

Comparison of PEFA 2011 (earliest) & 2016 (latest) framework D scores for similar dimensions for the same countries

Annex 2

| 2016 Framework Dimensions   | 2016 D scores |    | 2011 D Scores |    |    | Comment   |
|---|---------------|----|---------------|----|----|---|
|   | No            | %  | Ref           | No | %  |   |
| <b>Pillar I. Budget reliability</b>                                 |               |    |               |    |    |   |
| <b>PI-1 Aggregate expenditure out-turn</b>                          |               |    |               |    |    |   |
| 1.1 Aggregate expenditure out-turn                                  | 11            | 24 | PI-1(i)       | 9  | 20 |   |
| <b>PI-2 Expenditure composition outturn</b>                         |               |    |               |    |    |   |
| 2.1. Expenditure composition outturn by function                    | 23            | 51 | PI-2 (i)      | 22 | 49 | Note3   |
| 2.3 Expenditure from contingency reserves                           | 5             | 11 | PI-2 (iii)    | 4  | 9  |   |
| <b>PI-3 Revenue outturn</b>   |               |    |               |    |    |   |
| 3.1 Aggregate revenue outturn                                       | 12            | 27 | PI-3(i)       | 14 | 31 |   |
| <b>Pillar II. Transparency of public finances</b>                   |               |    |               |    |    |   |
| <b>PI-4 Budget classification</b>                                   |               |    |               |    |    |   |
| 4.1 Budget classification   | 3             | 7  | PI-5(i)       | 4  | 9  |   |
| <b>PI-5 Budget documentation</b>                                    |               |    |               |    |    |   |
| 5.1 Budget documentation  | 4             | 9  | PI-6(i)       | 2  | 4  |   |
| <b>PI-6 Central government operations outside financial reports</b> |               |    |               |    |    |   |
| 6.1 Expenditure outside financial reports                           | 22            | 49 | PI-7 (i)      | 18 | 40 | Note3   |
| <b>PI-7 Transfers to subnational governments</b>                    |               |    |               |    |    |   |
| 7.1 Systems for allocating transfers                                | 10            | 22 | PI-8 (i)      | 9  | 20 |   |
| 7.2 Timeliness of information on transfers                          | 15            | 33 | PI-8 (ii)     | 14 | 31 | Note3   |
| <b>PI-8 Performance information for service delivery</b>            |               |    |               |    |    |   |
| 8.3 Resources received by service delivery units                    | 24            | 53 | PI-23 (i)     | 23 | 51 | Note3   |
| <b>PI-9 Public access to fiscal information</b>                     |               |    |               |    |    |   |
| 9.1 Public access to fiscal information                             | 26            | 58 | PI-10 (i)     | 5  | 11 | Tighter definition used in 2016F had -ve impact |
| <b>Pillar III. Management of assets and liabilities</b>             |               |    |               |    |    |   |
| <b>PI-10 Fiscal risk reporting</b>                                  |               |    |               |    |    |   |
| 10.1 Monitoring of public corporations                              | 18            | 40 | PI-9 (i)      | 11 | 24 |   |
| 10.2 Monitoring of subnational governments                          | 27            | 60 | PI-9 (ii)     | 10 | 22 | Tighter definition used in 2016F had -ve impact |

**PI-13 Debt management**

|   |   |    |             |   |   |
|---|---|----|-------------|---|---|
| 13.1 Recording and reporting of debt and guarantees | 2 | 4  | PI-17(i)    | 1 | 2 |
| 13.2 Approval of debt and guarantees                | 7 | 16 | PI-17 (iii) | 4 | 9 |

**Pillar IV. Policy based fiscal strategy and budgeting****PI-16 Medium-term perspective in expenditure budgeting**

|  |    |    |             |    |    |
|--|----|----|-------------|----|----|
| 16.1 Medium-term expenditure estimates                     | 12 | 27 | PI-12 (i)   | 7  | 16 |
| 16.3 Alignment of strategic plan and medium-term budgeting | 22 | 49 | PI-12 (iii) | 14 | 31 |

Note3

**PI-17 Budget preparation process**

|   |   |    |             |    |    |
|---|---|----|-------------|----|----|
| 17.1 Budget calendar                      | 6 | 13 | PI-11 (i)   | 3  | 7  |
| 17.2 Guidance on budget preparation       | 6 | 13 | PI-11 (ii)  | 5  | 11 |
| 17.3 Budget submission to the legislature | 9 | 20 | PI-27 (iii) | 10 | 22 |

**PI-18 Legislative scrutiny of budgets**

|  |   |   |             |   |    |
|--|---|---|-------------|---|----|
| 18.1 Scope of budget scrutiny                      | 3 | 7 | PI-27 (i)   | 3 | 7  |
| 18.2 Legislative procedures for budget scrutiny    | 4 | 9 | PI-27 (ii)  | 4 | 9  |
| 18.3 Timing of budget approval                     | 3 | 7 | PI-11 (iii) | 7 | 16 |
| 18.4 Rules for budget adjustments by the executive | 1 | 2 | PI-27 (iv)  | 4 | 9  |

**Pillar V. Predictability and control in budget execution****PI-19 Revenue administration**

|  |    |    |             |    |    |
|--|----|----|-------------|----|----|
| 19.1 Rights and obligations for revenue measures | 2  | 4  | PI-13 (ii)  | 0  | 0  |
| 19.2 Revenue risk management                     | 6  | 13 | PI-14(i)    | 2  | 4  |
| 19.3 Revenue Audit investigation                 | 16 | 36 | PI-14 (iii) | 4  | 9  |
| 19.4 Revenue arrears monitoring                  | 30 | 67 | PI-15 (i)   | 32 | 71 |

Note6

Note3

**PI-20 Accounting for revenues**

|                                      |   |    |             |    |    |
|--------------------------------------|---|----|-------------|----|----|
| 20.2 Transfer of revenue collections | 1 | 2  | PI-15 (ii)  | 0  | 0  |
| 20.3 Revenue accounts reconciliation | 7 | 16 | PI-15 (iii) | 14 | 31 |

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

|   |    |    |             |    |    |
|---|----|----|-------------|----|----|
| 21.1 Consolidation of cash balances             | 12 | 27 | PI-17 (ii)  | 5  | 11 |
| 21.2 Cash flow forecasting and monitoring       | 3  | 7  | PI-16 (i)   | 6  | 13 |
| 21.3 Information on commitment ceilings         | 10 | 22 | PI-16 (ii)  | 13 | 29 |
| 21.4 Significance of in-year budget adjustments | 2  | 4  | PI-16 (iii) | 7  | 16 |

**PI-22 Expenditure arrears**

|                                   |    |    |           |    |    |
|-----------------------------------|----|----|-----------|----|----|
| 22.1 Stock of expenditure arrears | 27 | 60 | PI-4 (i)  | 18 | 40 |
| 22.2 Expenditure monitoring       | 25 | 56 | PI-4 (ii) | 18 | 40 |

Note3

Note3

**PI-23 Payroll controls**

|   |    |    |            |    |    |
|---|----|----|------------|----|----|
| 23.1 Integration of payroll and personnel records | 9  | 20 | PI-18 (i)  | 15 | 33 |
| 23.2 Management of payroll changes                | 12 | 27 | PI-18 (ii) | 4  | 9  |

|  |    |    |             |    |    |       |
|--|----|----|-------------|----|----|-------|
| 23.3 Internal control of payroll                         | 8  | 18 | PI-18 (iii) | 4  | 9  |       |
| 23.4 Payroll audit                                       | 9  | 20 | PI-18 (iv)  | 6  | 13 |       |
| <b>PI-24 Procurement management</b>                      |    |    |             |    |    |       |
| 24.2 Procurement methods                                 | 19 | 42 | PI-19 (ii)  | 24 | 53 | Note3 |
| 24.3 Public access to procurement information            | 15 | 33 | PI-19 (iii) | 15 | 33 | Note3 |
| 24.4 Procurement complaints management                   | 15 | 33 | PI-19 (iv)  | 25 | 56 | Note3 |
| <b>PI-25 Internal controls on non-salary expenditure</b> |    |    |             |    |    |       |
| 25.2 Effectiveness of expenditure commitment controls    | 3  | 7  | PI-20 (i)   | 10 | 22 |       |
| 25.3 Compliance with payment rules and procedures        | 11 | 24 | PI-20 (iii) | 8  | 18 |       |
| <b>PI-26 Internal Audit</b>                              |    |    |             |    |    |       |
| 26.1 Coverage of Internal Audit                          | 12 | 27 | PI-21 (i)   | 14 | 31 |       |
| 26.3 Implementation of internal audits and reports       | 17 | 38 | PI-21 (ii)  | 7  | 16 |       |
| 26.4 Response to internal audits                         | 22 | 49 | PI-21 (iii) | 11 | 24 |       |
| <b>Pillar VI. Accounting and reporting</b>               |    |    |             |    |    |       |
| <b>PI-27 Financial data integrity</b>                    |    |    |             |    |    |       |
| 27.1 Bank account reconciliation                         | 18 | 40 | PI-22 (i)   | 12 | 27 |       |
| 27.2 Suspense accounts                                   | 20 | 44 | PI-22 (ii)  | 14 | 33 | Note3 |
| 27.3 Advances  | 20 | 44 | PI-22(ii)   | 14 | 33 |       |
| <b>PI-28 In-year budget reports</b>                      |    |    |             |    |    |       |
| 28.1 Coverage and comparability of reports               | 14 | 31 | PI-24 (i)   | 5  | 11 |       |
| 28.2 Timing of in-year budget reports                    | 19 | 42 | PI-24 (ii)  | 4  | 9  |       |
| 28.3 Accuracy of in-year budget reports                  | 9  | 20 | PI-24 (iii) | 3  | 7  |       |
| <b>PI-29 Annual financial reports</b>                    |    |    |             |    |    |       |
| 29.1. Completeness of annual financial reports           | 7  | 16 | PI-25 (i)   | 11 | 24 |       |
| 29.2 Submission of reports for external audit            | 12 | 27 | PI-25 (ii)  | 9  | 20 |       |
| 29.3 Accounting standards                                | 11 | 24 | PI-25 (iii) | 11 | 24 |       |
| <b>Pillar VII. External scrutiny and audit</b>           |    |    |             |    |    |       |
| <b>PI-30 External Audit</b>                              |    |    |             |    |    |       |
| 30.1 Audit Coverage and Standards                        | 12 | 27 | PI-26 (i)   | 9  | 20 |       |
| 30.2 Submission of audit reports to the legislature      | 16 | 36 | PI-26 (ii)  | 13 | 29 | Note3 |
| 30.3 External Audit follow-up                            | 11 | 24 | PI-26 (iii) | 8  | 18 |       |
| <b>PI-31 Legislative scrutiny of audit reports</b>       |    |    |             |    |    |       |
| 31.1 Timing of audit report scrutiny                     | 24 | 53 | PI-28 (i)   | 26 | 58 | Note3 |

|  |    |           |             |    |           |       |
|--|----|-----------|-------------|----|-----------|-------|
| 31.2 Hearings on audit findings                  | 20 | 44        | PI-28 (ii)  | 16 | 36        | Note3 |
| 31.3 Recommendations on audit by legislature     | 23 | 51        | PI-28 (iii) | 21 | 47        | Note3 |
| <b>Average % D scores for each dimension set</b> |    | <b>28</b> |             |    | <b>23</b> |       |

Notes:

1. The table contains a comparison of the D scores for the 63 similar PEFA dimensions (see notes 5 & 6) shared by the 2011 & 2016 frameworks for the 45 countries that were included in both frameworks – taking the earliest 2011 and latest 2016 scores where more than one study was conducted under at least one of the frameworks
2. 41 (68%) dimensions had 2016 D scores that were higher than their 2011 equivalents; 17 (26%) 2016 D scores were lower; and 4 (6%) D scores were the same.
3. 19 (31%) dimensions of those included in this analysis had D scores that were above the average for both frameworks.
4. The 42 (68%) dimensions with higher D scores under the 2016 framework (see note 2) were distributed across all Pillars and all comparable Indicators except: 4 (Budget classification); 18 (Legislative scrutiny of budgets); and 24 (Procurement management).
5. The equivalence between the 2016 & 2011 frameworks used in this table is based on work by PEFA (a link to the PEFA Equivalence Table is included in this paper). PEFA recognised 37 dimensions from the 2016 framework (marked in orange) having equivalence to 2011 dimensions. A further 26 potential equivalents considered and rejected by PEFA have been accepted for use by PFMConnect. The reference numbers of these additional dimensions are marked in turquoise in this table and the differences in construction of the two equivalence tables are presented at Annex 7. Statistical comparisons of the PEFA and PFMConnect equivalences tables are presented at Annex 6.
6. The titles of those dimensions with above average D scores for both frameworks are reproduced in red ink.
7. The 2016 framework shows dimension 19.2 (marked in grey) as new but PFMConnect suggests equivalence to 2011 framework dimension 14(i) particularly when read in conjunction with the introduction to PI 14 in the 2011 Field Guide. This adds a further case of equivalence to PFMConnect's list.
8. We have included as D scores those dimensions marked D\*, NR and some NA scores where we believe the evidence suggests a breakdown in PFM activity. We consider that these attributions are often applied inconsistently and serve to obscure the extent of the poor performance of some countries by avoiding the use of justifiable D scores.

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