



■ WeBER Indicator Summary

AREA: PUBLIC FINANCE MANAGEMENT

KOSOVO

- **Author: Group for Legal and Political Studies - GLPS**
- **Date: 02.07.18**

PAR Area	PUBLIC FINANCE MANAGEMENT	Country	KOSOVO
SIGMA Principle	<p>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.</p> <p>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.</p>		

WeBER Indicator	PFM_P6_P8_I1: Public availability of information on public internal financial controls and the parliamentary scrutiny
Indicator approach	
<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>	
Summary of the findings	
<p>PIFC reports “The Public Internal Financial Control System in the Public Sector of Kosovo for 2016” are drafted from the Ministry of Finance, the CHU but are not accessible on the website of the Ministry of Finance and Economy. The latest available report is of 2016.*</p> <p>Quality reviews of internal audit reports are not published online. However, according to the SIGMA report of 2017, the CHU has prepared an annual report on the progress of PIFC development. This report includes comprehensive information, including statistics and the state of play in implementing internal control in public sector organisations. SIGMA’s findings demonstrate, however, that the application of risk management is still at a low level..</p> <p>In addition, information on financial management and control (incl. risk registers, book of procedures and information on the appointed FMC manager) is largely not available online. The only exceptions were Ministry of Agriculture, Forestry and Rural Development which has published information on Financial Management and Control managers, and Ministry of Finance which has published online the “Book of Procedures for Management of Public Finance”. Moreover, no evidence is found on the CHU department proactively engaging with the public. The evidence of public outreach includes a brochure (targeting internal audits and employees of financial management) on procedures of financial management and control as well as Internal Audit brochures available at the MF website. However such practices is insufficient to qualify for proactive engagement with the public.</p> <p>Evidence from the last two reporting cycles indicated that the parliament and the relevant committee regularly deliberated on the consolidated reports on PIFC; main findings were discussed on June 2016 and 2017.</p>	
Specific observations	
<p>*Article 28 of Law Nr. 06/L-021 (2018) On the Financial Management and Control regulates the deadline of publishing of the consolidated annual reports stipulates that the Minister of Finance presents to the Government, each year by the end of June, an annual report on the quality and functioning of public financial internal control for the previous year.</p>	

Indicator score	2 (out of 12 points)
------------------------	----------------------

Final indicator value	<i>0 (scale 0-5)¹</i>
Measurement period	<i>7 June – 3 July 2018</i>

¹ Conversion of points: 0-2 points = 0; 3-4 points = 1; 5-6 points = 2; 7-8 points = 3; 9-10 points = 4; 11-12 points = 5.