** |  |  |  |  |
|  | 1.Budget calendar |  |  |  |  |
|  | 2.Guidance on budget preparation |  |  |  |  |
|  | 3.Budget submission to the subnational council |  |  |  |  |
| **PI-18** | **Legislative scrutiny of budgets** |  |  |  |  |
|  | 1. Scope of budget scrutiny |  |  |  |  |
|  | 2. Legislative procedures for budget scrutiny |  |  |  |  |
|  | 3. Timing of budget approval |  |  |  |  |
|  | 4.Rules for budget adjustments by the executive |  |  |  |  |
| **Predictability and control in budget execution** | **PI-19** | **Tax administration** |  |  |  |  |
|  | 1. Rights and obligations for tax measures |  |  |  |  |
|  | 2. Property tax register and value assessment |  |  |  |  |
|  | 3. Tax risk management, audit and investigation |  |  |  |  |
|  | 4. Tax arrears monitoring |  |  |  |  |
| **PI-20** | **Accounting for revenues** |  |  |  |  |
|  | 1.Information on revenue collections |  |  |  |  |
|  | 2.Transfer of revenue collections |  |  |  |  |
|  | 3.Tax accounts reconciliation |  |  |  |  |
| **PI-21** | **Predictability of in-year resource allocation** |  |  |  |  |
|  | 1. Consolidation of cash balances |  |  |  |  |
|  | 2. Cash forecasting and monitoring |  |  |  |  |
|  | 3. Information on commitment ceilings |  |  |  |  |
|  | 4.Significance of in-year budget adjustments |  |  |  |  |
| **PI-22** | **Expenditure arrears** |  |  |  |  |
|  | 1.Stock of expenditure arrears |  |  |  |  |
|  | 2.Expenditure arrears monitoring |  |  |  |  |
| **PI-23** | **Payroll controls** |  |  |  |  |
|  | 1.Integration of payroll and personnel records |  |  |  |  |
|  | 2.Management of payroll changes |  |  |  |  |
|  | 3.Internal control of payroll |  |  |  |  |
|  | 4.Payroll audit |  |  |  |  |
| **PI-24** | **Procurement** |  |  |  |  |
|  | 1.Procurement monitoring |  |  |  |  |
|  | 2.Procurement methods |  |  |  |  |
|  | 3.Public access to procurement information |  |  |  |  |
|  | 4.Procurement complaints management |  |  |  |  |
| **PI-25** | **Internal controls on nonsalary expenditure** |  |  |  |  |
|  | 1. Segregation of duties |  |  |  |  |
|  | 2.Effectiveness of expenditure commitment controls |  |  |  |  |
|  | 3.Compliance with payment rules and procedures |  |  |  |  |
| **PI-26** | **Internal audit effectiveness** |  |  |  |  |
|  | 1.Coverage of internal audit |  |  |  |  |
|  | 2.Nature of audits and standards applied |  |  |  |  |
|  | 3.Implementation of internal audits and reporting |  |  |  |  |
|  | 4. Response to internal audits |  |  |  |  |
| **Accounting and Reporting** | **PI-27** | **Financial data integrity** |  |  |  |  |
|  | 1.Bank account reconciliation |  |  |  |  |
|  | 2.Suspense accounts |  |  |  |  |
|  | 3.Advance accounts |  |  |  |  |
|  | 4.Financial data integrity processes |  |  |  |  |
| **PI-28** | **In-year budget reports** |  |  |  |  |
|  | 1.Coverage and comparability of reports |  |  |  |  |
|  | 2.Timing of in-year budget reports |  |  |  |  |
|  | 3.Accuracy of in-year budget reports |  |  |  |  |
| **PI-29** | **Annual financial reports** |  |  |  |  |
|  | 1.Completeness of annual financial reports |  |  |  |  |
|  | 2.Submission of reports for external audit |  |  |  |  |
|  | 3.Accounting standards |  |  |  |  |
| **External scrutiny and audit** | **PI-30** | **External audit** |  |  |  |  |
|  | 1.Audit coverage and standards |  |  |  |  |
|  | 2.Submission of audit reports to the subnational council |  |  |  |  |
|  | 3.External audit follow-up |  |  |  |  |
|  | 4. Independence of the public audit institution in charge of SNGs |  |  |  |  |
| **PI-31** | **Legislative scrutiny of audit reports** |  |  |  |  |
|  | 1.Timing of audit report scrutiny |  |  |  |  |
|  | 2.Hearings on audit findings |  |  |  |  |
|  | 3.Recommendations on audit by the subnational council |  |  |  |  |
|  | 4.Transparency of legislative scrutiny of audit reports |  |  |  |  |

**Annex 2: Sources of information**

**Annex 2A: Related surveys and analytical work**

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

**Annex 2B: List of people interviewed**

| No | **Institution** | **Department** | **Person** | **Position** |
| --- | --- | --- | --- | --- |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |
| 6 |  |  |  |  |
| 7 |  |  |  |  |

**Annex 2C: Sources of information used to extract evidence for scoring each indicator**

|  |  |
| --- | --- |
| **Indicator/dimension** | **Data Sources** |
| **Intergovernmental fiscal relations** | |
| **HLG-1. Transfers from higher level of government** |  |
| HLG-1.1. Outturn of transfers from higher level of government |  |
| HLG-1.2. Transfers composition outturn |  |
| HLG-1.3. Timeliness of transfers from higher level of government |  |
| HLG-1.4. Predictability of transfers |  |
| **HLG-2. Fiscal rules and monitoring of fiscal position** |
| HLG-2.1. Fiscal rules for subnational governments |
| HLG-2.2. Debt rules for subnational governments |
| HLG-2.3. Monitoring of subnational governments |
| **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. Subnational 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- 9A. Public access to fiscal information** |  |
| 9A.1. Public access to fiscal information |
| **PI-9B. Public consultation** |  |
| 9B.1. Public consultation in budget preparation |  |
| 9B.2. Public consultation in the design of service delivery programs |  |
| 9B.3. Public consultation in investment planning |  |
| **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. Medium-term budget strategy** |  |
| 14.1. Underlying forecasts for medium-term budget |
| 14.2. Fiscal impact of policy proposals |
| 14.3. Medium-term expenditure and revenue estimates |
| 14.4 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 subnational council |
| **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. Tax administration** |  |
| 19.1. Rights and obligations for tax measures |
| 19.2. Property tax register and value assessment |
| 19.3. Tax risk management, audit and investigation |
| 19.4. Tax arrears monitoring |
| **PI-20. Accounting for revenues** |  |
| 20.1. Information on revenue collections |
| 20.2. Transfer of revenue collections |
| 20.3. Tax 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 subnational council |
| 30.3. External audit follow up |
| 30.4. Independence of the public audit institution in charge of SNGs |
| **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 subnational council |
| 31.4. Transparency of legislative scrutiny of audit reports |

**Annex 4: Tracking change in performance based on previous versions of PEFA** (to be used only when the previous assessment was based on PEFA 2005 or 2011)

*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*](http://www.pefa.org)*.*

*This annex should not be used when the previous assessment was based on the 2016 Supplementary Guidance for SNG PEFA Assessments.*

| **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 HLG-1, PI-1, PI-2 and PI-3**

*Templates with* ***automated calculations*** *are available at www.pefa.org[[19]](#footnote-20)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Calculation Sheet for Transfers outturn and composition - HLG-1.1 and 1.2 (2024)** | | | | | | |
| Step 1: Enter the three fiscal years used for assessment in table 1. | | | | | |  |
| Step 2: Enter **budget** and **actual** transfer data for each of the three years in tables 2, 3, and 4 respectively in accordance to the COFOG classification for all earmarked transfers whether they are in the form of grants, shared revenue that are not collected by the SNG or international developement funding pooled at HLG level. Please, note that this classification can be adjusted to the subnational context by merging different COFOG functions. | | | | | | |
| Step 3: Enter budget and actual transfer data for each of the three years in tables 2, 3, and 4 respectively for the five most important types of non-earmarked transfers, and sum the rest in the line Total of other non-earmarked transfers. | | | | | | |
| Step 4: 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 =** | **0** |  |  |  |  |  |
| Functional head | **budget** | **actual** | adjusted budget | deviation | absolute deviation | percent |
| **Earmarked transfers** | | | | | | |
| General public services |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Defence |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Public order and safety |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Economic affairs |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Environmental protection |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Housing and community amenities |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Health |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Recreation, culture and religion |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Education |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| Social protection |  |  | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| **Non earmarked transfers** | | | | | | |
| Sum of non earmarked transfers | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| *Non earmarked transfer #1* |  |  |  |  |  |  |
| *Non earmarked transfer #2* |  |  |  |  |  |  |
| *Non earmarked transfer #3* |  |  |  |  |  |  |
| *Non earmarked transfer #4* |  |  |  |  |  |  |
| *Non earmarked transfer #5* |  |  |  |  |  |  |
| *Total of other non earmarked transfers* |  |  |  |  |  |  |
| **Total transfers** | 0 | 0 | #DIV/0! | #DIV/0! | #DIV/0! |  |
| overall variance |  |  |  |  |  | #DIV/0! |
| composition variance |  |  |  |  |  | #DIV/0! |

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 5 - Results Matrix** |  |  |  |
|  |  |  | |
| year | total transfers deviation  HLG-1.1 | composition variance  HLG-1.2 | |
| 0 | #DIV/0! | #DIV/0! | |
| 0 | #DIV/0! | #DIV/0! | |
| 0 | #DIV/0! | #DIV/0! | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **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. 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/20180917-PEFA%202016%20-%20Tracking%20PFM%20Performance%20-%20Revised%20Guidelines.pdf) available at www.pefa.org.) [↑](#footnote-ref-2)
2. <https://www.pefa.org/resources/templates-automated-excel-scores-worksheets-pefa-assessments> [↑](#footnote-ref-3)
3. When a social security fund belongs to the SNG being assessed, it should be mentioned in the EBU column. [↑](#footnote-ref-4)
4. This column should be used for the subnational governments below the SNG being assessed only when there are financial relations between the two tiers of SNG. [↑](#footnote-ref-5)
5. Only the name of the entity should be filled in the corresponding column. No information on the specific entity’s turn-over is needed. [↑](#footnote-ref-6)
6. International Organization of Supreme Audit Institutions, “Guidelines for Internal Control Standards for the Public Sector” (INTOSAI GOV 9100). [↑](#footnote-ref-7)
7. The level of performance of the PFM system, as captured by the indicators, reflects a combination of historical, political, institutional, and economic factors and is not necessarily representative of recent or on-going efforts made by government to improve PFM performance. Improvement in the indicator scores may take several years due to the size of steps between scores in PEFA indicators and dimensions. This is why the PEFA report proposes the inclusion of commentary on progress made in improving PFM performance as captured by the dimensions. [↑](#footnote-ref-8)
8. <https://www.pefa.org/resources/guidance-subnational-government-pefa-assessments> [↑](#footnote-ref-9)
9. <https://www.pefa.org/resources/pefa-2016-framework> [↑](#footnote-ref-10)
10. <https://www.pefa.org/resources/volume-ii-pefa-assessment-fieldguide-second-edition> [↑](#footnote-ref-11)
11. A score of D due to insufficient information is distinguished from D scores for low-level performance by the use of an asterisk [↑](#footnote-ref-12)
12. See PEFA framework page 7 or Volume II of PEFA Handbook subsection 2.1.2. The term “not applicable” and its abbreviation “NA” is to be used in tables where an indicator, dimension, or evidence sought is not applicable to the government system being assessed. When NA is used, an explanation should be included in the narrative. [↑](#footnote-ref-13)
13. [↑](#footnote-ref-14)
14. <https://www.pefa.org/resources/calculation-sheets-pefa-performance-indicators-pi-1-pi-2-and-pi-23-november-2018>

    https://www.pefa.org/resources/calculation-sheet-revenue-composition-outturn-pi-32-november-2018 [↑](#footnote-ref-15)
15. <https://www.pefa.org/resources/calculation-sheet-revenue-composition-outturn-pi-32-november-2018> [↑](#footnote-ref-16)
16. Council is a reference to the law-making body of the SNG. [↑](#footnote-ref-17)
17. As described under PI-1 [↑](#footnote-ref-18)
18. This may be a consolidated financial report or a list of financial reports from all individual budgetary unit of the SNG. [↑](#footnote-ref-19)
19. PI-1 and PI-2: <https://www.pefa.org/resources/calculation-sheets-pefa-performance-indicators-pi-1-pi-2-and-pi-23-november-2018>

    PI-3: <https://www.pefa.org/resources/calculation-sheet-revenue-composition-outturn-pi-32-november-2018> [↑](#footnote-ref-20)