Measuring Cash Management and Forecasting Performance

MINISTRY OF FINANCE OF THE REPUBLIC OF SERBIA
TREASURY DIRECTORATE

REPUBLIC OF SERBIA

MINISTRY OF FINANCE

TREASURY DIRECTORATE

Indicator 1: Cash Management Outcomes

Indicator	JULY (%)	AUGUST (%)	SEPTEMBER (%)
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	0	0
Ratio of outstanding advances or other borrowing from the central bank to total monthly expenditure, %	0	0	0

- The Republic of Serbia has been liquid for years.

Indicator 2: TSA Coverage

Indicator	July 31, 2024 (RSD mil.)	August 31, 2024 (RSD mil.)	September 30, 2024 (RSD mil.)	Average (RSD mil.)
A. Cash balances in the TSA under control of the Treasury and available to meet commitments (in local currency)*	The data are not publicly available.	The data are not publicly available.	The data are not publicly available.	The data are not publicly available.
B. Total of other general government balances in the banking system (in local currency) **	We do not have any data available.	We do not have any data available.	We do not have any data available.	We do not have any data available.
C. = A/(A+B) x 100 percent				

* Includes all funds in TSA which are also fungible (available for commitments) and therefore available for temporary internal reallocation and the funds that were temporarily invested by the Treasury (i.e., placed in the commercial banks, etc.).

- The data on the funds placed are within the purview of the Ministry of Finance.

** Includes all funds that are controlled by the Treasury which are not fungible – this would include funds in the TSA not available for internal reallocation (i.e. outside the category in A) – and other funds held in government bank accounts (in the central bank or commercial banks), except the funds that were temporarily invested by the Treasury either within Treasury control but not fungible, or outside Treasury control.

- This indicator is not relevant for the Republic of Serbia.

Indicator 3: Cash Flow Forecasting

Indicator	July 2024 (RSD mil.)	August 2024 (RSD mil.)	September 2024 (RSD mil.)	Average for 3 months
Revenue (forecast), in local currency R_F	194,500.0	153,700.0	163,660.0	170,620.0
Revenue (actual*), in local currency R_A	197,805.4	154,852.5	163,877.3	172,178.4
Error, revenue $$E_R = \frac{|R_A - R_F|}{R_A} \times 100\%$$	1.67%	0.74%	0.13%	0.85%
Expenditure (forecast), E_F	156,200.0	208,000.0	164,800.0	176,333.3
Expenditure (actual*), E_A	154,629.2	210,358.8	160,302.5	175,096.8
Error, expenditure $$E_E = \frac{|E_A - E_F|}{E_A} \times 100\%$$	1.02%	1.12%	2.81%	1.65%
Net Deviation $$Eb = \frac{[(R_A - R_F) - (E_A - E_F)]}{R_A} \times 100\%$$	2.47%	-0.78%	2.88%	**1.52%**

- This indicator is relevant for the Republic of Serbia. It has not been used in practice to date.

Conclusion

The reporting system of the Treasury Directorate is fully digitalized and covers a large number of aspects and entity-related areas, but is different from the methodology outlined in this document in terms of cash flow forecasting.
The Treasury Directorate is constantly working on the reporting process improvement, taking into account the guidelines of international institutions as well.
The reporting areas are expected to be developed and expanded in the forthcoming period in compliance with the requirements of the Treasury Directorate.

As regards the indicators outlined in this document, the development of the overall cash flow forecasting process requires an adequate reporting format analysis to be carried out, as well as communication channels and responsibilities of the Treasury Directorate, Public Debt Directorate and the National Bank to be determined.

THANK YOU FOR YOUR ATTENTION!

REPUBLIC OF SERBIA

MINISTRY OF FINANCE

TREASURY DIRECTORATE