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Stocktaking Study of PFM Diagnostic Instruments

Volume II – Annexes

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Part 1 – Detailed Breakdown of Broad and Specific Diagnostic Tools

Part I of this Volume of the Report provides a more detailed breakdown of broad and specific diagnostic tools, based on the following eighteen dimensions:

- Objectives
- Uses by (a) Government and (b) Donors
- Content
- Support Tools and Services
- Transparency
- Consistency with PFM Practices
- Topic Coverage
- Institutional Coverage
- History and Stage of Development
- Management of the Assessment
- PFM Capacity Building
- Donor Harmonisation and Alignment
- Methodology
- Quality Assurance
- Tracking of Changes
- Applications to Date
- Frequency
- Cost

A. PFM DIAGNOSTICS (Whole of System Diagnostics)

	PEFA PUBLIC FINANCIAL MANAGEMENT PERFORMANCE MEASUREMENT FRAMEWORK	WORLD BANK PUBLIC EXPENDITURE REVIEW (PER)	WORLD BANK COUNTRY FINANCIAL ACCOUNTABILITY ASSESSMENT (CFAA)	FISCAL TRANSPARENCY ROSC (IMF)
OBJECTIVE	As the 'third leg' of the Strengthened Approach to PFM reform, it provides a pool of standardized information on current PFM performance (and progress between assessments) to all stakeholders.	Firstly, to strengthen budget analysis and processes to achieve a better focus on growth and poverty reduction. Secondly, to assess public expenditure policies and programs and to provide governments with an external review of their policies. Finally PERs may address the incentives and institutions needed to improve the efficacy of public spending in major sectors such as health and education, or issues such as civil service reform, fiscal decentralization, and service delivery.	The CFAA supports the Bank's development objectives by identifying strengths and weaknesses in country PFM systems. It facilitates a common understanding among the government, the Bank, and development partners on the performance of the institutions responsible for managing the country's public finances. This common understanding helps to identify priorities and for action and informs the design and implementation of capacity building programs. Information obtained in CFAA's also helps the Bank to meet its fiduciary objectives by identifying risks to the use of Bank loan proceeds by weaknesses in borrower PFM arrangements.	To encourage widespread adoption of transparent fiscal management practices, financial market and public finance risks.
USES (a) By Government, and (b) Donors	Used (i) as input to the donor/ government dialogue on PFM reform, and external support for reform implementation (ii) as input to individual donor assessments of fiduciary risk and/or the use of country systems, e.g. preparatory to budget support, and (iii) as a basis for evaluating past PFM reforms.	Used to assess the Government's public expenditure policies and programmes. Results of PER used to guide Bank's approach to public expenditure country assistance strategy (CAS) and serves as necessary background to economic and sector work (ESW). Finally used by the World Bank to inform the Board of a country's fiscal policy and processes.	Designed to support the exercise of the Bank's fiduciary responsibilities and the achievement of its development objectives through assessing the strengths and weaknesses of country accountability arrangements and identifying the risks that these may pose to the use of Bank and other public funds. Results inform the preparation of the Bank Country Assistance Strategy (CAS) particularly the sections dealing with the size of the support program, the sectors to be supported, selection of lending instruments and approaches to risk management.	Closely linked to IMF's role of surveillance, namely of its dialogue with member countries on macroeconomic policy issues related to the Fund's Articles of Agreement. ROSC includes a Staff Commentary with recommendations to improve the country's fiscal transparency arrangements.

CONTENT	Framework document contains 74 <i>dimensions</i> to 31 high-level PFM performance <i>indicators</i> , grouped (but not aggregated) into six <i>core dimensions</i> of PFM performance, and an outline performance report. Supplemented by clarifications issued by the PEFA Secretariat.	There are three determinants of the content of PER which are identified in collaboration between the World Bank and government: (1) the most pressing public sector issues in the country; (2) amount of resources – own and from other donors – available to the Bank’s country team and (3) coverage in past Reports.	Focus is on the describing and analyzing downstream financial management and expenditure controls, including expenditure monitoring, accounting and financial reporting, internal controls, internal and external auditing, and ex-post legislative review. Less focus on fiscal discipline and the allocation of resources consistent with policy; priorities which is the domain of the PER. As CFAA are no longer a Bank mandated diagnostic its use has decreased and content is increasingly addressed through the integrated diagnostic reports.	45 good practices grouped into four pillars (1) clarity of roles and responsibilities of PFM within government; (2) open budget processes covering all PFM related processes of government; (3) public availability of information covering PFM information which should be available to the public and (4) assurances of integrity, covering issues of date quality as well as the need for quality of external scrutiny of PFM information.
SUPPORT TOOLS AND SERVICES	PEFA Secretariat issues guidance on gathering evidence, good practices note, and training materials, plus email advice on request concerning draft terms of reference, reviews of performance reports, and interpretation of indicator scoring requirements.	PERs have multiple purposes and are adaptable to country needs. The World Bank conducts training courses for Bank staff and has developed guidelines on various elements of a typical PER e.g. PIM and human development guidelines.	Revised CFAA Guidelines to Staff were issued in 2003. The World Bank also conducts regular training events for FM staff on PFM issues.	Guidance comes from the Code of Good Practices in Fiscal Transparency and its accompanying Manual on Fiscal Transparency; and Guide to Resource Revenue Transparency. Applied firstly through the application of a focused, standardised questionnaire.
TRANSPARENCY	All standard documents above available on PEFA website. Final reports also available if released by the respective governments (preferred and covering about two thirds of finalized reports)	All completed PERs are published on the Bank’s website, consistent with its public disclosure policy.	All completed CFAAs (grey cover) are published on the Bank’s website.	Nearly all Fiscal Transparency ROSCs are available on the IMF website.
CONSISTENCY WITH BEST PFM PRACTICES	Assessment focuses on the outcomes of systems and processes that are considered as benchmarks of good PFM. Performance Report includes a Summary Assessment that links strengths and weaknesses revealed by the indicator scores to budgetary outcomes (1) fiscal discipline, (2) strategic allocation of	PER focuses on good practices and provides an analysis of the Government’s policies and programmes.	CFAA focuses on good PFM international practices.	Fiscal ROSC takes stock of observance of good practices and recent achievements in fiscal transparency; identifies and priorities reforms necessary to enhance the openness of accountability of public institution; and in resource rich countries, assesses and advises on revenue transparency issues. It is descriptive, to

	resources, and (3) efficient service delivery			provide a full report of current practices; diagnostic, to indicate where deficiencies lie, and prescriptive; to suggest a possible sequenced set of reforms.
TOPIC COVERAGE	<p>The PEFA Framework covers the six dimensions of an open and orderly PFM system; namely (1) budget credibility, (2) comprehensiveness and transparency, (3) policy based budgeting, (4) predictability and control in budget execution, accounting recording and reporting, and (6) effective external scrutiny and audit.</p> <p>The PEFA Framework <u>does not</u> cover the following topics (1) integrated financial/non-financial performance management, (2) PFM-HR management and capacity building, (3) stakeholder participation in budget preparation and monitoring, (4) asset management, (5) records management, (6) independence of external audit (except by inference on PI-26i – adherence to audit standards)</p>	<p>Largely focused on fiscal discipline, allocation of resources consistent with policy priorities. Increasingly PERs also provide an analysis of the institutional context of PFM, including the process of budgetary decision making and differences between formal and informal practices.</p> <p>Less focus on downstream PFM elements although some PERs have been co-ordinated with and incorporate PEFA assessment and finding of related diagnostics (CFAAs and CPARs).</p> <p>Primary focus on development rather than fiduciary objectives.</p>	<p>The content is not prescribed however Section III of the Guidelines suggests the CFAA should include, (1) the legal framework and institutional PFM arrangements, (2) the relationship between national and sub-national government, (3) the government’s fiscal record in budget implementation, (4) recent work on accessing and reforming the PFM system, including an evaluation of progress and an evaluation of the country’s PFM arrangements.</p> <p>The CFAA should also include; (1) an analysis of the strengths and weaknesses of the PFM arrangements; (2) an assessment of the financial management risk that PFM arrangements may pose to World Bank funds; and (3) actions agreed to address identified weaknesses and details of any agreed action plan.</p>	Legal framework for expenditure management, relations between government and nongovernment entities, budget coverage, fiscal framework and expenditure programming, internal control and audit and external audit (mainly from fiscal transparency perspective).
INSTITUTIONAL COVERAGE	Central government including its deconcentrated units and oversight agencies. Covers also fiscal risk to central government arising from sub-national government (SNG) and State Owned Enterprise (SOE) operations. Guidelines have been prepared to apply indicators at SNG level (March 2008) although not at City/Municipality Level.	Flexible but PER may also examine institutional arrangements for public expenditure management, civil service reform and revenue policy and administration.	Usually Central Government, extra-budgetary funds, oversight agencies and the role of parliament in scrutinising the budget.	Central government and broad constitutional and institutional elements of public sector-including the roles and responsibilities of the executive branch, parliament and supreme audit institutions.
DEVELOPMENT	The PEFA Program was developed through a consultative process among donors with inputs from senior government PFM practitioners and is managed by a multi-donor Steering Committee, Public Expenditure Working Group	The Public Sector Governance Board is responsible for the overall direction of development of PERs; however there is considerable flexibility given to Bank country and sector managers in the product offered to	The Financial Management Sector Board is responsible for the overall direction of development of CFAAs; although there is considerable flexibility given to Bank country and sector managers in the product offered to	The <i>Code</i> was developed in 1998 as one of the contributions of the IMF to the Standards and Codes Initiative, a set of guidelines on governance designed to support improvements to the architecture of the international financial

	and Secretariat; housed in the World Bank in Washington DC.	client countries.	client countries. The CFAA is no longer a mandatory tool, and PFM work now is more centred on the PEFA assessment. In order to more directly address fiduciary goals, the World Bank issued Interim Guidance Notes for Bank FM Staff in the Assessment of Fiduciary Risks in Bank Financed Investment Projects.	system. The <i>Code</i> was updated in 2007, based on assessments to date of country observance of fiscal transparency, relative to the good practices identified in the <i>Code</i> . In drafting the revised <i>Code</i> , views were sought from the general public, country authorities, development agencies, academics, and nongovernmental agencies working in the area of budget transparency. Guide of Resource Revenue Transparency, issued in 2005 (revised 2007) applies Code to management of resource revenues.
MANAGEMENT OF ASSESSMENT	Can be initiated at country level by any stakeholder (often a donor or group of donors providing TA in PFM and/or budget support, with government approval). Assessments may be stand-alone, or integrated into broader products. Model of application may be self-assessment, joint assessment or external assessment, as agreed by the stakeholders. Donors normally require external validation of a self-assessment. Good Practices Note recommends that an Oversight Team of stakeholders is set up to manage the process.	The Public Sector Governance Board is responsible for the overall development of PERs. Country directors and PREM sector managers in the Bank's regions are responsible for the quality of individual PERs. Task managers must make provision for quality assurance – including peer reviews – when planning PERs.	The Financial Management Sector Board is responsible for the overall development of CFAAs. Country directors and FM sector managers in the Bank's regions are responsible for the quality of individual CFAAs. Task managers must make provision for quality assurance – including peer reviews – when planning CFAAs.	The IMF Fiscal Affairs Department, in coordination with the Fund's area departments, determines priorities for Fiscal Transparency ROSCs based on guidelines issued by the IMF Executive Board, direct contact with country authorities, and IMF surveillance activities.
PFM CAPACITY BUILDING	Good Practices Note emphasises the importance of an introductory workshop for stakeholders (particularly for government staff), and a closing (or presentation) workshop, and this has become the general practice. The workshops are intended primarily to facilitate the assessment exercise, but they also build broader understanding of international standards and practices.	Concept Note identifies the target audience and dissemination strategy, the participatory approach to be followed and the involvement of government officials and other development partners. Bank increasingly trained counterpart staff so that they can contribute at all stages of preparing a PER.	Concept Note identifies the target audience and dissemination strategy, the participatory approach to be followed and the involvement of government officials and other development partners.	ROSC has no specific capacity building function although in the past the IMF has delivered training courses on the Code.
DONOR HARMONISATION AND ALIGNMENT	PEFA aims to reduce transaction cost by reducing the number of donor assessments through multi-donor agreement with the government at country level	PER's are increasingly participatory and as a result are less seen as an internal Bank process. Wescott (2008) found some evidence of improved government and NGO participation in	2008 Bank evaluation noted that donor collaboration on CFAA's CFAA's increased over the evaluation period, particularly in AFR, LAC and AEP. Since the introduction of the PEFA	ROSC program is managed and operated independently of PEFA assessment. At least 16 countries have, since 2005, undertaken both a PEFA assessment and a Fiscal ROSC

		PERs.	assessment the Bank's PFM work has been more centred on a common PFM performance framework and, in some regions broader analytical diagnostics (the PEMFAR) have incorporated topics which, in the past would have been covered by the CFAA.	independently of each other, sometimes with only a short time interval between the two exercises.
METHODOLOGY	Assessments are made by scoring each dimension on a 4-point scale representing stages in development, with an A score if an international good practice is fully achieved. Indicators are scored by combining the dimension scores (max 4 dimensions per indicator). The Framework does not encourage aggregation of indicator scores, which are alphabetical rather than numerical, although this is happening in practice through converting scores into numerical values.	No standardised methodology however guidelines have been prepared for some of the elements of a typical PER. PER Approach will be dependent on its objectives.	Approach is outlined in the CFAA Guidelines. Evidence gathering is through a combination of desk work and fact finding missions. Assessment is qualitative in nature.	Largely qualitative assessment against the pillars identified in the Code.
QUALITY ASSURANCE	PEFA draft reports are usually reviewed by PFM and country experts outside the assessment team. Where requested, PEFA Secretariat provides comments on the draft TOR and on compliance of draft reports with the Framework. Recent monitoring reports show positive trend in the compliance index used to monitor whether rating have been correctly assigned on the basis of adequate evidence according to the PEFA methodology.	PER is subject to peer review process by country experts from inside and outside the Bank.	ICM and draft reports are subject to Bank quality assurance procedures and subject to peer review by Bank staff.	Draft reports are reviewed by an Advisory Commission (2/3 IMF staff) and make extensive comments prior to the finalisation of the Report.
TRACKING OF CHANGES	Scoring is according to defined criteria for each indicator and level. While some are broadly defined in the Framework itself, the criteria have been progressively clarified with experience, to ensure that assessments are objective, backed by evidence, and changes in successive assessments provide a fairly reliable measure of progress.	PER will include reference to the developments (both qualitative and quantitative) since previous PER.	Assessment of progress in the development of PFM systems is mostly qualitative in nature; as prepared by the task team.	Reassessments are against previous assessment. Reassessment includes IMF staff assessment of progress made against recommendations of previous assessment.
APPLICATIONS TO	Since 2005, 206 substantially completed PEFA	No of PERs has increased from 68 (17 per year)	Increased from 33 (8 per year) from 1999-2002	As of March 2010, 92 countries from all regions

DATE	assessments have been undertaken in 119 countries; a rate of 35-40 assessments per year. This includes 45 repeat assessments and 47 assessments at a SNG level.	from 1999-2002 to 93 (over 23 annually) in 2003-2005. More recent data shows 25 in 2007; 14 in 2008; and 18 in 2009.	to 72 (18 per year) in 2003-2005. CFAA's are longer mandatory and PFM work is more centred on the PEFA assessment. Few standalone CFAA are now prepared by the Bank.	and levels of economic development had posted their fiscal transparency ROSCs on the IMF's Standards and Codes web page. ROSCs can be undertaken at any time at the request of the authorities. Countries can also opt for a full ROSC reassessment after 5 years. As of March 2010, 26 countries had undertaken updates or complete reassessments.
FREQUENCY	As agreed by country stakeholders. Good Practices Note recommends not more often than every 3 years. In practice, as noted the Secretariat notes nearly all repeat assessments were completed in less than the time period recommended in the Framework.	As agreed with the Government (typically every 4 to 5 years).	The timing of CFAAs and frequency of updates is decided within the Bank, in consultation with borrower government and, as appropriate, other interested donors.	ROSCs can be re-assessed every 5 years, but limited updates usually take place every two years through Article IV missions. Currently demand for fiscal transparency ROSCs is running at between 5 and 6 assessments per year.
COST	Cost of a stand-alone assessment is very dependent on its scope (eg. to include SNG?), and workshops. Typically within the range \$50,000-200,000, funded by donors, plus the time used by government officials.	Cost of PER varies considerably depending on scope. Average cost in World Bank FY08 was c\$250,000 and FY09 c\$285,000; although costs can vary between \$100,000 to over \$600,000.	According to the 2003 Guidelines "there is no standard cost for a CFAA; experience suggests that the average cost of a CFAA in a medium sized country would be about \$125,000, and it is generally not possible to carry out a CFAA of adequate quality for less than \$50,000".	\$120,000 to \$180,000.

A. PFM DIAGNOSTICS (Whole of System Diagnostics) (cont.)

	COMMONWEALTH SECRETARIAT PFM SELF ASSESSMENT TOOLKIT (CPFM-SAT)	OPEN BUDGET SURVEY	OECD BUDGET PRACTICES AND PROCEDURES DATABASE	EC ASSESSMENT REPORTS on PUBLIC EXPENDITURE MANAGEMENT, PUBLIC FINANCIAL MANAGEMENT and EXTERNAL AUDIT (PREPARED BY SIGMA)
OBJECTIVE	Self assessment tool that aims to internalise and strengthen country financial management assessment without external inputs. It also aims to enhance the process of identifying country strengths and weaknesses in the reform process and helps to provide a road map for strengthened reform, technical assistance and capacity building needs.	Independent analysis and survey that evaluates whether governments give the public access to budget information and opportunities to participate in the budget process at a national level.	The database provides budget practitioners, academics and civil society with a database to compare and contrast national budgeting and financial management practices from across the globe.	Assessing reform progress and identifying priorities against baselines set by good European practice and existing EU legislation (<i>acquis communautaire</i>).
USES	Feeds into PFM reform. SAT guidance says that scores of 1, 2 or 3 require urgent steps to address key issues. The results of each assessment are intended to feed into ComSec (and perhaps other donor) dialogue with the government on TA for PFM reform.	Used to measure the overall commitment of the countries surveyed to transparency and to allow comparisons between countries. Used as a tool for civil society to advocate for greater budget transparency and accountability. Some evidence that OBI is used by donors as part of their governance indicators and to identify weaknesses.	Used as a resource for budget practitioners, academics and civil society rather than as an Diagnostic Tool.	SIGMA's Assessment Reports are prepared at the request of the European Commission as a contribution to its annual Progress Reports on EU candidates and potential candidates and to its programming of technical assistance. They also aim to provide partners with inputs into their own reform activities. The assessments are conducted against sectoral baselines developed by SIGMA and the EC. They cover the following sectors: civil service; administrative legal framework, public integrity, public procurement ² , <u>public expenditure management (PEM)</u> , <u>public internal financial control (PIFC)</u> , <u>external audit (EA)</u> , and policy-making and coordination. Every year, the EC prioritizes the sectors to be assessed.

² The Stock take could not obtain data on Reports prepared on the Public Procurement system.

CONTENT	July 2008 version of document contains a checklist of 156 <i>activities</i> or attributes, grouped and aggregated into 15 <i>sub-sections</i> , then into 5 <i>building blocks</i> (Legal and Operating Structure of PFM, Accountability and Stewardship, Planning and Resource Allocation, Measurement and Performance and Value Creation), and finally into 2 <i>elements</i> (legal and institutional framework, and capacity).	Questionnaire covering 123 questions covering (1) budget formulation, (2) legislative approval, (3) budget implementation and (4) year-end report and the supreme audit institution. 92 questions form the OBI and the remaining 31 cover public participation in the budget and ability of oversight institutions to hold the executive to account.	89 questions covering the entire budget cycle: preparation, approval, execution, accounting and audit, performance information, and aid management within developing countries.	<ol style="list-style-type: none"> 1. Main developments since last year 2. Main recommendations (including strengths and weaknesses) 3. Recommendations for reform 4. Recommendations for assistance 5. Analysis by topic (see topic coverage below). <p>Analysis in reports is qualitative, descriptive and prescriptive (providing recommendations for reform and assistance). Assessment reports are short (typically 8-15 pages for each Report).</p>
SUPPORT TOOLS AND SERVICES	No specific guidelines for the SAT. The CPFMSAT itself suggests that governments may refer to the Commonwealth Secretariat's Guidelines for PFM Reform and the PFM-Performance Measurement Framework published by the PEFA Secretariat in completing the assessment.	Questionnaire guiding civil society researchers through the budget process. IBP also provides a Guide to the Open Budget Questionnaire which outlines the research method to be used in answering each question. IBP provide researchers in participating research institutions with training prior to conducting the OBI and TA throughout the assessment process.	The content of the database was collected using an online questionnaire in English, French and Spanish; a glossary is provided in English, French and Spanish. The database is presently only available in English.	Baseline questionnaire (separate for each sector) guide both the coverage and scope of the report.
TRANSPARENCY	Toolkit available only on line to registered users (Commonwealth country finance ministries) and actual assessments available only to authors and ComSec. Biennial reporting by ComSec to the Meeting of Commonwealth Finance Ministers on PFM scores by region and building block.	All questionnaires available on IBP website. Exchanges and debates between researchers and peer reviewers are published in the final questionnaire. Governments are also invited to comment on the questionnaire and their comments are also published on the website. IBP have noted Governments are increasingly taking the opportunity to respond to the OBI results.	Responses (which are voluntary) are published on OECD website in full.	Completed assessments are published on the SIGMA website.
CONSISTENCY WITH BEST PFM PRACTICES	Assessment focuses on the existence (or otherwise) of laws, policies, guidelines, manuals, organisational units, key personnel, and processes that are generally accepted as conducive to good PFM, however these activities are not linked to budgetary outcomes. Some activities are not (or not yet) generally accepted, such as pre-election audit by the SAI, tax exemptions funded by the applicant MDAs, and	Consistency with generally accepted good practice in budget accountability and transparency criteria which have universal applicability to differing budget systems around the world and to countries with differing income levels.	Database to capture current practices and institutional arrangements rather than an assessment tool to measure PFM Performance. Database functions allow analysis by users.	PEM - EC funds have to be allocated and used efficiently and in accordance with internationally accepted budgetary principles and good practice in EC Member States. Thus a baseline can be established defining the essential requirements of a well functioning public expenditure management system covering both EU funds and national money. PIFC - The Treaties on the European Union or

	<p>MDA expenditure linked to their revenue collection. Some activities are not always relevant, such as a PIU for the FMIS.</p>			<p>establishing the European Communities do not specify any predetermined model of financial control to be applied by Member Countries but it establishes the general obligations of the Member States. In 2000 Chapter 28 - Financial Control (since ... Chapter 32) was added to the Negotiating Frameworks, which support the principles laid down in the Copenhagen criteria: This chapter introduces the concept of Public Internal Financial Control. Relevant regulations for this baseline are specified in an Annex to the baseline questionnaire. These regulations and directives give detailed provisions on how the processes of financial management and control should function. This is reflected in the baseline, but the baseline is also designed to reflect good European practices for the overall architecture of sound financial management and control.</p> <p>EA - Whilst the nature and functioning of public sector external audit is not as such part of the <i>acquis communautaire</i>, the EC Treaty does imply the existence of supreme audit institutions, and their requirement to co-operate with the European Court of Auditors (art 246-248). Moreover the general financial control standards for the management of EU-funds and own resources in the candidate countries as well as in the member states require an effective external audit of all public sector resources and assets, and that this should be carried out in a continuous and harmonised manner. Baseline assesses compliance with the full range of regulatory and performance audit set out in INTOSAI auditing standards.</p>
<p>TOPIC COVERAGE</p>	<p>PEFA SEC comparison of SAT with PEFA Framework showed that SAT covers approx. 54% of the 74 dimensions in the PEFA Framework. 34 dimensions are not covered.</p> <p>Conversely the SAT covers the following</p>	<p>The <i>Open Budget Questionnaire</i> is specifically intended to evaluate information on the central government's budget that is available to the public i.e. (1) Executive's budget proposal; (2) Pre-budget statement; (3) Enacted Budget; (4) In-Year Reports; (5) Mid-Year Review; (6) Year</p>	<p>Questions cover the entire budget cycle, including the preparation, approval, execution, accounting and audit, performance information and aid management within developing countries.</p>	<p>PEM - Topics included within the questionnaire are: - (a) Overall fiscal situation; (b) Budget legislation; (c) Relationship between parliament and executive; (d) Scope of the State Budget – comprehensiveness, EBFs, transparency of budget documentation; (e) Monitoring public</p>

	elements not covered in the PEFA Framework (a) integrated financial/non financial performance, (b) legislative and institutional framework, (c) HR management and capacity building, (d) stakeholder participation in budget preparation and monitoring (e) declaration of assets of public officers, (f) large taxpayer unit, (g) asset management, (h) independence of external audit.	End Report; (7) Audit Report and (8) the Citizen's Budget. Not intended to evaluate the quality or credibility of information that government might provide. Particular emphasis on topics of importance to civil society (Citizen's Budget, public hearings of legislature and role of SAI).		deficit and public debt; (f) MTEF; (g) Budget formulation (budget circular, ceilings, appropriations and asset management); (h) Budget management and management of public investments; (i) Budget Execution and Monitoring; and (j) Accounting and Reporting. PIFC- Baseline Questions: (a) Is there a coherent and comprehensive statutory base defining the systems, principles and functioning of PIFC in place?; (b) Are relevant management and control systems and procedures in place and functioning?; (c) Are functionally independent internal audit arrangements with relevant functions, remit and scope in place and functioning?; (d) Are adequately resourced and competent Central Harmonisation arrangements for financial management control and internal audit in place? EA- Baseline Questions: (a) Does the SAI have clear authority to satisfactorily audit all public and statutory funds and resources, bodies and entities, including EU resources?; (b) Does the type of audit work carried out cover the full range of regulatory and performance audit work set out in INTOSAI standards?; (c) Does the SAI have the necessary operational and functional independence required to fulfil its tasks?; (d) Are the SAIs annual and other reports prepared in a fair, factual and timely manner?; (e) Is the work of the SAI effectively considered by parliament e.g. by a designated committee that also reports on its own findings?; (f) Has the SAI adopted internationally and generally recognised auditing standards compatible with EU requirements, and how far have they been implemented?; (g) Is the SAI appropriately aware of the requirements of the EU accession process?
TITUTIONAL	Central government as for PEFA. Draft SAT (July	Central Government only although IBP are piloting approaches to assessing Sub-National	Central Government.	PEM - Central Government; PIFC - Public sector including MD &As.; EA - SAI and related

COVERAGE	2008) says it can also be applied at SNG levels.	Governments.		institutions (e.g. parliamentary committees)
DEVELOPMENT	The CPFM-SAT instrument was developed by ComSec/GIDD with inputs from senior government FM officers in a series of workshops, and endorsed by the CHOG meeting in Guyana in 2007.	Open Budget Survey was launched by International Budget Partnership in 2006 and is conducted biannually. The IBP works with civil society in 94 countries to collect data for the 2010 OBI. OBI assigns a score to each country based on budget information available to the public and aids comparison between countries.	<p>The questionnaire has been developed by the Budget and Public Expenditure Division of the OECD Public Governance Directorate. Reviewed by international experts in budgeting and public management and the Public Policy Group at the London School of Economics.</p> <p>OECD first conducted a survey of budget practices and procedures in 2003 in co-operation with the World Bank. The second edition of the survey contains three parts: the 2007 OECD survey (also including Argentina, Brazil, Chile, Costa Rica, Israel, Peru, Slovenia and Venezuela), the 2008 World Bank/OECD survey and the 2008 CABRI/OECD survey. For the 2007/2008 edition, the survey was extensively revised and shortened, taking into account advice and recommendations from practitioners and academics in the field.</p>	PIFC only - In 2001 SIGMA prepared this baseline on request from the DGELARG and in close co-operation with the DG BUDGET Unit responsible for Support to financial control in the Candidate and Potential Candidate Countries. Other Directorates have also contributed to the preparation of this Baseline. The evolution of the PIFC concept over time and the relatively significant changes in EU fund management has made it necessary to update the baseline: The paper and the assessment work related to it is meant to be complementary to and support all efforts carried out by the Commission in the area of Enlargement.
MANAGEMENT OF ASSESSMENT	ComSec obtained a commitment from finance ministers attending the biennial Meeting of Commonwealth Finance Ministers to undertake self-assessments. Management and coordination in each country is undertaken by the finance ministry. Commonwealth governments are expected to submit their self-assessments to GIDD.	Initiated by IBP working with civil society groups.	OECD working with Government counterparts.	Assessments are team led by experienced member of SIGMA staff with technical skills and country knowledge supported by consultant/practitioners.
PFM CAPACITY BUILDING	ComSec provides a manual (Guidelines for PFM Reform, 2006, based mainly on international best practices and South African experience and refers to the Strengthened Approach and the PEFA indicators (listed in annex).	A goal of OBI process is to build capacity of research institutions in conducting assessment work. Country research attend an initial workshop and receive support throughout the entire process through a variety of medium (teleconferencing, emails etc.)	Not an objective of the Survey.	
DONOR HARMONISATION	The CPFM-SAT is not a donor tool and does not directly articulate that message. Philosophy of	Not applicable	Not applicable.	

AND ALIGNMENT	the tool is create a collaborative platform for learning and sharing.			
METHODOLOGY	<p>Assessments are made by scoring each activity on a 4-point scale representing degree of adherence to international best practices. Respondents are required to score each activity according to whether it is established (2 points), implemented (3 points) or effectively implemented (4 points) without objective criteria for distinguishing these levels.</p> <p>Scores are automated and there is no moderation or peer review process. Scores are averaged for each building block and expressed as a percentage of the maximum score. Below 50% is very weak, 50-65% is weak, 65-75% is average and over 75% is good.</p>	<p>Assessments are made according to a 4 point scale (5th response (e) if not applicable). Responses "a" or "b" describe a situation or condition that represents good practice regarding the subject matter of the question. Responses "c" or "d" correspond to practices that are considered poor. An "a" response indicates that a standard is fully met, while a "d" response indicates a standard is not met at all. Numeric score awarded for each response ("e" response not counted as part of an aggregated category).</p>	Mainly "check the box" format although respondents are encouraged to supplement answers with additional information when appropriate. In some cases answers require quantification e.g. size of off-budget expenditure as a percentage of total government expenditure.	PEM Questionnaire (8 pages) gives a YES/NO response and triggers issues to be included in the Report. PIFC and EA baseline documents (2010) are short (3/4 pages) setting out the structure of the assessment and the key questions to be addressed.
QUALITY ASSURANCE	Self assessment tool. ComSec is considering peer review by the external audit institution in each country. ComSec acknowledges variability due to differing levels of PFM understanding among respondents, varying scoring stance (tough/soft), and human error (GIDD presentation to 2009 Finance Ministers).	Researchers and peer reviewers are required to provide evidence for their response (e.g. budget document, law, other public document, a public statement or face to face interview with public official. Completed questionnaires reviewed for internal consistency with IBP staff and then submitted to independent peer reviewers. Survey results correlated with other indices of governance and transparency and unanimity score to demonstrate the degree of agreement between researchers and peer reviewers.	Prepared by government officials which may influence impartiality. No quality assurance mechanisms indicated on website.	As noted above assessments are led by experienced member of SIGMA staff with technical skills and country knowledge supported by consultant/practitioners.
TRACKING OF CHANGES	Scoring of many activities is subjective, and some are not clearly defined, so changes in successive assessments do not provide a reliable measure of progress. No guidance is provided on how to score when an activity is not always implemented or not fully rolled out. The tool will be evaluated ahead of the 2011 assessment to address emerging issues.	Scoring is according to defined criteria for each question.	Database of institutional arrangements rather than assessment tool.	Reports for EU candidates and potential candidates are prepared annually and include an analysis (qualitative) of the main developments since the previous year.

APPLICATIONS TO DATE	<p>In 2009, 21 out of 53 CW countries completed self-assessments online to GIDD. GIDD has made an overall summary paper (not available outside ComSec).</p> <p>A presentation to Finance Ministers in 2009 showed an overall score of 73.8%, with regions ranging from 69.7% (Mediterranean) to 74.7% (Africa). Scores were also broken down by the 5 building blocks. These ranged from 64.3% (Measurement) to 81.4% (Planning and Resource Allocation).</p>	2006 (covering 59 countries), 2008 (covering 85 countries) and 2010 (under preparation - 94 countries)	Information on budget institutions from 97 countries is available and 67 non-members from the Middle East, Africa, Eastern Europe, Asia, Latin America and the Caribbean	Separate assessments in 2008 and 2009 for following EU candidates and potential candidates (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Kosovo, Montenegro, Serbia and Turkey). Assessments for Bulgaria and Romania were conducted until entry into EU (2007).
FREQUENCY	Every 2 years	Biannually.	The second edition of the survey contains three parts: the 2007 OECD survey (also including Argentina, Brazil, Chile, Costa Rica, Israel, Peru, Slovenia and Venezuela), the 2008 World Bank/OECD survey and the 2008 CABRI/OECD survey.	Annually for EU candidates and potential candidates.
COST	Costs are low and are incurred mainly by participating governments. Follow up workshop or seminar costs are estimated to cost around \$18,000 per country.	Estimated at between \$15,000 and \$20,000 per country.	Not known.	Not available

	ECFIN OPERATIONAL ASSESSMENT
OBJECTIVE	Assessment providing a detailed analysis of the operation of various administrative bodies (central banks, ministries of finance, auditing bodies) involved in managing Community funds in the countries receiving macro-economic aid in its various forms (budgetary support and macro-financial assistance from the Commission).
USES	<p>Analysis provides ECFIN with an assessment of the administrative procedures and financial circuits involved in macro-financial assistance (MFA) in order to ensure that the beneficiary countries of MFA maintain a framework for sound financial management.</p> <p>Assessment identifies weaknesses and provides recommendations for improving the financial management system (including proposed deadlines for correcting these shortcomings).</p>
CONTENT	Analysis of the functioning of the central bank, including an in-depth study of its statute, an examination of the departments responsible for accounting and treasury as well as internal audit bodies and IT procedures. The work with the MOF relates to the procedures for preparing the national budget, the functioning of the treasury services, the efficiency of internal auditing and the reliability of IT procedures. External audit bodies are also systematically subject to detailed examination.
SUPPORT TOOLS AND SERVICES	
TRANSPARENCY	

CONSISTENCY WITH BEST PFM PRACTICES	Focus is on administrative procedures and financial circuits. Includes legal frameworks, flow charts
TOPIC COVERAGE	(1) Budget preparation, (2) Budget implementation, (3) Treasury and management of debt, (4) Procurement, (5) Internal financial control, (6) External Audit, and (7) Central Bank.
INSTITUTIONAL COVERAGE	Finance ministry, Central Bank and SAI.
DEVELOPMENT	
MANAGEMENT OF ASSESSMENT	Work is supervised by a Commission official.
PFM CAPACITY BUILDING	OA include recommendations for addressing weaknesses in the PFM system.
DONOR HARMONISATION AND ALIGNMENT	Work programme is drawn up in advance by DG ECFIN, taking into account the specific circumstances of the country, the information available in reports published by other institutions and donors (in particular PEFA reports).
METHODOLOGY	(1) Preparatory meeting at Commission office, (2) Desk research using existing diagnostics, (3) Field Mission, (4) Interim report within 30 days of the end of the field mission, (5) DG ECFIN review and finalisation of the Report. Each OA on average requires 30 person days.
QUALITY ASSURANCE	Selection of consultants and management of the process and reports by DG ECFIN staff.
TRACKING OF CHANGES	Qualitative assessment. Methodology assumes missions to follow up observations and findings

	within the OA.
APPLICATIONS TO DATE	<p>Countries eligible for macro-financial assistance include two groups of countries: the candidate countries and potential candidate countries for accession to the European Union, particularly the Balkan countries and countries covered by the European Neighbourhood Policy (ENP).</p> <p>Where appropriate, other countries which do not come under the above two countries are likely to benefit from macro-financial assistance on an ad-hoc basis (Tajikistan, Iceland).</p>
FREQUENCY	Commission plans to conduct 4 OAs per year from 2011-2014.
COST	c. EUR 80,000 per assessment.

B. DIAGNOSTICS WHICH FOCUS ON INDIVIDUAL PFM ELEMENTS

	DEBT MANAGEMENT PERFORMANCE ASSESSMENT (DeMPA)	WORLD BANK COUNTRY PROCUREMENT ASSESSMENT REPORT (CPAR)	METHODOLOGY FOR ASSESSMENT OF NATIONAL PROCUREMENT SYSTEMS (MAPS)	INSTITUTE OF INTERNAL AUDITORS INTERNAL AUDIT CAPABILITY MODEL (IA-CM)
OBJECTIVE	Provides a benchmarking tool for assessing government debt management performance to form the basis for a sequenced capacity building plan. Helps to monitor progress over-time in a country; and promotes donor harmonisation through a common understating of priorities.	The primary objectives of the CPAR are to : (a) provide a comprehensive analysis of the country's procurement system; (b) undertake a risk assessment of the country's procurement practices which are unacceptable for use on Bank-financed projects; (c) develop a prioritised action plan to improve the institutional arrangements and (d) assess the competitiveness and performance of local private industry, and the adequacy of commercial practices that relate to public procurement.	Common tool which developing countries and donors can use to assess the quality and effectiveness of national procurement systems.	Provision of a universal IA-CM as a basis for implementing and institutionalising effective IA in the public sector.
USES	Used (i) as an input by the government on debt management performance, (ii) as an input to the design of action plans to build and augment capacity and (iii) to facilitate monitoring over time.	Prioritised (with cost estimate) action plan which should be agreed with the Government; the key points of which should be incorporated into the Bank's Country Assistance Strategy (CAS).	Identify strengths and weaknesses of the national procurement system in developing countries and increase the ability to track progress with reform initiatives. Can be used as an input to CPAR and/or a UNDP Procurement Capacity Assessment. Also used to monitor the qualitative procurement target of the Paris Declaration (Target 2b).	Used (1) As a continuous improvement model for IA activities in the public sector; (2) By senior managers and legislators to evaluate the need for and type of IA activity appropriate to their organization or jurisdiction; and (3) As a benchmarking tool to report on the extent a given IA activity has reached maturity in terms of governance, policy and practices, framework, organizational structure, resources and services.
CONTENT	Framework document covering 15 high level DeM performance indicators with 35 sub-dimensions, grouped (but not aggregated) into six dimensions of DeM performance and a concise performance report which follows a standardised format.	Flexible according to country needs. Many CPAR's now incorporate OECD/DAC MAPs to analyse; (1) the existing legal framework that regulates procurement in the country, (2) the institutional architecture of the system, (3) the operation of the system and competitiveness of the national market and (4) the integrity of the	There are two types of indicators, the Base Line Indicators (BLIs) and the Compliance/Performance Indicators (CPIs). The BLIs present a "snapshot" comparison of the actual system against the international standards that the BLIs represent. The CPIs deal with compliance with regulations and the prevailing procurement practices in the	Framework identifies five progressive levels (or platforms) which IA activity would go through to strengthen or enhance its capability. At each level these are mapped against six essential elements for an IA activity which relate both to its management and practices and its relationship with the organization it supports, and the internal and external environment.

		procurement system.	country.	
SUPPORT TOOLS AND SERVICES	Guide to the Debt Management Performance Assessment Tool provides supplemental information, key questions to ask during an assessment, and detailed descriptions of individual indicators.	Most recent CPAR procedures (currently under revision) are dated May 21 2002.	Users Guide (v4 July 2006) is aimed at facilitating a consistent approach to the application of the indicators developed by the OECD/DAC-World Bank Round Table on Strengthening Procurement Capacities in Developing Countries. Compendium of country experience was published in 2008 and is currently being updated.	Internal Audit Capability Model Application Guide (available as book or download on IIA website).
TRANSPARENCY	All standardised documents above are published on the DeMPA website. Disclosure of final reports is at the discretion of the Government. Of 45 completed reports (including 5 pilots) 7 have been disclosed on the World Bank website by the government.	All completed CPARs are published on the World Bank's website, consistent with its public disclosure policy.	MAPs will be published when incorporated into World Bank diagnostic. However, no central website for comparing MAP scores across countries.	No requirement to publish results – primarily seen as a self assessment tool.
CONSISTENCY WITH BEST PFM PRACTICES	“Drill-down” on the PEFA framework. The assessment focuses on the outcomes of systems and processes that are considered as benchmarks of sound DeM. Performance report summarises the performance of all dimensions of each DPI and recent and ongoing reform measures. It does not include recommendations for reforms or action plans.	Guidelines are based on best international procurement practices and Attachment 1 contains elements that constitute a well functioning public procurement system.	The BLIs are international standards which are compared with national procurement systems.	IA-CM focuses on key performance activities which are considered benchmarks of good IA practice.
TOPIC COVERAGE	(1) Governance and strategy development; (2) Coordination with macroeconomic policies; (3) borrowing and related financing activities; (4) cash flow forecasting and cash balance management; (5) operational risk management and (6) debt records and reporting.	Covers the following procurement issues (a) legal framework, (b) organizational framework, (c) capacity building, (d) procurement procedures/tools, (e) decision making and controls, (f) anti-corruption initiatives and programs, (g) private sector participation in procurement system, (h) contract administration and management and (i) the system for addressing complaints.	BLIs address 4 pillars (1) the existing legal framework that regulates procurement in the country, (2) the institutional architecture of the system, (3) the operation of the system and competitiveness of the national market and (4) the integrity of the procurement system. The CPIs look at what is happening on the ground by examining a sample of procurement transactions and other relevant information (gathered through interviews and surveys) that is deemed representative of the performance of the system.	Six elements of IA activity (1) services and role of internal auditing, (2) people management, (3) professional practices, (4) performance management and accountability, organizational relationships and culture and (6) governance structure.

INSTITUTIONAL COVERAGE	Principal DeM entity and other entities tasked with DeM functions.	National procurement systems however CPARs are increasingly modular in order to obtain an insight in the actual functioning of the public procurement system at different levels of government.	Application of the BLIs is based on a review of existing regulatory framework for procurement and the institutional and operational arrangements.	Can be applied to internal auditing at all levels of public sector (national, regional or local).
DEVELOPMENT	Launched in 2007; DeMPA has been developed in consultation with international and regional agencies involved in DeM capacity building, as well as government agencies during country level field-testing. The DeMPA was revised in December 2009, reflecting changes in the scoring methodology and in a small number of indicators.	The World Bank Procurement Sector Board is responsible for the overall direction of development of CPARs; although there is considerable flexibility given to Bank country and sector managers in the product offered to client countries.	Developed under the auspices of the World Bank and OECD DAC Procurement Round Table with input from developing countries, bilateral and multi-lateral donors. BLIs were developed in 2004 and CPIs developed later, under the coordination of the Working Party on Aid Effectiveness of the OECD/DAC.	Developed by IIA Research Foundation with financial and technical support of World Bank, and IA experts. Piloted onsite global validations in over 20 countries, including USA, Croatia, UK, Kenya, Uganda, Malaysia and Australia. A detailed report on each validation was prepared. IA-CM was published in 2009.
MANAGEMENT OF ASSESSMENT	Assessment is demand driven and managed by World Bank. Assessments are carried out by a three member team comprising two World Bank experts, partnered with a regional/international technical assistance provider. Field missions typically last for 10 days.	Preparation of CPAR will be under the leadership of senior procurement staff and under the overall direction of the Regional Procurement Manager	Guidelines are "housed" on OECD/DAC website	Primarily designed as a self assessment tool however the Framework could be applied as a benchmarking tool, in establishing whether a IA activity has reached a given maturity level.
PFM CAPACITY BUILDING	The DeMPA has a strong capacity building element. Through the process of applying the methodology in the country, it provides debt managers an opportunity to understand and be sensitised about the full range of government debt management functions. In addition 6 one-week long regional training events have been conducted for client country debt managers and central bank staff dealing with debt management which has encouraged sharing of cross-country experiences, disseminating sound practices and peer networking.	Concept Note identifies the target audience and dissemination strategy, the participatory approach to be followed and the involvement of government officials and other development partners.	Capacity development is the primary objective and progress is dependent upon country ownership and commitment to managing the development program.	Self evident PFM capacity building element if the model was applied in the context of a workshop.
DONOR HARMONISATION AND ALIGNMENT	Widely accepted by donors and international TA providers to reflect sound debt management principles.	According to the Guidelines collaboration with regional development banks and other donors should be actively pursued.	MAPS are increasingly integrated into CPAR and other diagnostic tools (e.g. PERS)	Not applicable.

METHODOLOGY	<p>Methodology follows PEFA Framework. Assessments are made by scoring each dimension on a 4-point scale representing stages in development, with an A score if an international sound practice is fully achieved. The Framework does not encourage aggregation of either indicator or dimension scores, which are alphabetical rather than numerical.</p> <p>The DeM performance report does not, however, contain specific recommendations or make assumptions as to the potential effect of ongoing reforms on government DeM performance.</p>	No standardised methodology however the Guidelines provide suggestions for the format and content of CPAR. Qualitative assessment of strengths and weaknesses used to prepare a recommended action plan to be discussed and agreed with the government.	All baseline indicators have sub-indicators which are scored from 3 to 0. A score of 3 indicates full achievement of the stated standard; a score of 0 indicating failure to meet the standard. Narrative report provides information not easily reflected in narrative score. Aggregation at the indicator or pillar level is at the discretion of the assessor.	Annex B presents methodological considerations. Self assessment demands identifying key performance activities through interviews and collection of primary documentation and confirming these have been achieved to determine capability level. The results are presented as a strengths and areas for improvement against the key performance activities identified in the IA-CM.
QUALITY ASSURANCE	Draft reports are independently peer reviewed by two senior debt management experts who amongst other things check the scores are justified by qualitative evidence. In addition there is a consistency check to ensure uniformity of coverage and reporting.	ICM and draft reports are subject to Bank quality assurance procedures and to peer review by Bank staff and/or other donors or partners in the country.	Decentralised approach – the quality assurance will be dependent on the procedures followed by the donor adopting the MAPs.	No specific quality assurance mechanisms built into the model and will depend on institution implementing the Tool.
TRACKING OF CHANGES	Repeat assessments are envisaged every three years. Only two repeat assessments so far. Scoring is according to defined criteria for each indicator and level. While some are broadly defined in the Framework itself, the criteria have been progressively clarified with experience, to ensure that assessments are objective, backed by evidence, and changes in successive assessments provide a fairly reliable measure of progress.	CPAR will include reference to the developments since previous CPAR.	Scoring is according to defined criteria for each indicator and level; changes in successive assessments should provide a fairly reliable measure of progress.	If embedded in organization it could be applied as a monitoring tool over time.
APPLICATIONS TO DATE	It is a demand driven process. To date 45 completed assessments (including 5 pilots).	Not available.	Not available.	Over 1200 downloads of overview, and 400 downloads of IA-CM Application Guide since launched in 2009.
FREQUENCY	As agreed by country stakeholders, but aimed after a period of three years	No guidance on the frequency of preparing	No guidance on the frequency of preparing	No recommendations as to the frequency of

		CPARs.	MAPs.	application provided in the Guide.
COST	About \$70,000	2002Guidelines note that preparation of CPAR requires between 15 and 45 weeks of professional services (between \$75,000 and \$225,000) depending on the size of the country.	Unknown	<p>Overview of Capability Model may be downloaded free of charge at www.theija.org. Application guide is available in print or download for US\$35-40, but special arrangements can be made for use by large number of organizations.</p> <p>Can be used as self-assessment or by consultant in evaluating improvements needed.</p>

B. Diagnostics which focus on individual PFM Elements (cont.)

	WORLD BANK GAP ANALYSIS FRAMEWORK FOR COMPARING PUBLIC SECTOR ACCOUNTING AND AUDITING TO INTERNATIONALS STANDARDS	ACCOUNTING AND AUDITING ROSC	PUBLIC EXPENDITURE TRACKING SURVEYS (PETS)	INTOSAI DEVELOPMENT INITIATIVE CAPACITY BUILDING NEEDS ASSESSMENT
OBJECTIVE	The specific objectives are (a) to provide the country's accounting and audit authorities and other interested stakeholders with a common well-founded knowledge as to where local practices stand in accordance with the internationally developed standards of financial reporting and audit; (b) to assess the prevailing variances; (c) to chart paths to reduce the variances; and (d) to provide a continuing basis for measuring improvements.	The objectives of this program are two-fold; (1) Analyze comparability of national accounting and auditing standards with international standards, determine the degree with which applicable accounting and auditing standards are complied, and assess strengths and weaknesses of the institutional framework in supporting high-quality financial reporting; and (2) Assist the country in developing and implementing a country action plan for improving institutional capacity with a view to strengthening the country's corporate financial reporting regime.	To track the flow of public funds and material resources from the central government level, through the administrative hierarchy, and out to frontline service providers. Specific objective will depend on sector and context.	First step in process of building capacity in SAI.
USES	Reports on the accounting and auditing gap assessment are discussed at country workshops to agree on the steps to be taken by national authorities to address the gaps. Individual country reports are to be used to prepare a regional synthesis of the common gaps (South Asia paper completed in 2010) and to develop proposals for a regional strategy to move forward to address these gaps.	The ROSC program are tools to assess financial sector vulnerability and development needs. They are used as instruments to support the policy dialogue of international financial institutions, policymakers, and the private sector. They can contribute to the design of loans, assist in the preparation of key policy documents, and provide benchmarks for the design and monitoring of technical assistance and capacity-building programs. To remain useful, assessments of progress in implementing standards must be updated periodically.	To answer 2 questions; (1) do public funds and material resources end up where they were supposed to?; and, if they don't (2) why are funds diverted? PETS have also been linked to Quantifiable Service Delivery Surveys (QSIDS) which looks at the efficacy of spending and the relationship between those who contract and deliver services.	Prepared for individual SAIs to enable them to identify areas of an SAI's operations that need to be strengthened, and the reasons for those gaps. Also provides the basis for designing appropriate interventions to address the gaps through a Capacity Building Programme or Strategic Development Plan. It can also be used at regional working group level.

CONTENT	Assessment covers 6 areas (a) the public sector accounting environment; (b) the public sector accounting practices (benchmarked against either cash or accrual accounting); (c) the public sector audit environment; (d) Public sector auditing practices and (e) accounting and audit practices for state owned enterprises.	Diagnostic report covering (1) Assessment of accounting and auditing environment; (2) Comparison of national standards and IFRS; (3) assessment of actual accounting practices and (4) assessment of auditing standards and practices.	Diagnosis identifying actual flows of public funds in a program or a sector and establishes to what extent public funds and other resources reach service providers. Often linked to explanations as to why leakage has occurred and variations between different parts of administrative structure and different service providers. PETS vary greatly in content, such as (a) type of expenditure tracked, (b) the number of levels of public administration studied, (c) the sectors analysed and (d) the degree to which explanations are sought for the observed patterns in resource flows.	Guide provides methodology, practical tools and templates and guidance on how to conduct a needs assessment.
SUPPORT TOOLS AND SERVICES	Guidelines and diagnostic tools were adopted by FM Sector Board and issued as a single framework document in April 2009, based on experience in South Asia and use of the accounting diagnostic in Azerbaijan.	Diagnostic Tool that captures a comprehensive review of accounting and auditing standards in a country. Questionnaires are used in order to gather primary information on the four areas which are completed by World Bank staff/hired consultants.	WB is developing detailed guidance and good practice principles on how to implement PETS. These will be available on website which will also provide datasets, survey instruments and manuals, sampling notes and published reports, TORs etc. from PETS.	Guidebook for SAI – Capacity Building Needs Assessment and courseware on how to use the Guidebook.
TRANSPARENCY	All completed Gap Analysis are published on the World Bank’s website, consistent with its public disclosure policy.	A & A ROSC is posted on its website only with the prior permission of the Government counterparts.		An internal self assessment tool for SAIs as an input to their Strategic Plans. Not intended for broader publication.
CONSISTENCY WITH BEST PFM PRACTICES	Diagnostic Tool is referenced to the public sector accounting and auditing standards of the International Federation of Accountants (IFAC) and the International Organization of Supreme Audit Institutions (INTOSAI).	ROSC addresses all corporate entities in the public and private sector. Primary PFM focus will be compliance of SOEs with IFRS; and arrangements for ensuring compliance with accounting and auditing requirements.	PETS is a measure of budget credibility at a micro level. The PETS can speak most directly to implementation deficit issues in PFM.	Domains are aligned, where appropriate to INTOSAI standards.
TOPIC COVERAGE	Accounting Part 1. Assessment of Accounting Environment includes (a) Statutory Framework, (b) Education, (c) Setting Accounting Standards, (d) Monitoring and Enforcement, (e) Quality and availability of financial reporting, (f) IT and (g) Public	Comparability of National and International Accounting and Auditing Standards and Compliance (1) Institutional Framework, (2) Comparability of National and International Standards and (3) Compliance	Varies widely. PETS is a broad brand name for different types of products, including lighter expenditure flow-scoping exercises that do not encompass core aspects of the PETS survey methodology.	7 domains (1) Independence and legal framework, (2) human resources, (3) Audit methodology and standards, (4) leadership and internal governance, (5) administrative support, (6) external stakeholder relations and (7) Results (service delivery).

	sector. Part 2 and 3 Comparability of national standards with IPSASs. Part 4 – Assessment of Actual Accounting Practices Part 5 – Assessment of Financial Reporting for State Owned Enterprises. Part 6 – Assessment of the value-added by adopting the specific standards that comprise IPSAS (or IFRS). Auditing Part 1. Assessment of Public Sector Auditing Environment (a) Statutory Framework, (b) Education, (c) Setting auditing standards, (d) accountability of SAI, (e) independence provided by legalisation, (f) IT, (g) Code of Ethics and (h) Country Data Part 2 Assessment of Auditing Standards and Part 3 Assessment of Value Added by Adopting the ISSAI.	with National Standards.		
INSTITUTIONAL COVERAGE	(1) Controller General of Accounts (CGA)/MoF; (2) Supreme Audit Institutions and (3) MDAs and SOEs who apply accounting standards.	A & A ROSC addresses financial reporting by corporate entities will be include State Owned Enterprises.	85 percent of PETS have been conducted in the health and education sectors, although there are examples in the water and sanitation and agriculture sectors.	Focus is on SAI but also covers the enabling environment and institutional impact.
DEVELOPMENT	The framework was conceived, developed and piloted by the World Bank's South Asia Regional Financial Management (SARFM) Unit. SARFM completed the gap analysis for all the countries in South Asia region. Later the accounting part of the diagnostic was tried out in Azerbaijan with slight additions/modifications. These versions are now a single framework incorporating the lessons from the pilots and roll out studies. The Framework will require frequent revisions to keep pace with changes in international accounting and auditing standards.	The ROSC was developed in 2001 as one of the contributions of the Standards and Codes Initiative, a set of guidelines on governance designed to support improvements to the architecture of the international financial system.	PETS was developed by a group of researchers in the World Bank and was first applied to a study of primary education reform in Uganda in 1996. Most subsequent studies have been out in Africa although the tools have been applied elsewhere.	Guide was pilot tested in several INTOSAI regions including AFROSAI-E, ASOSAI, ARABOSAI and OLACEFS. Through this process facilitation teams were trained by IDI, capable of using the guidance material to plan, conduct and report on each assessment.
MANAGEMENT OF ASSESSMENT	Preparation of the Gap Analysis is under the leadership of senior FM staff and under the	The World Bank Regional Financial Management Units determine priorities for A and A ROSCs based on requests and direct	Led by DEC, HD or PREM group within the Bank.	Can be self assessment, or facilitated self assessment using IDI trained trainers. SAI staff are trained at a Regional level and

	overall direction of the Regional FM Manager.	contact with country authorities.		deliver CBNA at their SAI; reporting back for quality assurance purposes. Materials are available to all SAIs and IDI trainers. IDI maintains copyright over using the materials.
PFM CAPACITY BUILDING	Completed reports emphasize that reviews were conducted through a participatory process that involved these stakeholders responding to issues raised through diagnostic questionnaires were especially useful. Dissemination workshops are held by the Government and the World Bank to review the results of the assessment and to decide on actions to be taken. The list of those actions is included in the final report.	National Steering Committee provides inputs to the ROSC process and assists in identifying areas for improvements and accounting and auditing standards in practice, and the effectiveness of enforcement mechanisms. The NSC acts as a counterpart to the World Bank in the preparation of the Report and action plan.	Well thought out PETS will maximise impact through dissemination and advocacy strategy.	Raison d'être of the Guide. Process of conducting the assessment will be a Needs assessment which is owned by the SAI.
DONOR HARMONISATION AND ALIGNMENT	A high level group of advisors were involved in the early stages of developing the concept and developing the framework.	ROSC program is managed and operated by the World Bank. There is no equivalent diagnostic instrument covering corporate accounting and auditing issues.	PETS are generally carried out in close collaboration with local research institutions in order to obtain reliable data and build capacity in diagnostic survey work. Dissemination typically includes publications and in-country seminars.	Some issues regarding the plethora of capacity building models. Helpful if there was one capacity building model to provide inputs to SDPs. Also consider how to align the capacity needs assessment with the WBs A and A gap analysis tool which covers many of issues addressed by the needs assessment.
METHODOLOGY	Diagnostic tools are qualitative questionnaires, which are used in interviews conducted by the preparers of the report. Interviews are intended to help identify the actual implementation of accounting and auditing practice however the tool takes an exploratory, entirely qualitative approach and does not include representative sampling or other quantitative techniques.	The ROSC A&A module evolves from a participatory approach with a strong involvement of policymakers and other country stakeholders. The World Bank has developed a diagnostic tool that captures a comprehensive review of accounting and auditing standards and practices in a country. The World Bank also supplements the information from the diagnostic tool with a due diligence exercise in capturing primary experiences of practitioners and other facts on professional accounting and auditing practices in the country. All collected information is compiled in a report of factual findings and policy recommendations by World Bank staff. Country stakeholders and World Bank staff co-develop a country action	PETS method refers to randomly selected units through scientific sampling methods. By choosing flow of resources which can be customised to a sector situation or a specified program, estimates of the extent of leakages can be determined. Broad methodological considerations will be set out in WB Guidelines to be issued by the end of 2010.	Provide various data collection and analysis method both internally and externally. For example: Data Collection and questionnaires covering each domain followed up with focus groups and semi structured meeting with top management. Results are analysed to identify gaps between situation and desired state. The results are presented to all management to get final comments.

		plan based on findings, and ultimately the country action plan is implemented.		
QUALITY ASSURANCE	ICM and draft reports are subject to Bank quality assurance procedures and subject to peer review by Bank staff.		Subject to normal quality assurance procedures and peer review within the World Bank.	The CBNA process already constitutes quality assurance. The same domains are also built and used as a building block of SAI's Quality Assurance in Financial Audit
TRACKING OF CHANGES	In South Asia Region FM staff conducted an update of progress in each country to assist in preparing regional synthesis paper.	Reassessments are against previous assessment. Reassessment includes IMF staff assessment of progress made against recommendations of previous assessment .	Not applicable.	Not specifically a tracking tools as the framework does not score but progress might be measured qualitatively and quantitatively through the SDP and subsequent needs assessments.
APPLICATIONS TO DATE	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka and accounting part has been prepared for Azerbaijan.	105 Assessments have been completed to date (May 2010) including 9 repeat assessments.	24 WB PETS have been conducted since 1996. 4 completed in 2008 and 1 in 2009. Recent Bank evaluation noted that the cost and time demands of PETS have limited its more universal application.	Six AFROSAI countries and two ASOSAI countries (Nepal and Bhutan).
FREQUENCY	No guidance on frequency of application.	ROSCs can be re-assessed every 5 years, but limited updates usually take place every two years through Article IV missions.	Normally a one off exercise to address a particular objective e.g. the Uganda Education PETS 1996 assessed why increased public expenditure in the social sectors are not leading to improved social indicators.	Needs Assessment should be reviewed and updated periodically when updating the SDP.
COST	In most country the Gap Analysis has been headed by a Bank staff member, using international and national consultants. Cost has been between \$40,000 and \$50,000.	Estimated average cost of \$100,000 per assessment.	Depends on scope, its combined PETS/QSDS nature, sample size, geography and labour costs in the country. Cost of single sector varies between \$75,000 to \$200,000. Larger samples covering two sectors can go up to \$400,000.	Varies a needs assessment carried out for the SAIs of Nepal and Bhutan the <u>combined</u> cost of \$57,000.

B. Diagnostics which focus on individual PFM Elements (cont.)

	AFROSAI-E AUDIT CAPABILITY MODEL	INTEGRATING RECORDS MANAGEMENT IN ICT SYSTEMS – GOOD PRACTICE INDICATORS (INTERNATIONAL RECORDS MANAGEMENT TRUST)	THE CIPFA FM MODEL (CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY)
OBJECTIVE	A tool which provides AFROSAI-E members with a instrument to develop a needs assessment which forms the basis for the development of a Strategic Development Plan.	Designed to help governments determine whether or not records management requirements have been integrated in ICT systems. It should assist in identifying good practices have been achieved, from the planning and design stage through to implementation. The specific purposes of the tool are threefold: <ul style="list-style-type: none"> • to provide a high-level guide to integrating record management in ICT systems • to define good practices for managing records created and held in ICT systems • to provide selective indicators that can be used to determine whether or not good records management policies and practices are integrated in ICT systems. 	Self assessment which allows public service organizations to test the effectiveness of their financial management in supporting their business objectives, and to consider whether the style and contribution of financial management supports or conflicts with their organization’s strategic direction.
USES	Prepared for AFROSAI-E members to enable them to identify areas of an SAI’s operations that need to be strengthened, and the reasons for those gaps. Also provides the basis for designing appropriate interventions to address the gaps through a Strategic Development Plan. Also provides a common purpose for improved performance amongst AFROSAI-E members.	<i>Records and information managers</i> will find the tool useful not only in assessing systems for compliance with records management requirements, but also in making the case for an organisation-wide approach to records management that takes account of both manual and electronic systems. <i>ICT specialists</i> may use this tool to inform themselves of records management requirements and to ensure compliance with the recognised good practices that maintain data integrity and enable the preservation of essential records through time.	Aims to give management a holistic picture of the effectiveness of the effectiveness of financial management from a corporate and business perspective. Used to determine whether there are relevant groundwork policies and practices in place, whether they are deployed consistently and effectively, whether they influence or impact the organization’s behaviour and results, and whether they deliver the required outcome.

		<p><i>Senior officials with responsibility for information management issues</i> in their organisation may use the tool to highlight the strengths and weaknesses of the records management environment in their organisations.</p> <p><i>Donor or lender funded missions</i> responsible for assessing the planning for, or success of, ICT systems and e-government initiatives may also find this tool useful.</p> <p>In practice, however, <i>the primary audience</i> is likely to be multi-disciplinary teams assembled to plan, design and implement ICT systems in their organisations (whether a ministry, agency or the whole of government).</p>	
CONTENT	Guide provides methodology to conduct a needs assessment.	Framework document covering 17 high level RM performance indicators with 50 sub-dimensions, grouped (and aggregated) into three dimensions of RM performance and a concise performance report which follows a standardised format.	Model is presented as a Best Practice Matrix of 3 styles of financial management and 4 management dimensions. Evidence is gathered to determine the organizations scores against a 37 statements of best practice which form the Best Practice Matrix.
SUPPORT TOOLS AND SERVICES	Not known.	Guide to the Integrating Records Management in ICT Systems – Good Practice Indicators provides supplemental information, key questions to ask during an assessment, and detailed descriptions of individual indicators. Free to download on IRMT website.	Model is hosted on a secure website which includes (a) a self assessment tool, where statements and answers to questions are entered, (b) a “getting started booklet”, (c) an electronic survey tool and standard surveys for a variety of people in the organization, (d) a facility to export results into Excel, (e) a suite of standard reports, (f) a score tracking facility and (g) a peer to peer discussion forum.
TRANSPARENCY	An internal self assessment tool for SAIs as an input to their Strategic Plans. Not intended for broader publication.	All standardised documents are published on the IRMT website. Assessment is a decentralised process and there is no website with final reports. Disclosure of final reports is at the discretion of the Government.	An internal self assessment tool for public service organizations. Not intended for broader circulation.
CONSISTENCY WITH BEST PFM	Not known in detail.	Aligned to generally accepted international standards and records management	Model is presented as series of good practice statements for public service bodies where

PRACTICES		requirements, including (1) Module 3, Guidelines and Functional Requirements for Records in Business Systems”, ICA; Functional Specifications ... Business Information Systems Software”, National Archives of Australia, December, 2006; (2) MoReq 2, <i>Model Requirements Specification for the Management of Electronic Records</i> . 2008; (3) ISO 15489: 2001: <i>Information and Documentation – Records Management</i> ; (4) <i>The E-Records Readiness Tool</i> , International Records Management Trust, 2004.	excellent financial management can contribute to strong organizational performance. Dimensions are related to other well known quality and management tools, such as the balanced score sheet and the European Foundation for Quality Management.
TOPIC COVERAGE	5 domains (1) Independence and legal framework, (2) Organization and Management, (3) Human resources, (4) Audit Standards and methodology, and (5) Communications and Stakeholder Management.	1. Records Management Framework (legal and policy framework, management structure, records management strategy and evaluation and audit); 2. Integrating Records Management in the Systems Development Life Cycle (project initiation, planning, requirements analysis, design, implementation, maintenance, review and evaluation; and 3. Integrating Records Management Functionality in ICT Systems (creating and capturing records, managing and maintaining records, managing hybrid records, searching, accessing and retrieving records and retaining and disposing of records).	Presented as a matrix of 3 styles of financial management (securing stewardship, supporting performance and enabling transformation) and 4 management dimensions (leadership, people, processes and stakeholders).
INSTITUTIONAL COVERAGE	Focus is on SAI.	The tool is intended for use in the ICT systems environments in the public sector. The tool is aimed specifically at assessing ‘specialist’ application systems (such as human resources, financial management or case management systems). However, it may also be used for assessing the design and operation of applications such as enterprise content management systems that are intended to manage unstructured electronic records (emails, word-processed documents, spreadsheets, etc) in compliance with records management standards.	Designed to be used at the level of an individual public sector organization. It can also be applied or at the business unit level (to address restructuring or pilot study).

DEVELOPMENT	Developed in 2001; the Model has been revised on several occasions and further detailed guidelines should be completed by the end of 2010.	Toolkit was published in 2009 and is based on generally accepted international records management requirements outlined above.	The Model was launched in June 2004. The model was reviewed and updated and Version II released in 2009.
MANAGEMENT OF ASSESSMENT	Self Assessment.	Toolkit is free to download and is a public good. Implementation of the toolkit is fully decentralised although the IRMT may occasionally address methodological questions on its application.	Self assessment tool – each organization nominates a lead person to be responsible for the project and using the Model.
PFM CAPACITY BUILDING	Raison d'être of the Guide. Process of conducting the assessment will be a Needs assessment which is owned by the SAI.	IRMT provides the toolkit which is based on international best practices and demonstrates the linkage in designing a records management improvement programme.	Electronic survey generates a series of scores; workshops to discuss results and consider how improvements are made are encouraged.
DONOR HARMONISATION AND ALIGNMENT	Some issues regarding the plethora of capacity building models. Helpful if there was one capacity building model to provide inputs to SDPs. Also consider how to align the capacity needs assessment with the WBs A and A gap analysis tool which covers many of issues addressed by the needs assessment. It is argued that the AFROSAI-E Model is well understood and targeted improvements for all members are built into the AFROSAI-E's Corporate Plans.	Not applicable.	Limited use outside the UK at this time. If it was promoted as a tool to be applied in developing countries there might be some limited coordination issues with other institution specific tools (e.g. internal and external institutional development tool).
METHODOLOGY	Not known.	Methodology follows DeMPA, however the format and methodology has been adapted to provide a performance assessment that may be applied in a shorter timeframe by non-specialists.. Assessments are made by scoring each dimension on a 4-point scale representing stages in development, with an A score if the most demanding and rigorous good practice requirements are met. Total scores for each indicator category should be compared with the Scoring Table to determine which level overall (A, B, C or D) has been achieved for each of the three	Flexible but full implementation of the FM Model encourages evidence gathering through a variety of techniques including (a) document review, (b) electronic surveys, (c) interviews and (d) workshops. Guidance notes encourage organizations to take in a broad range of views from across the organization (including non finance staff and non executives). Implementation can be resource internally or through the use of external consultants.

		indicator categories. The overall level may then be checked against Performance Statements to provide a statement of the current state of records management integration. The Performance Statements may be used as a basis for reporting on an assessment exercise using this tool.	
QUALITY ASSURANCE	Not known.	Prepared by government officials which may influence impartiality. No quality assurance mechanisms indicated on website.	Organizations can choose to have the process moderated by an external consultant with experience in how other organizations have scored against the Model and how that was determined.
TRACKING OF CHANGES	Not specifically a tracking tools as the framework does not score however progress might be measured qualitatively and quantitatively through the SDP and subsequent needs assessments.	Scoring is according to defined criteria for each indicator and level. While some are broadly defined in the Framework itself, the criteria have been progressively clarified with experience, to ensure that assessments are objective, backed by evidence, and changes in successive assessments provide a fairly reliable measure of progress.	Consistent use of the tool allows for tracking of scores over time.
APPLICATIONS TO DATE	Not known.	IRMT does not monitor downloads to applications to date.	Applied principally in UK public service organizations; however the tool has been used in a small number of developing countries.
FREQUENCY	Not known	No guidance on frequency of use in the guidelines.	No guidelines on frequency of use however the organization can repeat the self assessment whenever they chose.
COST	Not known.	Costs are low and are incurred mainly by participating governments.	

C. DONOR INTERNAL TOOLS TO (1) ASSESS FIDUCIARY RISK AND/OR (2) USE/NON USE OF COUNTRY SYSTEMS

	DFID FRA	GUIDELINES FOR IMPLEMENTING ADB'S SECOND GOVERNANCE AND ANTICORRUPTION ACTION PLAN	WORLD BANK ASSESSMENT OF FIDUCIARY RISKS IN THE USE OF COUNTRY FM SYSTEMS IN BANK-FINANCED INVESTMENT PROJECTS	INTER-AMERICAN DEVELOPMENT GUIDELINES TO DETERMINE THE USE OF THE PUBLIC FINANCIAL MANAGEMENT SYSTEM (GUS)
OBJECTIVE	Managing fiduciary risk in DFID's financial aid projects, based on (1) Understanding the fiduciary risk environment, (2) mitigating risks to the proper use of funds, and (3) monitoring performance over time.	Improve ADB's performance in helping strengthen national governance systems and in reducing vulnerability to corruption in ADB investments.	Guidance to ensure a consistent approach by Bank staff by providing a structured approach to the use of Country Systems in World Bank-financed investment projects. This is done by presenting overarching conceptual framework; a analysis of the various elements of the risk assessment and practical suggestions on how to conduct the assessment.	Tool for strengthening clients' country systems, with the intent of using these systems in designing, executing, and evaluating Bank-financed operations.
USES	A standardised FRA is used to assess the level of fiduciary risk associated with the national PFMA system. There are 4 specific assessments; (1) an overall assessment of fiduciary risk, (2) a specific assessment of corruption risk; (3) an assessment of credibility of programme to improve and (4) an assessment of the possible financial impact of weaknesses in PFMA systems.	Development of Risk Assessment (RA) and Risk Management Plans (RMP) for (1) PFM, (2) procurement and (3) corruption as input into or to inform ADB's Country Partnership Strategy. National level RAs provide input to sector and project level RAs.	(1) Inform the design of the WB Country Assistance Strategy/Country Partnership Strategy; (2) Get an understanding of overall fiduciary risks in the use of country FM system; (3) Identify the steps the Bank or the government would need to take to make greater use of country FM systems, and (4) To inform the design of a proposed project that is considering the use of country FM systems.	Used to gauge the degree to which a system incorporates the necessary elements to ensure: (i) effective execution of a Bank-financed operation; and (ii) adherence to international standards and best practices consistent with Bank principles. Recommendations and the outcome of this process will serve as input to the dialogue with the client. This will result in an agreed work program and timetable for mainstreaming the use of country fiduciary systems for project execution.
CONTENT	Analysis of the historical, governance and institutional context; How well is the PFM system performing? What are the key risks? What is the overall level of fiduciary risk (Low/Moderate/Substantial/High)? What is the overall risk of corruption?	The Guidelines provide a framework on the risk based approach to governance assessment. This involves assessment of national/ subnational systems and/ or ADB project systems/ procedures to identify PFM, procurement and corruption risks and determine major risks (i.e. those which are likely; relatively serious, and	Based on two "principles" (1) Use of existing diagnostics (CFAA, PEFA, PER, IMF Fiscal Transparency ROSC) and (2) Assessment should be risk based; focusing on in each component of the PFM system (a) Budgeting; (b) Accounting and Reporting; (c) Treasury and Funds Flow; (d) Internal Control and Internal Audit and (e)	GUS identifies five pillars (or sub-systems) of a PFM system (1) Budget; (2) Treasury; (3) Accounting; (4) Internal Control and (5) External Control. These are divided into indicators and sub-indicators which need to be present in order for an indicator to be acceptable. Based on scoring criteria decisions

	Is there a credible programme to reform? What risks are not addressed by the existing programmes?	not likely to be mitigated over the CPS period). This is followed by the preparation of the RMP which defines practical proposals/ steps and indicators to address major risks.	External Audit.	judgements can be made on reliance on all or part of the PFM System.
SUPPORT TOOLS AND SERVICES	How to Note provides operational guidance on how to manage fiduciary risk in DFID's financial aid projects.	The Guidelines for Implementing ADB's Second Governance and Anticorruption Action Plan. In house training is provided at ADB to staff and long term consultants. Similar training is provided at ADB regional hubs in a resident mission of ADB with staff of nearby missions also participating. Training materials have been developed to guide staff in the preparation of risk assessments and RMPs. The staff of RSGP Public Management, Governance and Participation (RSGP) division of Regional and Sustainable Development Department (RSDD) peer review assessments.	Interim Guidance Note for FM Staff (July 2009). In addition draft assessment of Fiduciary Risks in the Use of Country FM Systems for Investment Lending Projects was prepared for Uganda and was made available to Bank PFM staff.	(1) Strategy for Strengthening and Use of Country Systems and (2) Guidelines to Determine the Use of the Public Financial Management System (GUS). Further support tools are being developed for FM staff and the Bank is also considering preparing guidance for using PFM systems in line ministries.
TRANSPARENCY	FRAs are not published but are shared with partner country governments and other country development partners, except very occasionally when they are considered confidential.	A consolidated summary of country and sector RMPs is included as a CPS linked document and disclosed on ADB website	Primarily developed as a "light touch" tool; the conclusions on use/non-use of country systems are derived from the assessment are included in the CAS/CPS; provide important incentives to the government and a clear message to Bank task teams.	Primarily developed as a "light touch" tool; the conclusions on use/non-use of country systems are derived from the use of the GUS are incorporated into the Country Strategy and updated in the Country Programming Document.
CONSISTENCY WITH BEST PFM PRACTICES	As far as possible the FRA should draw on information from a country's most recent PEFA Framework evaluation. Where a PEFA process has yet to be established, DFID Country Offices should explore the scope for adopting one with the government and other partners.	For PFM the evidence for assessing risk for country systems comes mainly from secondary sources. The Guidelines encourage the use of recent CFAA, PER or PEFA assessment.	Assessment focuses on the major fiduciary risks associated with the five components of a PFM system.	The focus is on practical elements of the PFM system which provides an assessment on whether the system meets best practices and international standards.
TOPIC COVERAGE	Coverage of all PFM topics addressed by the PEFA Framework assessment.	Appendix 8 requires Summary Risk Matrix covering: (i) legislative and policy framework, (ii) institutional arrangements and capacity; (iii) budget formulation; (iv) budget execution; (v) budget accounting and reporting; and (vi) external audit and oversight.	Five components of the PFM system (a) Budgeting; (b) Accounting and Reporting; (c) Treasury and Funds Flow; (d) Internal Control and Internal Audit and (e) External Audit; each sub-divided into major fiduciary risks and other	Five pillars (or sub-systems) of a PFM system (1) Budget; (2) Treasury; (3) Accounting; (4) Internal Control and (5) External Control; each broken down into indicator and sub-indicator which should be present for the system/sub-

			relevant PFM risks.	system to be effective.
INSTITUTIONAL COVERAGE	Country level FRA will follow PEFA coverage. Additional analysis to look at the fiduciary risks in particular sectors or levels of sub-national government where DFID country offices anticipate providing support.	Guidelines cover National/ Sub-national systems and ADB project systems. Separate assessments are prepared for each level, although these should be informed by higher level.	Primarily an assessment of central institutions and systems. Guidelines recognise that MDA's actual practices and capacities may differ and supplemental assessment of implementing ministries and institutions will be required.	Applies to the National Public Government Institutions, with the exception of those Units defined as independent accountable units, or SOEs.
DEVELOPMENT	Up until January 2008 an FRA was required for each Aid Instrument. The 2008 FRA How To Note made a national level FRA a mandatory requirement; prepared as part of the preparation of the Country Plan. These Guidelines also stated that as far as possible the FRA should draw on information from a country's most recent PEFA Framework evaluation. FRA Guidelines have been updated a number of times; most recently in December 2009.	The Guidelines were developed following an initial phase of pilot testing of methodologies for risk assessments (RA) and development of risk management plans (RMP) in 12 developing member countries. The pilot studies included 15 sector studies, seven studies of country systems, and three of country systems operating at the sub-national government level for public financial management, procurement, and corruption. The pilot studies were undertaken to inform CPS and CPS MTRs. Since the objective of the pilots was to test and assess alternative approaches and methodologies, no common methodology was required for the pilot studies. Most studies were done by consultants, with inputs and supervision by ADB staff.	Developed by the World Bank Financial Management Sector Board.	Developed by HQ staff over 18 month period.
MANAGEMENT OF ASSESSMENT	Assessments are initiated by DFID Country Offices.	RAs/RMPs are undertaken by regional departments and are peer reviewed, where possible by ADB staff with expertise in governance and/or sectors being assessed, national civil society organizations, national integrity institutions, development partners, and other professional organizations or individuals with knowledge and expertise to objectively comment and provide inputs to the assessments. ADB review the quality and relevance of the assessments, and consider how to effectively use the assessment findings when preparing the RA/RMPs.	Guidance has been prepared by the World Bank Financial Management Sector Board. Implementation is the responsibility of the Bank's FM Managers in each region.	The assessment is conducted by FM staff, largely in field office; under the overall guidance of HQ staff.
PFM CAPACITY	FRA includes assessment of credibility of reform programmes. Identified gaps enable additional	Methodology includes Proposals for ADB action in the RMP which might include TA for PFM	Assessment should be input into a dialogue with government officials cross cutting issues such as	Preparation of the GUS has an explicit goal of increasing dialogue with the country on the

BUILDING	support for PFM systems to be designed into country programmes.	capacity building activities.	ensuring the timely flow of funds for project implementation. Risk assessment is also a useful input to the Bank/donor support to the government's PFM reform program.	strengths and weaknesses of the PFM system. Output of the GUS is an agreed plan of action for enabling IDB use of country systems.
DONOR HARMONISATION AND ALIGNMENT	Using the PEFA assessment should reduce transaction costs and the How To Note encourages consultation on the development of the FRA as a means of promoting dialogue with government and other partners on critical governance issues and developing an open and transparent relationship.	In preparing RA/RMP, there should be engagement with the government, development partners, and civil society organizations. Country teams should seek opportunities to engage in joint assessments with DMC governments and development partners, which are relevant for the preparation of RA/RMPs.	Light touch assessment for fiduciary purposes using recent PFM diagnostics.	Light touch assessment for fiduciary purposes using primarily recent PFM diagnostics.
METHODOLOGY	Performance of PFM system taken directly from PEFA Framework assessment. Using this information the PEFA results are used to identify key risks. FRA "How to note" provides rule of thumbs for interpreting PEFA scores but cautions against mechanistic approach.	Information on performance of PFM system is taken directly mostly from secondary sources however in-country mission to update understanding of PFM systems is also envisaged. This information is used to identify major risks. Guidelines require authors to use judgement in identifying risks and risk management plan.	Guidelines lay out principles behind the assessment and suggestions as to how to implement it. The approach does not provide a "go/no go" answer to the question of whether country FM systems can be used; instead it ranks fiduciary risks as High, Substantial, Moderate or Low. The decision to use the country system then rests with the Bank's task team and country team, which takes account the fiduciary assessment and other factors such as the nature and complexity of the project.	Each sub-indicator is scored and these are aggregated to provide an overall score for each of the pillars. This in turn provides an overall risk rating for the pillar. This provides input into staff assessment of use of part or all of PFM system. The tool also requires staff to develop a strengthening plan identifying opportunities for improving or strengthening the country's PFM system.
QUALITY ASSURANCE	All FRAs are subject to central scrutiny and review. The process is led by DFID's Finance and Corporate Performance Division; supported by a panel of independent PFM technical experts.	Country Portfolio Review Mission (CPRM) will assess both the adequacy of the RAs and RMPs, and whether the RMP proposals are being actioned.	Quality assurance arrangements for the report are the same as arrangements in the Bank's Financial Management Practices Manual. While prepared by Bank's FM staff the Guidelines recommend that the Report has inputs from the country economist, public sector specialist and procurement specialist.	Completed GUS documentation is reviewed by financial management staff in headquarters.
TRACKING OF CHANGES	DFID monitors performance on an ongoing basis to: - Check that fiduciary risks are being adequately managed and planned reforms or safeguards are being implemented;	The CPRM will assesses what adjustments to focus, priorities and risk management of the indicative rolling country operations business plans are required.	As PFM diagnostics are updated the fiduciary risk assessment report should be updated.	Implicit within the process of updating the GUS.

	- Identify new fiduciary or corruption risks or changes in circumstance. DFID requires "light-touch" Annual Statement of Progress to track a partner country's continuing commitment to strengthening financial management and accountability and reducing the risk of funds being misused through weak administration or corruption.			
APPLICATIONS TO DATE	18 FRAs in 2009 and 9 in 2008.	The Guidelines have been used to develop RAs/RMPs for several countries as part of CPSs preparation. Since the implementation of GACAP2 in 2006, a total of 17 country level RMPs and 38 sector level RMPs in 17 countries have been completed.	Draft assessment for Uganda has been prepared in April 2009 as example to accompany the Guidance Note. No easily accessible data available on applications to date.	A number of pilot studies however it is intended that all countries will have completed GUS by the end of 2010. Thereafter updates of the GUS will be inputs to the IDB's Country Strategy.
FREQUENCY	In line with Country Planning timetable; normally every three years, or in exceptional circumstances a non-routine FRA maybe required.	In line with CPS cycle however, regional departments will determine the appropriate timing for preparing and updating the CPS risk assessments and risk management plans.	Linked in CAS cycle however should be updated as new PFM diagnostics are completed.	Every 4 years – tied in to the preparation of the Bank's Country Strategy.
COST	National FRAs estimated to cost around \$30,000; sector and instrument level FRAs between \$7,500 and \$22,000.	National assessment takes between 4-6 weeks of national consultants time; Sector assessment typically takes between 6-8 weeks of international consultants time. Project assessment takes 2-3 weeks and is usually conducted by ADB staff.	Unknown.	Light touch – estimated 2 to 3 weeks of IDB FM staff.

	KfW STRUCTURED ANALYSIS OF THE FIDUCIARY RISKS IN BUDGET SUPPORT (PFM ANNEX)
OBJECTIVE	Assessing fiduciary risks of partner country PFM systems during the preparation and support of budget support operations.
USES	Binding structure for the PFM annex for budget support operations and summary assessment to be submitted to the Ministry of Cooperation and via the Ministry to the decisive Budget Committee of the German Bundestag.
CONTENT	Detailed outline of the methodology, list of PFM and Governance tools and a Glossary of commonly used terms.
SUPPORT TOOLS AND SERVICES	Guidelines and Annotated Structure latest version March 2010.
TRANSPARENCY	Revised version of PFM annex includes adjustments made on the basis of BMZ Strategy Paper of 2008, and the introduction of a rating and classification system based on 7 main criteria, which is designed to increase the transparency of the assessment and allow comparability between countries and across time.
CONSISTENCY WITH BEST PFM PRACTICES	The focus is on practical elements of the PFM system which provides an assessment on whether the system meets best practices and international standards.
TOPIC COVERAGE	Seven criteria assessed are (1) Corruption, (2) Government effectiveness, (3) Government's own efforts to generate public revenue, (4) Parliamentary right to approve the budget, (5)

	Procurement, (6) Monitoring of budget execution and (7) The will to reform and the reform agenda.
INSTITUTIONAL COVERAGE	Primarily an assessment of central institutions and systems.
DEVELOPMENT	The present guidelines (March 2010) replace the previous version of October 2005. Preliminary remarks note that the present version is also subject to continuous further improvement.
MANAGEMENT OF ASSESSMENT	KfW prepares this independent analysis in which it describes and evaluates the risks associated with country system use. Depending on the outcome of the analyses, KfW advises BMZ and the Budget Committee of the German Bundestag in their decision-making on whether yes or no to provide budget support and if and which additional measures are required.
PFM CAPACITY BUILDING	Where possible the analysis should lay the foundations for measures to...manage fiduciary risks, and should suggest obvious support measures (p5).
DONOR HARMONISATION AND ALIGNMENT	Light touch assessment for fiduciary purposes using primarily recent PFM and Governance diagnostics e.g. WGI, IMF Reports, CPAR, SAI Reports, PEFA. Positive assessment only where donor group already exists, complete alignment to existing Performance Assessment Framework (PAF) or Memorandum of Understanding (MoU) criteria and indicators.
METHODOLOGY	Seven key criteria (listed above) are assessed individually (1) by applying a single clear and quantifiable indicator. Then (2) specific reform projects are analysed, after which (3) a qualitative assessment is performed. The scores

	for the individual criteria are then (4) aggregated. Finally (5) the overall score may be revised upwards on the basis of the overall assessment of the PFM reform agenda.
QUALITY ASSURANCE	Regular exchange within managers in recipient countries, rating and challenging sessions
TRACKING OF CHANGES	Tool emphasizes the importance of analysing trends over time and set certain qualitative tests (mainly related to the credibility of the reform agenda) if indicators fall below the minimum requirements.
APPLICATIONS TO DATE	In all budget aid receiving countries (Burkina Faso, Ghana, Malawi, Mali, Mozambique, Rwanda, Zambia, Tanzania, Uganda, Peru, pending: Madagascar and Senegal)
FREQUENCY	Brush up once a year and on specific occasions
COST	Unknown. Regularly updated by existing staff.

Part II. USE OF PFM DIAGNOSTICS FOR OPERATIONAL DECISIONS

Internal Processes	Guidelines	PFM Diagnostic	Comments
1. EUROPEAN COMMISSION			
<ul style="list-style-type: none"> - To assess budget support eligibility related to PFM. - To monitor progress of partner's PFM reforms. - To help design partner country PFM reform programme. 	<ul style="list-style-type: none"> - Guidelines on the Programming, Design and Management of General Budget Support (Vol. 1) - Guidelines on Support to Sector Programmes covering the three financing modalities; Sector Budget Support, Pool Financing and EC project procedures (Vol. 2). 	<p>EC use the PEFA Framework as an assessment tool of choice.</p> <p>When specific systems and mechanisms are in place at the sector level, an assessment of these specific public financial management issues is necessary to establish eligibility (Vol. 2 p95).</p>	<p>The EC uses the PEFA framework, as the EC's favored tool of choice, for decisions on allocation and disbursement of aid (assessment relies on the quality of the country's PFM using the PEFA assessment). One eligibility criteria is that a credible and relevant program to improve PFM is in place or under implementation. Making an assessment in this area relies on <i>an assessment of the quality of the PFM system</i> using the PEFA Framework. EC uses PEFA as its diagnostic of choice for monitoring progress in PFM reforms, itself a crucial component for the assessment of countries' eligibility for budget support as well as for the design of programs supporting strengthening of PFM and economic governance.</p>
2. FRENCH MINISTRY OF FOREIGN AFFAIRS			
<ul style="list-style-type: none"> - To assess the degree and areas of risk in each country. - Tracking progress over time and credibility of Government's reform 	<ul style="list-style-type: none"> - Directives for managing fiduciary risk associated with Budget Support in foreign states. 	<p>PEFA is the diagnostic of choice however complementary sources can be used where available (CFAA, CPAR, PER or PEMFAR). Also use reports of French financial missions</p>	<p>All PEFA indicators and the Summary Assessment are generally used when designing a Budget support operation. However, fiduciary risk index is obtained from the notes of 12 selected PEFA indicators, divided in 4 dimensions:</p> <ul style="list-style-type: none"> - D1 - Credibility of the budget: PI2; PI4; PI7; - D2 - Effective enforcement procedures and expenditure

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Internal Processes	Guidelines	PFM Diagnostic	Comments
<p>programme.</p> <ul style="list-style-type: none"> - To assess eligibility and modalities of budget support. - To help identify areas of possible capacity building support. 		<p>(Treasury, MOFA, AFD) and local reports on implementation of PFM action plans.</p>	<p>control: PI18; PI19; PI20;</p> <ul style="list-style-type: none"> - D3 - Reliability of accounting and financial reporting: PI22; PI24; PI25; - D4 - Quality and external audits: PI26; PI27; PI28. <p>Each score for the 12 indicators is converted into digital score via a conversion table. The fiduciary risk index is obtained by simple average of the ratings of the twelve digital score. Besides the overall rating, each dimension score is obtained by average ratings of the three digital scores related to this dimension.</p> <p>An overall score is assigned and associated management system of public finances in four risk categories: low (A), moderate (B), high (C) and high (D). Beyond the overall index, four (PI18; PI19; PI20; PI26) out of twelve indicators must have minimum thresholds in order that the fiduciary risk must not be considered as very high. This principle is supposed to limit the effects of compensation between ratings.</p> <p>The fiduciary risk rating and the fiduciary risk assessment and monitoring scorecard (FERF) are useful tools for decision-making in identifying and implementing general and sector budget support.</p> <p>The fiduciary risk measure is, sometimes (in AFD projects for instance), a part of a broader country risks analysis.</p>

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Internal Processes	Guidelines	PFM Diagnostic	Comments
3. INTERNATIONAL MONETARY FUND			
<ul style="list-style-type: none"> - Assess the Debt Limits in Fund Supported Programs - Informing decisions on the focus of Fund's Technical Assistance - Inform research leading to the production of published working papers. 	<ul style="list-style-type: none"> - Staff Guidance in Debt Limits in Fund-Supported Programs - Staff Guidance Note of the Use of Fund Resources for Budget Support 	<p>For Debt limits the Fund uses the fiscal transparency ROSCs, PEFA, DeMPA, Project Performance Assessments, Worldwide Governance Indicators, and self assessments of debt management capacity made in the context of the HIPC Capacity Building Program.</p> <p>For informing TA programs the Fund uses a range of PFM Diagnostics as well as their country documents, assessments and reports; in addition to discussions with country authorities.</p>	<p>Extracted from the <i>Staff Guidance Note on the Use of Fund Resources for Budget Support</i>; "The Executive Board has supported the focus of safeguards assessments on central banks, although, at the August 2009 informal briefing on UFR for budgetary support, several chairs echoed concerns over whether these assessments are sufficient in a world of increased direct budget support. This issue will be addressed as part of the safeguards policy review in 2010. In the meantime, country teams should focus their attention on ensuring adequate safeguards to the Fund through all means available, including program discussions and design, and existing platforms to strengthen fiscal transparency and accountability, including, where available, fiscal ROSCs or Public Expenditure and Financial Accountability reports (PEFAs)".</p> <p>2010 Working Paper <i>Budget Institutions and Fiscal Performance in Low Income Countries</i> used PEFA, OECD database, IBP Open Budget Index and IMF Fiscal Transparency ROSCs.</p>
4. KfW GERMANY			
<ul style="list-style-type: none"> - Assessing fiduciary risk associated with country system use 	Structured Analysis of the Fiduciary Risks in Budget Support (PFM Annex) March	"The analysis of country budget management should be based on existing analyses (e.g. PEFA, CPAR etc.), along	Fuller description of the Structured Analysis is provided in Section D above.

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- Assess credibility of PFM reform agenda	2010	with all the locally available sources of information" (p5)	
5. NETHERLANDS MINISTRY OF FOREIGN AFFAIRS			
- Assessing mix of aid modalities - Assessing fiduciary risk associated with country system use - Assess credibility of PFM reform agenda - To identify the need for mitigating measures -	Track Record User Guide – July 2007	PEFA assessment forms the basis of the rating for cluster C1. CPIA ratings are also used.	Track record is made up of 4 clusters divided into 7 sub-clusters of which sub-cluster C1 is PFM. 6 PEFA core dimensions (A, B, C(i – iv)) are given an aggregate score and averaged to give an overall score for the quality of the PFM system. This requires a judgemental approach but scores are triangulated with PEFA assessment and CPIA ratings. Final conclusion is used to evaluate risk (1) that funds provided through the national systems will not be used to fund agreed policies, and (2) that funds will remain unaccounted for. The final report also requires a judgement on the impact of PFM weaknesses and the prospects for reform planning and implementation.
6. NORWEGIAN MINISTRY OF FOREIGN AFFAIRS			
- Appraisals for General Budget Support	Norway's provision of budget support to developing	PEFA is preferred source related to PFM reforms, in	None.

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Internal Processes	Guidelines	PFM Diagnostic	Comments
<ul style="list-style-type: none"> - Appraisals of joint donor PFM Programs and bilateral support - Support to specific PFM areas - Assessment of sustainability elements/key risk factors in sector programmes 	<p>countries: Guidelines, July 2007</p> <p>Assessment of Sustainability/Key Key Risk Factors: Practical Guide: Norad May 2007</p> <p>Working with Sector Development Programmes: Practical Guide. Norad May 2007</p>	<p>GBS appraisals together with other risk factors such as macro economic stability, corruption risk, political economy etc.</p>	

7. SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

<ul style="list-style-type: none"> - PFM analysis when assessing possible budget – usually as part of new Swedish cooperation strategy – or possible sector program support. 	<ul style="list-style-type: none"> - Guidelines for Cooperation Strategies - Public Financial Management in Development Cooperation: A Handbook for SIDA Staff 	<p>Desk study based on available PFM analyses such as IMF's Article IV review or PRGF review, the PEFA, PER, PETS and DFID FRA (from sample terms of reference).</p>	<p>Analysis of the budget – overriding question: Is the budget geared towards poverty reduction and is it feasible given resource constraints?</p> <p>Analysis of the PFM system- overriding question: How effectively and efficiently can the PFM system deliver intended (poverty related) public services and secure democratic systems?</p> <p>Analysis of the level and risks of corruption.</p> <p>Analysis of the possibilities of alignment with national PFM systems.</p>
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8. THE SWISS STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)			
- Assessing fiduciary risk as part of making GBS decisions	No specific guidelines however see extract from SECO GBS Strategy (comments section).	PEFA is preferred diagnostic tool.	Extracted from <i>SECO Strategy for General Budget Support</i> - Programme aid is not without problems and risks, such as diverging views between donors and the partner government concerning expenditure priorities; low efficiency in implementing the reform programme; and the diversion of public funds (fiduciary risk). As a result, a budget support program should be preceded by a thorough analysis of fiduciary risk, ideally jointly with other donors (In the ideal case through a harmonized approach such as the developed by the PEFA). A high fiduciary risk, however, might be balanced by the potential development gains.
9. UNITED KINGDOM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)			
Primary use of PFM Diagnostic – Fiduciary Risk Assessment (see Section D.) Secondary – Country Governance Analysis (CGA), Country Planning including UCS, budget support submissions and performance assessment frameworks. On occasion PEFA may form part	Managing Fiduciary Risk when providing financial aid (December 2009). Implementing the UK’s conditionality policy (May 2009). Poverty Reduction Support Policy Paper, Feb 2008.	PEFA assessments form a key component of DFID’s Fiduciary Risk Assessments (FRAs evaluating the national PFM systems are mandatory in country or regional planning where financial aid [aid channelled through national systems] is being used or considered).	The updated 2009 FRA guidance now includes: - A statement that DFID FRAs should only use PEFA assessments that are complete and have been quality assured by the PEFA secretariat - A reference to the PEFA ‘Good Practices in Applying the PFM Performance Measurement Framework’ - A recommendation that all draft PEFA assessments are shared with the PEFA secretariat, A requirement to state in the FRA summary whether or not any PEFA assessment used to inform the FRA has been quality assured by the

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of a performance tranche.	Country Governance Analysis – HOW To Note, (July 2008)	While PEFA is preferred source DFID also looks at other PFM diagnostics and assessments, and may undertake a small amount of primary work where necessary.	<p>Secretariat</p> <ul style="list-style-type: none"> - A recommendation that all PEFA assessments should also be quality assured in country by stakeholders who have not been directly involved in preparing the report, but have an informed arms length view of national PFM systems - Guidance on assessing the financial impact of risk in the use of country PFM systems, which includes a mapping between common financial systems and the PEFA indicators - Further guidance on conducting FRAs at the sub-national level, including link to PEFA sub-national assessments - Clarification of how central government PEFA assessments can be used to generate PFM performance information for specific sectors - Clarification of the role of PEFA assessments in supporting PFM reform - The role of PEFA indicators in monitoring PFM reform. <p>DFID's updated guidance on 'Implementing the UK's conditionality policy' (May 2009) also states that PEFA assessments should be used to inform the FRA, which along with a Country Governance Assessment (CGA) should be used to monitor partner country commitment to strengthening financial management and accountability (one of DFID's three aid conditions).</p>

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Internal Processes	Guidelines	PFM Diagnostic	Comments
10. WORLD BANK			
CPIA rating	Country Policy and Institutional Assessment (CPIA) questionnaire	Selected PEFA indicators linked to three dimensions of CPIA Q13 <i>Quality of Budgetary and Financial Management</i> and Q14 <i>Efficiency of Revenue Mobilization</i> .	
Assessment of the Fiduciary risk ("FRA") in the use of Country FM systems in Bank financed Investment projects	Interim Guidance Note for FM staff, Assessment of Fiduciary Risks in the Use of Country FM System in Bank-Financed Investment Projects	Selected PEFA indicators (15) linked to 22 questions (out of 29). Other PFM and Governance assessments referenced are CPIA questions 13, 15 and 16, IMF fiscal transparency ROSC, CPAR and MAPS, CFAA, PER and Public Sector A and A gap analysis.	
Country Assistance/Partnership Strategy (CAS/CPS) and Interim Strategy Note (ISN)	Country Assistance Strategies Good Practice in Financial Management	The main sources of information about country PFM systems that the team should refer to making their assessment include various WB integrated fiduciary and	The Review of Financial Management Issues in Country Assistance Strategies (FY06-07), November 2008, states the following: "Increasingly CASs refer to the results of the Public Expenditure and Financial Accountability (PEFA) assessment to measure progress on the PFM agenda and reflect harmonization among donors."

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		public expenditure and other donor assessments.	Specific ratings in PEFA assessments are used as target outcome indicators. For instance, in the case of the Chad ISN (May 2010), under the “Good governance” PRSP Axis, an upgrade of the PEFA sub-indicator 25 (ii) rating from C to A is included as an explicit outcome.
Development Policy Loans/Operations (DPL/DPO)			The Development Policy Lending Retrospective – Public Financial Management and Fiduciary Issues (May 2009) prepared by OPCFM states that PEFA indicators are referenced in over 40% of the 78 “core DPOs” approved between April 2006 and June 2008.