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MINISTRY OF FINANCE AND ECONOMIC AFFAIRS
THE QUADRANGLE, BANJUL, THE GAMBIA

2016-2020

PUBLIC FINANCIAL MANAGEMENT STRATEGY

PFM Reforms

Public Financial Management Strategy 2016-2020

Ministry of Finance and Economic Affairs
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Banjul, The Gambia

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ACRONYMS

AfDB	African Development Bank
AGD	Accountant General's Department
AMP	Aid Management Platform
BES	Business Establishment Survey
BFP	Budget Framework Paper
CBG	Central Bank of The Gambia
CCIA	Certified Chartered Internal Auditors
COA	Chart of Accounts
CRF	Consolidated Revenue Fund
CS-DRMS	Commonwealth Secretariat-Debt Recording and Management System
DAC	Directorate of Aid Coordination
DDP	Directorate of Development Planning
DLDM	Directorate of Loans and Debt Management
DNT	Directorate of National Treasury (now the AGD)
DOB	Directorate of Budget
DPP	Directorate of Public Procurement
DPPP	Directorate of Public Private Partnership
DSA	Debt Sustainability Analysis

ERMS	Electronic Records Management Systems
EU	European Union
FI	Financial Instructions (Regulations)
GBMAA	Gambia Budget Management and Accountability Act
GBoS	Gambia Bureau of Statistics
GDP	Gross Domestic Product
GLF	Government Local Fund
GoTG	Government of The Gambia
GPPA	Gambia Public Procurement Authority
GRA	Gambia Revenue Authority
HR	Human Resource
HRM	Human Resource Management
HS	Harmonized System
IAD	Internal Audit Directorate
IFMIS	Integrated Financial Management Information System
IHS	Integrated Household Survey
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
ISPEFG	Institutional Support Project for Economic and Financial Governance
LG	Local Government
LGA	Local Government Area
M & E	Monitoring and Evaluation

MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MDI	Management Development Institute
MoBSE	Ministry of Basic and Secondary Education
MoFEA	Ministry of Finance and Economic Affairs
MOLRG	Ministry of Lands and Regional Government
MOPP	Ministry of Planning and Policy
MOTWI	Ministry of Transport, Works and Infrastructure
MPAD	Macroeconomic Policy Analysis Directorate
MSD	Management Service Division
MTDS	Medium Term Debt Strategy
MTEF	Medium Term Expenditure Framework
NA	National Assembly
NAMs	National Assembly Members
NAO	National Audit Office
NRS	National Records Service
NSDS	National Strategy for the Development of Statistics
NSS	National Statistical System
NTR	Non-Tax Revenue
PAC/PEC	Public Accounts and Public Enterprises Committees of the National Assembly
PAGE	Program for Accelerated Growth and Employment

PBB	Program Based Budgeting
PCA	Post Clearance Audit
PEFA	Public Expenditure and Financial Accountability assessment
PER	Public Expenditure Review
PEs	Public Enterprises
PFM	Public Financial Management
PFMU	Public Financial Management Unit
PMIS	Personnel Management Information System
PMO	Personnel Management Office
PPA	Public Procurement Act
PPP	Public Private Partnership
PPI	Producer Price Index
Pro-PAG	Pro-Poor Advocacy Group
PRSP	Poverty Reduction Strategy Paper
PRSP II	Second Poverty Reduction Strategy Paper
SDF	Social Development Fund
TA	Technical Assistance
UNDP	United Nations Development Program
VAT	Value Added Tax

FOREWARD

The Ministry of Finance and Economic affairs is tasked with the responsibility of developing policies favorable for macroeconomic stability. With such responsibility, the Ministry has set its vision statement as: “be a center of excellence in public financial management for national development”. This vision is in line with government’s objective of creating a stable macroeconomic environment and eradicating poverty. The Ministry of Finance and Economic Affairs seeks to support such initiative by ensuring the existence of policies to support the efficient management and utilization of our limited financial resources.

This new Public Financial Management (PFM) Strategy has been formulated to provide the necessary policies and guidelines in monitoring the use of our financial resources. This strategy will be a continuation of the reforms already initiated by the first PFM Strategy (2010-2014) and will seek to address the deficiencies highlighted by the Public Expenditure Financial Accountability (PEFA) assessment report 2014. This new PFM strategy (2016-2020) will also serve as a basis for ensuring the strategic allocation of resources and a strong credible budget for the purpose of effective service delivery for government in general.

I wish to thank staff of the PFM Unit (Ms. Amie Khan, Ms. Mariama Jeng, Mr. Abdou Salam Jatta and Mr. Abdoulie S. Bah), who spearheaded the development of this Strategy. I equally wish to thank all the stakeholders who effectively participated and contributed in one way or the other, to the successful completion of this strategy. I also wish to commend the AfDB for the valuable financial support provided during the whole formulation process of this strategy.

This strategic document will be instrumental in improving our PFM system and I therefore urge all stakeholders to implement their respective activities in order to realize the intended objective of this Strategy.



Abdoulie Jallow

Permanent Secretary-Ministry of Finance & Economic Affairs

EXECUTIVE SUMMARY

In recent years, the Gambia has been faced with a series of challenges with severe impacts on our macroeconomic stability. These ranged from the Drought in 2011, which affected agricultural production. The tourism sector was also recently affected by the Ebola virus epidemic, which saw receipts from the tourism sector go down significantly. Negative impacts on such crucial sectors could be crippling to an economy and therefore warrant the efficient utilization of available resources to cater for such imbalances. This PFM Strategy seeks to compliment The Government of The Gambia's resolve to ensure macroeconomic stability and eradicate poverty. It highlights the challenges encountered in the management of public finances in The Gambia as indicated by the PEFA report and the previous Strategy.

The Government of the Gambia has undertaken several PFM reforms aimed at attaining stable macroeconomic growth and eradicating poverty as well as improving revenue mobilization and the efficient allocation of resources, ensuring fiscal discipline, improving information on stock of arrears and public debt and improving the integrity of the budget process. Some of these reforms include:

1. The introduction of the IFMIS accounting system- to help in the timely preparation and management of government accounts.
2. Transforming the Central statistics department into a semi-autonomous Bureau (GBOS)- to facilitate easy access to quality as well as timely economic statistics.
3. The establishment of the GRA for better tax administration, and the introduction of Value Added Tax (VAT), which sought to simplify the tax system, broaden the tax base and improve compliance among other things.
4. Public procurement reforms, which saw the establishment of the Gambia Public Procurement Authority to supervise procurement activities in government institutions and to ensure that value for money is attained in the execution of the budget in terms of public procurement.
5. Capacity development programs through the Institutional Support Project for Economic and Financial Governance (ISPEFG) most notably capacity building for the National Audit Office (NAO) as well as Directorate of Internal Audit (DIA).

It is also worth noting that the IFMIS has been rolled-out to all MDAs and there are plans to roll it out to all self-accounting projects by January 2017. There was also an upgrade from the epicor 7.3.5 to epicor 9, for web accessibility and to incorporate real time data from Foreign Missions abroad.

In terms of legal framework underpinning the PFM Reforms, the Gambia Budget Management and Accountability Act of 2004 has been amended and renamed the Public Finance Act of 2014, which incorporates recent developments in accounting and management information systems, Internal Audit Reforms, Debt Management operation, and strengthening the mandate of the Accountant General's Department. The Public Procurement Act was also enacted in 2014, with the view to separating ex-post and ex-ante functions in procurement. The National Audit Act is in place and is anticipated that it will strengthen oversight responsibilities of the NAO and help in fulfilling its mandate.

Furthermore, the Program Based Budgeting (PBB) framework which aims to ensure fiscal discipline has been piloted at the level of the MoFEA and MoTWI with plans to roll-out to other MDAs by 2017. Also, the GoTG set up a PPP unit in the Ministry of Finance and Economic Affairs with a view to improve the efficiency and quality of public services and infrastructure. The PPP Directorate is set up to further drive and promote the development of government's PPP initiative.

Additionally, a Public Expenditure and Financial Accountability (PEFA) Assessment was conducted during the 3rd Quarter of 2014 to provide both an evidence-based evaluation of PFM reform activities, as well as establishing a renewed basis on which to strengthen the PFM system.

Although significant progress has been registered in PFM reforms, the GoTG recognises the need for further improvement in the PFM system and will therefore continue to pursue its agenda of ensuring a better public financial management framework to ensure better value for money in the management and distribution of public resources. In that direction, this new strategy will seek to learn from the progress registered in terms of PFM since the beginning of the implementation of the previous PFM strategy (2010-2014) and to

devise a way forward for the medium term. The strategy will also use findings from the previous strategy and those from the PEFA (2014) assessment to come up with a sound M&E framework, which will provide the mechanism for monitoring of PFM progress.

Recent ongoing reforms include the roll out of the IFMIS to all government agencies and have also been upgraded to EPICOR 9 to support web functionality. The IFMIS is also interfaced with the Central Bank's banking module T-24 for online access to all government bank accounts and also provide online monitoring of accounts. The IFMIs is also interfaced with the CS-DRMS to help facilitate real time recording of debt data. The establishment of an internal directorate unit is also a major achievement in terms of PFM reforms. It is envisaged that the setting up of the IAD will strengthen internal controls in all MDAs

Regarding external audit and oversight the National Audit Bill is in place and will help strengthen the NAO's mandate and to include performance and value for money audits. Medium Term Expenditure Framework (MTEF) was also introduced to spur GoTG's efforts in meeting the medium term expenditure objectives of the nation and with definite objective of meeting the country's long term Vision 2020 target. VAT was also introduced in January 2013 with the aim; to increase tax revenue and to ensure better management of taxpayer's monies and broadening the tax base. Further a tax tribunal was set up to serve as an outlet for appeals and complaints relating to taxes in particular and GRA in general. Additionally progress has been made in the separation of ex-ante and ex-post (oversight & on-the-job) responsibilities in procurement, with the introduction of the new Public Procurement Act (PPA) of 2014. The introduction of a procurement cadre in the civil service is at an advanced stage and the head of procurement has been appointed. The major tender board has been revitalized and a board secretary appointed.

The Strategy also includes an analysis of the previous PFM Strategy using the following PEFA dimensions:

- **Credibility of the budget;**
- **Comprehensiveness and transparency;**

- **Policy-based budgeting (herein referred to as budget cycle);**
- **Predictability and control in budget execution;**
- **Accounting, recording and reporting;**
- **External scrutiny and audit.**

However, another dimension has been added to effectively capture activities in tax administration. This dimension has been named **“Effectiveness and transparency in tax policy and revenue administration”** and takes the number of dimensions to seven.

The results of the analyses from the PEFA assessment and the previous PFM Strategy show we have registered significant improvements in our budget formulation process, with Budget Call Circulars now issued to MDAs to guide the budget preparation process. The introduction of the IFMIS has also facilitated the management and reconciliation of government accounts and there are plans to roll it out to self-accounting projects in the near future. These reforms have also been supported by strong legal frameworks, which provide a regulatory environment.

Although these achievements have been remarkable, the analyses show that we still face challenges with budget credibility, as variations between actual and budgeted expenditures continue to widen and financial data being inconsistent. With regards to comprehensiveness and transparency, donor disbursements are not included in the IFMIS and reporting on donor funds can be improved upon. The Budget preparation process is also not totally efficient as the budget is submitted late and the MTEF is not fully implemented. The analyses also show that the VAT is not fully understood and tax legislations are not fully complied with. Predictability and control in budget execution also remains weak as the link between sector cash plans and procurement plans remains weak. Incomplete data on public debt is also a constant menace, especially with the limited interface between the CS-DRMS and the IFMIS. In terms of accounting, recording and reporting, PFM remains weak in Local Governments and the submission of consolidated government financial statements for audit is usually late.

Given these underlying challenges, it is paramount that reforms are undertaken to overcome such difficulties. The reforms highlighted in this strategy would therefore help steer government's effort towards realizing its intentions of better Public Financial Management. The M & E framework at the end the platform for measuring the results of the Strategy based on indicators.

1. INTRODUCTION: PFM REFORMS

1.1 Background

The last decade has been witness to numerous PFM reforms undertaken by the Government of The Gambia (GoTG) geared towards attaining stable macroeconomic growth and eradicating poverty as well as improving revenue mobilization and the efficient allocation of resources, ensuring fiscal discipline, improving information on stock of arrears and public debt and improving the integrity of the budget process. Major reforms included:

6. The introduction of the IFMIS accounting system- to help in the timely preparation and management of government accounts.
7. Transforming the Central statistics department into a semi-autonomous Bureau (GBoS)- to facilitate easy access to quality as well as timely economic statistics.
8. The establishment of the Gambia Revenue Authority (GRA) for better tax administration, and the introduction of Value Added Tax (VAT), which sought to simplify the tax system, broaden the tax base and improve compliance among other things.
9. Public procurement reforms, which saw the establishment of the Gambia Public Procurement Authority to supervise procurement activities in government institutions.
10. Capacity development programs through the Institutional Support Project for Economic and Financial Governance (ISPEFG), most notably capacity building for the National Audit Office (NAO) as well as Internal Audit Directorate (IAD).

It is also worth noting that the IFMIS has been rolled-out to all MDAs and there are plans to roll it out to all self-accounting projects by January 2017. There was also an upgrade from the epicor 7.3.5 to epicor 9, for web accessibility and to incorporate real time data from Foreign Missions abroad.

With regards to the legal framework underpinning the PFM Reforms, the Gambia Budget Management and Accountability Act of 2004 has been amended and renamed the Public Finance Act of 2014, which incorporates recent developments in accounting and

management information systems, Internal Audit Reforms, Debt Management operation, and strengthening the mandate of the Accountant General's Department. The Public Procurement Act was also enacted in 2014, with the view to separating ex-post and ex-ante functions in procurement. Furthermore, work is at an advanced stage for the enactment of a new National Audit Act, which it is anticipated, will strengthen oversight responsibilities of the NAO and help in fulfilling its mandate.

In other PFM related issues, the citizen's budget was introduced in 2014 to facilitate a clearer understanding of the GoTG budgetary process to the public. Furthermore, the Program Based Budgeting (PBB) framework which aims to ensure fiscal discipline has been piloted at the level of the MoFEA and MoTWI with plans to roll-out to other MDAs by 2018. Also, the push by government for a comprehensive PPP program, and the very recent setting up (Feb 2014) of a Directorate of Public Private Partnership under the Ministry of Finance and Economic Affairs can be seen in line with past privatization initiatives. Like privatizations before, its PPP has been motivated by the desire to improve the efficiency and quality of public services and infrastructure. The PPP Directorate is set up to further drive and promote the development of government's PPP initiative. A Public Expenditure and Financial Accountability (PEFA) Assessment was conducted during the 3rd Quarter of 2014 to provide both an evidence-based evaluation of PFM reform activities, as well as establishing a renewed basis on which to strengthen the PFM system performance and findings from the assessment will serve as the basis for this PFM strategy.

Although significant progress has been registered in PFM reforms, the GoTG recognises the need for further improvement in the PFM system and will therefore continue to pursue its agenda of ensuring a better public financial management framework to ensure better value for money in the management and distribution of public resources. In that direction, this new strategy will seek to learn from the progress registered in terms of PFM since the beginning of the implementation of the previous PFM strategy (2010-2014) and to devise a way forward for the medium term. The strategy will also use findings from the previous strategy and those from the PEFA (2014) assessment to come up with a sound M & E framework, which will provide the mechanism for monitoring of PFM progress.

1.2 Recent And Ongoing Reforms

Roll-out of The Integrated Financial Management Information System (IFMIS)

The IFMIS System has been an integral part of government's accountability and resource allocation process. The IFMIS has been rolled-out to all MDAs and has now been upgraded to the epicor 9 to support web functionality and incorporate the foreign Missions abroad. An interface with the CS-DRMS was also created to facilitate real time recording of debt data. The IFMIS is also interfaced with the Central Bank's banking module (T-24) for online access to all government bank accounts as well as providing online monitoring of account balances. These have facilitated the easy reconciliation of government accounts and the preparation of government financial statements thereby helping to smoothen the budget preparatory process. Nevertheless, the migration from the epicor 7 to epicor 9 has not been smooth sailing as problems are still being encountered with the web functionality (which was the main reason for migrating to the epicor 9) and certain interfaces like the purchase module. Therefore some problems still remain unresolved in our accounting (recording, analysis and reporting) systems.

Internal Audit

The internal Audit Unit was established in 2011 to help strengthen internal controls in MDAs. The Unit has now been transformed into a Directorate with plans to roll out its functions to all MDAs in the long run. Part of its mandate is to undertake accounting, asset and procurement audits on government institutions with significant progress being registered in all these relevant areas (an Audit charter is already available). At least 31 audits were undertaken and completed by the Directorate in 2014. However, the Directorate is faced with a shortage in human capacity as it has only a limited number of auditors at its disposal. Imprest retirement still remains an issue as most imprest holders do not retire imprest given to them hence leading to large sums of unretired imprests.

External Audit and Oversight

The National Audit Bill is now at Cabinet level awaiting approval. The bill, when enacted, will help to strengthen the NAO's mandate and to include performance or value for money audits. Audit reports for 2013 have been prepared and findings submitted to the National Assembly for scrutiny. The NAO still has space constraints and capacity building of its human resource is also required.

Medium Term Expenditure Framework

The MTEF was introduced to drive GoTG's efforts in meeting the medium term objectives (PAGE), with the definite objective of meeting the country's long term Vision 2020 target. Planners have been placed at MDAs with the purpose of helping the MDAs in setting their expenditure targets in line with the PAGE. There are also plans to roll-out the MTEF to all MDAs by 2016 in the hope that this will aid in the budget preparatory process. At the moment, the MTEF is fully implemented in only two of the MDAs (MoFEA & MoBSE). However, 68% of MDAs have completed their strategic plans. A taskforce was also set-up to oversee the implementation of the MTEF.

Tax Reforms

In the area of tax reforms, the VAT was introduced in January 2013 with the aim to increase tax revenue and to ensure better management of taxpayers' monies. However, the non-compliance to payments by Public Enterprises is creating problems for the GRA. Also, the misperception about the VAT for additional taxes calls for more public awareness. It is important to note that a tax tribunal was introduced to settle tax complaints and disputes. The tax tribunal is located at the GRA building, with fully-fledged members and serves as a centre for appeals or for all complaints relating to taxes in particular and GRA in general.

Public Procurement

Progress has been made in the separation of ex-ante and ex-post (oversight & on-the-job) responsibilities in procurement, with the introduction of the new Public Procurement Act (PPA) of 2014. The introduction of a procurement cadre in the civil service has been advanced and the Head of procurement has been appointed. The major tender board has been revitalized and a board secretary appointed. However, the GPPA lacks a proper information system to generate substantial and reliable data and information that covers key procurement information (government procurement plans, bidding opportunities, contract awards, and resolution of procurement awards).

Capacity Building

Most of the reforms have been centered on building capacity in the institutions involved in the reform process. Technical assistance has been made available to provide on-the-job training for personnel. Study tours (Mauritius and Uganda) were also undertaken for the implementation of the MTEF. National Assembly Members are also benefitting from the various capacity building programs under the reforms to improve their oversight functions. The same applies to the National Audit Office and the Internal Audit Directorate.

1.3 Need for an Updated Strategy

Although great strides have been made in PFM reforms in the Gambia, much still remains to be achieved as highlighted in the PEFA report. Thus the government is looking to work closely with development partners to address the shortcomings in the PFM system. Some of the challenges are:

1. The credibility of the budget remains weak. The PEFA report shows that actual expenditure figures have overshoot the targeted levels for the past four years (more than 15% on average). Revenue forecasting is also weak, as forecasts have been below actual revenue collections. Since expenditure depends on the level of income, missing revenue targets could only lead to deficiencies in expenditures.
2. Increasing stock of arrears and weak monitoring: Weak commitment controls are leading to commitments outside the system and thus resulting to the huge stock of arrears (arrears constituted 3.1% of government expenditure in 2013).
3. Weak budget preparation and implementation: MDAs lack the capacity for cash planning as budget preparation is handled by accountants without training in planning and budgeting.
4. Public procurement framework not fully strong. Competitive bidding is not fully adhered to as single sourcing is the most common type of procurement in government.
5. More capacity building needed.
6. Public Private Partnership was not catered for in the previous strategy. The PE sector is in serious crisis and urgent action is needed, given high and rising risks to fiscal sustainability and economic growth. Thus the need to create a strong legal framework (PPP Act) and capacity building.
7. Aid policy needs to be strengthened given the current economic situation.
8. Lack of adequate funding of PFM activities.

It is fundamentally clear that addressing these issues in this strategy will bring about significant improvements in the reform agenda of government in ensuring fiscal discipline, efficient resource mobilization and allocation, as well as improved public debt management to attain a sound macroeconomic environment.

1.4 Structure of the Strategy

This Strategy is divided into five sections. The first section gives an introduction and background information on the PFM reforms. The second section gives an analysis of the PFM reforms undertaken by the Government of The Gambia under the first PFM Strategy. The third section elaborates on the new reforms that need to be implemented in order to address the highlighted challenges. The final section contains the annexes. The costing under this section gives a summary of the costs involved in the implementation of the Strategy, while the M & E framework provides a guide for the reform process.

2. PFM SITUATIONAL ANALYSIS

This section takes a look at the issues highlighted in the previous strategy and highlights the achievements & failures in the previous strategy.

1. Budget Credibility

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
1	Improvements are needed in the management and collection of NTRs administered by MDAs;	Improved NTR collection and management framework.	Review GRA Act and revenue related legislation to enable GRA broaden its role to cover all NTRs	<p><i>Since the amendment of the GRA act in 2010, there was no legislation to enable GRA extend its revenue collection role to collect NTRs. However, some NTRs currently collected by GRA on behalf of the Ministry of Interior for driving licenses, ID cards etc.</i></p> <p><i>By virtue of the GRA Amendment Act of 2010, the Authority is mandated to collect revenue in respect of the following non-tax revenue laws:</i></p> <ol style="list-style-type: none"> <i>1. The State Lands Act (57:02)</i> <i>2. The Land Registration of Deeds Act (57:01)</i> <i>3. The Betting and Gaming Act (Cap 85:01)</i> <i>4. The National Education and Technical Training Levy (Cap 83:05)</i> <i>5. The National Environment Management Act (Cap 72:01)</i> <i>6. The Motor Traffic Act (Cap 70:03)</i> <i>7. The Information and Communications Act (Cap 74:03)</i> 	MPAD, AGD, GRA
2	Ensure that MDAs are spending, or proposing to spend, public	Improved mechanism for	Develop systems for delivery of in year fiscal reports on	<i>In-year fiscal reports are available</i>	DOB

	money in a desired manner	budget monitoring and evaluation Quarterly budget monitoring reports	expenditures against budget and against MDA work plans		
3	Budget for the stock of expenditure arrears at year end to reduce the incidence of unplanned expenditures Lack of a proper system of capital commitment control leading to accumulation of significant arrears	Improved coverage, classification and integration of the budget as a basis for more effective analysis and control Reliable data on stock of arrears at beginning of each year Strengthened commitment control system	Introduce system where all utilities operate on a prepaid arrangement where feasible Establish standards for commonly budgeted miscellaneous items detailing what should constitute miscellaneous expenses	<i>Almost 90% of MDAs have prepaid arrangements on UTILITIES excluding hospitals and the security.</i> <i>The miscellaneous budget serves as contingency fund that Ministries use for unbudgeted items.</i>	AGD, DOB

2. Comprehensiveness and transparency

PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
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	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
1	The MTEF segment of the CoA is not utilized	Successful implementation of MTEF	Fully implement MTEF by 2013	<i>The MTEF wasn't fully implemented in 2013, it will however be piloted to MOTWI and MoFEA in 2015 with plans to roll-out to all MDAs by 2017.</i>	National Assembly, DOB
2	Ensure understanding of the budget and its underlying assumptions by the users	Strengthened capacity of the National Assembly in scrutinizing the budget and analyzing financial reports	Provide support for strengthening capacity of the National Assembly in scrutinizing budget reports (e.g. tools, training in budget analysis)	<i>Two training workshops have been done with Pro-PAG on the scrutiny of budget policy analysis and the budget of key priority sectors.</i>	
		Improved presentation of the budget to the National Assembly and the public	Provide support for technical assistance for analysis of budget/financial reports	<i>A Subject Matter Specialist was hired to help the PAC/PEC in considering and analyzing public accounts, those of Public Enterprises, including the Auditor General's report.</i>	
		Improved accessibility of budget information to the public	Identify and implement activities for improving public access to budgetary information	<i>Citizen's Budget has been launched</i>	
			Organize budget stakeholders workshops to disseminate and discuss the budget with all stakeholders	<i>Budget stakeholders' workshops are usually held by MoFEA to discuss the contents of the budget</i>	
3	Budget and fiscal reports still incomprehensive; not all aspects	Budget and fiscal reports	Develop tools and capacity within Budget Directorate to	<i>Budget execution reports only contain aggregate figures for budget entities, not for</i>	DOB, PFM

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
	of financial statements are included	<p>encompassing all aspects as required by Article 42 of the GBMAA (2004) (NB: <i>this is the public finance act now and the article of reference may have changed</i>)</p> <p>Improved quality and timeliness of in year budget reports</p>	generate in year Budget execution reports classified at sub entity level.	<i>sub-entity levels. It is worthwhile to note that these in-year budget reports can be found in the fiscal reports.</i>	
4	Reporting on donor funds, and more generally on extra-budgetary operations, remains unsatisfactory; actual expenses of donor disbursements not included in the reports	Budget reports for all self accounting projects included in overall government budget and fiscal reports.	Review mechanism for capturing project funding and transaction in the budget reports and develop and implement guidelines and a system to ensure improved quality and timeliness of aid data.	<i>The Aid Coordination Directorate is in the process of developing a system called the “Aid Management Information System”. This is still in the development stage. The system will be used to capture all projects i.e. bilateral and multilateral aid coming into the country as, approved amounts and donor funded amongst others. It’s funded by UNDP and managed by a consultant. Currently, the IFMIS system captures all donor projects and self-accounting projects, produce quarterly reports to the Treasury Directorate.</i>	DOB, DAC, DNT
5	Transfers to the councils are not based on a transparent rule based allocation formula	Formula-based grant allocation developed by MoFEA	Develop and implement a formula for allocation of grants to Councils		DOB, Local Councils

3. Budget Cycle

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
1	There is generally low capacity to produce credible expenditure estimates in the government administration	Improved planning and budgeting [and reporting] by MDAs	Carry out a functional review of the planning and budgeting units within MDAs, develop proposals/plans for the strengthening of the units and implement the plan Provide training and develop tools to enable MDAs improve budgeting skills	<i>The recruitment and training of Planners is still ongoing. This is to ensure that they are involved in budget preparation at all times with the supervision of the vote controllers and also to make sure that MDAs' strategic plans are well costed and in line with the PAGE.</i> <i>The MoFEA is liaising with the PMO to undertake short-term capacity building programs, with support from the AfDB and the UNDP.</i>	DOB
2	Inefficient budget bilateral negotiations characterized by tactical positioning between MoFEA and spending agencies leading to inaccuracies in expenditure estimates	Improved planning and budgeting [and reporting] by MDAs MTEF implemented in all MDAs by 2013	Introduce MTEF in MDAs Provide training to MDAs to improve their negotiation and presentation skills in the area of fiscal policy.	<i>MTEF has been introduced, but wasn't fully implemented in 2013. It is however envisaged to be piloted to MOTWI and MoFEA in 2015 with plans to roll-out to all MDAs by 2017.</i> <i>In 2013, IMF Consultants conducted a training to improve MDAs' presentation skills in areas of fiscal policy. A two day workshop was also held early March 2014 on MTEF implementation.</i>	DOB, DDP

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
3	Inadequate capacity in Revenue Generating Departments to develop reliable revenue budgets	Increased realistic non tax revenue projections in MDAs	Provide training to MDAs in revenue forecasting and analysis techniques Develop tools enabling MDAs to develop revenue forecasts linked to appropriate bases	<i>The Macroeconomic Policy Analysis Directorate is currently not providing trainings to MDAs. The only one conducted was with the GRA, for the annual revenue estimates.</i> <i>None for now</i>	MPAD
4	Unavailable sector strategies for all budgeting entities	MDAs able to prepare results oriented sector MTEFs, annual budget submissions and work plans with linkages to the PAGE Improved sector level resource allocation	Develop proposals, templates and guidelines for preparation of sector strategies and ministerial policy statements showing budget policy choices clear in terms of results Support sectors without strategic plans to develop costed sector strategic plans Provide for specialized training and capacity building in budget analysis and monitoring and	<i>A guideline (called the “Manual For The Strategic Planning Updating Process”) has been developed to guide in the implementation of the MTEF. However, there are no guidelines for the preparation of policies.</i> <i>A consultant was hired to work with with MoFEA on the PBB. A workshop on PBB was also conducted with key stakeholders invited. However, policies are still required to help guide the process The Planning Directorate is in talks with the UNDP regarding the possibility for further support.</i> <i>MoFEA is liaising with the PMO to undertake short-term capacity building programs, with support from the AfDB and</i>	DDP, DOB

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
			evaluation	<i>the UNDP</i>	
5	Lack of Accurate economic statistics to facilitate the planning, monitoring and evaluation of the PAGE	Improved collection and availability of statistics necessary to effectively carry out poverty and economic analyses	<p>Provide support for GBoS to strengthen critical skills and competencies needed to improve statistical management.</p> <p>Undertake household surveys on a regular basis</p> <p>Build a reliable and sustainable economic statistics database</p>	<p><i>MoFEA assisted the bureau in the recruitment of 11 graduates in 2013. 2 graduate degrees and 9 with bachelors. In 2013, IMF provided training in Ghana for the newly recruited at the National Accounts Unit and Econ Status. The Bureau is also applying for funding at WB to focus on capacity building in area of Statistics.</i></p> <p><i>There is still a challenge in conducting household surveys on a regular basis due to lack of funds. Through the IFMIS additional financing, funds have been provided for the conduct of an economic census in 2013.</i></p> <p><i>A TA has been hired to help develop a statistical system to initiate better programs and in the process, help build capacity in data collection and management.</i></p>	GBoS, DDP
6	Statements of sector strategies for key Departments of Health and Agriculture were prepared	Improved guidelines, data and tools for preparing	Conduct in depth public expenditure reviews and tracking studies in Ministries of	<i>Although resources had been provided by the UNDP, no Public Expenditure Review</i>	DDP, AGD, PFM

	PFM critical issues	Reform goals/outputs	Reform activities	Status of reform activities	Implementing agency
	for PAGE but not fully costed	good quality costed strategic plans in line with PRSP priorities	Health and Agriculture to generate data that will help the two sectors to improve their planning and budgeting	<i>(PER) has been conducted. The last conducted PER was almost a decade ago. However, plans are to conduct a PER in 2015.</i>	
7	Low capacity of the public sector constrains the achievement of what the PAGE requires to be done	Enhanced HR resource base and capacity within MDAs to link sector priorities with fiscal and monetary policies	Provide support for sensitization of MDAs on linkages between fiscal and macroeconomic policies as well as sector and PAGE priorities	<i>There are no coherent plans on the support provided to MDAs. However, sensitizations in the form of training workshops and seminars have been done both in 2013 and 2014. Support is also provided through budget consultative meetings (carried out once a year), and through budget call circulars and budget pre-bilaterals.</i>	DDP MPAD
8	GBMAA (2004) predates the IFMIS system and needs to be updated to recognize the new systems and also to reflect changes to government's banking arrangements	Legal framework for financial management kept up to date	Identify and undertake any necessary legal revisions/refinement in the GBMAA (2004)	<i>The Debt law has been merged with The GBMAA (2004). The act has now been renamed the Public Finance Act (2014).</i>	DNT DOB

4. Effectiveness and Transparency in Tax policy and Revenue Administration

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
1	Auditor General's capacity to undertake his functions is limited. Attrition rates are also high in NAO, which further exacerbates the capacity gaps	External audit strengthened through improved resource base	Provide support to enhance NAO's human resource base Support capacity development and specialized professional development for NAO staff	NAO Staff continue to benefit from a set of capacity building programs funded by the AfDB. Currently, the NAO avails itself with: <ul style="list-style-type: none"> • 2 ACCA qualified accountants • 2 Masters Degree Holders in Audit Management and Public Administration • 10 staff currently at different stages of completing ACCA • 4 Bsc in Accountancy Holders • 11 AAT holders 	NAO
2	Huge backlog of public accounts still exist; the latest FPAC report was issued in 2006 for annual accounts for 1992-1999	Improved accountability in use of public funds Elimination of remaining backlog of audit reports	Provide logistics and support for FPAC to meet (e.g. during their free time/recess) to clear audit report backlog Provide technical assistance for skills improvements in the National Assembly Facilitate benchmarking initiatives (e.g. study trips to countries with effective	<i>The only backlogs as of now are those of 2013 and 2014. The PAC/PEC considers all audit Reports received except for a few. Some entities have still not submitted their accounts to the National Assembly. It should be noted that logistic support is still needed to ensure easy mobility for PAC/PEC members.</i> <i>A Subject Matter Specialist was hired to help the PAC/PEC in considering and analyzing public accounts, those of Public Enterprises, as well as the Auditor General's report.</i> <i>Benchmarking functions are already taking place. There have been a number of exchange programs with regional and non regional parliamentary bodies to learn best practices</i>	National Assembly, NAO

			parliaments as far as scrutiny of audit reports is concerned)	<i>amongst other things. A few of the Members were also privileged to visit Westminster in the UK during the last Assembly. Funding has also been secured to conduct study tours for PAC/PEC Members and committee staff.</i>	
3	Lack of implementation/follow up of recommendations by FPAC	Improved DNT effectiveness and timeliness in following up external audit recommendations Increased capacity in DNT to ensure that financial and budgetary rules and instructions are adequately followed	Provide capacity building support for FPAC, DNT and Research staff of the National Assembly particularly in areas of Monitoring and Evaluation	<i>Yes, some Members of PAC/PEC have had training on Monitoring and Evaluation at the Management Development Institute (MDI) in December 2012. The training program was sponsored by the AfDB's ISP II Project.</i>	National Assembly
4	The National Assembly lacks technical support to properly scrutinize the budget estimates	National Assembly's scrutiny of the budget reports strengthened (in terms of effectiveness, timeliness and follow up)	Provide support for strengthening capacity and mechanisms of the National Assembly in analyzing financial reports Provide technical assistance for skills improvements in the National Assembly/set up a research secretariat or team within the National Assembly to support NAMs in their role of budget audit reports scrutiny Support PFM training for the Research Staff of the National	<i>Two training workshops have been done with Pro-PAG on the scrutiny of budget policy analysis and the budget of key priority sectors.</i> <i>As previously mentioned, a Technical Assistant has been hired to help NAMs in audit scrutiny. Research Team not yet functional, A Research Secretariat headed by a Director has been set up; There is a Committee's Secretariat that supports NAMs in providing them with information on their respective roles.</i> <i>PFM training for the Research Staff and Committee Secretariat has not yet been done.</i>	National Assembly, DOB

			<p>Assembly to facilitate the work of the FPAC</p> <p>Provide for specialized training and capacity building in budget analysis and monitoring and evaluation for Research Staff at the National Assembly (e.g. through PROPAG)</p>	<p><i>However, PFM training for NAMs has been carried out (sponsored by the AfDB) carried out.</i></p> <p><i>Yes, Pro-PAG has been working with the National Assembly in building their capacity on budget related issues since its inception.</i></p>	
5	Independence of NAO needs to be strengthened	<p>External audit strengthened through enhanced independence</p> <p>Create an environment that facilitates NAO to operate efficiently and independently, and recruit, retain and motivate suitable staff</p>	<p>Support for preparation and enactment of the new audit law to take into account NAO's independence</p> <p>Provide physical infrastructure for NAO office accommodation to ensure physical independence</p>	<p><i>Support was provided by consultants from the UK NAO who were on the ground to support the NAO in the audit of GoTG financial statements.</i></p> <p><i>The Physical independence of NAO through the provision of an office accommodation forms part of a set of PFM Reforms. The proposed new NAO office site that was already secured has been confirmed as small and not able to accommodate all personnel and other related matters. There are plans to secure another site that is more accommodating.</i></p>	NAO

5. Predictability and Control in Budget Execution

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
1	MDAs are not involved in the decision making	Improved budget predictability and quality of commitment and expenditure controls	Establish systems for MDAs to systematically provide credible expenditure plans	<i>Program Based Budgeting (PBB) has been piloted to both MoFEA and MOTWI and Capacity building exercises in the areas of</i>	DOB, AGD, GPPA

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
	process of cash allocations			<i>Planning and Budgeting for MDAs have been done.</i>	
2	There is insufficient evidence of linkage of the cash plans with procurement plans	Strengthened cash flow management	Develop tools enabling MDAs to develop cash flow forecasts linked to budgets and procurement plans Provide training to MDAs to improve preparation and implementation of procurement plans	<i>Cash plans and procurement plans have been introduced to help in cash and cash flow management.</i> <i>GPPA has been working with MDAs to build capacity on the preparation and implementation of procurement plans. However, MoFEA, needs to take a lead role in ensuring that MDAs submit their cash and procurement plans on a timely basis.</i>	GPPA, DOB, AGD, PFM
3	Non-tax revenues collected but not immediately remitted to the and CBG	Improved budget predictability and revenue reconciliation	Provide for adequate capacity within AGD to strengthen the inspectorate function	<i>The sub-treasuries now have both operation and revenue accounts with commercial banks, hence; all collected revenues are lodged into these accounts and later remitted to the Consolidated Revenue Fund (CRF) at the CBG.</i>	AGD, PFM
4	MoFEA/CBG maintains data of debt at central government but it is incomplete since debt by Public Enterprises and LGs is not included Government is at high risk of debt distress based on external debt burden indicators	Improved debt management Effective recording and management of debt Consistency between fiscal forecasts and debt sustainability Enhanced capacity for revision of the debt portfolio to reflect government priorities and implement plan for reduction of debt	Develop skills to maximize the capability of MoFEA staff to manage the existing debt management software and ensure the production of information on liabilities necessary for decision-making Strengthen MPAD and DMO analytical skills to improve debt analysis and management	<i>Extensive training was received on managing the debt management software under the ISPEFG (project funded by the AfDB), there was TA on ground, building capacity on the CS-DRMS for the DLDM at MoFEA. More staff have also been recruited.</i> <i>More staff have been trained and the recently conducted Debt Sustainability Analysis (DSA) in 2014 is proof of the level of improvement registered; staff are also</i>	DLDM, MPAD, CBG

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
			<p>Finalize debt management strategy and the revision of Gambia's debt portfolio to reflect government priorities</p> <p>Implement debt strategy/plan for tracking of loans and reduction of debt</p> <p>Undertake a full domestic debt validation exercise aimed at clearly identifying and registering all domestic debt obligations and contingent liabilities at all levels</p>	<p><i>currently engaged in online courses on debt management.</i></p> <p><i>The Debt Management Strategy has been reviewed and drafted, awaiting validation.</i></p> <p><i>The Medium Term Debt Strategy (MTDS) 2011-2014 has been implemented; the CS-DRMS also helps in tracking loans; a debt advisory committee has been created to provide technical advice to the PS MoFEA.</i></p> <p><i>A domestic Debt Database has been built into the CS-DRMS to help in the registration and identification of debt and all contingent liabilities. However, no reconciliation has been done in terms of debt data.</i></p>	
5	Payroll audit not done comprehensively	<p>Improved effectiveness of payroll controls</p> <p>Improved integrity of payrolls</p>	<p>Finalize integration of payroll with IFMIS</p> <p>Implement improved/automated systems for personnel and payroll management</p>	<p><i>Nas.net (HR Module) has not been integrated into the IFMIS</i></p> <p><i>A payroll audit was conducted (in 2012) jointly between DNT and PMO and findings showed that around 800 ghost workers were on Government payroll.</i></p>	AGD, PMO

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
			Provide support to PMO to train/support MDAs to use automated payroll/personnel systems (Nas.net)	<i>No trainings have been done yet to this effect.</i>	
6	Before implementation of Nas.net, PMO used to regularly receive payroll printouts from AGD for analytic review and assessment of vacant posts; however these reports are now infrequent.	Enhanced capacity of PMO to provide timely and accurate HR information (<i>for improved HR management decision making</i>)	Provide support to PMO to build capacity in IT (which will enable PMO to access payroll information online) instead of depending on printouts	<i>No Capacity Building yet, lack of funding is impeding the process.</i>	AGD, PMO
7	A functioning IAD to provide assurance that internal controls are working as intended is absent	Effectiveness of the internal audit function Operationalisation of the Internal Audit Unit	Implementation of internal audit strategy and training of staff of the IAU and support for their professional development	<i>The internal audit charter has been implemented since 2010; a new internal audit charter has been incorporated into the new Public Finance Act which has been passed and assented to by the President; the Internal Audit manual has been completed, printed, circulated and is now being implemented. Staff members have also embarked on various capacity building exercises both short and long term, including short term professional courses at the MDI, the IIA and study tours to learn best practices.</i>	MoFEA (IAD)

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
			<p>Finalize and implement internal audit strategy (by January 2010?)</p> <p>Arrange audit training for internal audit staff including auditing in a computerized environment</p> <p>Provide transport and logistics for internal audit unit</p> <p>Provide ICT equipment for internal auditors</p> <p>Develop and implement a plan for the proposed internal audit manual</p>	<p><i>The Internal Audit Strategy has been finalized and is being implemented. A new strategic plan (2015-2019) has been drafted.</i></p> <p><i>Staff and professional development is being supported by the AfDB. Some staff are currently engaged in accounting and audit related courses; a TA was also provided to the directorate from June 2012-2014. However, trainings in computerized environments have not been done, although this is part of the Directorate's mandate.</i></p> <p><i>Two new vehicles were recently provided to the Directorate (by MoFEA) to further facilitate their work.</i></p> <p><i>Laptops, computers and other computer accessories have been provided</i></p> <p><i>Internal audit manual in place</i></p>	
7	Awareness of the provisions in the	Improved PFM practices related to control, integrity, reporting	Provide support for sensitization of government staff (both	<i>The GBMAA (2004) has been merged with the New Debt Law. The result is a new Act,</i>	AGD, DOB, PFM

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
	GBMA Act 2004 and the financial instructions is limited mainly to staff in DNT	and accountability within government	existing and new staff) about the GBMAA Explore options for introducing GBMAA modules in the MDI induction curriculum for new government staff	<i>called the Public Finance Act (2014).</i> <i>Modules pertaining to financial accountability, control and the Financial Instructions are introduced as part of the Civil Servant induction course at the MDI</i>	
8	Public sector internal audit in The Gambia is not sufficiently elaborated in the GBMA Act 2004	Effective internal audit	Examine options for revising GBMAA (2004) to elaborate internal audit aspects in the law	<i>Internal Audit issues have now been incorporated into the new Public Finance Act (2014).</i>	AGD, DOB, PFM

6. Accounting, Recording and Reporting

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
1	Local Councils are yet to be given responsibility for direct service delivery	Strengthened LG PFM capacity Improved LG financial reporting and accounting	Introduce improved PFM systems in Local Councils (<i>e.g. introduce simple spreadsheet-based accounting systems</i>) Enforce timeliness of LG financial reporting; also improve quality of LG final accounts Improve the availability of information on resources		AGD, Ministry of Local Government

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
			transferred to service delivery units within Local Councils (in year budget reports focusing on LGs)		
2	Absence of expenditure tracking exercise or survey to ascertain whether resources have been delivered to service delivery centers	Increased financial and physical accountability in the use of public resources	Conduct in depth public expenditure reviews periodically	<i>A Public Expenditure Review was carried out in November 2010 by the World Bank; although resources had been provided by the UNDP, no Public Expenditure Review (PER) has been conducted by the government itself. The last conducted PER was almost a decade ago.</i>	DDP, DOB, PFM
3	Weak accounting practices such as non compliance with financial regulations, lack of supporting records and documentation due to poor record keeping and accounting	Strengthened capacity of AGD's and MoFEA's Registries to maintain government records in packages that meet stakeholder needs Automated record of the AGD and MoFEA Registry	Provide logistics for construction of adequate storage facilities for AGD Automate the AGD and MoFEA registries Provide support for training of AGD and MoFEA registry staff in automated record keeping techniques	<i>A piece of land has been acquired for data storage and is expected to be ready by February 2015.</i> <i>Automation of the Government's records/registries forms part of a comprehensive civil service reform agenda in which MoFEA/AGD's registries form an integral part.</i> <i>There is no training yet to this effect</i>	AGD, MoFEA Registry
4	Government does not have a national accounting reporting standard	Introduction of IPSAS by end of 2009	Disseminate international public sector accounting standards and facilitate implementation	<i>Cash based IPSAS has been introduced since 2007 but it is not fully implemented. Current procedures are fully compliant with part 1 of the IPSAS, but partially compliant with part 2.</i>	DNT

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
			Train staff in the application of international public sector accounting standards	<i>Training on how to use the IPSAS is an ongoing process. IPSAS training materials are also being made available to AGD staff</i>	
5	Current AGD accommodation is overcrowded and the Auditor General has raised concerns over the safety and security of critical data	Improved safety and security of financial data at MoFEA	Mobilize resources to provide/construct secure office accommodation for MoFEA	<i>Storage site to safeguard financial data has been identified, equipped and used by AGD to store financial data. Negotiations for the construction of a new office building for MoFEA/DNT ongoing</i>	MoFEA

7. External Scrutiny and Audit

	PFM critical issues	Reform goals/outputs	Reform activities	Status	Implementing agency
1	Auditor General's capacity to undertake his functions is limited. Attrition rates are also high in NAO, which further exacerbates the capacity gaps	External audit strengthened through improved resource base	Provide support to enhance NAO's human resource base Support capacity development and specialized professional development for NAO staff	NAO Staff continue to benefit from a set of capacity building programs funded by the AfDB. Currently, the NAO avails itself with: <ul style="list-style-type: none"> • 2 ACCA qualified accountants • 2 Masters Degree Holders in Audit Management and Public Administration • 10 staff currently at different stages of completing ACCA • 4 Bsc in Accountancy Holders • 11 AAT holders 	NAO
2	Huge backlog of public	Improved	Provide logistics and support	<i>The only backlogs as of now are those of 2013</i>	National

	accounts still exist; the latest FPAC report was issued in 2006 for annual accounts for 1992-1999	<p>accountability in use of public funds</p> <p>Elimination of remaining backlog of audit reports</p>	<p>for FPAC to meet (e.g. during their free time/recess) to clear audit report backlog</p> <p>Provide technical assistance for skills improvements in the National Assembly</p> <p>Facilitate benchmarking initiatives (e.g. study trips to countries with effective parliaments as far as scrutiny of audit reports is concerned)</p>	<p><i>and 2014. The PAC/PEC considers all audit Reports received except for a few. Some entities have still not submitted their accounts to the National Assembly. It should be noted that logistic support is still needed to ensure easy mobility for PAC/PEC members.</i></p> <p><i>A Subject Matter Specialist was hired to help the PAC/PEC in considering and analyzing public accounts, those of Public Enterprises, as well as the Auditor General's report.</i></p> <p><i>Benchmarking functions are already taking place. There have been a number of exchange programs with regional and non regional parliamentary bodies to learn best practices amongst other things. A few of the Members were also privileged to visit Westminster in the UK during the last Assembly. Funding has also been secured to conduct study tours for PAC/PEC Members and committee staff.</i></p>	Assembly, NAO
3	Lack of implementation/follow up on recommendations made by FPAC	<p>Improved DNT effectiveness and timeliness in following up external audit recommendations</p> <p>Increased capacity in DNT to ensure that financial and budgetary rules and instructions are</p>	Provide capacity building support for FPAC, DNT and Research staff of the National Assembly particularly in areas of Monitoring and Evaluation	<p><i>Yes, some Members of PAC/PEC have had training on Monitoring and Evaluation at the Management Development Institute (MDI) in December 2012. The training program was sponsored by the AfDB's ISP II Project.</i></p>	National Assembly

		adequately followed			
4	The National Assembly lacks technical support to properly scrutinize the budget estimates	National Assembly's scrutiny of the budget reports strengthened (in terms of effectiveness, timeliness and follow up)	<p>Provide support for strengthening capacity and mechanisms of the National Assembly in analyzing financial reports</p> <p>Provide technical assistance for skills improvements in the National Assembly/set up a research secretariat or team within the National Assembly to support NAMs in their role of budget audit reports scrutiny</p> <p>Support PFM training for the Research Staff of the National Assembly to facilitate the work of the FPAC</p> <p>Provide for specialized training and capacity building in budget analysis and monitoring and evaluation for Research Staff at the National Assembly (e.g. through PROPAG)</p>	<p><i>Two training workshops have been done with Pro-PAG on the scrutiny of budget policy analysis and the budget of key priority sectors.</i></p> <p><i>As previously mentioned, a Technical Assistant has been hired to help NAMs in audit scrutiny. Research Team not yet functional, A Research Secretariat headed by a Director has been set up; There is a Committee's Secretariat that supports NAMs in providing them with information on their respective roles.</i></p> <p><i>PFM training for the Research Staff and Committee Secretariat has not yet been done. However, PFM training for NAMs has been carried out (sponsored by the AfDB) carried out.</i></p> <p><i>Yes, Pro-PAG has been working with the National Assembly in building their capacity on budget related issues since its inception.</i></p>	National Assembly, DOB
5	Independence of NAO needs to be strengthened	External audit strengthened through enhanced independence	Support for preparation and enactment of the new audit law to take into account NAO's independence	<i>Support was provided by consultants from the UK NAO who were on the ground to support the NAO in the audit of GoTG financial statements.</i>	NAO

		Create an environment that facilitates NAO to operate efficiently and independently, and recruit, retain and motivate suitable staff	Provide physical infrastructure for NAO office accommodation to ensure physical independence	<i>The Physical independence of NAO through the provision of an office accommodation forms part of a set of PFM Reforms. The proposed new NAO office site that was already secured has been confirmed as small and not able to accommodate all personnel and other related matters. There are plans to secure another site that is more accommodating.</i>	
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3. NEW PFM REFORMS

3.1 Vision of PFM Reforms

Ensure a better Public Financial Management through the strategic allocation of resources, aggregate fiscal discipline and the efficient utilization of resources.

3.2 PFM Reforms

This section focuses on the issues that need to be addressed or are yet to be addressed from the previous strategy.

Issue	Objective	Activity	Verifiable Indicator	Responsible Agency
1.Budget Credibility				
i. High variations between actual and budgeted expenditures (31.4% in 2013 as opposed to 4.7% in 2011)	1. Lower variations between budgeted and actual expenditure 2. Strategic allocation of resources 3. Aggregate fiscal discipline	1. Hold consultation with sectors to align their budgets with the national development plan 2. Roll-out MTEF/PBB by 2017 3. Strengthen Legal framework to ensure that the Supplementary Appropriation Bill is minimal 4. MDAs should develop and conform with the approved annual procurement plans	1. Minutes of meetings/consultations 2. Number of meetings held in the year 3. 5% variation between budgeted and actual expenditure 4. Annual procurement plans submitted to the GPPA 5. Monthly Expenditure Briefs	MDAs, MoFEA (DOB,DDP)

		5. MDAs to conduct mid-term budget reviews	6. Number of MDAs conducting mid-term budget reviews	
ii. Improvements are needed in the management and collection of Non-tax revenues (NTR) administered by MDAs	1. Improved NTR collection and management framework	<p>1. <i>Capacity building</i>-Provide training to MDAs to strengthen administrative procedures</p> <p>2. <i>Compliance</i> –Education and law enforcement mechanisms through site visits</p> <p>3. Review NTR rates</p>	<p>1. Number of tax payers sensitization programs conducted</p> <p>2. Number of People trained</p> <p>3. Proportion of NTR in overall revenue collected</p> <p>4. Number of site visits conducted</p> <p>5. Number of NTR rates revised</p>	GRA, MoFEA, AGD, IAD
iii. Need to Strengthen medium-term fiscal and budgetary frameworks to improve investment planning and coordination across all levels of government	1. Protect investment spending against fiscal pressures in the near term, and make investment flows less pro-cyclical and more fiscally sustainable in the longer term	<p>1. Use structural balance limits or investment floors backed by adherence to NDB targets</p> <p>2. Sharing investment plans and providing subnational governments with greater</p>	<p>1. Capital expenditure as a percentage of GDP</p> <p>2. Number of Local Councils with investment plans</p> <p>3. Number of PPP contracts entered into by</p>	MoFEA (MPAD, DOB, DPPP, DDP), PEs

		<p>multi-year certainty about capital transfers from central government</p> <p>3. Provide adequate financial support to local Governments</p>	<p>Local Councils</p> <p>4. Investment plans issued by central government</p> <p>5. Statutory grants received from the Ministry</p>	
<p>iv. Lack of a proper system of commitment control has led to accumulation of significant arrears</p> <p><i>(Which are not systematically monitored and remain unreported leaving the stock of arrears unknown)</i></p>	<p>1. Proper Commitment controls to establish and manage the stock of arrears</p>	<p>1. Establish a database for the recording and verification of the stock of arrears</p> <p>2. Gradual move from cash accounting to accrual accounting</p> <p>3. Sensitisation of Vote controllers and accountants</p>	<p>1. Stock of accumulated arrears</p> <p>2. Adoption of accrual accounting</p> <p>3. Procurement plans/reports</p> <p>4. Number of vote controllers/ accountants sensitized</p>	AGD, GPPA, MDAs
<p>v. Revenue forecasting is weak. Improvements needed in revenue forecasting.</p>	<p>1. Strengthened capacity in revenue forecasting</p>	<p>1. Capacity building initiatives in revenue forecasting</p> <p>2. Introduce new forecasting tools and techniques</p>	<p>1. Number of people trained in revenue forecasting</p> <p>2. Number of revenue forecast reports generated</p>	GRA, MoFEA (MPAD)

vi. Effectiveness and transparency in tax policy and revenue administration	<ul style="list-style-type: none"> 1. Improvement in Tax policy and Revenue Administration 2. Modernized tax system 3. Harmonization of the tax system 4. Broadened tax base 5. Adequate resources for revenue administration 	<ul style="list-style-type: none"> 1. Updating the existing tax laws in line with the tax policy 2. Establish a process for annual review and amendment of the revenue laws 3. Continuous upgrade of the ICT system 4. Government policy and commitment to streamline taxes 5. Capacity building for legal and enforcement staff 6. Conduct a comprehensive study to identify new and potential areas for taxation 7. Draft corresponding legislation 8. Increase resource envelope given by MoFEA 	<ul style="list-style-type: none"> 1. Reviewed and updated domestic tax laws 2. Number of amended tax laws 3. Developed ICT policy and strategy 4. ASYCUDA WORLD implemented and deployed and GAMDAXNET 3.0 Operationalized to (in) all relevant offices 5. Interfaced GRA IT systems, and the GRA and IFMIS systems 6. Drafted legislation 	GRA, MoFEA
vii. Low compliance of PEs with tax laws	1. Strengthen Government's oversight of the PE sector including performance	1. Develop implementable compliance and enforcement strategies to ensure financial	1. Timely publication of PEs' annual financial reports and DPPP's	MoFEA (DPPP, DLDM), PEs, GRA

	<p>monitoring and financial information</p> <p>2.Improve the financial and operational performance at the level of selected individual PEs</p>	<p>discipline in relation to payments of taxes and arrears</p> <p>2.Strengthen PE corporate governance through legal and regulatory reforms and professionalizing the PEs' boards of directors</p> <p>3.Quantification of Government's contingent liabilities for the PEs and their inclusion in the budget</p> <p>4.Develop a fiscal risk assessment methodology, and design and implementation of measures to reduce the Government's risk exposure to the sector</p>	<p>performance report on PEs at MoFEA's external website</p> <p>2. Submitted audited financial statements of PEs</p> <p>3.IFMIS reports produced based on reliable data on all commitments, payments, and arrears</p>	
viii. Inadequate coordination of the National Statistical System (NSS) for the production of integrated quality information	1. Production of consistent economic data across all levels	1. National Statistical Systems to harmonize statistical data production methodologies, concepts and definitions in line with international and regional standards	<p>1. Completed NSDS II</p> <p>2. Number of people trained on statistics</p>	GBoS, MDAs, MoFEA, CBG

		<p>2. Finalize and implement the NSDS II</p> <p>3. Enhance human and material capacity of the NSS for efficient delivery of functions and responsibilities.</p>		
ix. Contingency expenditures need to be clearly defined	1. Ensure miscellaneous budget line remains at 2% of budget and classify all expenditures to their appropriate budget line	<p>1. Use contingencies for only contingent related matters</p> <p>2. Clearly define contingencies</p> <p>3. Create awareness</p>	1. Financial regulations (FI) with contingencies clearly defined	MoFEA (DOB), AGD, MDAs
2.Comprehensiveness and transparency				
i. The MTEF segment of the Chart of Accounts is not utilized	1. Utilize the MTEF segment of the CoA	1. Pilot MDAs to submit and execute their MTEF compliant budgets	1. Number of MDAs using the MTEF CoA	MDAs, MoFEA (DOB), AGD
ii. Reporting on donor funds, and more generally on extra-budgetary operations, remains unsatisfactory; actual	1. Regular up-to-date and consolidated reports on donor funds	<p>1. Produce bi-annual Aid Bulletins</p> <p>2. Production of project</p>	1. Number of periodic reports produced and	MoFEA (DAC, DLDM), AGD

expenses of donor disbursements are not included in the IFMIS reports		briefs 3. Projects and donors to submit quarterly reports on disbursements to DAC 3. Project Managers' Forum 4. Extension of the IFMIS to all projects	submitted 2. Number of forums organized 3. Number of self-accounting projects using the IFMIS	
iii. A full set of financial statements, for inclusion or disclosure into government accounts, is not produced by any of the councils	1. Councils to produce these (full sets of) financial statements for audit	1. Institutional Assessment of local councils to identify capacity gaps 2. Capacity building of local governments/Councils to produce financial statements 3. Introduce automated accounting system in Local Councils 4. Production of financial reports by Councils as required by the Memorandum	1. Number of people trained 2. Number of financial statements produced	MOLRG, AGD
iv. There is an apparent need to create a comprehensive register of	1. To create a comprehensive register of	1. Establish a project registry 2. Coordinate the efforts of	1. Register produced 2. Number of capital	MoFEA (DLDM, DAC, DPPP)

all capital projects and other development projects	all projects	various stakeholders	projects recorded in the register	
v. There is need to enhance capacity of local governments (Councils) in planning and budgeting to avoid delays in the submission of budgets	1. Enhance capacity of local governments in planning and budgeting	1. Capacity building of local councils 2. Timely submission of reports	1. Number of people trained 2. Number of reports (on financial statements) produced or time of submission of budgets to MOLRG	MoFEA, Local Councils
vi. Only a few PE's submit their fiscal reports to MoFEA	Increase transparency and accountability thereby improving corporate governance and financial discipline	1. Develop a standardized reporting mechanism on PE operational and financial performance to ensure full disclosure of PE finances (e.g IFRS standards) 2. Improve transparency and disclosure of PE finances	1. Number of Audited financial statements prepared and published by PEs in accordance with provisions of Law on PE and new Laws on Accounting and Auditing, for PEs	MoFEA (DPPP), PEs
vii. Explanation of budget implications of new policy initiatives, with estimates of the budgetary impact of all major revenue policy changes and/or some major changes to	1. Create better understanding for the general public	1. Make the citizen's budget more elaborative and engaging, by using the existing structures	1. Simplified citizen's budget 2. Level of definition of policy statements in the citizen's budget	MoFEA (DOB)

expenditure programs are not explained in the budget speech				
viii. Lack of clear distinction between public enterprises and subvented agencies	1. Differentiate between subvented agencies and public enterprises	1. Establish clear definitions in the PE policy 2. Review the existing mandates of PEs and subvented agencies so as to eliminate any overlap	1. Sections of the mandates where the definitions are stated 2. Reviewed PE Act of 1990	MoFEA (DPPP), MDAs
ix. Revenues and expenditure operations from Funds (e.g. the SDF) are not reported in the approved budget (<i>Unreported government operations were estimated to be 2.25% of government expenditure in 2013</i>).	1. Lower and eventually eliminate unreported government operations	1. Have funds submit quarterly operational reports to their line ministries and MoFEA	Number quarterly reports submitted	SDF and other Funds, Line agencies (MDAs)
x. Low fiscal oversight on Public Enterprises as most of them are making losses	1. Improve the efficiency, operational performance and profitability of Public Enterprises	1. Initiate Public Enterprise reforms 2. MoFEA to establish performance contracts with PEs	1. Drafted policies and strategies on PE reforms 2. Number of PEs with performance contracts	MoFEA (DPPP), Line Ministries
xi. The public is not sufficiently aware of what information it can have	1. Timely dissemination of information on financial statements and	1. Publish Newsletters 2. Develop websites	1. Numbers of newsletters published 2. Number of operational	PEs, Line Ministries, MDAs

access to, and of its rights in terms of access	performance statements to the public		websites 3.Number of updated websites	
3.Budget Cycle				
i. Inefficient budget preparation	1. Efficient budget preparation process	1. Review of the internal controls and risk management processes during the budget cycle 2. Revitalisation of budget committees in all MDAs 3. Early engagement of respective MDA's Budget Committees 4. Ensure implementation of the PBB and MTEF in all MDAs by end 2017 5.Timely issue of Budget Call Circular	1. Report on the review of the internal controls and risk management processes of the budget cycle 2. Issue BFP by March 31 st – (BFP for verification) 3. Issue BCC by April 30 th – (BCC for verification) 4. Commence Budget Bilateral Meetings 1 st June – (minutes of meetings of budget bilaterals) 5. Issue first draft of	MoFEA (DOB, PFM, IAD) MDAs

			<p>Budget estimates by October 31st – (Draft Budget estimates for verification)</p> <p>5. Number of Staff trained on MTEF and PBB</p> <p>6. Number of sectors preparing PBB</p>	
ii. Inadequate capacity in Revenue Generating Departments to develop reliable revenue budgets based on macroeconomic fundamentals	1. Generate accurate and reliable revenue forecasts	<p>1. Building capacity of planners and economists in macroeconomic forecasting</p> <p>2. Provision of statistical and forecasting tools</p>	1. Number of periodic revenue forecast reports submitted	MoFEA (DDP, DOB), GRA, Ministry of Justice, other revenue generating MDAs
iii. Unavailability of sector strategic plans for some MDA's	1. Ensure the availability of sector strategic plans for all MDA's by end 2016	<p>1. Develop proposals, templates and guidelines for preparation of sector strategies and ministerial policy statements showing budget policy choices clearly in terms of results</p> <p>2. Support sectors without strategic plans to develop and complete costed sector strategic plans</p>	1. Number of completed sector strategic plans	MoFEA (DDP, PFM, DOB)

		3. Provide for specialized training in budget analysis and monitoring and evaluation		
iv. Unreliable economic statistics for planning, monitoring and evaluation of the National Development Policy (NDP) document	1. Ensure the availability of reliable economic data to guide the development process	1. Provide support for GBoS to strengthen critical skills and competencies needed to improve statistical management 2. Undertake household surveys on a regular basis 3. Build a reliable and sustainable economic statistics database	1. Integrated Household Survey (ISH) Reports 2. An up-to-date Economic Statistics Database 3. Number of trainings on statistical management conducted	MoFEA (DDP), GBoS
v. Low human capacity of the public sector for the achievement of the national policy document (NDP)	1. Enhance HR resources and increase incentives for public sector staff retention	1. Provide support for capacity building 2. Realign the functions of civil servants to the scheme of service of their respective cadres 3. Develop and implement a comprehensive scheme of service across all cadres of the civil service	1. Number of sensitization campaigns on schemes of service 2. Number of schemes of service developed and implemented	PMO, MDAs
vi. Low level of awareness of Public Finance laws and regulations	1. Create awareness on all public finance laws and regulations	1. Provide training for public officials 2. Develop a training manual	1. Number of sensitization programs conducted	MoFEA (PFM, DOB) NAO, AGD, IAD, GPPA, GRA

		on the public finance laws & regulations for public servants	2. Number of people trained on relevant legislation	
4.Effectiveness and Transparency in Tax policy and Revenue Administration				
i. Limitations in the current IT tax system (ASYCUDA and GAMTAXNET) and a need to modernize and harmonize the systems	1. Modernized tax system	<p>1. Review the Customs Law and align to International Customs Conventions in preparation for implementation of ASYCUDA World</p> <p>2. Develop, review & update standardized and modernized procedures & processes</p> <p>3. Conduct facilities and infrastructure review</p>	<p>1. ASYCUDA WORLD implemented and deployed</p> <p>2. Operational manuals developed for GRA programs</p> <p>3. Site visit reports</p>	GRA, MoFEA, MOTIE
ii. Lack of comprehensive sharing of third party information with tax authority	<p>1. Increased transparency in the tax system</p> <p>2. Increased dissemination and sharing of information</p>	<p>1. Develop risk profiles for the different taxpayer segments</p> <p>2. Enter into memoranda of understanding with other agencies on sharing of</p>	<p>1. Risk profile reports</p> <p>2. Number of MOUs signed</p>	GRA, AGD, Relevant Agencies

		information		
iii. Inadequate understanding of VAT	1. More awareness on the VAT and other tax legislations	1. Intensify tax education programs 2. Develop sensitization strategies using print and electronic media	1. Number of tax payer education programs 2. Comprehensive tax payer education strategy	GRA
iv. Tax legislations are also not fully enforced (in practice)	1. Optimize compliance with statutory revenue and non-revenue measures	1. Develop and implement a compliance improvement strategy 2. Review and strengthen risk-based tax audit and PCA (Post Clearance Audits) programs	1. Copies of Compliance strategy developed 2. Number of risk-based tax audits done 3. Number of risk-based audit reports	GRA, MoFEA
v. Rising tax arrears from PEs	1. Reduce and/or eliminate PE tax arrears	1. Reconciliation of tax arrears 2. Implement recommendations from the PE sector diagnostic study 3. Establish a comprehensive PE database 4. Formulate annual tax agreements between GRA	1. GRA Tax reports 2. Progress reports 3. Functioning database 4. Number of PE's with zero tax arrears	GRA, MoFEA (DPPP, MPAD, PFM), PEs

		and PE's		
5.Predictability and Control in Budget Execution				
i. There is insufficient evidence of the linkage between sector cash plans and procurement plans	<p>1. Ensure Sector cash plans are based on their procurement plans</p> <p>2. Strengthened cash flow management</p> <p>3. Strengthened linkage between cash plans and procurement plans</p>	<p>1. Sectors to prepare sector plans in accordance with their approved budgets</p> <p>2. Sectors to carry out periodic reviews and update of procurement plans</p> <p>3. Provide training to MDAs to improve preparation and implementation of procurement plans</p> <p>4. GPPA to ensure MDAs' timely submission of procurement plans</p>	<p>1. Number of sector cash plans prepared based on sector procurement plans</p> <p>2. Level of harmonization of sector cash and procurement plans</p>	MDAs, GPPA, MoFEA (DDP, DOB, PFM, DPP)
ii. Incomplete data on publicly guaranteed debt (including those of PEs and local governments) and a limited interface between CS-DRMS and IFMIS	1. A comprehensive debt management system that covers both public and publicly guaranteed debt	<p>1. Upgrade the existing CS-DRMS system</p> <p>2. Populate the CS-DRMS system with data on public and publicly guaranteed debt</p> <p>3. Upgrade and train staff on the use of the new version of</p>	<p>1. Comprehensive debt reports</p> <p>2. Reports on the proportion of debt data that is publicly guaranteed debt</p>	MoFEA (DLDM), CBG

		<p>the CS-DRMS system</p> <p>4. Develop an interface between the CS-DRMS and IFMIS</p> <p>5. Undertake a full domestic debt validation exercise aimed at clearly identifying and registering all domestic debt obligations and contingent liabilities at all levels</p>	<p>3. Copy of the revised debt portfolio</p> <p>4. Annual or Quarterly debt reports</p> <p>5. Number of debt strategies/plans for tracking of loans and reduction of debt available</p>	
iii. Government is at high risk of debt distress	1. Maintaining a sustainable debt level based on the debt sustainability indicators	<p>1. Implement Program Based Budgeting (PBB)</p> <p>2. Implementation of the national debt strategy</p> <p>3. Inclusion of a debt limit in the national debt strategy</p> <p>4. Develop and implement an annual borrowing plan</p> <p>5. Strengthen the liquidity forecasting committee</p>	<p>1. Annual Debt Bulletin</p> <p>2. Submission of progress reports</p> <p>3. Results of the annual debt sustainability analysis</p> <p>4. Debt to GDP ratio</p> <p>5. Debt to export ratio</p> <p>6. Debt to revenue ratio</p> <p>7. Debt service to export</p>	MoFEA (MPAD, DLDM)

			ratio	
			8. Debt service to revenue ratio	
iv. Lack of a comprehensive and frequent payroll audit	1. Eliminate ghost workers in the public sector and improve effectiveness/integrity of payroll controls	1. Perform annual staff audit 2. Periodic comparison of payroll against the authorized complement (details of establishment)	1. Annual staff audit reports 2. Number of ghost workers detected and eliminated in the civil service 3. Number of payroll audit reports	PMO, AGD, IAD, MDAs
v. Non integration of HR and payroll	1. A fully integrated HR and Payroll system in place	1. Procurement of an HR module 2. Validation of HR and payroll data 3. Build the capacity of PMO staff on HRM 4. Operationalization of the system (HR) 5. Reconstitute the HR Work-Group 6. Finalize integration of payroll with PMIS/Nas.DNA	1. Number of activity reports 2. Number of IFMIS reports that include both HR and payroll data	PMO, MoFEA (AGD, GRA)

		<p>7. Implement improved or automated systems for personnel and payroll management</p> <p>8. Provide support to PMO to train/support MDAs to use automated payroll/personnel systems (Nas.net)</p>		
vi. Inadequate capacity in the Internal Audit Directorate	<p>1. Strengthened internal audit functions in place in all MDAs</p> <p>2. Strengthened capacity of the internal audit cadre</p>	<p>1. Roll-out internal audit functions to all MDAs by end 2017</p> <p>2. Hiring of qualified internal auditors to cover all MDAs</p> <p>3. Functional internal audit processes within MDAs</p> <p>4. Training of Internal Auditors to attain CCIA qualifications</p>	<p>1. Number of internal audit reports produced by MDAs</p> <p>2. Number of MDAs with qualified internal auditors.</p> <p>3. Functional internal audit processes in all MDA's</p> <p>4. Number of internal auditors who attain the CCIA</p>	MoFEA, IAD
vii. Weak predictability in the availability of funds for commitment of expenditures	1. Increase certainty in funds transferred to MDAs	<p>1. Ensure sectors submit credible sector strategic plans linked to priorities</p> <p>2. Ensure MDAs prepare</p>	<p>1. Number of MDAs with costed strategic plans</p> <p>2. Budgets submitted in</p>	MoFEA (DDP, DOB, AGD), MDAs

		<p>their budgets with due regard to the PBB and MTEF</p> <p>3. Preparation and submission of cash plans</p>	<p>the medium-term that are in accordance with MTEF/PBB templates</p> <p>3. Number of quarterly cash plans submitted</p>	
viii. Weak controls in procurement	1. Strengthen capacity of the GPPA, Directorate of Procurement and procurement officers as well as procurement functions	<p>1. Ensure compliance with GPPA regulations through review of quarterly procurement plans</p> <p>2. Ensure submission of procurement plans on a timely basis (with penalties for negligence)</p> <p>3. Conduct regular procurement audits</p>	<p>1. Number of procurement plans submitted</p> <p>2. Audit reports on procurement</p>	GPPA, IAD, DPP
6.Accounting, Recording and Reporting				
i. Weak Public Financial Management systems in local councils	1. Strengthened PFM capacity in Local Councils	<p>1. Introduce improved PFM systems in Local Councils</p> <p>2. Enforce timeliness of LGA financial reporting</p>	<p>1. Local Council Annual Activity and Financial reports</p> <p>2. Number of LGAs that are providing timely and</p>	Local councils, MOLRG, MoFEA, NAO

		<p>3. Improve quality of LGA final accounts</p> <p>4. Intensify scrutiny of financial activities for Local Councils</p>	<p>accurate financial reports</p> <p>3. Number of LGAs adopting modern accounting and financial reporting standards</p>	
ii. Absence of expenditure tracking exercise or survey to ascertain whether resources have been delivered to service delivery centers	1. Increased financial and physical accountability in the use of public resources	<p>1. Introduce and implement public expenditure tracking systems in key sectors</p> <p>2. Strengthen and support the existing citizen's budgeting process</p>	<p>1. Number of MDAs that are conducting annual Public Expenditure reviews (PER)</p> <p>2. Number of PER reports produced</p> <p>3. Proportion of national budget priorities that reflect priorities identified in the citizen's budget report</p>	MoFEA (DPFM, DOB), MDAs
iii. Poor record keeping by institutions leading to weaknesses such as non compliance with financial regulations	1. Strengthened capacity of government registry units to maintain government records	<p>1. Introduce electronic records management system</p> <p>2. Improve capacity of staff at government records units</p>	<p>1. Electronic records management systems (ERMS) installed</p> <p>2. Proportion of government records that are managed within the ERMS</p> <p>3. Training reports</p>	NRS, PMO, MDAs

iv. International Public Sector Accounting Standards (IPSAS) accrual basis not yet implemented	1. Full implementation of Accrual basis IPSAS	<p>1. Procure and install accounting software that supports Accrual based accounting</p> <p>2. Strengthen capacity of relevant staff in the use of the IPSAS Accrual system</p> <p>3. Sensitize government institutions on the importance and the need for the use of this system</p>	<p>1. A functional software</p> <p>2. Proportion of government accounting systems that use accrual reporting formats</p>	MoFEA, AGD, MDAs
v. Huge unretired imprests with no legal framework to discipline those failing to retire imprests	1. Enforce the legal framework that covers unretired imprests	<p>1. Review and amend the financial management related legal framework to cater for unretired imprests</p> <p>2. Create awareness on the importance of retiring imprests</p>	<p>1. An Existent legal framework that caters for the retirement of imprests</p> <p>2. Level of reduction of unretired imprests (amount of unretired imprest)</p>	MoFEA, AGD, IAD, MDAs
vi. Late submission of consolidated government financial statements for audit (usually 9-12 months after year end)	1. Ensure consolidated government accounts are submitted within the prescribed timeframe (three months after the end of the financial year)	<p>1. Improve capacity of staff at the AGD</p> <p>2. Ensure (preparation of) consolidation of government accounts immediately after year-end</p>	<p>1. Number of Financial statements submitted on time</p> <p>2. Number of years of late submissions of consolidated government financial statements</p>	AGD, DOB

vii. Weak transparency and disclosure of PEs' operations and finances	1. Improve transparency and disclosure of PE operations and finances	1. Strengthen oversight of PEs 2. Collect sufficient information on PEs' performance 3. Improve government's capacity to use such information for decision making purposes	1. Number of financial statements submitted by PEs to the DPPP 2. Number of DPPP staff trained in the relevant activities	MoFEA (DPPP)
7.External Scrutiny and Audit				
i. Auditor General's capacity to undertake his/her functions is limited. Attrition rates are also high at the NAO, which further exacerbates the capacity gaps	1. External audit strengthened through improved resource base and adequate capacity to enhance their independence	1. Provide support to enhance NAO's human resource base 2. Support capacity development and specialized professional development for NAO staff 3. Provide support in obtaining own office building	1. Human resource capacity data (number of staff trained) 2. Training reports 3. Training plans provided 4. Execution reports on resolutions adopted (post evaluation report)	MoFEA, NAO

ii. Backlog of unaudited public accounts still exists	1. Clearance of all backlog	1. Timely provision of up-to date government financial statements to the NAO 2. Provide technical assistance for skills improvements in the National Assembly 3. Facilitate benchmarking initiatives	1. Technical skills assessment reports 2. Visibility of best practices adopted peer review report 3. Regularity reports	NAO, NA, AGD, IAD
iii. Inadequate implementation or follow-ups on recommendations in management letters and those made by the PAC/PEC	1. Successful implementation of audit and PAC/PEC recommendations	1. Provide capacity building support for PAC/PEC, AGD, IAD and Research staff of the National Assembly particularly in areas of Monitoring and Evaluation 2. Initiate measures to ensure implementation of recommendations 3. Set-up a taskforce to follow-up on the implementation of audit recommendations	1. Status review of PAC/PEC recommendations 2. Certification of trainees and training reports 3. Number of recommendations implemented	MoFEA, AGD, IAD, MDAs
iv. Inadequate analytical capacity of National	1. Increase the capacity of the PAC/PEC in budget	1. Provide technical assistance for skills	1. Number of PAC/PEC members trained in PFM	MoFEA, NA

Assembly Members to properly scrutinize the budget estimates	review and scrutiny	<p>improvements, to the PAC/PEC</p> <p>2. Support PFM training for PAC/PEC of the National Assembly to facilitate their work</p> <p>3. Provide specialized training and capacity building in budget analysis and monitoring and evaluation to the PAC/PEC (e.g. through Pro-PAG)</p> <p>4. Budget concept/policy (i.e. the BFP) to be submitted alongside budget estimates to parliament</p>	<p>2. Capacity enhancement program reports</p> <p>3. PAC/PEC self-assessment report</p> <p>4. PAC/PEC Annual reports</p>	
v. Audits are mostly financial and little or no systems and performance audits are done, due to lack of human capacity	1. Enhanced human capacity of the NAO to conduct performance audits	<p>1. Introduce performance and systems audits</p> <p>2. Undertake performance Audits</p>	<p>1. Number of trainings conducted</p> <p>2. Number of performance audits conducted</p> <p>3. Frequency of performance audits</p> <p>4. Performance audit reports</p>	NAO

vi. Limited timeline (2 weeks) given to the National Assembly to review the budget	Ensure that the timeline budget review is within three months prior to the end of the fiscal year	1. Preparation of budgets by MDAs concluded quarterly 2. Ensure budget bilaterals are concluded by end August 3. MoFEA to submit the draft estimates by end October	1. Time of submission of budgets to MoFEA 2. The time of conclusion of budget bilaterals 3. Draft estimates submitted to NA in the third quarter 4. National Assembly's schedules of MDAs for budget presentations beginning October	MoFEA (DOB, National Assembly)

4. ANNEXES

4.1 Costing

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
1.	Budget Credibility							\$'000
1.1.	Training of staff of MDAs to strengthen administrative procedures for the collection and management of Non Tax Revenue	2016 - 2017	5 days	3	7000	GLF & Donor Funds	MoFEA GRA, AGD, IAD	\$21,000
1.2.	Establish a database for the recording and verification of the stock of arrears	2016-2017	180 days	1	150,000	GLF & Donor Funds	MoFEA	\$150,000
1.3	Sector sensitization workshop on aligning sector budgets to the National Development Plan	2016	1 day	1	6,000	GLF & Donor Funds	MoFEA & MOPP	\$6,000
1.4	Training in revenue forecasting	2016	10 days	1	50,000	GLF & Donor Funds	GRA, MPAD	\$50,000
1.5	Updating of existing tax laws	2016		1	13,000	GLF	GRA, MoFEA, National Assembly	\$13,000
1.6	Annual review and amendment of revenue laws	2016 – 2019	5 years		38,510.60	GLF	GRA, MoFEA	38,510.60
1.8	Upgrade of IT systems used in revenue administration	2016 - 2018			00	ISPEFGIII	GRA, MoFEA	0.00

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
1.9	Capacity Building for legal and enforcement staff	2016 - 2020	00	1	00		GRA, MoFEA	0.00
1.10	Study to identify new and potential areas for taxation	2016 - 2020	00		00		GRA, MoFEA	0.00
1.11	Formulation of a PE reform strategy and action plan	2016 - 2017		1	25,000		MoFEA/DPPP	\$25,000
1.12	A database of all government contracts including PPPs	2016	180 days	1	150,000	Donors & GLF	DPPP	\$150,000
1.13	Enhance human resource capacity for efficient implementation of the NSS	2016 - 2020	5 days	1	7,000	GLF & Donors	GBoS	\$7,000
1.14	Provide material resources for the efficient implementation of the NSS	2016 - 2020	1 year		200,000	GLF & Donor		\$200,000
1.15	Sensitization sessions for MDAs on use of contingency in budget preparations	2016	1 day	1	6,000	GLF	DOB	\$6,000
	SUB-TOTAL							\$628,000
2.	Comprehensiveness and transparency							
2.1	Production of bi-annual Aid Bulletins	2016-2020	5 years	200	5.50	GLF	DAC, Projects	\$5,500
2.2	Production of project briefs	2016 - 2020		0	0	0	Projects	0.0
2.3	Extension of IFMIS to all projects	2016 - 2017	1 year	0	0	0	AGD, MoFEA	0.0
2.4	Training of local government staff on financial management	2016 - 2018	5 days	16	7,000	GLF & Donors	PFMU	\$7,000
2.5	Introduce automated accounting systems in Local Government Councils	2018 - 2020	1 year	8	100,000	Donors and GLF	MoFEA, AGD	\$800,000

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
2.6	Capacity building of local government staff on planning and budgeting	2016-2018	5 days	16	7,000	GLF	PFMU	\$7000
2.7	Expansion and elaboration of the citizen's budget process	2017-2018	Continuous	0.00	0.00	GLF	MoFEA	0.00
2.8	Carry out Public Enterprise Reforms	2016-2020	Continuous	0.00	0.00	GLF	MoFEA	0.00
2.9	Establishment of a performance contract mechanism for Public Enterprises	2016-2020	Continuous	0.00	0.00	GLF	MoFEA	0.00
2.11	Printing and publishing of newsletters on information of interest to the public, on public finance matters	2016-2020	Continuous	0.00	0.00	GLF	MoFEA	0.00
2.12	Development and maintenance of a website on PFM matters for public consumption	2016	Continuous	0.00	0.00	GLF	MoFEA	0.00
	SUBTOTAL							\$819,500
3.	Budget Cycle							
3.1	Training of relevant public officers on planning and budgeting	2016-2020	Continuous	0.00	0.00	GLF	MoFEA	0.00
3.2	Roll out Programme Based Budgeting (PBB) to all sectors	2017	360	27	10,000	GLF	MoFEA	\$270,000
3.3	Carry out periodic and routine monitoring and evaluation of the budget implementation process	2016-2020	Continuous	0.00	0.00	GLF	MoFEA	0.00
3.4	Training of planners and	2016-2020	Continuous	0.00	0.00	GLF &	MoFEA &	

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	economists in macroeconomic forecasting					Donors	MOPP	\$200,000
	Procurement and installation of statistical and forecasting tools	2016	360	1	0.00	GLF	MoFEA-GBoS	0.00
	Mid-term budget reviews conducted by MDAs	2016-2020	Continuous	0.00	0.00	GLF	MoFEA-AGD	0.00
	Training of auditors to carry out budget reviews	2016-2017	5 days	20	7,000	GLF	IAD/NAO	\$7,000
	Support the formulation of strategic plans in sectors where they do not exist	2016	90 days	25	5,000	GLF & Donors	MOPP & MoFEA	\$25,000
	Provision of specialized training in budget analysis and monitoring and evaluation	2016	5 days	20	7,000	GLF & Donors	MoFEA	7,000
	Provision of support for GBoS to strengthen critical skills and competencies needed to improve statistical management	2016-2020	Continuous	0.00	0.00	GLF & Donors	MoFEA	0.00
	Conducting of regular Integrated Household Surveys (IHS)	2020	360	0.00	0.00	GLF & Donors	MOPP-GBoS	0.00
	Build a reliable and sustainable economic statistics database	2016-2020	Continuous	0.00	0.00	GLF & Donors	MoFEA & MOPP-GBoS	0.00
	Carrying out sensitizations and campaigns on scheme of service	2016-2017	1 day	1	6,000	GLF & Donors	PMO	\$6,000
	Develop and implement a comprehensive scheme of service across all cadres of the public sector	2017	1 days	1	0.00	GLF & Donors	PMO	0.00
	Training of public officials on	2016-2020	10 days	20	0.00	GLF &	PMO, AGD,	

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	public financial laws and regulations					Donors	MoFEA	0.00
	Development and dissemination of training manuals on public financial laws and regulations	2016-2020	10 days	20	0.00	GLF & Donors	PMO, AGD, MoFEA	0.00
	SUBTOTAL							\$515,000
4.	Effectiveness and Transparency in Tax policy and Revenue Administration							
	Conduct facilities and IT infrastructure review necessary for tax system modernization	2016-2019	360 days	1	\$20,000	GLF and Donor	MoFEA, GRA	\$20,000
	Electronic media tax payer education sessions	2016-2019	360 days	1	\$10,000	GLF and Donor	MoFEA, GRA	\$10,000
	Print media tax payer education bulletins	2016-2019	360 days	1	\$10,000	GLF and Donor	MoFEA, GRA	\$10,000
	Develop and implement an automated records management system	2016-2019	90 days	1	\$5,000	GLF and Donor	MoFEA, GRA	\$5,000
	Establishment of an interface between GRA systems and the IFMIS	2016-2019	60 days	1	0.00	GLF and Donor	MoFEA, AGD, GRA	0.00
	Development and implementation of a compliance improvement strategy	2016-2019	180 days	1	\$15,000	GLF and Donor	GRA	\$15,000
	Implementation of the recommendations from the PE sector diagnostic study	2016-2020	360	1	\$50,000	GLF and Donor	MoFEA	\$50,000
	Establishment of a comprehensive PE database	2016	60	1	\$10,000	GLF and Donor	MoFEA	\$10,000

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	SUBTOTAL							\$120,000
5.	Predictability and Control in Budget Execution							
5.1.	Provision of training to MDAs to improve preparation and implementation of procurement plans	2016-2017	5 days	1	0.00	GLF	GPPA/EU	0.00
	Upgrading the existing CS-DRMS system	2016	180 days	1	0.00	Donor	MoFEA	0.00
	Training of staff on the use of the new version of the CS-DRMS system	2016-2017	60 days	15	0.00	Donor	MoFEA	0.00
	Develop an interface between the CS-DRMS and IFMIS	2016-2017	15 days	1	0.00	Donor	MoFEA	0.00
	Strengthening the Liquidity Forecasting Committee	2016	Continuous	1	0.00	GLF	MoFEA	0.00
	Implement improved/automated systems for personnel and payroll management	2016-2017	On-going	1	0.00	GLF	MoFEA	0.00
	Provide support to PMO to train/support MDAs to use automated payroll/personnel systems (Nas.DNA)	2016-2017	On-going	1	0.00	GLF	MOFEA	0.00
	Procurement of an HR module for the IFMIS	2016-2018	180 days	1	0.00	GLF & Donors	PMO, MoFEA, AGD	\$100,000
	Build the capacity of PMO staff on HRM	2016-2017	Continuous	1	0.00	GLF	PMO	0.00
	Hiring of qualified internal	2016-2017	On going	16	0.00	GLF	IAD, MoFEA,	

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	auditors to cover all MDAs						PMO	0.00
	Training of Internal Auditors to attain CCIA qualifications and roll out of Internal Auditors to MDAs	2016-2020	On going	6	10,000	GLF Donor	IAD, MoFEA	\$160,000
	Conducting of regular procurement audits	2016-2020	On going	1	0.00	GLF	IAD, GPPA	0.00
	SUBTOTAL							\$260,000
6.	Accounting, Recording and Reporting							
6.1	Introduction of improved PFM systems in Local Councils	2017-2020	180 days	8	8,000	GLF & Donors	MoFEA, MOLRG	8,000
	Introduce and implement public expenditure tracking systems in key sectors	2016-2020	360	1	0.00	Donor	MoFEA	0.00
	Strengthen and support the existing citizen's budgeting process	2016-2017	On-going	1	0.00	GLF	MoFEA	0.00
	Introduce electronic records management system	2016	60 days`	1	0.00	GLF & Donors	NRS, MoFEA	0.00
	Improve capacity of staff at government records units	2016	On going	0.00	0.00	Donor	NRS, MoFEA	0.00
	Procure and install accounting software that supports Accrual based accounting	2016	On going	0.00	0.00	GLF & Donors	MoFEA, AGD	0.00

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	Strengthen capacity of relevant staff in the use of the IPSAS Accrual system	2016-2020	On going	10	6,500	GLF & Donors	MoFEA, AGD	\$65,000
	Sensitize government institutions on the importance and need for the use of the Accrual basis of Accounting	2016-2020	Continuous	1	0.00	GLF	MoFEA, AGD	0.00
	Create awareness on the importance of retiring imprests	2016-2020	On going	1	0.00	GLF	MoFEA, AGD	0.00
	Improve capacity of staff at the AGD	2016-2020	On going	20	0.00	GLF	AGD, PMO	0.00
	Improve capacity of relevant government staff to collect and utilize information on PEs for policy decision-making	2016-2017	On going	1	0.00	GLF	MoFEA	0.00
	SUBTOTAL							\$73,000
7.	External Scrutiny and Audit							
7.1	Provide support to enhance NAO's human resource base	2016-2020	On going		0.00	GLF	MoFEA, OP	0.00
	Support capacity development and specialized professional development for NAO staff	2016-2020	Continuous		0.00	GLF	MoFEA, OP	0.00
	Provide technical assistance for skills improvements in the National Assembly	2017-2018	2 years		40,000	GLF & Donors	NA, MoFEA	80,000
	Facilitate benchmarking initiatives	2016-2020	Continuous		0.00	GLF	NAO	0.00
	Undertake performance Audits	2016-2020	On going		0.00	GLF	NAO	0.00

	Output/Activity	Delivery period	Activity duration	Qty	Unit cost (USD)	Funding Source	Action lead	Cost
	Provide capacity building support for PAC/PEC, AGD, IAD and Research staff of the National Assembly particularly in areas of Monitoring and Evaluation	2016-2020	On going		0.00	GLF & Donors	PAC/PEC, AGD, IAD	0.00
	Support PFM training for PAC/PEC of the National Assembly to facilitate their work. Provide for specialized training and capacity building in budget analysis and monitoring and evaluation to PAC/PEC (e.g. through Pro-PAG)	2016-2020	On going		0.00	GLF & Donors	PAC/PEC	0.00
	Provide physical infrastructure for NAO office accommodation to ensure physical independence	2016-2018	On going		0.00	GLF	NAO, MoFEA, GAMWORKS	0.00
	Introduce performance and systems audits	2016-2018	On going		0.00	GLF	NAO	0.00
	SUBTOTAL							\$80,000
	GRAND TOTAL							\$2,495,500

4.2 Monitoring and Evaluation Framework

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
Budget Credibility	Improved NTR collection and management	1. Proportion of NTR in overall revenue (NTR as a % of total revenue was 11% excl. grants and 10% incl. grants)	Low level of management and collection of NTRs administered by MDAs	NTR collection and management streamlined with GRA practices	AGD GRA	Quarterly	AGD, DOB	PFMU Progress Report
	Protect investment spending against fiscal pressures in the near term, and make investment flows less pro-cyclical and more fiscally sustainable in the longer term	1. Capital expenditure as a percentage of GDP 2. Number of Local Councils with investment plans	Medium-term fiscal and budgetary frameworks to improve investment planning and coordination across levels of government are currently weak	Medium term fiscal and budgetary frameworks are strengthened to improve investment planning and coordination across levels of government.	PPP, GIEPA	Quarterly	MPAD, DOB, PPP/PEs, DDP	PFMU Progress Report
	Proper commitment controls	1. Stock of accumulated arrears 2. Number of MDAs adhering	Lack of a proper system of commitment control has led to	Reduction in accumulated arrears resulting from lapses in	AGD/ Budget execution data	Monthly	Directorate of Budget	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		to commitment controls	accumulation of significant arrears (which are not systematically monitored, remain unreported leaving the stock of arrears unknown)	commitment controls				
	1. Lower variations between budgeted and actual expenditure 2. Strategic allocation of resources 3. Aggregate fiscal discipline	1. Level of variation between budgeted and actual expenditures 2. supplementary budget as a proportion of initial budget	High variations between actual and budgeted expenditures (31.4% in 2013 as opposed to 4.7% in 2011)	Reduction between actual and budgeted expenditures form 31.4% in 2013 to 5% in 2020	AGD	Quarterly	Directorate of Budget	PFMU Progress Report
	1. Strengthened capacity for revenue	1. Number of people trained in revenue	Revenue forecasting is	Timely availability of reliable revenue	GRA revenue forecast	Quarterly	GRA, MPAD	PFMU Progress

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	forecasting	forecasting	weak	forecast	data			Report
	2. Introduce new forecasting tools and techniques	2. Number of revenue forecast reports			MPAD macroeconomic forecast data			
	3. Optimized compliance with statutory and non-revenue receipts							
	1. Improvement in Tax policy and Revenue Administration	1. Updated domestic tax law 2. Number of relevant offices in which GAMTAXNET 3.0 is operationalized 3. Level of implementation of upgrade to ASYCUDA WORLD	Inadequate resources for Revenue administration	Increase resources for revenue administration by 15% in 2020 using the 2016 budget	GRA revenue administration	Quarterly	GRA, MoFEA	PFMU Progress Report
	2. Modernized tax system							
	3. Harmonization of the tax system							

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	4. Broadened tax base							
	Have implementable compliance and enforcement strategies and strengthen the management of PPPs	1. Number of PEs submitting annual activity report and financial statements 2. Completed PE Policy	Low compliance of PEs with tax laws	Full compliance of PEs with tax laws	Data on PEs from DPPP	Annually	DPPP	PFMU Progress Report
	Promote stability and predictability of investment	1. Financial statements of PEs	Weak capacity of institutions with investment related implementation	Capacity of institutions with investment related implementation strengthened	DPPP	Annually	MoFEA (DPPP, PFM, DOB), PEs	PFMU Progress Report
	Production of consistent economic data across all levels	1. Completed NSDS 2. Number of people trained in statistical data generation 3. Level of harmonization of national data	Inadequate coordination of the National Statistical System (NSS) for the production of integrated quality information	Quality national data is available in a timely manner, to inform policy making	GBoS	Annually	GBoS, MDAs	PFM Progress Report
	Eliminate miscellaneous	1. Financial regulations (FI)	Miscellaneous and contingency	All expenditures are appropriately	AGD	Annually	DOB	PFMU Progress

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	budget lines and classify all contingency	with contingencies clearly defined	expenditures need to be clearly defined	classified				Report
comprehensiveness and transparency	Utilize the MTEF segment of the COA	1. Number of MDAs using the MTEF COA	The MTEF segment of the CoA is not utilized	All MDAs utilize the MTEF COA	AGD	Annually	MDAs/MoFEA DOB	PFMU Progress Report
	Regular up-to-date consolidated reports on donor funds	1. Number of periodic reports on donor disbursements and expenditures produced and/or Submitted	Reporting on donor funds and extra-budgetary operations, remains unsatisfactory; actual expenses of donor disbursements are not included in the reports	Complete information on donor funded projects is available and accessible	DAC Database	Quarterly	Directorate of Aid Coordination/D LDM/AGD	PFMU Progress Report
	Transparent and automated transfer (standing order) to local	1. Bank statements (transfers) 2. Standing orders	Transfers to the councils are not based on a transparent rule-based allocation	Clearly defined procedures for transfers to councils	AGD	Quarterly	MOLRG/MoFEA	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	governments	issued	formula and there are delays in the transfer of funds to local governments					
	Councils to produce their (full sets of) financial statements	1. Number of people trained 2. Number of councils regularly producing financial statements	A full set of financial statements, for inclusion or disclosure into government accounts, is not produced by any of the councils	All councils to be producing and submitting financial statements annually beginning end 2016	Finance Department of Local Councils	Annually	MOLRG, AGD	PFMU Progress Report
	To create a comprehensive register of all projects	1. Register produced 2. Number of capital projects recorded in the register	Non-existence of a comprehensive register of projects	A comprehensive register of all capital projects and other development projects established	DAC Database		MoFEA (DAC)	PFMU Progress Report
	Enhance capacity of local governments in planning, budgeting and	1. Number of people trained 2. Number of councils submitting annual plans	Limited capacity of local councils on planning and budgeting	Councils prepare relevant and reliable plans and budgets	Councils' Planning Directorates	Annually	MoFEA, MOLRG/Local Councils	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	internal auditing	and budgets to MOLRG						
	Submission of financial statements of PEs on a routine basis	Number of audited Financial statements submitted	Only a few PEs submit their fiscal reports to their parent MDAs and to MoFEA, at least annually	All PEs regularly submit their financial statements on time	Finance Department s of PEs	Annually	MoFEA (DPPP)	PFMU Progress Report
	Create better understanding of the budget by the general public	1. Simplified citizen's budget 2. Level of definition of policy statements in the citizen's budget	Low level of understanding of the budget with particular reference to implications of new policy initiatives	A budget speech that fully captures implications of new policy initiatives and major changes to expenditure programs	Budget speech Document and citizen's budget	Annually	MoFEA (DOB)	PFMU Progress Report
	Differentiation/distinction between subvented agencies and public enterprises	1. Sections of the mandates where the definitions are stated	Lack of clear distinction between public enterprises and subvented agencies	Clearly defined scope and mandates for PEs and subvented agencies	DPPP	Annually	MoFEA (DPPP), MDAs	PFMU Progress Report
	Lower unreported	1. Number quarterly	Revenues/expenditure operations	Unreported government	AGD	By 2020	MoFEA, MDAs	PFMU Progress

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	government operations	reports submitted	from Funds are not reported in the approved budget <i>(Unreported government operations were estimated to be 2.25% of government expenditure in 2013)</i>	operations are zero percent of government expenditures				Report
	Improve the profitability of Public Enterprises	1. Drafted policies and strategies on PE reforms 2. Number of PEs with performance contracts	Low fiscal oversight on Public Enterprises as most of them are making losses	Profitable Public Enterprises	DPPP	Annually	MoFEA, PEs	PFMU Progress Report
	Timely dissemination of information to the public	1. Numbers of newsletters published 2. Number of operational websites	The public is not sufficiently aware of what information it can have access to, and of its rights in	Operational and up-to-date websites for all ministries and PEs	Government web portal	Quarterly	MDAs and PEs	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
			terms of access					
	Make the Budget preparation process more efficient	<p>1.Report on the review of the internal controls and risk management processes of the budget cycle</p> <p>2.Issue BFP by March 31st – (BFP for verification)</p> <p>3. Issue BCC by April 30th – (BCC for verification)</p> <p>4. Commence Budget Bilateral Meetings 1st June – (minutes of meetings of budget bilaterals)</p> <p>5. Issue first draft of Budget estimates</p>	Inefficient budget preparation process	All sector budgets are prepared based on PBB starting with the 2017 budget.	DOB data	Annually	Budget Directorate	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		by October 31st – (Draft Budget estimates for verification) 5. Number of Staff trained on MTEF and PBB 6. Number of sectors preparing PBB						
	Strong revenue forecasts with a historical perspective	1. Periodic Revenue forecast reports submitted 2. Number of MDAs conducting mid-term budget reviews	Inadequate capacity in Revenue Generating Departments to develop reliable revenue budgets based on macroeconomic fundamentals	Generate accurate and reliable revenue forecast	GRA Revenue Department	Annually	DDP, DOB, MPAD	PFMU Progress Report
	Ensure the availability of sector strategic	1. Number of completed sector strategic plans	Unavailable sector strategic plans for some	All sectors to have sector based strategic	DDP	Annually	MoFEA (DDP, DOB)	PFMU Progress

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	plans based on MTEF		MDAs	plans by end 2016				Report
	Ensure the availability of reliable economic data to guide the national development process	<ol style="list-style-type: none"> 1. Number trainings on data management conducted 2. Integrated Household Survey Reports 3. Up to date economic database 	Inadequate economic statistics for planning, monitoring and evaluation of the national development policy document	National Plans are informed by reliable economic data	Directorate of National Economics at GBoS	Annually	GBoS, DDP	PFMU Progress Report
	Enhanced HR resource base and capacity within MDAs to achieve the NDP objectives	<ol style="list-style-type: none"> 1. Number of schemes of service developed and adopted 2. Number of employees with know-how in fiscal and monetary policies 3. Number of sensitization campaigns on 	Low human capacity of the public sector for the achievement of the national policy document (NDP)	Scheme of service developed and approved for all cadres of the civil service	PMO MSD	Annually	PMO, MoFEA (DDP, AGD, PFM)	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		schemes of service						
	Create awareness on the new PF Act 2014	1. Number of public officers reached 2. Number of campaigns conducted	Low level of awareness on the new Public Finance Laws and Regulations	Public officers are highly aware of the Public Finance Laws and Regulations	AGD, IAD	Annually	AGD, DOB, PFM, IAD, GPPA	
Effectiveness and transparency in tax policy	Modernized tax system	1. Developed ICT policy and strategy 3. Level of implementation and deployment of ASYCUDA WORLD	Limitations in the current IT tax system	IT tax system is upgraded to cater for current realities	GRA	Quarterly	MoFEA, GRA	PFMU Progress Report
	More awareness on the VAT and other tax legislations	1. Number of tax payer education programs 2. Improvements in compliance	Little awareness on the concept of VAT (Generally)	Increase understanding of VAT	GRA	Annually	GRA, Tax tribunal	
	Optimize compliance with statutory revenue and non-revenue measures	1. Copies of Compliance strategy developed 2. Number of risk-based tax audits done 3. Number of risk-	Tax legislations are not fully enforced (in practice)	Increased tax payer compliance	GRA (Tax enforcement Department)	Quarterly	GRA, MoFEA	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		based audit reports						
	Reduce and/or eliminate PE tax arrears	1. Number of PEs with low tax arrears 2. Progress reports	Rising tax arrears from PEs	Zero tax arrears from PEs by 2020	GRA Tax reports	Quarterly	GRA, MoFEA (PPP, MPAD), PEs	PFMU Progress Report
Predictability and Control in Budget Execution	Improved linkages between procurement and cash plans	1. Number of sector cash plans prepared based on sector procurement plans 2. Level of harmonization of sector cash and procurement plans	There is insufficient evidence of the linkage between sector cash plans and procurement plans	Sector cash plans are fully based on their procurement plans	AGD	Quarterly	MDAs, AGD, DPP, GPPA	PFMU Progress Report
	A comprehensive debt management system that covers both public and publicly guaranteed debt	1. Comprehensive debt database	Incomplete data on publicly guaranteed debt (including those of PEs and Local governments) and limited interface between CS-DRMS and IFMIS	Comprehensive debt data inclusive of all categories of debt by end 2016	DLDM Debt database	Quarterly	MoFEA (DLDM), CBG	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	To ensure that government debt level is sustainable.	1. Debt to GDP ratio 2. Debt to export ratio 3. Debt to revenue ratio 4. Debt service to export ratio 5. Debt service to revenue ratio	Government is at high risk of debt distress	Maintaining a sustainable debt level based on the debt sustainability indicators relative to the IMF/World Bank indicative thresholds	DLDM Debt data	Monthly	MoFEA (DLDM)	PFMU Progress Report Debt Bulletin
	To improve effectiveness and integrity of payroll controls	1. Number of ghost workers detected and eliminated in the public service 2. Annual Staff audit reports 3. Annual pay audit reports	Lack of a comprehensive and frequent payroll audit	To eliminate ghost workers in the public sector and improve effectiveness/integrity of payroll controls	IFMIS	Annually	PMO and AGD MDAs, IAD, NAO	PFMU Progress Report
	To have a system that integrates HR and Payroll	1. Number of IFMIS reports that include both HR and payroll data	Non integration of HR and payroll	A fully integrated HR and Payroll system in place by 2020	IFMIS	Monthly	PMO and AGD	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	Strengthened functions and capacity of internal audit and the Internal Audit Directorate	1. Number of MDAs with qualified internal auditors 2. Functional internal audit processes within MDAs 3. Number of Auditors that attained Certified Chartered Internal Auditors	Internal audit is not fully functional	Effective internal audit functions in place in all MDAs	Internal audit reports	Annually	MoFEA (IAD)	PFMU Progress Report
	Increase certainty in funds transferred to MDAs	1. Number of MDAs with costed strategic plans 2. Budgets submitted with MTEF/PBB templates	Weak predictability in the availability of funds for commitment of expenditures	All MDAs to have costed strategic plans by end 2016	DDP	Annually	MoFEA (DDP, DOB, AGD), MDAs	PFMU Progress Report
	Strengthen capacity of the GPPA and procurement officers as well as procurement functions	1. Number of procurement plans submitted 2. Audit reports on procurement	Limitations in capacity for procurement	Strengthen efforts to ensure competition, value for money and controls in procurement	GPPA	Annually	GPPA, IAD	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
Accounting Recording and Reporting	Strengthened PFM capacity in Local Councils	1. Local Council Annual Activity and Financial reports 2. Number of LGAs that are providing timely and accurate financial reports 3. Number of LGAs adopting modern accounting and financial reporting standards	Weak Public Financial Management systems in local councils	All Local councils adopt modern accounting and financial reporting standards by end of 2018	Finance departments of Local Councils.	Annually	Local councils and MOLRG	PFMU Progress Report
	Increased financial and physical accountability in the use of public resources	1. Number of MDAs that are conducting annual public expenditure reviews (PERs) 2. Number of PER reports produced 3. Proportion of national budget priorities that reflects priorities	Absence of expenditure tracking exercise or survey to ascertain whether resources have been delivered to service delivery centers	All MDAs to be conducting periodic PERs by 2020	MDA Planning units	Annually	MoFEA (DPFM, DOB), MDAs	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		identified in the citizen's budget report						
	Strengthened capacity of government registry units in maintaining government records	1. Electronic records management systems installed 2. Proportion of government records that are managed within the ERMS 3. Training reports	Poor record keeping by institutions leading to weaknesses such as non compliance with financial regulations	Electronic Records Management System established in all MDAs by 2020	NRS	Annually	NRS, PMO, MDAs	PFMU Progress Report
	Full implementation of Accrual basis IPSAS	1. A functional software 2. Proportion of government accounting systems that use accrual reporting formats	IPSAS Accrual basis not yet implemented	Implementation of IPSAS Accrual Accounting system by 2020	AGD	Annually	MoFEA, AGD	PFMU Progress Report
	Enforce the legal framework that covers unretired imprest	1. An existent legal framework that caters for the retirement of imprests 2. Level of reduction of unretired	Huge unretired imprests, with no legal framework to discipline those failing to retire imprests	50% reduction in unretired imprest by 2017	AGD	Annually	MoFEA (AGD)	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		imprest (amount of unretired imprests)						
	Ensure consolidated government accounts are submitted within the prescribed timeframe (three months after the end of the financial year)	1. Number of Financial statements submitted on time 2. Number of years of late submissions of government financial statements	Late submission of government financial statements for audit (usually 9-12 months after year end)	Government financial statements submitted within the prescribed time limit by 2017	AGD Accounting section	Annually	AGD, DOB	PFMU Progress Report
	Improve transparency and disclosure of PE operations and finances	1. Number of financial statements submitted by PEs to the DPPP 2. Number of DPPP staff trained in the relevant activities	Weak transparency and disclosure of PEs' operations and finances	Comprehensive information on PEs' operations and finances available to MoFEA on an annual basis starting end 2016	Directorate of PPP	Annually	MoFEA (DPPP)	PFMU Progress Report
External	External audit strengthened through	1. Human resource capacity data	Auditor General's capacity to undertake his/her	NAO meets its statutory requirements on	NAO	Annually	MoFEA, NAO	PFMU Progress

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
	improved resource base and adequate capacity	(number of staff trained) 2. Training reports 3. Training plans provided 4. Execution reports on resolutions adopted (post evaluation report)	functions is limited. Attrition rates are also high at the NAO, which further exacerbates the capacity gaps	time				Report
	Improved accountability in the use of public funds	1. Technical skills assessment reports. 2. Visibility of best practices adopted peer review report 3. Study tour reports 4. Performance audit reports	Backlog of unaudited public accounts still exists	Public accounts are audited and presented within the stipulated time frame by law	NAO	Annually	NAO, NA, AGD	PFMU Progress Report
	Successful implementation of audit and PAC/PEC recommendations	1. Status review of PAC/PEC recommendations 2. Certification of trainees and training reports 3. Number of recommendations implemented	Lack of implementation/ follow up on recommendations made in management letters and those made by the	Recommendations on management letters are implemented and reported on by relevant authorities	National Assembly/PAC/PEC	Annually	MoFEA, MDAs, NA	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
			PAC/PEC	within the stipulated time frame				
	Improve capacity of the National Assembly Members (PAC/PEC) to properly scrutinize the budget	<ol style="list-style-type: none"> 1. A functional Research Team/unit 2. PFM training certificates for the Research Staff and Committee Secretariat 3. Capacity enhancement program reports 4. Staff/ unit capacity enhancement appraisal 	Capacity gaps in budget analysis by the National Assembly Members	A research unit is established at the National Assembly to coordinate the effective analysis of budget estimates	National Assembly	Annually	MoFEA, NA	PFMU Progress Report
	Enhanced human capacity of NAO to conduct performance audits	<ol style="list-style-type: none"> 1. Number of trainings conducted 2. Number of performance audits conducted 3. Frequency of 	Audits are mostly financial and little or no systems and performance audits are done, due to lack of human capacity	Performance audit is conducted as part of the national audit by 2018	National Audit Office , Internal Audit Directorate	Annually	NAO, IAD	PFMU Progress Report

	Objective	Indicator	Baseline	Target	Data source	Frequency	Responsible	Reporting
		performance audits 4. Performance audit reports						
	Ensure that the timeline budget review is within three months prior to the end of the fiscal year	1. Time of submission of budgets to MoFEA 2. The time of conclusion of budget bilaterals 3. Draft estimates submitted to NA in the third quarter 4. NA's Schedules of MDAs for budget presentations beginning October	Limited timeline (2 weeks) given to the National Assembly to review the budget	Budget review starts by the beginning of October, commencing 2017 budget	DOB/National Assembly	Annually	MoFEA (DOB), NA	PFMU Progress Report