Indicator 1: Cash Management Outcomes

Indicator	Jul-24	Aug-24	Sep-24
Percentage of the total amount (by value) of monthly payments due that are not made on the due date (as a result of the lack of liquidity)	0.00	0.00	0.00
Ratio of outstanding advances or other borrowing from the central bank to total monthly expenditure, %	0%	0%	0%

This indicator shows 0.00% for each of the three months (July, August, and September 2024), meaning there were no instances where payments were delayed due to liquidity shortages.

- This is an important indicator for assessing the effectiveness of cash management in the country. A consistent 0% suggests strong cash flow planning and execution, ensuring that government commitments are met on time without disruptions. For Kosovo, this demonstrates sound fiscal discipline and good cash forecasting.

- The ratio is 0% for all three months, indicating that there were no borrowings from the central bank to meet expenditure needs during this period.

- In Kosovo, this is a highly relevant indicator, as reliance on central bank advances can signify potential cash flow issues. A 0% borrowing ratio suggests that the government has managed its cash inflows and outflows effectively, without the need to resort to emergency borrowing.

Indicator 2: TSA Coverage

Indicator	Jul-24	Aug-24	Sep-24	Average
A. Cash balances in the TSA under control of the Treasury and available to meet commitments (in local currency)*	652,863,118	662,542,418	693,422,587	669,609,374
B. Total of other general government balances in the banking system (in local currency) **	877,300,000	918,500,000	952,700,000	916,166,667
C. = A/(A+B) x 100 percent	42.67%	41.91%	42.12%	42.23%

- Liquidity Assessment: The ratio of cash balances in the TSA (Treasury Single Account) to the total of other general government balances provides insight into liquidity. A higher percentage suggests better liquidity and capacity to meet immediate financial commitments.

- Benchmarking: This indicator is useful for comparing TSA coverage with other countries, especially those with similar economic structures. However, contextual factors such as the size of the economy, revenue collection efficiency, and spending patterns should be considered when making comparisons.

- Computational Difficulties: The calculation itself is straightforward. However, challenges may arise in obtaining accurate data on cash balances and other government accounts, particularly if reporting standards vary.

- Suggested Indicators

Cash Flow Forecasting: Implementing indicators that track cash flow projections against actual inflows and outflows could enhance insights into cash management effectiveness.

Debt Service Coverage Ratio: This would assess the government's ability to meet its debt obligations, which is crucial for overall fiscal stability.

Indicator 3. Cash Flow Forecasting

Indicator		Jul-24	Aug-24	Sep-24	Average for 3 months
	Revenue (forecast), in local currency R_F	313,735,682.41	277,908,248.68	258,882,547.55	283,508,826.21
	Revenue (actual*), in local currency R_A	314,779,187.62	285,131,161.97	216,167,750.98	272,026,033.52
Error, revenue	$E_R = \dfrac{|R_A - R_F|}{R_A} \times 100\%$	0.33%	2.53%	-19.76%	-5.63%
	Expenditure (forecast), E_F	260,041,251.49	266,642,037.06	248,620,399.71	258,434,562.75
	Expenditure (actual*), E_A	274,463,685.59	239,754,255.42	240,493,820.39	251,570,587.13
Error, expenditure	$E_E = \dfrac{|E_A - E_F|}{E_A} \times 100\%$	5.25%	-11.21%	-3.38%	-3.11%
Net Deviation	$Eb = \dfrac{[(R_A - R_F) - (E_A - E_F)]}{R_A} \times 100\%$	-4.25%	11.96%	-16.00%	-2.76%

- These indicators for revenue and expenditure accuracy, along with the net deviation metric, are indeed relevant for monitoring cash management and forecasting accuracy in our country.

- By comparing with other countries, we could evaluate if our variances are within a normal range or if there is room for improvement, especially given the significant deviation in September.

- We may have used similar indicators for cash management; however, the specific combination of revenue and expenditure error rates, along with the net deviation, presents a comprehensive view that may not have been fully utilized previously. This could be a valuable addition to our cash management assessment.

- Computational challenges might arise if data sources vary in timing or reporting standards. Ensuring data consistency across periods would be important.

- To measure cash management outcomes more comprehensively, additional indicators such as daily cash balance volatility, seasonal adjustments, or debt ratios in relation to cash forecasts could be considered. These would help provide a more detailed picture of cash flow management efficiency and potential liquidity challenges.

4. Overall Comments and Recommendations

1.Yes, the indicators used—such as the cash management outcomes, TSA coverage, revenue, and expenditure accuracy—provide a comprehensive view of key aspects of cash management. They focus on crucial elements like liquidity, the government's ability to meet financial commitments without delays, and the reliability of revenue and expenditure projections.

2. While we may have used similar indicators in the past, this specific combination offers a detailed assessment framework that is both relevant and comprehensive. Revenue and expenditure error rates, combined with net deviation, were not as fully utilized previously in our assessments. This refined approach may offer new insights into cash management effectiveness that weren't as visible before.

3. Additional indicators that could enhance the evaluation of cash management include:

Daily Cash Balance Volatility: Tracking daily fluctuations in the cash balance can provide insights into short-term liquidity needs and improve day-to-day cash flow management.
Seasonal Adjustments: Accounting for seasonal variations in revenue and expenditure could improve the accuracy of cash flow forecasting.
Debt Service Coverage Ratio: This indicator, assessing the government's capacity to meet debt obligations, would provide a broader picture of fiscal stability and debt management.

4. Ensuring data consistency across periods is critical, especially when using varied data sources that might have differing reporting standards. Additionally, a comparative analysis of indicators with similar countries could provide valuable benchmarks, revealing whether any variances in cash management outcomes are within acceptable ranges. This benchmarking could highlight potential improvement areas and help contextualize performance in a broader fiscal environment.