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BASIC REFERENCES FOR PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY

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ACCA is the largest and fastest-growing international accountancy body. Over 320,000 students and members in 160 countries are served by more than 70 staffed offices and other centres.

ACCA's mission is to work in the public interest to provide quality professional opportunities to people of ability and application, to promote the highest ethical and governance standards and to be a leader in the development of the accountancy profession.

Further information on ACCA is available on ACCA's website, www.accaglobal.com

Non-governmental Organisations

TRANSPARENCY INTERNATIONAL

Transparency International (TI), founded in 1993, is the leading international non-governmental organisation devoted solely to curbing corruption. TI has nearly 90 national chapters and TI's International Secretariat is in Berlin, Germany.

<http://www.transparency.org/>

The TI Source Book:

<http://www.transparency.org/sourcebook/index.html>

The TI Global Corruption Report 2004

An annual overview of the state of the global fight against corruption and related developments.

<http://www.globalcorruptionreport.org/download.htm>

UNICORN

A trade union anti-corruption network. Its mission is to mobilise workers to share information and coordinate action to combat international corruption. UNICORN is undertaking empirical research into the corrupt practices of Multinational Companies (MNCs), particularly in the context of privatisation and public procurement. It is also undertaking policy research on a range of initiatives aimed at detecting and deterring international bribery.

<http://www.againstcorruption.org>

INTERNATIONAL BUDGET PROJECT

The International Budget Project of the Center on Budget and Policy Priorities helps non-governmental organisations and researchers to analyse and improve budget policies and decision-making processes.

<http://www.internationalbudget.org/index.htm>

The project publishes a quarterly bulletin of developments in this area which is available by registering at:

<http://www.internationalbudget.org/nlsignup.htm>

BUDGET TRANSPARENCY AND PARTICIPATION

Five African Case Studies, Edited by Alta Fölscher.

This book reviews the availability, accuracy, timeliness and usefulness of information on budgets in Ghana, Kenya, Nigeria, South Africa and Zambia.

Transparency is a pre-requisite for accountability.

The book costs R150 and can be ordered from nomzi@idasact.org.za

The Africa Budget Project (APB) primarily works to build capacity in civil society and legislatures to participate effectively in budgetary processes in African countries. The Institute for Democracy in South Africa (IDSA):

<http://www.idasa.za>

<http://www.africanbudget.org.za>

International Financial Institutions

UNDP CONTACT

United Nations Development Program's Country Assessment in Accountability and Transparency (CONTACT). CONTACT provides the international development community with a comprehensive tool to assess the financial architecture and integrity systems of a country.

The main objective of CONTACT is to assist governments in conducting a self-assessment of their financial management and anti-corruption systems. In addition, it helps consultants, hired by development agencies or governments conduct missions to support governments in their self-assessment efforts or to review cooperation with a government.

CONTACT is a tool for quality control, performance and task measurement, and recommends improvements at desired stages of the accountability process.

http://www.undp.org/governance/contact_2001.htm

UNDP Anti-corruption Practice Note, February 2004

<http://www.undp.org/governance/docsaccount/Anti%20Corruption%20Note%20FINAL%20VERSION%20031704.pdf>

United Nations – Anti-Corruption Toolkit

The nature and effects of corruption are unique to each country and society. This toolkit is intended to provide a range of options that will enable each country to deal effectively with corruption according to domestic needs:

http://www.unodc.org/unodc/en/corruption_toolkit.html

INTERNATIONAL MONETARY FUND

Manual on Fiscal Transparency

Including the Code of Good Practices on Fiscal Transparency - IMF 2001
<http://www.imf.org/external/np/fad/trans/manual/index.htm>

IMF Reports on the Observance of Standards and Codes (ROSC)

ROSCs summarize the extent to which countries observe certain internationally recognized standards and codes. The IMF has recognized 12 areas: accounting; auditing; anti-money laundering and countering the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance supervision; monetary and financial policy transparency; payments systems; and securities regulation. Reports summarizing countries' observance of these standards are prepared and published at the request of the member country. They are used to help sharpen the institutions' policy discussions with national authorities, and in the private sector (including by rating agencies) for risk assessment. Short updates are produced regularly and new reports are produced every few years.
<http://www.imf.org/external/np/rosc/rosc.asp>

Guidelines for Public Expenditure Management - BH Potter and J Diamond, IMF 1999

<http://www.imf.org/external/pubs/ft/extend/index.htm>

IMF Manual on Government Financial Statistics

This manual provides guidance on the way in which each government is required to submit its financial returns to the IMF. Thus it is the most influential standard for governmental accounting.

<http://www.imf.org/external/pubs/ft/gfs/manual/index.htm>

Systematic Weaknesses of Budget Management in Anglophone Africa

An overview of the main weaknesses in public financial management and accountability from several countries with the Westminster approach (members of the Commonwealth).

<http://www.imf.org/external/pubs/ft/wp/2001/wp01211.pdf>

Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative, A Factsheet, September 2003

The HIPC Initiative is a comprehensive approach to debt reduction for heavily indebted poor countries pursuing IMF- and World Bank-supported adjustment and reform programs. To date, debt reduction packages have been approved for 27 countries, 23 of them in Africa, providing \$51 billion in debt service relief.

<http://www.imf.org/external/np/exr/facts/hipc.htm>

WORLD BANK

Country Financial Accountability Assessment

CFAAs support the Bank's development objectives by identifying strengths and weaknesses in country PFM systems. It facilitates a common understanding among the government, the Bank, and development partners on the performance of the institutions responsible for managing the country's public finances. This common understanding helps to identify priorities for action and informs the design and implementation of capacity-building programs.

World Bank guidance to staff on undertaking Country Financial Accountability Assessments:

<http://www1.worldbank.org/publicsector/pe/CFAAGuidelines.pdf>

An example of a Country Financial Accountability Assessment from Brazil:

[http://www.countryanalyticwork.net/CAW/Cawdoclib.nsf/vewProduct/823C8A801EAB965985256CBC00750C9E/\\$file/BrazilCFAA2002.pdf](http://www.countryanalyticwork.net/CAW/Cawdoclib.nsf/vewProduct/823C8A801EAB965985256CBC00750C9E/$file/BrazilCFAA2002.pdf)

HIPC AAP

Public Expenditure Management Country Assessment and Action Plan for HIPC Countries

Questionnaire, Benchmarks, Explanations & Standard Tables

Prepared By the PREM Public Sector Group of the World Bank and the Fiscal Affairs Department of the IMF, October 2003

March 2001: Tracking of Poverty-Reducing Public Spending in Heavily Indebted Poor Countries (HIPC):

<http://www.imf.org/external/np/hipc/2001/track/index.htm>

March 2002: Actions to Strengthen the Tracking of Poverty-Reducing Public Spending in Heavily Indebted Poor Countries (HIPC)

<http://www.imf.org/external/np/hipc/2002/track/032202.htm>

March 2003: Update on Implementation of Action Plans to Strengthen Capacity of HIPCs to Track Poverty-Reducing Public Spending:

<http://www.imf.org/external/np/hipc/2003/track/030703.htm>

SOME OTHER WORLD BANK GUIDANCE

World Bank Public Expenditure Management Handbook Poverty Reduction and Economic Management. World Bank (1998). Washington, DC.

The standard work on public expenditure management from the World Bank. History, analysis, case studies and guidance, including checklists on the achievement of the following three objectives:

- aggregate fiscal discipline
- resource allocation and use based on strategic priorities
- efficiency and effectiveness of programs and service delivery.

The Handbook is available in English and French from:

<http://www1.worldbank.org/publicsector/pe/handbooks.htm>

Assessing Public Expenditure, Procurement and Financial Accountability: A Review of the Diagnostic Instruments, PEFA Secretariat, April 2003

The diagnostic instruments reviewed include the World Bank's Public Expenditure Review (PER), Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment Report (CPAR); the IMF's Report on the Observance of Standards and Codes of Fiscal Transparency (Fiscal ROSC); the IMF/World Bank HIPC Public Expenditure Tracking Assessment and Action Plan (HIPC AAP); the European Commission's work on assessment and audit of public financial management systems; and UK DFID's approach to assessing fiduciary risk.

<http://www.sti.ch/pdfs/swap314.pdf>

The Public Expenditure Management (PEM) Diagnostic

The Public Expenditure Management toolkit is currently being developed by staff at the World Bank. The toolkit provides an approach for assessing public expenditure institutional (rules of the game) arrangements. It focuses on the three levels of expenditure outcome: aggregate fiscal discipline; strategic and inter-sectoral allocations; and operational efficiency and service delivery.

<http://www1.worldbank.org/publicsector/pe/toolkit.htm>

Public Expenditure Tracking Surveys (PETS)

These were designed to provide information from different tiers of government and frontline service facilities. PETS studies have been implemented in Uganda, Tanzania, and Ghana since 1996 to quantify the problems of "asymmetric information" in public spending (manifested in the leakage of public funds). In these three countries the surveys confirmed that leakage of non-wage public funds seriously obstructs social service delivery.

Details of the PETS in Uganda is available from:

<http://www.worldbank.org/research/projects/publicspending/tools/Uganda%20PETS%20education>

Other Guidance

Managing Government Expenditure – Asian Development Bank

This manual has a deliberate operational thrust, covering the entire public expenditure management cycle – from multiyear expenditure programming and budget formulation through budget execution, audit, and evaluation.

The approach is largely a synthesis of the literature in this area and of international experience, with a view to a pragmatic assessment of the benefits, costs, risks, and implementation requirements for different budgetary practices in different country circumstances.

http://www.adb.org/Documents/Manuals/Govt_Expenditure/default.asp?p=govpub

Managing Public Expenditure: A Reference Book for Transition Countries (OECD 2001)

This reference book was developed specifically for East European countries from the above manual.

<http://www1.worldbank.org/publicsector/pe/oecdpemhandbook.pdf>

Understanding and reforming public expenditure management DfID (UK), 2001

These guidelines have been written for governance advisers and economists within DFID. However, officials in other development agencies and in developing or transition countries may also find them useful. Their objective is to provide a coherent approach, a set of basic principles, and some diagnostic tools. The reader however, will need to learn how to apply the principles to particular contexts.

There is limited coverage of audit of public finances.

<http://www.sti.ch/pdfs/swap324.pdf>

OECD-DAC Donor Harmonization Task Force

Good Practice Reference Paper on Measuring Performance in Public Financial Management (2003). Early draft of this paper available:
<http://www.sti.ch/pdfs/swap326.pdf>

OECD/DAC Task Force on Donor Practices

The OECD Development Assistance Committee (DAC) established a Task Force on Donor Practices in late 2000. The objective of the Task Force was to strengthen partner countries' ownership of development activities through identifying and documenting donor practices that would:

- Cost-effectively reduce the burden on the capacities of partner countries to manage aid, and
- Lower the transaction costs involved.

The Task Force prepared a set of Good Practice Papers under the title 'Harmonising Donor Practices for Effective Aid Delivery'.

<http://www.dfid.gov.uk/Pubs/files/OECD-DAC%20Task%20Force%20on%20Donor%20Practices.htm>

CORPORATE GOVERNANCE LINKS

A range of international corporate governance codes are available from:
www.ecgi.de/codes

A list of links to other international corporate governance sites can be found at:
www.icaew.co.uk/menus/links/corpgov.htm

ACCA Internal Audit Bulletin

ACCA issues a quarterly internal audit bulletin to anyone who submits their email address. Back copies of the bulletin containing a wealth of information and further references on internal control, risk management and governance are available from:

<http://www.accaglobal.com/publications/audit/>

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