

Scoring Methodology for Public Financial Management				Scoring Methodology for Public Financial Management	
S.No	Indicators	Score	Scoring method	Criteria/key information etc	
A	Credibility and Control		<i>Average of the score obtained in the indicators at 1-3</i>		
	i Credibility of budget		<i>Average of the score obtained in the indicators at i-ii</i>		
	i <i>Aggregate Recurrent Expenditure Out-turn Compared to Approved Budget</i>	0	If in no more than one year out of the last three years has the actual expenditure deviated from the budgeted by an amount equal to or more than 7%		
		1	If in no more than one year out of the last three years has the actual expenditure deviated from the budgeted by an amount equal to or more than 10%		
		2	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 10%		
		3	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 15%		
		4	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 20%		
	ii <i>Aggregate Development Fund (capital) Expenditure out-turn compared to Approved Budget</i>	0	If in no more than one year out of the last three years has the actual expenditure deviated from the budgeted by an amount equal to or more than 7%		
		1	If in no more than one year out of the last three years has the actual expenditure deviated from the budgeted by an amount equal to or more than 10%		
		2	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 10%		
		3	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 15%		
		4	If in two or all of the last three years the actual expenditure deviated from the budgeted by an amount equal to or more than 20%		
2	Effectiveness of Internal controls for Expenditure		<i>Average of score obtained in i-iii</i>		

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i	Effectiveness of Comprehensive expenditure commitment controls	0	Comprehensive commitment controls are in place and effectively limit commitments to actual cash availability and budget allocations		
		1	Expenditure commitment controls are in place and effectively limit commitments to actual cash availability and budget allocations for most time of expenditure with minor exceptions		
		2	Expenditure commitment controls procedures exist and are partially effective but may not cover all expenditures		
		3	Expenditure commitment controls procedures exist and are partially effective but may not cover all expenditures and are often violated		
		4	Commitment control systems are generally lacking or routinely violated		
ii	Comprehensiveness, relevance and understanding of other internal control rules/procedures	0	Other internal control rules and procedures are relevant comprehensive and widely understood		
		1	Other internal control rules and procedures are relevant comprehensive and widely understood but may tend to be excessive in some areas leading to inefficiency		
		2	Other internal control rules and procedures consist of some basic set of rules place and understood by people directly dealing with them.		
		3	Other internal control rules and procedures consist of some basic set of rules place and understood by people directly dealing with them and are often violated.		
		4	Clear comprehensive and relevant internal control rules and procedures are lacking		
iii	Degree of compliance with rules for processing and recording transactions	0	Compliance with rules is very high and any misuse of simplified and emergency procedures is minimal		
		1	Compliance with rules is fairly high but occasional use of simplified and emergency procedures is done with out adequate justification		
		2	Rules are complied with in a significant majority of the transactions but use of simplified/emergency procedures in frequently is a concern		
		3	Rules are not complied with in several transactions and use of simplified/emergency procedures in unjustified situations is an important concern		

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		4	Core set of rules are not complied with and there is widespread breach		
3	Effectiveness of Internal Audit		<i>Average of score obtained in i-iii</i>		
i	<i>Coverage and Quality of the Internal audit function</i>	0	Internal audit is operational and meets international standards and covers systemic issues (70% of staff time)		
		1	Internal audit is operational and meets international standards but coverage of systemic issues is not very high (50% of the time)		
		2	Internal audit is operational in some areas and substantially meets professional standards but does not cover systemic issues		
		3	Internal audit is operational in limited areas and covers some systemic issues but does not meet professional standards.		
		4	There is very limited internal audit and no focus on systems monitoring		
ii	<i>Frequency and Distribution of Reports</i>	0	Reports are issued on a fixed schedule and distributed to the audited entity, ministry of finance, ministry of local govt and the SAI (Auditor General)		
		1	Reports are issued regularly for the units audited but not sent to the Ministry of Finance and the SAI		
		2	Reports are issued regularly but only to the unit		
		3	Reports are prepared but not issued regularly		
		4	Reports are generally not issued		
iii	<i>Extent of management response to internal audit findings</i>	0	Action of management on audit findings is prompt and comprehensive		
		1	Prompt and fair action is taken but not by all units		
		2	A fair action is taken by management but not comprehensive		
		3	Limited action is taken by management and with delay		
		4	Internal audit recommendations are generally ignored		
B	Comprehensive and Transparency and orderliness		<i>Average of the score obtained in the indicators at 1-2</i>		
1	Comprehensive and Transparency		<i>Average of score obtained in i-iii</i>		

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i	Comprehensiveness of Information included in Budget Documentation	0	The budget documents fulfill all the 5 criteria	1	Financial Assets ,including details at the beginning of the year
		1	The budget documents fulfill 4 of the 5 criteria	2	Prior years outturn in the same format as budget proposal
		2	The budget documents fulfill 3 of the 5 criteria	3	Current years budget in same format as budget proposal
		3	The budget documents fulfill 2 of the 5 criteria	4	Summarized data for both revenue and expn according to main heads
		4	The budget documents doesn't fulfill any of the 5 criteria	5	explanation of budget implications
ii	Public Access to Key Fiscal Information	0	The budget documents fulfill all the 5 criteria	1	Annual budget documents
		1	The budget documents fulfill 4 of the 5 criteria	2	In-year budget execution reports
		2	The budget documents fulfill 3 of the 5 criteria	3	Year end financial statements
		3	The budget documents fulfill 2 of the 5 criteria	4	External audit reports
		4	The budget documents doesn't fulfill any of the 5 criteria	5	Contracts awarded
2	Budget Cycle		<i>Average of score obtained in i-iii</i>		
i	Existence of and adherence to a fixed budget calendar	0	A clear budget calendar exists and followed with depts getting at least 6 weeks to submit estimates		
		1	A clear budget calendar exists and followed but depts do not get adequate time to submit estimates (less than 4 weeks)		
		2	A clear budget calendar exists but problems in implementation and depts get less than 4 weeks		
		3	An annual budget calendar exists but is very rudimentary and substantial delays are faced in implementation and inadequate time given for meaningful submissions		
		4	A budget calendar is not prepared or not adhered to and units not given adequate time for meaningful submissions		
ii	Guidance on the preparation of budget submissions	0	A comprehensive budget circular is issued which reflects the ceilings as approved by the competent authority		
		1	A comprehensive budget circular issued which reflects the ceilings as approved by the competent authority. However, the ceilings are approved after the issue before the units complete the submissions of circular but		
		2	A comprehensive budget circular issued which reflects the ceilings but are not approved by the competent authority.		

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		3	A comprehensive budget circular issued but does not reflect any ceilings as approved by the competent authority	
		4	The budget circular is neither comprehensive nor does it reflect the ceilings	
iii	<i>Timely budget approval by the legislature</i>	0	The budget has been approved in time during the last three years	
		1	The budget is usually approved in time but there was a delay of two months in one year	
		2	The budget is usually approved in time but there was a delay of over two months in one year	
		3	The budget was approved with a delay of two months two of the last three years.	
		4	The budget approval is not carried out in a fixed and timely manner	
C	Accounting recording and reporting		<i>Average of the score obtained in the indicators at 1-3</i>	
1	Timeliness and Regularity of Accounts		<i>Average of score obtained in i-ii</i>	
	Reconciliation			
i	<i>Regularity of bank reconciliation</i>	0	Bank reconciliation takes place monthly at aggregate and detailed level, usually within 4 weeks	
		1	Bank reconciliation takes place monthly at aggregate and detailed level, but within 8 weeks	
		2	Bank reconciliation takes place quarterly at aggregate and detailed level, usually within 4 weeks	
		3	Bank reconciliation takes place quarterly at aggregate and detailed level, usually within 8 weeks	
		4	Bank reconciliation is irregular and with backlog	
ii	Regularity of reconciliation and clearing of advance and suspense accounts	0	Reconciliation of accounts, clearing of advances etc is carried out quarterly with few balances brought forward	
		1	Reconciliation of accounts, clearing of advances etc is carried out quarterly but several uncleared balances were brought forward	
		2	Reconciliation of accounts, clearing of advances etc is carried out only annually but few balances brought forward	
		3	Reconciliation of accounts, clearing of advances etc is carried out generally annually but several unreconciled balances were brought forward	
		4	Reconciliation of accounts, clearing of advances etc is not carried out regularly	

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2	Quality and Timeliness of In-Year Budget Reports		<i>Average of score obtained in i-iii</i>		
i	Scope of reports in terms of coverage and compatibility with budget estimates	0	Classification of data allows for direct comparison with budget Information covers both commitment and payment stage		
		1	Classification of data allows for comparison with budget but only with some aggregation. Expenditure is captured at both commitment and payment		
		2	Comparison is possible only with the main budget headings However, expenditure is captured at both commitment. and payment stage.		
		3	Comparison is possible only with the main budget headings Expenditure is captured either at commitment or payment .		
		4	Comparison may not be possible across all main administrative heads		
ii	<i>Timeliness of the issue of reports</i>	0	Reports are prepared monthly and issued within two weeksof the completion of the period		
		1	Reports are prepared monthly and issued within 4 weeks of the completion of the period		
		2	Reports are prepared quarterly and issued within 4 weeks of the completion of the period		
		3	Reports are prepared quarterly and issued within 8 weeks of the completion of the period		
		4	Reports are either not prepared or issued with delays irregularly		
iii	<i>Quality of Information</i>	0	There are no material concerns regarding data accuracy		
		1	There are some concerns about accuracy of information which are highlighted in the report but that does not undermine the basic usefulness of the reports.		
		2	There are some concerns about accuracy of information which are not highlighted in the report but that does not undermine the basic usefulness of the reports.		
		3	There are some concerns about accuracy of information which are not highlighted in the report and which affect the basic usefulness of the reports.		
		4	Data is too inaccurate to be of any use		
3	Quality and Timeliness of Annual Financial Statements		<i>Average of score obtained in -xxv-xxvii</i>		

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i	<i>Completeness of the financial statements</i>	0	A consolidated statement is prepared annually which includes full information on revenue, expenditure and financial assets/liabilities		
		1	A consolidated statement is prepared annually which includes with a few exceptions full information on revenue, expenditure and financial assets/liabilities		
		2	A consolidated statement is prepared annually. Information on revenue, expenditure and bank account balances financial assets/liabilities may not always be complete but omissions are not significant		
		3	A consolidated statement is prepared annually. Information on revenue, expenditure and bank account balances financial assets/liabilities may not always be complete and the omissions can be significant		
		4	A consolidated statement is not prepared annually or the financial records are too poor to enable audit		
ii	<i>Timeliness of the issue of reports</i>	0	The statements are issued for audit within 6 months of the end of the financial year		
		1	The statements are issued for audit within 10 months of the end of the financial year		
		2	The statements are issued for audit within 15 months of the end of the financial year		
		3	The statements are prepared but they are generally not submitted for external audit within 15 months of the close of the financial year		
		4	Neither are the statements prepared on time nor are they submitted for external audit within 15 months of the close of the financial year		
iii	<i>Accounting standards used</i>	0	Approved national accounting standards are used		
		1	Approved national accounting standards are used but not for all statements		
		2	Statements are presented in a consistent format over a period of time with some disclosures of standards		
		3	Statements are presented in a consistent format over a period of time with no disclosures of standards		
		4	Statements are not presented in a consistent format over time or accounting standards are not disclosed		
D	External scrutiny and Audit		Average of score obtained in -1-3		

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1	Scope Nature and Follow-up of External Audit		Average of score obtained in -i-iii		
i	Scope/nature of audit performed (including adherence to auditing standards	0	A comprehensive annual audit is conducted covering revenue expenditure and assets/liabilities. A full financial and some aspects of performance audit is done adhering to auditing standards		
		1	A comprehensive annual audit of all wings /departments is not conducted. However, a full financial and some aspects of performance audit is done with some disclosures of auditing standards		
		2	The audit is not comprehensive but the financial audit is conducted. Performance audit is not generally done Some disclosure of auditing standards is done		
		3	The audit is very basic transaction audit but reports identify significant issues. Some disclosures of auditing standards is done.		
		4	The audit is neither regular nor comprehensive.		
ii	Timeliness of submission of audit reports to the legislature	0	Audit reports are submitted within 6 months of the end of the period covered and for financial statements from the date of receipt by the audit office		
		1	Audit reports are submitted within 8 months of the end of the period covered and for financial statements from the date of receipt by the audit office		
		2	Audit reports are submitted within 12 months of the end of the period covered and for financial statements from the date of receipt by the audit office		
		3	Audit reports are submitted with a delay beyond 12 months of the end of the period covered and for financial statements from the date of receipt by the audit office		
		4	Audit reports are submitted irregularly not following a time frame		
iii	Evidence of follow up on audit recommendations	0	There is clear evidence of effective and timely follow up		
		1	A formal response is made though not timely and evidence of systematic follow up		
		2	A formal response is made timely but little evidence of systematic follow up		
		3	A formal response is made though delayed and not thorough and no evidence of follow up		

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		4	There is little evidence of response or follow up		
2	Legislative Scrutiny of the Annual Budget Law		Average of score obtained in -i-iv		
i	<i>Scope of the legislature's scrutiny</i>	0	The review by the Council/Corporation covers policies priorities, details of income and expenditure		
		1	The review by the Council/Corporation covers only estimates of income and expenditure of the coming year		
		2	The review by the Council/Corporation covers only estimates of income and expenditure of the coming year but only after estimates have been approved		
		3	The review of income and expenditure is very limited		
		4	The review is non-existent		
ii	<i>Extent to which the legislature's procedures are well-established and respected</i>	0	The procedures for review by the Council/Corporation are firmly established and respected and include committee examination etc		
		1	Comprehensive procedures of review are established but are frequently violated		
		2	Simple procedures of legislatures budget review exist and are respected.		
		3	Some procedures exist which are not very comprehensive and only partially respected		
		4	Procedures non-existent nor respected		
iii	<i>Adequacy of time for the legislature to provide a response to budget proposals (time allowed in practice for all stages concerned)</i>	0	The Council gets at least one month to review the estimates		
		1	The Council gets about a fortnight to review the estimates		
		2	The procedure laid down for the legislature provides for a month to review but is not followed		
		3	The procedure laid down for the legislature provides for a fortnight to review but is not followed		
		4	The time allowed is clearly insufficient for a meaningful review/debate		
iv	<i>Rules for in-year budget amendments to the budget without ex-ante approval by the legislature</i>	0	Clear rules exist for in-year budget amendments by the executive and are respected		

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		1	Clear rules exist for in-year budget amendments by the executive and are usually respected but allow for administrative reallocations	
		2	Clear rules exist for in-year budget amendments by the executive but are not usually respected	
		3	Rules exist but not implemented and allow for extensive administrative reallocation	
		4	Rules are either rudimentary and unclear or not respected	
3	Legislative Scrutiny of External Audit Reports		Average of score obtained in -i-iii	
i	<i>Timeliness of examination of audit reports by legislatures</i>	0	Scrutiny of audit reports is completed by the legislature within 3 months from receipt of reports	
		1	Scrutiny of audit reports is completed by the legislature within 6 months from receipt of reports	
		2	Scrutiny of audit reports is completed by the legislature within 12 months from receipt of reports	
		3	Scrutiny of audit reports is completed by the legislature after more than 12 months from receipt of reports	
		4	Scrutiny of audit reports is by the legislature does not take place within any fixed schedule	
ii	<i>Extent of hearing on key findings undertaken by by the legislature</i>	0	In-depth hearings on key findings of all reports/entities take place consistently	
		1	In-depth hearings on key findings take place consistently but not of all the reports/entities	
		2	In-depth hearings on key findings take place occasionally but of all reports/entities	
		3	In-depth hearings on key findings take place occasionally and of some reports/entities	
		4	No in-depth hearings are conducted by the legislature	
iii	<i>Issuance of recommended actions by the legislature</i>	0	The legislature issues recommendations on actions to be implemented and there is evidence of implementation	
		1	The legislature issues recommendations on actions to be implemented and there is evidence of partial implementation	
		2	Actions are recommended but rarely acted upon	
		3	Recommendations are issued in some cases and partially acted upon	
		4	No recommendations are being issued	