

Area 6: Public Financial Management

Principle 6	The operational framework for internal control defines responsibilities and powers, and its application by the budget organisations is consistent with the legislation governing public financial management and the public administration in general.		
Principle 8	The operational framework for internal audit reflects international standards, and its application by the budget organisations is consistent with the legislation governing public administration and public financial management in general.		
Principle approach	The monitoring approach to this principle focuses on transparency of public internal financial control (PIFC) developments within public sector (including internal audit), as well as on the role of Parliaments' scrutiny of the PIFC system and its results.		
INDICATOR 1	Public availability of information on public internal financial controls and the parliamentary scrutiny.		
Indicator focus and general methodological remarks	<p>The indicator measures availability and communication of essential documents and information on public internal financial control (PIFC) to the public and other stakeholders, and if reports on PIFC implementation are discussed in the Parliament.</p> <p>PIFC constitutive parts relevant for this indicator are: financial management and control (FMC), and internal audit, including Central Harmonisation Units (CHU) – units of the ministries in charge of finance tasked with consolidated reporting on PIFC and its harmonisation within public sector.</p> <p>All elements under this indicator are measured by analysing official websites and documents of relevant government institutions.</p>		
INDICATOR ELEMENTS			
Element #	Element formulation	Weight	Element data source
E.1	Consolidated annual report on PIFC is regularly produced and published online.	2	<ul style="list-style-type: none"> Official website of the Government; Official website of the Ministry in charge of finance; Official website of the Central Harmonisation Unit of the Ministry in charge of finance (if existing); Official Gazette website;
Element methodology			Point allocation

	<p>For this element, official websites are analysed to identify availability of consolidated annual reports on PIFC. Search of websites includes four websites listed as data sources.</p> <p>For this element, the reports for the last two reporting cycles will be considered as relevant.</p>		<p>0 point: Consolidated annual reports are not published regularly (even if they are produced);</p> <p>1 point: Consolidated annual reports are published on at least one of the analysed official websites, but irregularly (at least one of the two reports is missing);</p> <p>2 points: Consolidated annual reports are published regularly on at least one of the analysed websites (both reports are available online).</p> <p>Maximum points: 4</p>
Element #	Element formulation	Weight	Element data source
E.2	Quality reviews of internal audit reports are regularly produced and published online.	1	<ul style="list-style-type: none"> Official website of the Ministry in charge of finance; Official website of the Central Harmonisation Unit of the Ministry in charge of finance (if existing);
Element methodology		Point allocation	
	<p>Analysis of the relevant official websites and their sections is performed to identify availability of quality review of internal audit reports (regardless of the number and type of budget users in the sample of quality review).</p> <p>Quality review reports published by the CHUs of the ministries in charge of finance are considered by this element (unless otherwise regulated in a country).</p> <p>Quality review reports/analyses will be considered for the two reporting cycles preceding the measurement. To allocate point for this element, quality review reports need to be published separately from consolidated annual reports on PIFC.</p>		<p>0 point: Quality review reports are not published (even if they are produced);</p> <p>1 point: Quality review reports are published on at least one of the official websites, but not regularly (at least one report is missing);</p> <p>2 points: Quality review reports are regularly published on at least one of the official websites (both reports are available online).</p> <p>Maximum points: 2</p>
Element #	Element formulation	Weight	Element data source

E.3	Ministries publish information related to financial management and control	1	<ul style="list-style-type: none"> Official websites of all ministries;
Element methodology		Point allocation	
For this element, websites of all the ministries are analysed for information on the internal control in the sample and the documentation available thereon.		0 points: Less than third of the ministries have any of the three required information on financial management and control published;	
Information related to financial management and control will be interpreted to mean the following set of data:		1 point: More than one third but less than one half of the ministries have any of the three required information on financial management and control published	
1. Risk registers;		2 points: More than one half of all Ministries have at least one of the three required information on financial management and control published.	
2. Procedure registry/Book of procedures;		Maximum points: 2	
3. Information on who is the appointed FMC manager.			
To award points for this element, information on financial management and control needs to be published by the ministries themselves, separately from consolidated annual reports on PIFC (which is published by the Government/Ministry of Finance).			
Element #	Element formulation	Weight	Element data source
E.4	CHU proactively engages with the public	1	<ul style="list-style-type: none"> Analysis of the consolidated reports on PIFC; Official website of the Ministry in charge of finance; Official website of the Central Harmonisation Unit of the Ministry in charge of finance (if existing); Online review of media content.
Element methodology		Point allocation	
For this element, relevant websites are, and the CHU consolidated reports are analysed to identify activities related to the outreach, communication, dissemination activities of the CHU work towards the interested public.		0 points: No evidence found on any of the stated means of engagement with the public, or very scarce evidence found (less than required for 1 point);	
For this element, only proactive engagement with the public will be considered. The following means of engagement, if used by the CHU with aim to inform or familiarise public with its work and results, will be considered:		1 point: Evidence found on at least two of the following means of engagement with the public: press releases; production and publishing/dissemination of info material; media appearances;	
1. Press releases;			
2. Media appearances by the CHU representatives on PIFC related matters;			

	<p>3. Production and publishing/dissemination of booklets, leaflets, and other info material (as the CHU own initiative or with the external support);</p> <p>4. Reader-friendly digests or summaries of reports produced by the CHU and published online;</p> <p>5. Social media activity by the CHU (active Facebook, Twitter, YouTube, or LinkedIn accounts, with activity on at least a monthly basis);</p> <p>6. Organisation of public events by the CHU with participation of non-state stakeholders (civil society and associations, media, professional associations etc.). <i>Closed-door events, such as workshops/seminars for public servants, regional exchange of practices and experience, technical or project meetings, and similar, are not considered;</i></p> <p>In case no evidence is found on any of the points above, researchers contact CHU to verify preliminary finding.</p> <p>For this element, the reference year will be the year of measurement, if the measurement is performed in the second half of the year; or the year preceding the year of measurement, if it is performed in the first half of the year.</p>		<p>2 points: Evidence found on at least three listed means of engagement with the public, including two of the means listed under the 1-point award.</p> <p>Maximum points: 2</p>				
Element #	Element formulation	Weight	Element data source				
E.5	The Parliament regularly deliberates on/reviews the consolidated report on PIFC.	2	<ul style="list-style-type: none"> Review of official parliamentary documentation available at the official website 				
	Element methodology		Point allocation				
	<p>Parliamentary documentation will be reviewed and analysed to determine if the parliament has reviewed and discussed the consolidated reports on PIFC in the last two years. Official website of the parliament will be analysed to identify reports, session minutes, or other evidence on these discussions.</p> <p>For this element, either plenary or committee sessions of the parliament is considered sufficient for point allocation.</p> <p>Regular deliberation by the Parliament will be interpreted to mean at least one committee or plenary session in each of the last two reporting cycles.</p>		<p>0 points: No deliberation/review by the parliament;</p> <p>1 point: Parliament has deliberated on/reviewed consolidated report on PIFC, but not regularly;</p> <p>2 points: Parliament has regularly deliberated on the consolidated report on PIFC (at least one session in each year of measurement).</p> <p>Maximum points: 4</p>				
TOTAL POINTS		0-3	4-5	6-7	8-9	10-11	12-14
FINAL INDICATOR VALUE		0	1	2	3	4	5