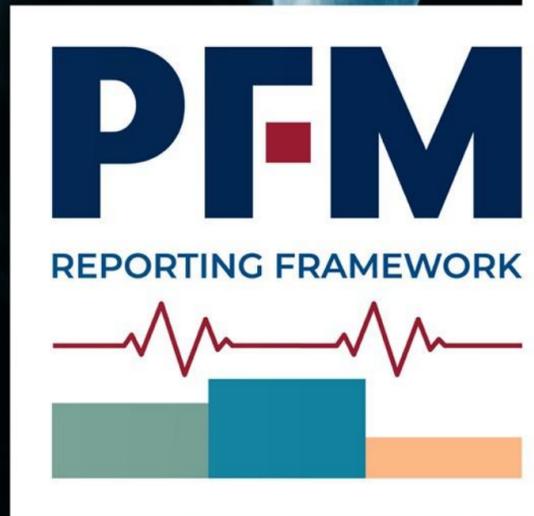


# BROAD-BASED PFM DIAGNOSTIC TOOLS AVAILABLE FOR SAIS

By Edmond B Shoko





## ■ SESSION OUTLINE

1. A brief outline of the Global PFM landscape
2. Key definitions of presentation
3. Significance of broad-based diagnostic tools
4. What broad-based tools are available to SAIs
5. A challenge to the working group

# Objectives of the PFM systems

To ensure,

The maintenance of **aggregate fiscal discipline**

Public resources are **allocated effectively and efficiently** to agreed political priorities

**Operational efficiency** is achieved, in the sense of achieving maximum value for money in the delivery of services,

**Accountability** by following due process in a transparent manner.





## ■ Global PFM landscape

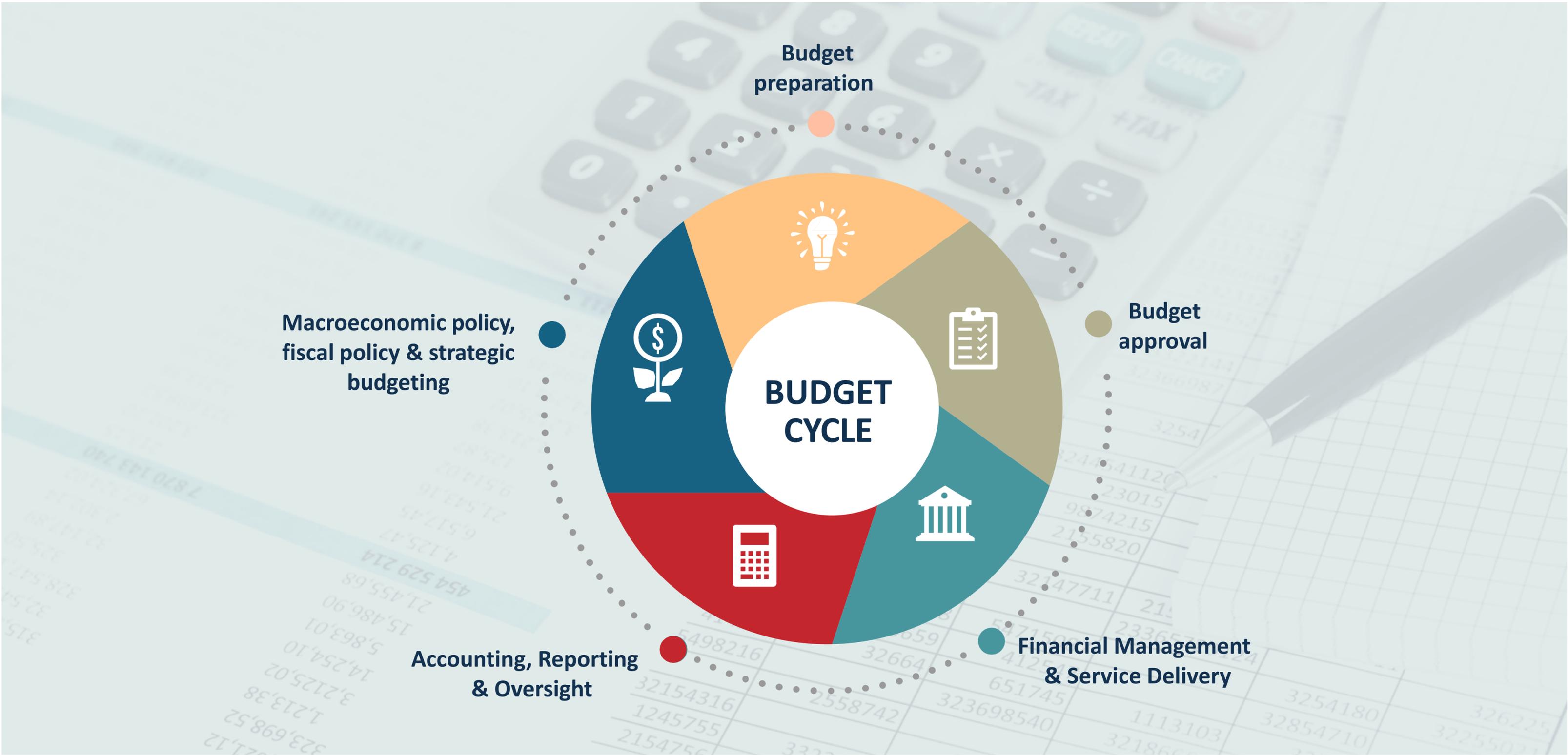
The shock and impact created by the COVID-19...

1. Demands in sectors like health and education,
2. Support better service delivery,
3. Greater emphasis on debt management,
4. Expectations for PFM systems responsive to gender and climate,
5. Accelerating the use of country PFM systems to channel external funding, and
6. Ensuring that PFM systems are responsive to crises.



## ■ key Definition

Broad-based Public Financial Management (PFM) diagnostic tools are comprehensive frameworks or methodologies used to assess and evaluate the overall **efficiency, effectiveness, and transparency** of a country's PFM system.

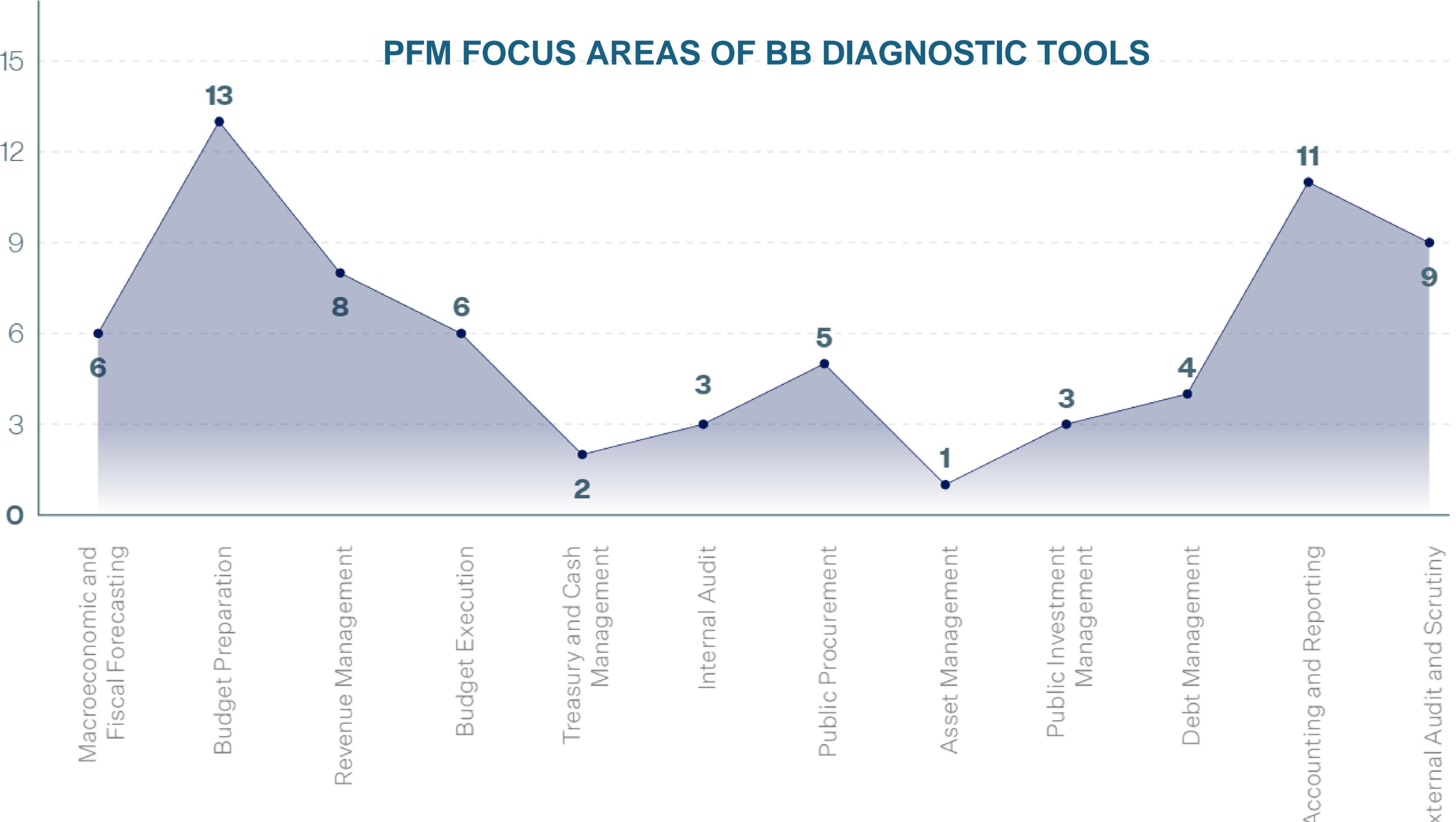




- ## ■ Significance of PFM Tools
1. Provide a comprehensive assessment of the overall financial management systems and practices of a government,
  2. SAIs identify gaps, weaknesses, and areas of improvement in PFM systems,
  3. SAIs can establish a common framework and language for PFM assessments,
  4. SAIs can obtain a holistic understanding of PFM systems.

Code	Name of the tool	Custodian	Year	Status relative to 2016 mapping
<b>A01</b>	Public Expenditure and Financial Accountability (PEFA)	PEFA <sup>a</sup>	2005	Unchanged, (Updated 2016)
<b>A02</b>	Fiscal Transparency Evaluation (FTE)	IMF	2014	Unchanged, (Updated 2019)
<b>A03</b>	Senior Budget Official Reviews of Budgeting Systems	OECD	2001	Unchanged Renamed <sup>b</sup>
<b>A04</b>	International Budget Practices and Procedures Database (IBPPD)	OECD	2003	Unchanged
<b>A05</b>	SIGMA Principles of Public Administration (PPA)	OECD	2014	Unchanged, (Updated 2019)
<b>A06</b>	Open Budget Survey (OBS)	IBP	2006	Unchanged
<b>A07</b>	Public Expenditure Review (PER)	WB	1996	Unchanged
<b>A08</b>	Rapid Assessments and Action Plans to Improve Delivery in Subnational Governments (RAAP-ID)	WB	2008	Unchanged
<b>A09</b>	MiGestion Institutional Capacity Diagnostic	WB	2013	Unchanged
<b>A10</b>	Benchmarking Fiscal Decentralization (BFD)	CoE	2008	Unchanged
<b>A11</b>	Country Policy and Institutional Assessment (CPIA)	WB	1970s	<b>New to mapping (pre-2016)</b>
<b>A12</b>	Country Policy and Institutional Assessment (CPIA)	AfDB	2012	<b>New to mapping (pre-2016)</b>
<b>A13</b>	Public Financial Management Reporting Framework (PFMRF)	AFROSAI-E	2017	<b>New to mapping (post-2016)</b>

# PFM FOCUS AREAS OF BB DIAGNOSTIC TOOLS





# ■ Challenges to PFM Systems

PFM experts are increasingly worried about the following areas of key national indicators in the PFM cycle:

1. Budget preparation,
2. Accounting and reporting,
3. External audit scrutiny, and
4. Revenue management.



## ■ Challenge to Working Group

1. To what extent has the working group been sensitizing INTOSAI to the four PFM system challenges?
2. Can this working group fully adopt the PFM-RF as one of its key working tools in sensitizing INTOSAI on the need for SAIs to perform audits on Key National Indicators?

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