A Critical Analysis of Public Financial Management Reform in Ethiopia and Tanzania.

Abdu Muhammed (Corresponding author)[1]
Ethiopian Civil Service University, Addis Ababa, Ethiopia. School of Graduate Studies
PO box 5648, Addis Ababa
Tel: +251-912-215425 Email: **abdumuhamme@gmail.com**

Abstract

In developing countries, reform of wasteful public financial management systems is vital to secure economic growth and development by capitalizing on the efficient use of limited public finance. Successful reform needs to take account of local conditions and should focus on both the process of reform. Both the Ethiopian and Tanzanian reforms have been successful. Both pathways were selective and focused on systematically addressing key weaknesses in financial control. The first order task was to instill effective control while the second order task is to improve the efficiency of control. Both involved extensive customization. In comparing the two countries of public financial management reform, actions of Ethiopian reform have been the following: evolve existing systems, Hybrid approach, Focus on legal framework, budget, accounts, Reporting, automation replicates, Strong manual controls over commitments, Procurement, disbursement and Sequencing. Whereas Tanzanian PFM Reform Actions: driven by Information Technology- install new, procedures and discipline, Insulated 'turnkey' Information Technology approach using a commercial Software package, Focus on Central Payment System—procurement and Disbursement—a cash budget.

Keywords: Ethiopia, Tanzania, Budget reform, Expenditure planning reform, Accounts reform, Integrated Financial Management System.

1.0. Introduction

Sound Economic Governance is essential for the achievement of reduction in poverty levels and improvements in economic growth for Developing countries. Effective public expenditure management and good public financial management are important for efficient and equitable utilization of scarce national resources. As cited by Dick Durevall and Mattias Erlandsson (2004) Public Financial Management (PFM) is concerned with the management of public money, where the expenditure budget process has a core role. The expenditure budget process can be divided up in to various stages: long-term planning, annual budget formulation in the executive, passage in Parliament, implementation and oversight. Effective management of public finances means that policy makers can take into account available resources and the implications of policy choices. Thus, a requirement for a well-functioning budget process is proper institutions and decision-making processes. The objective of PFM reform is to implement these, or to improve the existing ones.

In developing countries, traditionally, public sector financial management intended with circumventing wastage and wasteful spending, and especially, the loss of public money through various forms of corruptions. The rise of New Public Management has significantly reduced the emphasis given to public financial management regularity and integrity (Andy Wynne, 2005). The World Bank's Handbook (World Bank, 1998), for example, outlines the three main objectives of public sector financial management as ensuring:

[1] The author is currently PhD candidate and Lecturer In Ethiopian Civil service University

- Aggregate fiscal discipline
- Allocation of resources in accordance with strategic priorities, and
- Efficient and effective use of resources in the implementation of strategic priorities.

Most of the reforms in developing countries have been supported and guided by World Bank and the aid agencies. These organizations may have played an important role in encouraging the adoption of New Public Management type of reforms through their aid programmes and related conditionalities (Minogue, 2000 cited in Andy Wynne, 2005).

In developing countries, reform of wasteful public financial management systems is vital to secure economic growth and development by capitalizing on the efficient use of limited public funds. As cited by Commonwealth Secretariat (2005) Successful reform needs to take account of local conditions and should focus on both the process of reform (i.e. how to achieve the correct "enabling environment") as well as substantive changes to the fiscal framework (i.e. what to change).

Box 1: principles that should be applied during the process of reform

- Reform must be implemented as part of an overall strategy which should be home-grown and country-led. Donors may contribute funds, ideas and technical skills and can develop strategies to support reform, but the reform strategy itself must be country-owned.
- Reform must start with sound policy formation at macroeconomic level, including defining the purview of the state, the framework of government, key institutional arrangements, and macro-economic policy.
- Reform must be backed up with political commitment at the highest level and The Ministry of Finance or equivalent department should be imbued with the strongest possible political authority to oversee public financial management.
- Key institutions need to be empowered to operate autonomously from government.
- Reform needs to be managed. Government needs to make use of all available skills.
- The progress of reform must be effectively measured and monitored by setting performance related benchmarks and indicators vis-à-vis agreed objectives, empirical measurement of these benchmarks, and analysis thereof by oversight bodies (ibid).

Therefore, the objective of this paper is to analyze the public financial management reforms of Ethiopia and Tanzania. The rest of this paper is structured as follows: Following section one is section two which deals with the experience of Public financial management reforms in Ethiopia, Section three reviews the main lessons that may be drawn from experience from Tanzanian Public financial management reforms and finally, section four will present a critical analysis of public financial reform between the two countries.

2.0. Ethiopian Public Financial Management Reform Programme

After the dawn fall of the Derg regime and replaced by the Ethiopian Federal Democratic Republic of Ethiopia (EPRDF), The new system which was under taken by the change of government in 1991 required new orientation of the civil service with change in the management structure and system, as well as in attitude.

EPRDF introduced the Civil Service Reform Program (CSRP) in 1996. The CSRP was also part of a wider attempt to affect a policy of transition from the old practice of single party hegemony to a multiparty system, and changing the centrally planned economic model to a market variant (Getachew H. and Richard C. 2006). The CSR attempts to address the complex and interrelated problems relating to accountability, transparency, effectiveness, and efficiency, and to reverse declining productivity and restore public confidence.

Box 2: five Components of Civil Service Reform

1. Top management systems
2. Expenditure management and control
3. Human Resource management
4. Ethics and
5. Service Delivery and quality of service.

Ethiopian Expenditure Management & Control (EMC) is one of the civil service reform programs which were managed by the Ministry of Finance & Economic Development (MOFED), to implement Public Financial Management Reform of the country. In the last decades the Ethiopian Government has been under taken public financial management reform of financial procedures and information systems that is an example of process change, not innovation.

The Decentralization Support Activity (DSA) project has had a profound impact at all levels of government. A platform approach has been taken to reform. Initial measures have been taken to enhance the transaction platform through budget reforms (e.g. bringing together capital and recurrent budgets, reclassifying expenditure, drawing up new chars of accounts), planning reforms (budget calendars) accounting reforms (moving to double-entry, modified cash, single-pool systems through a series of incremental and sequenced reform) and FIDS reforms (effectively seeing automation of these reforms once established, culminating in the development of an integrated system showing budget and dispersal information alongside accounting/budget execution information) .

A second series of reforms have enhanced the policy/performance platform through the creation of a Macroeconomic and Fiscal Framework, and is currently continuing at SN level with reforms to the block grant mechanisms and a move towards more performance based budgeting.

The DSA project implemented a3-steep approach to process change of financial procedure i.e.

The sequencing are

Stage 1: 'toning' (comprehension) Documentation, massive training, and legal framework

Stage2: 'toning' (improving) new chart of accts, budget classification, redesign of forms, FIS

Stage3: 'reforming' (expanding) Cost center budgeting, double entry, modified cash, MEFF, Performance framework, unit cost/needs based transfer, Redesigned IFMIS

The Government's medium term program for public expenditure reform is contained in the Expenditure Management and Control Program (EMCP). The main objectives of the EMCP are to bring about institutional and structural changes in public expenditure management so as to improve both its strategic and technical components.

Unlike most African and developing countries, Ethiopia observes a hard budget constraint. This financial discipline has been the foundation for rapid decentralization and has allowed the PFM reform to take the necessary time to evolve the existing systems and start a long-term fundamental PFM reform which is sustainable and expandable. It has also meant that Ethiopia did not have to take shortcuts (e.g. write off the six year backlog in accounts) which would have undermined discipline and procedures of effective financial control.

Effectiveness was not bartered for efficiency. Unlike the case of Tanzania and most developing countries, the PFM reform was not a response to a breakdown in financial control which required an immediate short-term response.

2.2 Implementation of Public Financial reform Programme

Initially, the public financial management reform consists of the following nine sub program. These were:

Box 3: Sub program of the public financial management reform

- Legal frame work
- Budget reform
- Public Expenditure planning reform
- Accounts reform
- Internal audit reform
- External audit reform
- Cash management reform
- Integrated Financial information Management and
- Accounting & audit Profession

Of the total nine sub program the External audit sub program has been managed by the Office of the Federal Auditor General (OFAG) while, Accounting & audit Profession is currently put under the Ethiopian Civil Service University (ECSU) by the Ministry of capacity building. The sub program which is implemented and its achievements in detail are discussed in the following.

Legal frame work: the objective of this sub program is drafting & implementing various financial proclamation, regulation, & directives that will have disciplined and well controlled public finance management in the country.

In legal public finance the following activities were implemented

- Federal public financial management law (act) No.57/1996 is proclaimed by Negarit Gazeta on 19th day of December 1996 E.C in the above proclamation; Collection and deposit of money, Budget function and management public disbursement, procurement and control, public debt management are included.
- public finance regulation No 17/1997 is issued by the council of ministers on 1st day of July 1997 E.C
- different financial guidelines are prepared
- Trainings are given at Federal & regional level

Budget reform: The objectives of these sub-programs are to improve the integration of capital & recurrent budget, to change the previous Line Item Budgeting by Performance budgeting, to strengthen Budget activities on BIS. Most of these sub-programs are completed in 1994 E.C and starting from in 1994 budget year it is practically works on federal public body.

Ethiopia has under gone a major Budget reform involves to changes: namely, changes of process and change of structure. The development of new financial calendar is the best example of change in budget process while chart of account is the best example of budget structure. Chart of account is the foundation of any Public finance system. It permits accounting (the management & recording of financial transactions). & allocation decisions (What should public money be spent on?) to be integrated & related to government priorities. Computerized Budget Information System (BIS) is practically implemented on different part of the country. Performance budgeting also replaced by Line Item Budgeting integration of capital & recurrent budget are also improved.

Expenditure planning reform: the objective of theses reform is to improve the coordination of budgets with in different polices. A new indicative financial calendar was introduced in EFY 1994 (2001/02). It includes a planning and a budgeting cycle. The planning cycle has three stages which are implemented in sequence:

- The elaboration of a Macro-Economic and Fiscal Framework (MEFF);
- The multi-year programming through the preparation of a Public Investment Program (PIP);
- The development of a Fiscal Plan.

The achievements were the following:

- The PIP conceptual framework & preparation manual have been developed & Trainings are given
- A three-year macro economic and Fiscal framework & PIP for the Federal level (five consecutive year) prepared & distributed for relevant institutions
- A need based unit cost transfer formula has been designed in collaboration with SNNP, Amhara & Oromia BOFED, to assist the allocation of Budget to Woredas
- Annually for Three consecutive years, Public expenditure forecast has been prepared by Jurisdiction, programme & project, & by source of finance.

Accounts reform: the objective of theses reform is to introduce modern government accounting system that is supported by modern technology, to design government accounting system, which could contain & produce the necessary &appropriate information & provide timely financial reports.

- these part of the reform has introduced a modified- cash accounting system in place of the provisions cash accounting system
- A new Chart of account has been prepared & implemented for the accounting system
- Single entry accounting system was changed by double entry accounting system which is the central requirements for improving financial control and for keeping accounts current.
- The reform assists the government in clearing a six years backlog to less than one year & reducing monthly expenditure reporting in regions to two months
- Trainings are given at Federal, regional, sub- regional level on the new system,

Internal audit reform: the objective of theses reform is to introduce an effective & successful audit functions to the civil service at the federal & regional level & to ensure transparent & responsible internal audit system in the country. The achievement theses reforms are the following

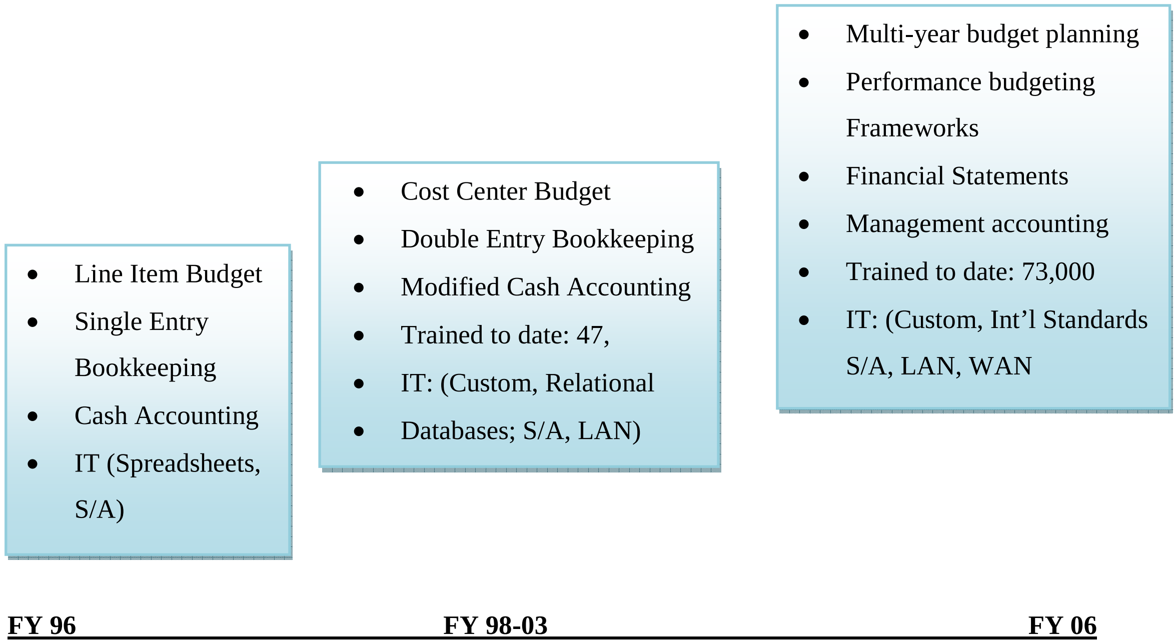
- In federal budget institution & all regions pre-audit functions are replaced by post-audit
- An Internal audit manual & training module are prepared & implemented both at federal budget institution & regions or city administrations.

Financial information system: the objective of theses reform is to improve the quality, accuracy & timeliness of financial information for quick & reliable decision making. The achievement theses reforms are the following the outline for the introduction of an Integrated Financial Management Information System (IFMIS) was developed & awareness workshops held.

- Some applications are transferred from a redundant mainframe environment to pc based server platforms & assisted in the provision of training & hardware provision to BOFEDs.
- The IBEX disbursement module is developed & implemented in MOFED & BOFEDs.
- The IBEX budget module, IBEX accounts module, IBEX Migration tools, & standalone version of the IBEX application has been developed & implemented in federal & region.

2.3 Ethiopia's Pathway of Public Financial management Reform Summary

Ethiopia's Pathway of Public Financial management Reform Summary is indicated in the following Figure



3.0. Tanzanian Public Financial Management Reform Programme

In 1998, the Government of Tanzania initiated the Public Financial Management Reform Programme (PFMRP) whose strategic goal is to achieve "high economic growth, macro-economic stability and sustainable efficient delivery of public services" by establishing effective financial management arrangements which minimize resource leakages and strengthen accountability. The PFMRP builds on the structural reforms of the mid-nineties which aimed to address the country's severe economic and financial crisis by restoring macro-economic stability, fiscal control and discipline, and implementing a core budget and accounting system across all ministries.

Since the launch of the PFMRP, the Government of Tanzania has endorsed various assessments of its public financial management environment. Specifically, in 2001, the Country Financial Accountability Assessment (CFAA) recommended various improvements to Government of Tanzania processes including: financial planning, budgeting and budget execution; accounting and financial reporting; public sector auditing; legislative scrutiny, ethics and integrity; local government financial accountability; public access to information. Following this, in 2002, the Report on the Observance of Standards and Codes (ROSC) made further proposals for enhancing transparency with respect to budget preparation, execution, and reporting. It is also noteworthy, that in 2001, to back developments in public sector financial management, new Public Finance and Procurement Acts were promulgated. The results of the CFAA, ROSC and the country procurement assessment review together with changes to the legislative framework, led to the re-evaluation and revamping of the PFMRP.

The revised PFMRP long-term strategy clearly articulates the strategies to realize specific intermediate outcomes in the medium-term (Phase 2) together with associated indicators and expected outputs. The revised strategy identifies ten components in Phase 2 to be implemented under the Permanent Secretary Finance (PSF) Components are as follows:

Box 4: Permanent Secretary Finance (PSF) Components

- Component 1: Policy analysis and development
- Component 2: External resources management
- Component 3: Budget management
- Component 4: Treasury management and accounting
- Component 5: Procurement
- Component 6: Information technology services
- Component 7: Investment management
- Component 8: Administrative support services
- Component 9: External audit services
- Component 10: Programme leadership, coordination, monitoring and evaluation.

The objective of the Tanzanian public financial reform was to rapidly establish control over cash. Ministries were incurring large commitments and overdrafts and the country was running unsustainable deficits—there was not a hard budget or cash constraint and financial control was neither effective nor efficient. The initial reform introduced a centralized payment system (CPS) in the Auditor General's Office (not in the Ministry of Finance) which was later extended to district treasuries in a standalone version. The system was based on the Platinum mid-level COTS [commercial off-the-shelf] and was extensively customized to meet requirements (Stephen Peterson, 2007).

Reforming public financial systems is a work in progress. Tanzania has made great strides in expenditure control (the first objective of good PFM) and is on the way to the second objective: the locative efficiency of resources through improved distribution to the different sectors in conformity with government policies. Achievement of the third objective—the efficient and effective use of public resources for public services, through improved operational management—is still a way off, as is the case in most other developing countries Notwithstanding these weaknesses, the system is working better than expected. The Government continued to improve its management of public expenditure. Tanzania has elaborated the Integrated Financial Management System (IFMS), and has rolled it out throughout central government and parts of local government. Budget preparation has also progressed. Predictability of resources to the MDAs and the appropriate timing or resource transfers are still impaired by the late approval of the budget[1].

3.1 Implementation of PFMRP

The implementation of the PFMRP is overseen by a Joint Steering Committee (JSC) of Tanzanian Government and donors, which meet quarterly to agree strategy and plans, monitor implementation, and authorize the release of funds from the PFMRP Basket Fund to the Exchequer. The JSC is chaired by the Permanent Secretary Finance, and provides the mechanism for a regular dialogue between Tanzanian Government and donors about the reform program. The PRMRP Manager is a Deputy Permanent Secretary from the MoF, who heads the PFMRP Coordination Secretariat[2].

The Secretariat's role is to support the MoF in coordinating and monitoring the PFMRP. In addition, in April 2005, the JSC established the PFMRP Working Group (PFMRP-WG) to advise the JSC on the progress, work plan and budget of the PFMRP. The PFMRP-WG involves

- the Component Managers from MoF departments, Public Procurement Authority and National Audit Office responsible for
- Leading the different components,
- the PRMRP Coordination Secretariat, and
- Four donor representatives; the number of donor representatives is deliberately limited to avoid dominance by this group.

[1] United Republic of Tanzania- European community Country strategy paper and National indicative program for the period 2008-13
[2] David Shand et. al (2006) Japan center for international finance

3.2 Current PFM Strengths & Weaknesses:

The IFMIS system implementation is truly impressive. PEM has obvious implications for the quality of budget preparation. Overall, progress in Tanzania has been encouraging. Reforms in the classification system have been well integrated with the IFMIS project and have facilitated revised methods of budget preparation and accounting. The IFMIS has yielded benefits, in terms of expenditure control and fiscal reporting, although more progress remains to be made in this area. Tanzania has one of the best performing PEM systems in sub-Saharan Africa. However[1]:

- Internal audit system is largely ineffective.
- External audit organization has weak capacity. Can’t undertake computerized audits.
- Large leakages continue to through procurement process.
- At the local government level, there were no standardized Expenditure reporting formats.

4.0. Analysis Between Ethiopian and Tanzanian Public Financial Management Reform

Both the Ethiopian and Tanzanian reforms have been successful. Both pathways were selective and focused on systematically addressing key weaknesses in financial control. The first order task was to instill effective control while the second order task is to improve the efficiency of control. Both involved extensive customization.

A public sector reform has the following attributes: ownership, purpose and approach. When we conceder ownership Ethiopia’s PFMR was located within a broader civil service reform designed and driven by the government. Whereas, Tanzanian PFMRP designed and driven by the Government and Foreign Aid Agencies. The Ethiopian government pursued an explicit strategy of limiting the influence of foreign aid agencies to ensure that it owned the reform. Bilateral and multilateral foreign aid agencies that were willing to provide grants (not loans) were invited to fund select parts of the reform with overall coordination located in the Prime Minister’s Office and initially supervised in detail by the Prime Minister.

The sources and form of financing were important because the financial reform was not tied to burdensome and unrealistic conditionalties—reform could proceed at an appropriate speed. Unlike Tanzanian, the purpose of Ethiopian Public financial reform was to rapidly upgrade the country’s financial system because of its deterioration caused by a long civil war and the urgent need to support the agenda of decentralization. The approach was to comprehensively upgrade the civil service generally and expenditure management specifically. The approach to expenditure management was to evolve rather than replace existing systems because of the overriding government policy to rapidly decentralize.

Comparing the two reforms, Ethiopia’s was driven by policy (administrative decentralization) while Tanzania’s was driven by crisis (the need for a cash budget). Ethiopia’s reform strategy was to evolve its legal framework and financial procedures using automation in a supportive role. However, Tanzania’s strategy was based on the assessment that the procedures were deemed ‘totally dysfunctional’ and that automation needed to be the driver of the reform. Ethiopia’s reform started with a hard budget constraint and strong manual systems (effective control existed), and sought to improve the efficiency of the control of existing systems before changing them.

Automation in Ethiopia was principally used to improve the efficiency of control. While Automation in Tanzania was used to institute both effective and efficient control. The considerable difference in size of the two countries needs to be considered.

When we compare the two countries of PFM Reform Actions Ethiopia PFM reform:

- evolve existing systems
- Hybrid approach

[1] Diamond .J. et. al (2005) Selected African Countries: IMF Technical Assistance Evaluation—Public Expenditure Management Reform

- Focus on legal framework, budget, accounts, Reporting, automation replicates
- Strong manual controls over commitments, Procurement, disbursement and
- Sequencing.

Whereas Tanzanian PFM Reform Actions:

- driven by Information Technology- install new
- procedures and discipline
- Insulated 'turnkey' IT approach using a commercial
- Software package
- Focus on Central Payment System—procurement and Disbursement—a cash budget.

Comparison of The Ethiopian & Tanzanian IFMIS can be assessed in terms of the following criteria which is believed 'good' public sector information system should have.

	Assessment of the Ethiopian IFMIS	**Assessment of the Tanzanian IFMIS**
1. Operational. each countries	Yes. Works	Yes. Works
2. Reliable.	Yes. 97% uptime	Unclear
3. Functional. .	Yes. Meets all user Requirements Four language	Mixed. CPS initially-no sub-head budgetary Control; current version does
4. Capable.	Yes. Good Performance Extensive reporting Capacity Effective in Managing low bandwidth	Mixed. Problems of band width management
5. Compatible.	Ye Extensive Migration tools	Unclear. Management of legacy data or different configurations?
6. Useable.	Mixed. Senior & middle Government staff are still Learning to fully use the Reporting capabilities.	Mixed. Limitations of government staff to fully using the functionality
7. Credible.	Yes Foreign aid agencies Respect, increased funding	Yes. Foreign aid agencies are increasing support

It is important, when looking at PFM reform issues in Ethiopia, to appreciate the context in which such reforms operate. Ethiopia has historically had a strong civil service culture that has survived the changes in government and governance structures that marked the last quarter of twentieth century Ethiopian history. Commitment to the ethos of public service is high. Historically there have also been low levels of corruption in terms of rent seeking; such behavior is not culturally acceptable (although this may be changing). And un like Tanzanian, commitment to reform is high in Ethiopia – when reform is embraced it is often embraced whole-heartily (as evidenced by the reforms around decentralization, which witnessed very swift roll-out of reforms that actually marked profound changes in the way in which the business of government was conducted).

Before the reform was conducted both countries have often suffered from the following Budget Preparation & Budget Execution weaknesses.

Budget Preparation Issues such as:

- Incremental annual budgeting, no forward medium-term framework
- Budget based on unrealistic projections
- Dual budgets: recurrent vs. development
- Detailed line item budgeting, emphasizing inputs without much regard to functions or programs
- Coverage often incomplete
- Unrealistic budget timetable

Budget Execution Issues

While problems in budget execution are often merely the consequence of unrealistic budget preparation, there were some distinctive characteristics of implementing budgets in the two countries that have created their own specific concerns.

- Expenditure control: a persistent problem
- Modernization not facilitated by the budget management system
- Weak internal control and internal audit
- Accounting framework
- External audit

Since PFMR has its own Country specific in nature, whether the objective of any reform met or not, there should be a bench mark to compare with the reforms achievement.

Different arrangements may exist for PFM performance measurement and monitoring depending on country circumstances and accountability requirements of donors. Some countries, including some middle-income countries may have reasonably robust systems for measuring and monitoring results which could be relied upon by donors. In many other countries, such systems may need to be progressively put in place justifying the need for a credible externally validated assessment of PFM performance.

To facilitate this, International Financial Institutions and donors have jointly developed an integrated PFM performance monitoring framework, on which consultation is taking place with partner government and other stakeholders, that covers all aspects of the budget cycle including budget formulation and execution, procurement, accounting, auditing and internal and external controls. The framework includes a common set of indicators (attached at annex 1), and an accompanying analytic report, which could provide a common platform for dialogue between government and donors regarding the current performance, recent progress and a single action plan for reform and capacity development .

References

Andy Wynne. (2005). Public Financial Management Reforms in Developing Countries: Lessons of Experience from Ghana, Tanzania and Uganda. ACBFWP/07/2005

Commonwealth Secretariat. (2005). Guidelines for Public Financial Management Reform. Marlborough House Pall Mall London SW1Y 5HX. UK.

David Shand et. al (2006) Japan center for international finance: Study Group On Public Financial Management (PFM)

Diamond .J. et. al (2005) Selected African Countries: IMF Technical Assistance Evaluation—Public Expenditure Management Reform

Dick Durevall and Mattias Erlandsson. (2004). Public Finance Management Reform in Malawi Country Economic Report 2005:1. Department for Policy and Methodology.sida.

Getachew H. and Richard C. (2006). Civil Service Reform in Ethiopia: Success in two ministries. Research Memorandum.UK

http://www1.worldbank.org/publicsector/pe/handbook/pem98.pdf

Stephen Peterson. (2007). Imperfect Systems IFMISs in Africa. Paper Prepared for the World Bank and CABRI Conference on Budget Management and Public Financial Accountability Pretoria, South Africa.

United Republic of Tanzania- European community Country strategy paper and National indicative program for the period 2008-13

World Bank. (1998), Public Expenditure Management Handbook, the World Bank

www.iiste.org

ANNEX 1

PFM performance indicators

A. PFM OUT-TURNS
Aggregate fiscal deficit compared to the original approved budget.
Composition of budget expenditure out-turns compared to the original approved budget.
Aggregate revenue out-turns compared to the original approved budget.
Stock of expenditure arrears; accumulation of new arrears over past year.
B. KEY CROSS-CUTTING FEATURES: COMPREHENSIVENESS AND TRANSPARENCY
Comprehensiveness of aggregate fiscal risk oversight.
Extent to which budget reports include all significant expenditures on central government activities, including those funded by donors.
Adequacy of information on fiscal projections, budget and out-turn provided in budget documentation.
Administrative, economic, functional and programmatic classification of the budget.
Identification of poverty related expenditure in the budget.
Publication and public accessibility of key fiscal information, procurement information and audit reports.
C. BUDGET CYCLE
Medium term planning and budget formulation
Extent of multi-year perspective in fiscal planning, expenditure policy-making and budgeting, including procurement.
Orderliness and participation in the budget formulation process.
Coordination of the budgeting of recurrent and investment expenditures.
Legislative scrutiny of the annual budget law.
Budget execution including procurement
Effectiveness of cash flow and procurement planning, management and monitoring.
Procedures in operation for the management and recording of debt and guarantees.
Extent to which spending ministries and agencies are able to plan and commit expenditures in accordance with original/revised budgets.
Evidence available that budgeted resources reach spending units in a timely and transparent manner.
Effectiveness of internal controls, including on procurement.
Effectiveness of internal audit, including on procurement.
Effectiveness of payroll controls.
The existence of a transparent procurement system as an integral part of the overall PFM system which is supported by a clear regulatory framework that provides for competition, value for money and effective controls.
Accounting and reporting
Timeliness and regularity of data reconciliation.
Timeliness, quality and dissemination of in-year budget execution reports.
Timeliness and quality of the audited financial statements submitted to the legislature.
External accountability, audit and scrutiny
The scope and nature of external audit.
Follow up of audit reports by the executive or audited entity.
Legislative scrutiny of external audit reports.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
http://www.iiste.org

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: http://www.iiste.org/journals/ All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Recent conferences: http://www.iiste.org/conference/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library , NewJour, Google Scholar