

PEMOPAL



ANNUAL
REPORT
2019

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PEMPAL ANNUAL REPORT 2019



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ABBREVIATIONS



| | |
|------------------|---|
| AIPWG | Audit in Practice Working Group |
| BCOP | Budget Community of Practice |
| BCS | Bosnian-Croatian-Serbian language |
| BLTWG | Budget Literacy and Transparency Working Group |
| CESEE SBO | Central, Eastern, and South-Eastern European Countries Senior Budget Officials' network |
| CHU | Central Harmonization Unit |
| COP | Community of Practice |
| CY | Calendar Year |
| COSO | Committee of Sponsoring Organizations of the Treadway Commission |
| EC | Executive Committee |
| ECA | Europe and Central Asia Region |
| FMIS | Financial Management Information System |
| FY | Fiscal Year |
| GIFT | Global Initiative for Fiscal Transparency |
| IACOP | Internal Audit Community of Practice |
| IBP | International Budget Partnership |
| IPSAS | International Public Sector Accounting Standards |
| ICT | Information and Communication Technologies |
| IT | Information Technologies |
| MDTF | Multi-Donor Trust Fund |

| | |
|---------------|--|
| MOF | Ministry of Finance |
| OECD | Organization for Economic Cooperation and Development |
| PEMPAL | Public Expenditure Management Peer Assisted Learning |
| PIFC | Public Internal Financial Control |
| PPBWG | BCOP's Program and Performance Budgeting Working Group |
| PFM | Public Finance Management |
| SECO | Swiss State Secretariat of Economic Affairs |
| TCOP | Treasury Community of Practice |
| TSA | Treasury Single Account |
| VC | Videoconference |
| WB | World Bank |
| WG | Working group |



FOREWORD

It is with great pleasure that I present the Annual Report of the Public Expenditure Management Peer Assisted Learning (PEMPAL) network for fiscal year 2019. This year marked the second fiscal year of implementation of the PEMPAL Strategy 2017-22, following the successful implementation of the previous PEMPAL Strategy 2012-17. As indicated by the data presented in the report, PEMPAL remains an effective and very valuable knowledge sharing platform for member governments in the Europe and Central Asia region to support more efficient and effective use of public funds through applying improved public finance management practices.

On behalf of the Steering Committee I would like to take this opportunity to thank the member countries and all the key stakeholders for their continued support and valuable contributions. Learning from international and regional good practices and sharing information between countries is a key tool that underlies the peer learning approach used by PEMPAL. Collaboration between central government agencies leads to improvements in public finance management systems while also strengthening regional relationships that can provide broader benefits to member countries and beyond.

My role as Chair of the Steering Committee started at the end of this fiscal period. I would therefore like to take the opportunity to thank the previous Chair Daniel Boyce, from the World Bank, for his productive inputs and leadership of the Committee during the time period covered by this report.

We are encouraged by the results achieved by PEMPAL during the past year and are pleased to share these with you in this report.



Anna Valkova

PEMPAL Steering Committee Chair
Ministry of Finance of the Russian Federation

A stylized, handwritten signature in blue ink, consisting of a large loop followed by a series of connected strokes.



EXECUTIVE SUMMARY

PEMPAL facilitates the exchange of professional experience among public finance management (PFM) practitioners across governments from 23 countries in the Europe and Central Asia (ECA) region.

The PEMPAL goal is for member country governments to use public resources more efficiently and effectively. PEMPAL members are from Ministries of Finance and national Treasuries, organized around three thematic communities of practice (COPs) on budget (BCOP), treasury (TCOP), and internal audit (IACOP).

The FY19 Annual Report (AR) records progress in applying good and improved PFM practices developed, promoted, or shared through PEMPAL from July 1, 2018 to June 30, 2019.

Activities in FY19 were guided by the PEMPAL Strategy 2017-22, which aims to provide a well-functioning professional peer learning platform through which public finance practitioners from member countries are networked to strengthen their capacities and to enable them to create and share knowledge and benchmarking.

Five hundred participants from 23 PEMPAL member countries attended events in FY19,

including face-to-face meetings, network exchanges, videoconference meetings, and workshops. Strong member country commitment was evident from member countries' willingness to host PEMPAL events and invest significant resources into their organization, as well as from member countries' delegating their key staff to attend and contribute to PEMPAL events, develop PEMPAL knowledge products, and serve on the COP Executive Committees. Six of the nine face-to-face events in FY19 took place in PEMPAL member countries with some events arranged back-to-back to achieve cost efficiencies. There is also growing evidence of member country representatives actively engaging in developing and delivering event agendas and knowledge products, and leading the thematic groups, to advance reforms in their countries.

The BCOP focused on taking stock and benchmarking performance budgeting and spending review systems in PEMPAL countries; how to engage citizens in the budget process and fiscal policy; and capital budgeting/public investment management.

In FY19 it organized two face-to-face events and one videoconference workshop; and smaller BCOP working group delegations also participated in network exchanges with the OECD and GIFT. Key themes were i) examining mechanisms for public participation in the budget process at the national level and good practices of participatory budgeting initiatives at the subnational level; ii) collecting and analyzing data on performance budgeting and spending reviews in PEMPAL countries to take stock of practices and challenges and to benchmark with the OECD countries; and iii) comparing PEMPAL country practices and trends with international practices and identifying the key challenges in strengthening public investment management and improving capital budgeting.

The TCOP focused on reforms of national Treasuries' activities.

There were seven TCOP events in FY19, three face-to-face and four videoconferences. Key themes were i) budget expenditure controls and interaction between the government budget execution and procurement processes, as well as country experiences of institutional reorganization; ii) developing soundly-based and high-performing cash flow forecasts, and examining links between cash flow forecasting and budget execution; iii) implementing financial management information systems and their interoperability with public procurement systems; and iv) optimizing the design of public sector charts of accounts.

The IACOP continued its support in establishing modern and effective internal audit systems.

There were four face-to-face IACOP meetings in FY19. Key themes were i) increasing the effectiveness of internal audit in the public sector and publishing guidance on how internal auditors can demonstrate impact and measure added value; ii) examining the internal control environment, including producing guidance for internal auditors on assessing the effectiveness of internal control; and iii) considering the various roles of the modern internal audit function, including assurance and advice.

New evidence of PEMPAL impact on member country PFM systems was generated in FY19.

The participants highly appreciated the opportunities to learn and exchange knowledge with peers, and they reported that PEMPAL contributed to improving their professional knowledge and skills. Member countries also reported that PEMPAL was contributing to PFM reforms in their countries, including improving budget practices, treasury systems, and internal audit and internal control.

FY19 events attracted high-level involvement from member countries.

Meetings hosted by member countries were opened at a senior level and attended by high-level officials. Overall, 24 senior officials from member countries attended PEMPAL face-to-face events in FY19.

PEMPAL continued to benefit from significant support from its development partners in FY19,

including the World Bank (WB), the Swiss State Secretariat for Economic Affairs (SECO), the Ministry of Finance of the Russian Federation, the Organization for Economic Cooperation and Development (OECD), and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands. The program is funded through a Multi-Donor Trust Fund (MDTF) administered by the WB and financed by contributions from the two main donors: SECO and the Ministry of Finance of the Russian Federation. Close cooperation is maintained with other relevant international institutions including the Global Initiative for Fiscal Transparency and the Organization for Economic Cooperation and Development.

PEMPAL would like to thank the member countries, development partners, and donors for their support and continued collaboration to strengthen PFM reforms across the ECA region.

PEMPAL is proud of its achievements in FY19, and is looking forward to building on them in FY20, including undertaking an independent evaluation of the program, as part of a mid-term review of its Strategy, to further build on the effectiveness and efficiency of the network.





1

BACKGROUND AND SCOPE

The Public Expenditure Management Peer Assisted Learning network (PEMPAL) facilitates the exchange of professional experience and knowledge transfer among public finance management (PFM) practitioners across countries in the Europe and Central Asia (ECA) region.

The network, launched in 2006 with the support of several development partners, aims to contribute to strengthening PFM practices in participating countries through sharing, developing, and disseminating information on good PFM practices and their application.

PEMPAL members are government officials from Ministries of Finance, national Treasuries, and other related central agencies of 23 ECA countries

in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic¹, Georgia, Hungary¹, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, Russia, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan. Members' responsibilities include government budget planning, preparation, execution and monitoring, and coordination/harmonization of the internal audit and internal control function.

Peer-to-peer learning is the main instrument used by PEMPAL.

This is a proven powerful approach to increase individual and organizational capacities. Participants work together face-to-face and on-line to share knowledge and develop approaches to solving common PFM challenges. Sharing of information and discussion of common problems and solutions are facilitated through relationships built over time between individual members and countries through regular interactions, promoted and supported by PEMPAL. In contrast with traditional training approaches, PEMPAL participants formulate their own action plans and take on the role of experts within the peer groups, so they both provide and receive technical assistance according to their strengths and needs.

PEMPAL is organized around three thematic communities of practice (COPs) focusing on budget, treasury, and internal audit issues.

Each has its own membership, and activities are driven by an overarching PEMPAL Strategy as well as member-led COP action plans that address key PFM priorities of member countries. COP action plans include the sharing and creation of knowledge through face-to-face and virtual meetings, knowledge exchange visits, and the development of knowledge products. Information is shared via a public website in the three official languages of the network: English, Russian, and Bosnian-Croatian-Serbian (BCS).

www.pempal.org

The current PEMPAL Strategy came into force in July 2017 and defines PEMPAL's strategic framework for the period 2017-22.

In conformity with this framework, the high-level goal of PEMPAL for the current period is that:

- Governments of PEMPAL member countries from Europe and Central Asia more efficiently and effectively use public resources resulting from applying good and improved PFM practices developed, promoted, or shared with PEMPAL contribution.

The expected outcome of the PEMPAL Strategy 2017-22 is:

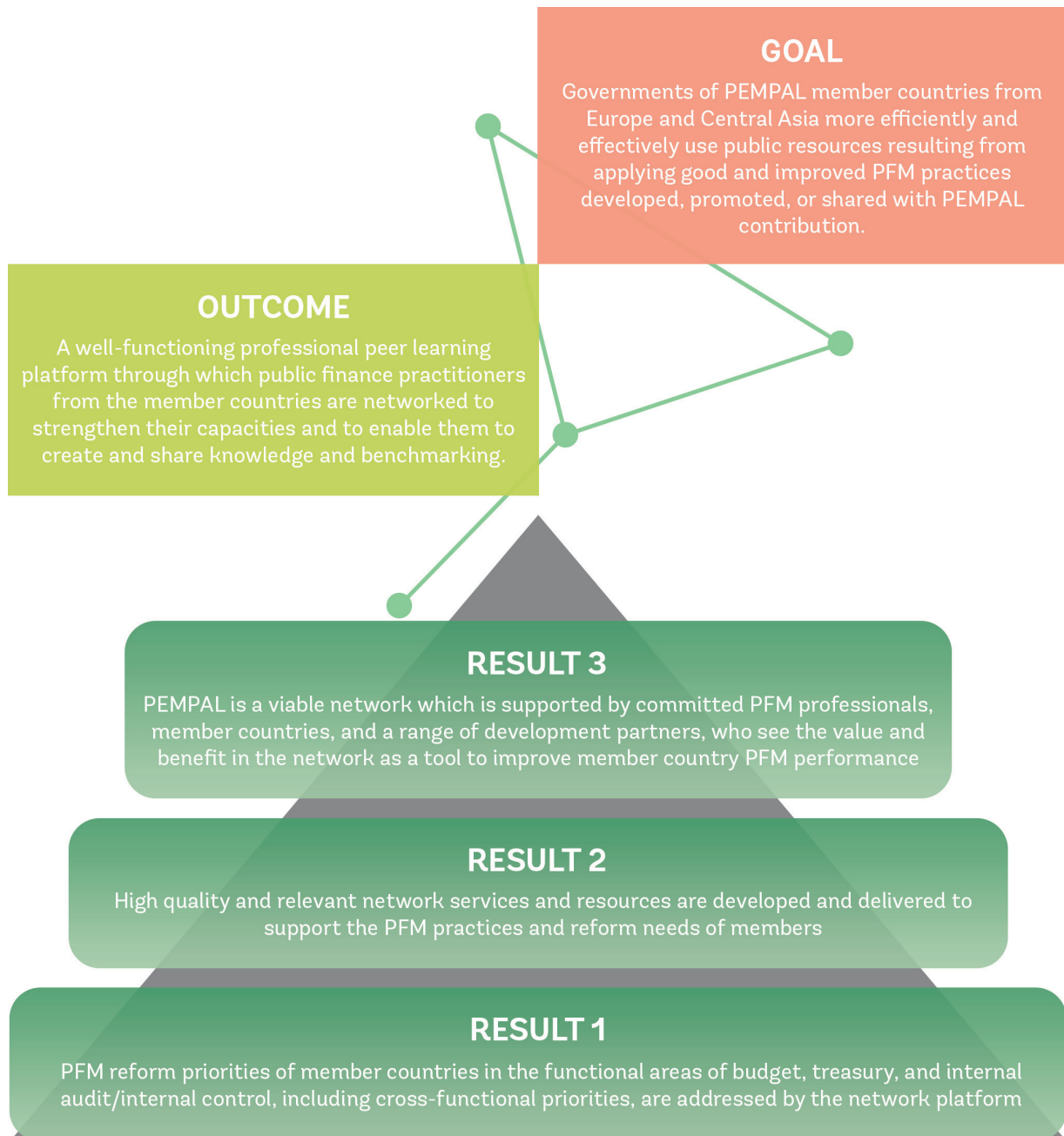
- A well-functioning professional peer learning platform through which public finance practitioners from the member countries are networked to strengthen their capacities and to enable them to create and share knowledge and benchmarking.

www.pempal.org/strategy

PEMPAL's strategic framework has three results areas to ensure PEMPAL meets its goal and outcome objectives. These are summarized in **Figure 1** below.

¹ Partial membership in one community of practice only (IACOP).

FIGURE 1: PEMPAL RESULTS FRAMEWORK 2017-22



PEMPAL’s governance structure is presented in Figure 2 below and comprises:

- Three thematic COPs – on budget (BCOP), internal audit (IACOP), and treasury (TCOP) – are each led by an Executive Committee (EC) of volunteer members from PEMPAL countries who drive and steer the network on behalf of members²;
- A Steering Committee including COP Chairs/Deputy Chairs and donor representatives, which provides strategic oversight and direction³;

- Technical resource teams provided by the World Bank and other donors who assist the COP Executive Committees with development and implementation of member-led action plans which are approved by the Steering Committee; and
- A Secretariat which provides administrative and logistical support for PEMPAL.

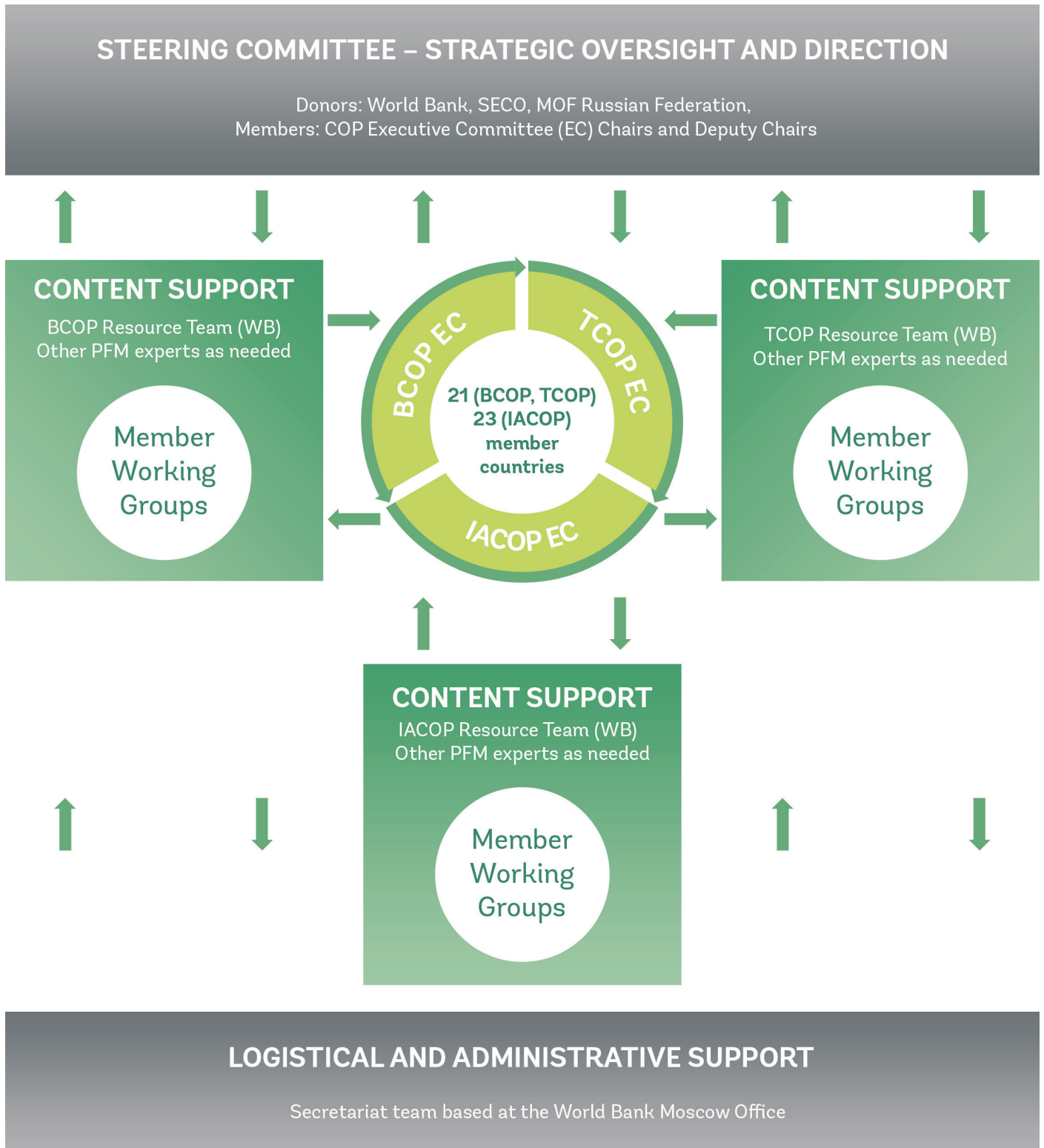
² Attachment 2 provides the list of the members of Executive Committees as of end-June 2019.

³ Attachment 3 provides information on the composition of the Steering Committee as of end-June 2019.

PEMPAL continues to benefit from significant support from its development partners, including the World Bank (WB), the Swiss State Secretariat for Economic Affairs (SECO), the Ministry of Finance of the Russian Federation, the Organization for Economic Cooperation

and Development (OECD), and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands. The program is funded through a Multi-Donor Trust Fund (MDTF) administered by the World Bank and financed by contributions from the two main donors: SECO and the Ministry of Finance of the Russian Federation.

FIGURE 2: PEMPAL GOVERNANCE STRUCTURE



PEMPAL is accountable for the use of donor funds, so it must ensure it meets the needs of all its key stakeholders and executes its budget at minimum cost with maximum impact while complying with its approved fiduciary framework. To ensure accountability, PEMPAL continues to use a range of tools and processes for monitoring, measuring, and evaluating its performance and relevance.⁴ For example, the Steering Committee reviews and approves COP action plans and budgets and monitors their implementation through regular meetings, with minutes publicly available on the PEMPAL website. Periodic internal reviews and external evaluations supervised by the Steering Committee are also conducted (such as the mid-term review in 2015 and another planned in 2020).

This report is part of PEMPAL's accountability framework. It is the second Annual Report produced for the new strategy period. In line with the PEMPAL Steering Committee's decision to report on a fiscal year (FY) basis, the period covered is defined as FY19 (July 2018 – June 2019)⁵. The structure of the report follows the logic of the strategic framework presented above. Sources of data include COP program impact surveys, event evaluation surveys, and administrative and other relevant data collected by the PEMPAL Secretariat during FY19. Comparisons with earlier data are provided where feasible and relevant.

4 See

www.pempal.org/rules/

www.pempal.org/event/steering-committee-meetings

www.pempal.org/evaluation

Annual Reports, quarterly newsletters, and standard post-event feedback surveys are also used.

5 The WB fiscal year is used as it administers the main source of program funding, and reporting on the use of funds follows WB trust fund rules.





2

**PEMPAL IMPACT ON
PFM PRACTICES IN
MEMBER COUNTRIES AND
PROFESSIONAL CAPACITY
OF PFM SPECIALISTS**

PEMPAL has developed over the last decade into an important platform to support improvements in PFM in member countries across the ECA region.

Its contribution to PFM reforms in member countries during the previous strategy period is documented in the report “PEMPAL in 2012–17”⁶. An impact survey undertaken at the start of the new strategy targeting senior officials of the beneficiary institutions⁷ found that 61% of respondents assessed PEMPAL’s impact on their PFM systems as high and 39% as medium, with no respondents reporting low impact or no impact.⁸

“PEMPAL is an exclusive platform for dozens of countries to discuss the most pressing issues in the field of public administration, internal control, and modern internal audit. It is difficult to overestimate the importance and necessity of the existence of PEMPAL.”

— IACOP WG meeting, North Macedonia

FY19 generated new evidence of PEMPAL impact on member country PFM systems.

The COPs continue to collect information on specific improvements in aspects of PFM practices implemented using information and knowledge obtained through PEMPAL (see **Attachment 1**).

Ten (10) BCOP members reported that BCOP had a significant (Belarus, Kazakhstan, and Moldova) or medium (Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, North Macedonia, Russia, and Serbia) impact or influence on the budget practices of their country

in response to BCOP’s impact survey conducted in FY19⁹. Only Kosovo and Georgia reported a low impact. The surveyed countries reported that knowledge gained through PEMPAL BCOP activities had

been used to design, recommend, and/or implement PFM practices in their country. Specific examples of impact from BCOP countries are provided in **Attachment 1**.

Eleven (11) BCOP members reported that it had a significant (Belarus, Croatia, Kazakhstan, Moldova and Serbia) or medium (Bosnia and Herzegovina, Bulgaria, Georgia, Montenegro, North Macedonia, and Russia) positive impact on the capacity of participating staff from their Ministry/Department.

Only Kosovo advised of a low impact. No country reported that BCOP had no impact on capacity of participants. Areas generally identified by the BCOP as very useful included:

- Identifying and/or **benchmarking good practices inside and outside the PEMPAL region** (9 and 8 member countries, respectively).
- Providing **access to technical information** and knowledge resources in **understandable languages** (8 member countries).
- Providing opportunities to **discuss budget reform challenges/issues** with peers in other Ministries of Finance (12 member countries).
- Providing opportunities to **discuss potential options/solutions to PFM problems** with peers in other Ministries of Finance (9 member countries).
- Providing **opportunities to present their country’s progress and achievements** (6 member countries).
- **Strengthening capacities and/or confidence in leading/managing reforms** (6 member countries).
- **Strengthening budget related policy/legislative framework** through examining frameworks in other countries shared during PEMPAL events (6 member countries).
- **Enabling the creation of knowledge from the PEMPAL region to inform other regions** (8 member countries).

⁶ www.pempal.org/sites/pempal/files/pempal2012-2017_web_eng.pdf

⁷ Ministries of Finance and national Treasuries of PEMPAL member countries.

⁸ Survey conducted September – November 2017. Questionnaires were sent to the senior management of the Ministries of Finance

of all PEMPAL member countries. In cases where national Treasuries are not part of the Ministries of Finance, additional questionnaires were sent also to the management of the national Treasuries. Responses were received from 18 countries.

⁹ Armenia’s response to the survey was incomplete (only responded to the first 14 questions of the survey, out of the total of 41 questions).

Thirteen (13) TCOP countries (Albania, Azerbaijan, Belarus, Georgia, Croatia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, North Macedonia, Russia, Tajikistan, Turkey) reported that events in FY19 promoted national PFM reforms.¹⁰

This is an improvement from 9 out of 14 countries that answered this way previously. TCOP members were surveyed at their annual plenary meeting in 2019. Specific examples of impact from each country are provided in **Attachment 1**. The value of TCOP in strengthening capacity in the design of integrated Financial Management Information Systems (FMIS) and use of IT was mentioned by several countries (Albania, Azerbaijan, Belarus, Croatia, Kosovo, North Macedonia, and Tajikistan). TCOP had helped identify good practices for integration of individual budget processes and treasury functions with other systems, and offered guidance on the design of unified charts of accounts.

Representatives from Turkey, Czech Republic, Kazakhstan, Montenegro, and North Macedonia shared their very positive experience of IACOP dialogue and knowledge products to advance reform of internal audit and internal control.

Feedback from IACOP members was collected for evidence of knowledge generated and how it was applied in FY19. Specific examples are provided in **Attachment 1**. The IACOP was a unique forum for learning and the exchange of ideas and the documents produced by the IACOP were very valuable to member organizations.

PEMPAL has further strengthened itself as a professional platform for PFM knowledge exchange.

The “PEMPAL in 2012–17” report documented strong evidence of new and improved knowledge in PFM practices attributable to PEMPAL and high levels of satisfaction of individual members with the opportunities for knowledge sharing and learning provided by the network. More than 60% of senior officials surveyed in 2017 assessed PEMPAL’s impact on individual participants’ capacity to lead or implement PFM reforms in their countries as high (TCOP and IACOP scored 2.6 and BCOP 2.3).¹¹ Evidence data for the new strategy during FY18 and FY19 continues this positive trend.

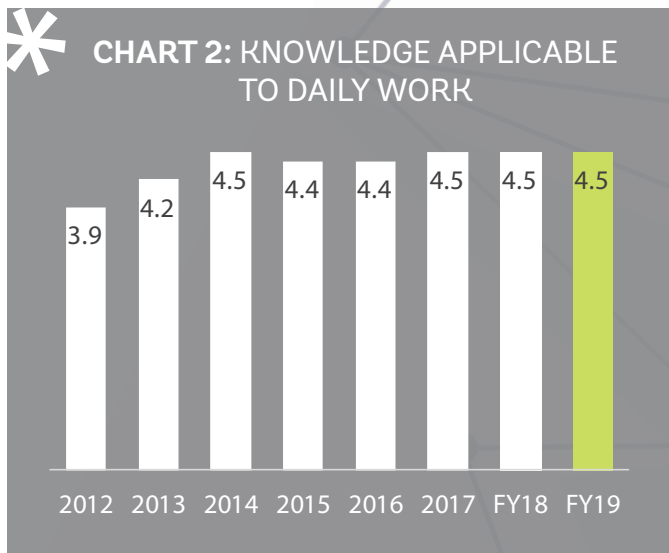
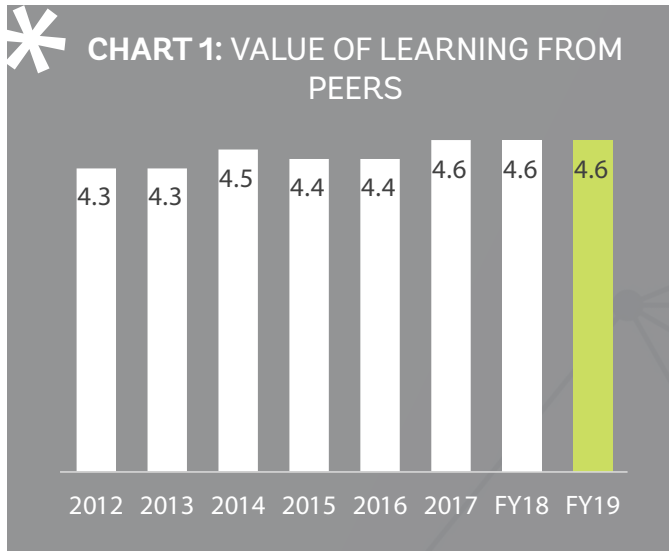
PEMPAL is helping build capacity among participants who value PEMPAL learning and cooperation.

Self-assessments by PEMPAL participants provide evidence that individual members attach high value to the opportunities provided by the network. Data from FY19 event evaluation surveys shows high ratings for the opportunity to learn from peers and the ability to apply knowledge obtained at events to daily work, as illustrated in **Chart 1** and **Chart 2**.¹² The FY19 ratings for both indicators were at the same level as in calendar year 2017 (CY17) and FY18, the highest level observed since monitoring of these indicators started in 2012. Post event survey responses in FY19 include many written comments acknowledging PEMPAL’s contribution to improving participants’ professional knowledge and skills across all three COPs (see **Attachment 1**).

10 This should be seen as the cumulative impact of TCOP activities, as it is not always easy to distinguish the impact of the latest and earlier events.

11 Scale used for the survey was 1 – low, 2 – medium, 3 – high.

12 Based on the data of the standardized on-line surveys administered after each significant face-to-face event. **Attachment 4** provides summary information on the average annual ratings for the standard questions from these surveys together with additional information on the methodology used. Throughout the report, the titles of charts based on the data from these surveys are marked with *.





3

**PEMPAL RESULTS:
ADDRESSING THE PFM
PRIORITIES OF MEMBER
COUNTRIES**

PEMPAL COPs continued to work throughout FY19 on high priority topics directly related to the PFM reform agendas of member countries.

Events of different types addressed the needs of members. **Chart 3** below shows the number and type of events held in FY19 compared to the previous strategy period. Events included cross-COP meetings (of members of the three COPs); plenary meetings (of all members of a specific COP); working group meetings (of a sub-set of members from a specific COP), and study visits (to learn from another country). **Table 1** shows FY19 events and their type by COP. Meetings are either held face-to-face or via VC. There were also two BCOP 'network exchanges', connected to external events.

Five hundred (500) participants from member countries attended events in FY19¹³ (Chart 4).

Chart 5 shows attendance by the types of events held during FY19, there was increased attendance at videoconference meetings and decreased attendance at face-to-face meetings, compared with FY18. The decrease in attendance of face-to-face meetings reflects cost saving measures implemented by the COPs.¹⁴

CHART 3: PEMPAL EVENTS BY TYPE

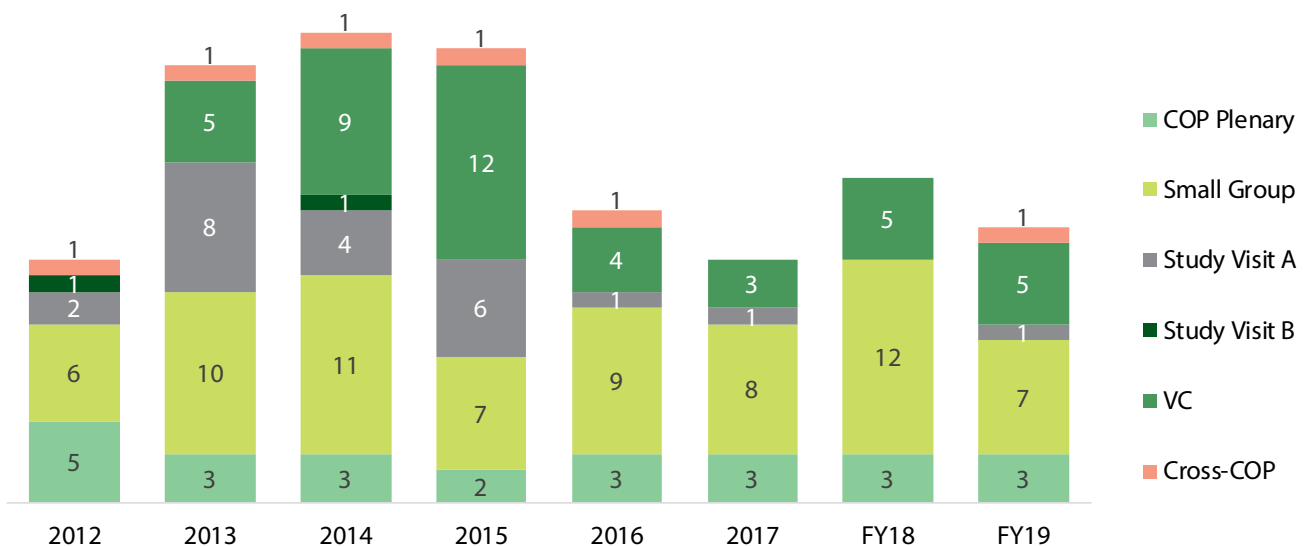


CHART 4: EVENT PARTICIPANTS BY AGENDA, INCLUDING VCS

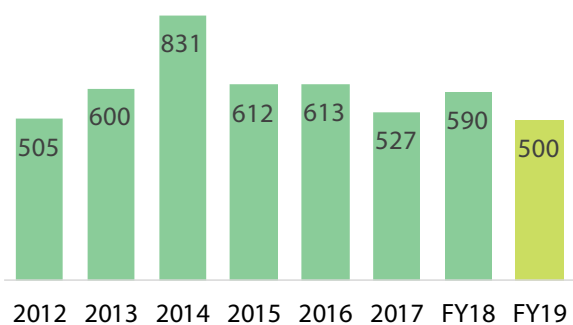
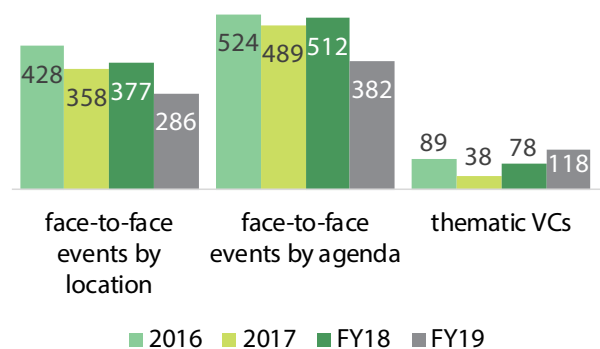


CHART 5: EVENT PARTICIPANTS



¹³ Head count "by agenda" is based on event, participants who attended different events at the same location are counted for each event separately. Head count "by location" counts each participant only once regardless of number of events attended at the location.

¹⁴ For the TCOP meeting in Hungary, participants from the host country were not included in the number of member country participants as they are not members of TCOP.

TABLE 1: FY19 EVENTS AT A GLANCE

| Date | BCOP | TCOP | IACOP |
|---------------------|--|--|---|
| July 2018 | Cross-COP Leadership Meeting, Budapest, Hungary | | |
| August | | | |
| September | Network Exchange: Budget Literacy and Transparency Working Group (BLTWG) Attendance at the 2018 Moscow Financial Forum and the International Conference on Citizen Engagement, Moscow, Russian Federation | Cash Management Working Group (WG) (VC meeting) | |
| October | BLTWG Learning Visit on Public Participation in Portugal and Joint BLTWG-GIFT Workshop, Portugal | | Annual Plenary and Internal Control WG Meetings, Tbilisi, Georgia |
| November | Network Exchange: Program and Performance Budgeting Working Group (PPBWG) Participation in the Meeting of OECD Senior Budget Officials' Performance and Results Network, Paris, France | Cash Management WG Meeting, Vienna, Austria | |
| December | | Use of Information Technologies in Treasury Operations WG (VC meeting) | |
| January 2019 | | Public Sector Accounting and Reporting WG (VC meeting) | |
| February | | | |
| March | 2019 Annual Plenary Meeting, Tashkent, Uzbekistan | Joint meeting of the TCOP Executive Committee and the WG on Evolution of the Role and Functions of the Treasury (VC meeting) | |
| April | | | Internal Control WG, and Audit in Practice WG Meetings, Skopje, North Macedonia |
| May | BLTWG (VC meeting) | | |
| June | | Use of Information Technologies in Treasury Operations WG meeting and the Annual Plenary Meeting, Budapest, Hungary | |

 Face-to-face event

 Videoconference (VC)

PEMPAL events hosted in member countries helped promote PFM reforms and achievements within the host country.

PEMPAL members attended face-to-face events at nine locations, in eight different countries, including five PEMPAL countries: Georgia, Hungary,¹⁵ Russia, North Macedonia, and Uzbekistan. Events hosted by PEMPAL member countries provided opportunities for the host country to tailor the agenda, for example to include sessions on their experiences of relevant thematic areas and discussions of specific issues. Hosting institutions were able to include a larger number of local participants in the events and often involved senior management in selected sessions. Events held in member countries were also often covered by the local mass media, helping promote the PFM reform agenda to a wider public audience.

“PEMPAL is an opportunity to actively participate in the working groups and be “on the crest of a wave” of internal control and internal audit.”

— IACOP Plenary meeting, Georgia

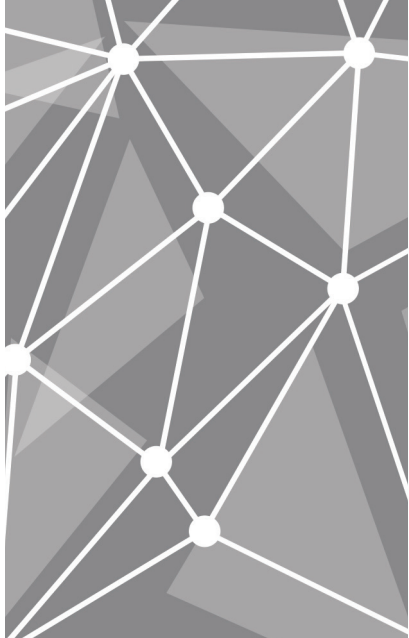
PFM priorities of interest to more than one COP were discussed jointly.

Opportunities for cross-COP collaborations are monitored and exchanges arranged where topics are of mutual interest. Specific examples include a leadership meeting held in Budapest, Hungary, attended by all three COP Executive Committees. The TCOP thematic group on public sector accounting and reporting met through videoconference on January 31, 2019 to discuss the first draft of a new knowledge product on optimizing the design of the chart of accounts. This meeting was also attended by eight member country representatives from BCOP given the mutual interest in expenditure classification issues. The COP resource teams attended other COP meetings (e.g. a TCOP resource team representative attended the IACOP plenary meeting in Georgia, and a BCOP resource team representative attended the TCOP videoconference on chart of accounts).

The following sections provide more details on the activities of each of the COPs in FY19.



¹⁵ Hungary hosted two back-to-back meetings for TCOP and one for the cross-COP leadership meeting. Hungary is a member of IACOP only.



3.1.

Budget Community of Practice (BCOP)

The BCOP's overall objective is to strengthen budget methodology, planning, and transparency in PEMPAL member countries.

Focus in FY19

- **Budget literacy and transparency** –mechanisms for public participation in the budget process at the national level and on examining good practices of participatory budgeting initiatives at the subnational level;
- **Program and performance budgeting** –collecting new data and taking stock of current practices and challenges in member countries benchmarked to OECD countries in performance budgeting and spending reviews;
- **Capital budgeting and public investment management** - comparison of current practices and trends in PEMPAL countries with best international

practices, including but not limited to OECD, and identification of key challenges in strengthening public investment management and improving capital budgeting.

BCOP work in FY19 continued to facilitate knowledge sharing and knowledge resource development.¹⁶

From its FY19 impact survey, BCOP participants reported that PEMPAL is helping build capacity of participants. This was achieved primarily through the BCOP working groups, whose membership includes most of the 21 BCOP member countries:

1. Budget Literacy and Transparency Working Group (BLTWG)- functioning since FY15, comprises 17 BCOP member countries;
2. Program and Performance Budgeting Working Group (PPBWG) - functioning since FY16, comprises 16 BCOP member countries.

BCOP thematic priorities

BCOP priorities for the current PEMPAL strategy period are:

- **sharpening tools for effective fiscal management** with primary focus on performance and program budgeting, while identifying member countries' challenges and priorities in other relevant areas;
- **strengthening fiscal transparency and accountability** with focus on budget transparency, literacy, and public participation and engagement mechanisms; and
- **expanding internationally available data on budgeting in PEMPAL countries** through identification and sharing of budget-related good practices and benchmarking within and outside of the PEMPAL region.

¹⁶ BCOP action plans can be found at:

www.pempal.org/about/action-plans/bcop

Members’ priorities are used to define the topics for BCOP’s two working groups and BCOP annual plenary meetings.

Each year a formal online survey gathers topics from members. Specific subtopics within the broader working group themes are selected for focused examination. The level of complexity of subtopics examined has increased over the years. There is also an ongoing focus on development of BCOP’s own knowledge products. These reflect the continual increase of knowledge levels, and development of high quality, technical understandings of the themes of the BCOP working groups.

A feature of BCOP’s work in FY19 was again financial prudence, due to the network’s financial uncertainties.

As in FY18, BCOP operated in a savings mode, implementing cost-savings measures including the joint organization of a face-to-face workshop with GIFT (for which in addition to some costs being shared with GIFT, the hosts from Portugal also covered some costs and facilitated access to lower accommodation rates for the participants); use of videoconference and email correspondence to conduct working group activities; and limiting the number of participants in smaller events.

The BCOP organized five events in FY19: two main face-to-face events; one videoconference workshop; and smaller BCOP working group delegations participated in network exchanges.

The plenary meeting had a 3-day agenda, during which one day was devoted to each of the two BCOP working groups, with the third day on the new priority topic of capital budgeting and public investment management (results of the internal BCOP survey on practices and challenges in PEMPAL countries were presented, as well as reviews of relevant World Bank tools, approaches and trends in OECD countries, and specific PEMPAL country cases). A three-day BLWTG workshop was conducted jointly with GIFT in Portugal. This event included an exchange of information about the two networks (PEMPAL and GIFT); explanation of the Portuguese government experience in enhancing public participation at the national level; and a visit to the Cascais municipality to examine their practices

in public participation at the municipal level. A small PPBWG delegation took part in the meeting of the OECD Senior Budget Officials’ Network for Performance and Results and BLTWG representatives joined workshops on public participation initiatives during the 2018 Moscow Financial Forum. A videoconference meeting of BLTWG was also held to advance work on a knowledge product, and PPBWG worked through email correspondence to conduct and analyze the Performance Budgeting Survey.

The BCOP continued its close cooperation with development partners, including the OECD and GIFT, in FY19.

Cooperation with OECD and GIFT is an important source of content for the BCOP’s work and allows PEMPAL BCOP countries to share and benchmark their progress and challenges in budgeting reforms with countries from other networks/regions on a regular basis and to learn and discuss the latest trends and analytical reports of international organizations in budgeting areas. Additionally in FY19, BCOP’s BLTWG cooperated with the World Bank’s Russia Local Initiatives Support Project, to examine participatory budgeting approaches.

“The practical experience of the participants gives me opportunity to consider their successful and unsuccessful examples in my work.”

— BCOP plenary meeting, Uzbekistan

3.1.1.

BCOP Working Groups and Knowledge Products

BCOP members were very positive about the knowledge products, presentations from events, additional secondary documents distributed/translated through BCOP, and specific examples and documents from individual countries made available through BCOP in a FY19 survey.

Knowledge products were assessed as both the most useful (scoring a weighted average of 2.6 out of a highest possible score of 3) and highest quality (2.8 out of 3). This reflects the increased capacity of the BCOP membership and working groups and the growing maturity of the PEMPAL network towards developing its own materials. The work of the two BCOP thematic working groups (including all shared knowledge resources and specific knowledge products developed) were highly rated (a weighted average of 2.8 and 2.9 respectively out of 3).

Budget Literacy and Transparency Working Group (BLTWG)

The BLTWG, established in 2015, aims to learn from international experience related to improving budget literacy, openness, and access to citizens, as well as public participation and engagement in the budget process. To do so, the group reviews the best international practices in these areas; exchanges experience among budget experts from member countries in order to develop standardized approaches in these areas; and creates BCOP knowledge products based on accumulated outcomes of the group's work, such as guidelines for the implementation of reforms in these areas in PEMPAL countries. The membership of this working group continues to grow and in FY19 it included 17 of the 21 BCOP member countries: Albania, Armenia, Bosnia and Herzegovina, Belarus, Croatia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

"Even though I have already heard many presentations on public participation in budgeting and on budget literacy, I still hear new useful information every time I take part in BCOP activities and I hear new ideas which could potentially be implemented in my country on this topic. In addition, in this meeting, we also received useful information on the topics of capital budgeting trends and spending review global best practices."

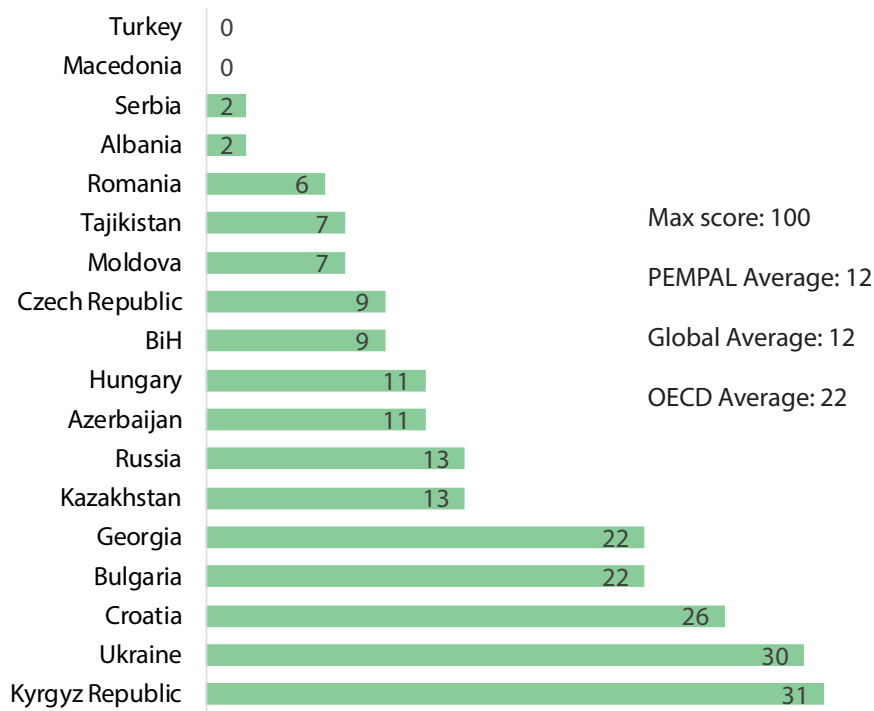
— BCOP Plenary meeting, Uzbekistan

The specific themes for the BLTWG in FY19 were mechanisms for public participation in the budget process at the national level and good practices of participatory budgeting initiatives at the subnational level. This continued the group's increased focus on public participation. Previous areas of focus had been budget transparency and access (including citizens' budget) and reviewing best practices in budget literacy.

Outcomes for BLTWG in FY19 included:

- i) familiarization with the most current global best practices in public participation at the subnational level, including in depth-examination of mechanisms used in Russian Federation, as well as a direct on-site review of public participation practices in Cascais municipality in Portugal, a global champion in participatory budgeting;
- ii) familiarization with current global best practices and examples of public engagement mechanisms in budgeting at the national level, including direct on-site review of the Portuguese government's national level initiatives and detailed review of New Zealand practices;
- iii) review of the status and plans in budget openness and public participation in PEMPAL countries;
- iv) practical group work on motivating citizens to use information technologies in support of public participation in the budget process and on designing public engagement models; and
- v) exchange of information on recent achievements and analytical work in the area of public participation with the GIFT network.

CHART 6: PUBLIC PARTICIPATION IN THE BUDGET PROCESS 2017 FOR PEMPAL MEMBERS¹⁷



BLTWG also initiated activities on content and process to update, expand, and finalize its knowledge product on public participation at the national level.

This knowledge product, to be finalized in FY20, will expand on the ‘Background Paper on Public Participation in Fiscal Policy and Budget Process’, developed by the BLTWG in FY18. BLTWG will also continue to successfully partner with international organizations, including GIFT, World Bank, and IBP.

of the 21 BCOP member countries: Albania, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Russian Federation, Serbia, Turkey, Ukraine, and Uzbekistan.

“The reports on performance budgeting examined in the meeting were very useful for our work.”

— BCOP Plenary meeting, Uzbekistan

Program and Performance Budgeting Working Group (PPBWG)

PPBWG, established in 2016, identifies trends, methodologies, and lessons learned in the design and implementation of program and performance budgeting and spending reviews in developed and PEMPAL countries, with the aim of improving spending effectiveness. Membership of this working group has grown and in FY19 it included 16

PPBWG focused in FY19 on collecting new and more detailed data to take stock of current practices and challenges in member countries benchmarked to OECD countries in performance budgeting and spending reviews. This was a continuation of the group’s deepening focus following the initial broader stock-taking of practices in PEMPAL countries, initial general review of best global practices, and the group’s knowledge product on performance indicators in previous years.

¹⁷ Source: Based on the results of the 2017 IBP Open Budget Survey of 115 countries, Harika Masud, World Bank, presentation to PEMPAL, October 15, 2018 Cascais

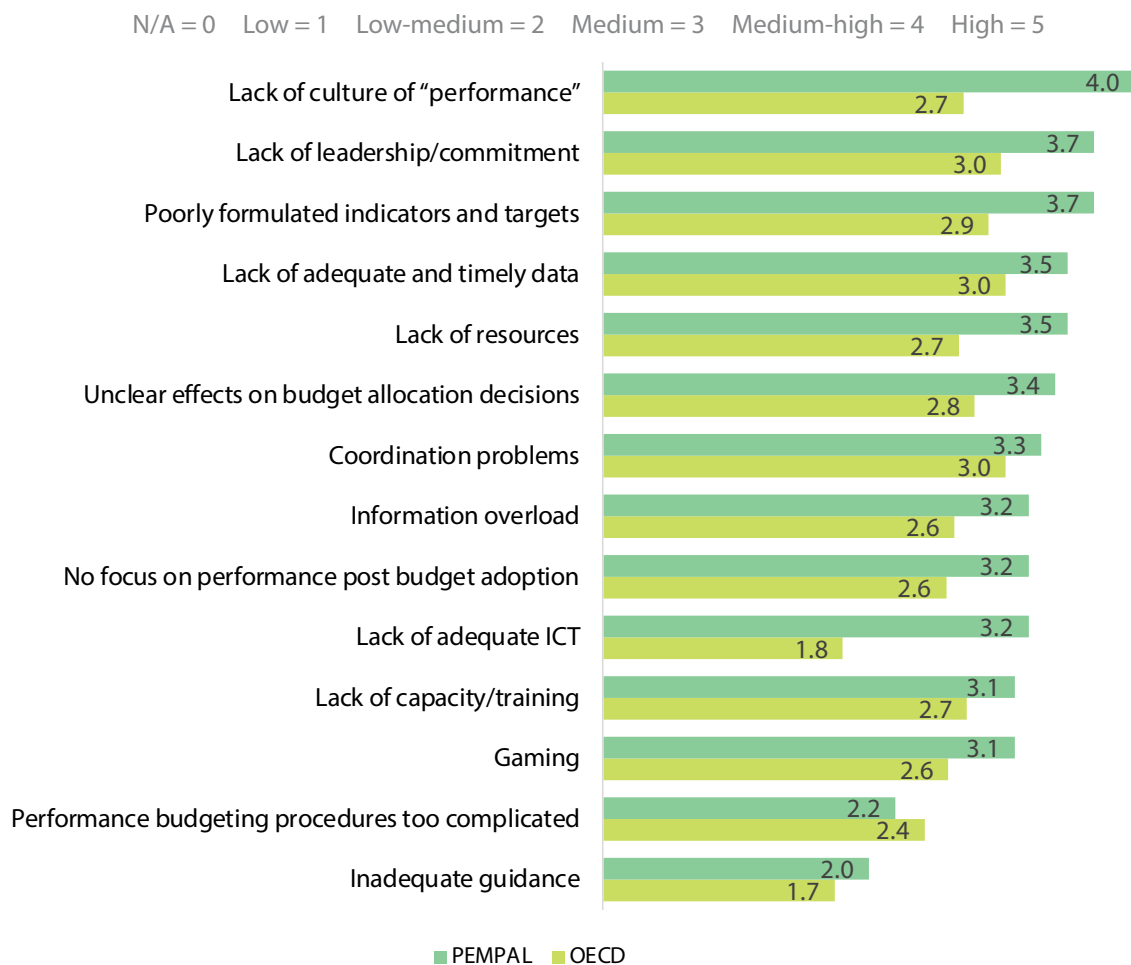
Outcomes for PPBWG in FY19 included:

i) collecting, analyzing, and discussing data from PEMPAL countries on the '2018 OECD Performance Budgeting Survey'; ii) collecting, analyzing, and discussing expanded data on status and plans of PEMPAL countries in spending reviews; iii) familiarization with the latest trends, characteristics, and best practices in performance budgeting and in spending reviews in OECD countries, iv) presenting developments in performance budgeting in PEMPAL countries to the OECD network; and v) group work on an ideal applicable design, methodology, and organizational set-up for spending reviews for PEMPAL countries and on ways to ensure integration of spending reviews in the budget process.

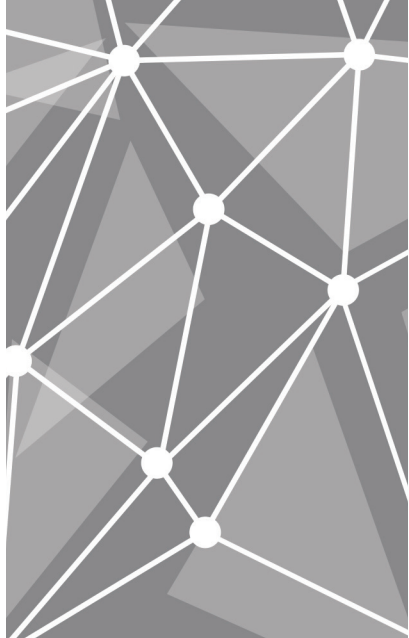
The PPBWG drafted a PEMPAL knowledge product in FY19; a report presenting collected data on performance budgeting and spending reviews in PEMPAL countries.

This report reviews the status of PEMPAL countries in performance budgeting, highlighting the key trends and differences in OECD and PEMPAL countries and trends in PEMPAL countries in 2018 compared to 2016. It also provides information on the status and plans of PEMPAL countries regarding spending reviews and it benchmarks the main characteristics in PEMPAL countries against those in OECD countries. As part of this work, the PPBWG cooperated closely with the OECD and is grateful for its content contribution to the group. Additionally in FY19, the PPBWG initiated discussions on a knowledge product on spending reviews planned for FY20.

CHART 7: CHALLENGES IN IMPLEMENTATION OF PERFORMANCE BUDGETING (WEIGHTED AVERAGE)¹⁸



¹⁸ Source: FY19 survey results for draft knowledge product 'Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Trends, and Challenges' being prepared by BCOP's Program and Performance Budgeting Working Group (PPBWG).



3.2.

Treasury Community of Practice (TCOP)

In accordance with its current strategic plan,¹⁹ TCOP aims to strengthen the treasury function of government through:

- supporting and enabling promotion of PFM reforms in PEMPAL member countries, focusing on reforms of national Treasuries' activities;
- offering high quality resources and knowledge services on topics of priority professional interest to TCOP members;
- building and enhancing a highly professional community of treasury experts interested in promoting treasury reforms in the context of wider PFM reforms in their countries; and

- involving top managers of Treasuries and Ministries of Finance from member countries to support TCOP activities and the PEMPAL network in general.

Focus in FY19

- **Evolution of the role and functions of national treasury institutions** –evolution of the budget expenditure controls and interaction between the government budget execution and procurement processes, as well as country experiences of institutional reorganization;
- **Cash management** –developing soundly-based and high-performing cash flow forecast, and the links between cash flow forecasting and budget execution;

TCOP thematic priorities

The main themes of TCOP activities for the current strategy period include:

- **cash management and forecasting**, addressing various dimensions of cash management and forecasting, including design and operation of the treasury single account, cash forecasting tools, design of cash buffers, active cash management instruments, relationship between treasury/ministry of finance and central bank in the process of cash management, etc.;
- **evolution of the role and functions of the national treasury institutions**, with a focus on modernization of treasury controls, gradual shift to risk based and performance based approaches in managing treasury operations, and learning from experiences of institutional reorganizations;
- **use of information technologies in treasury operations**, with a focus on experiences of implementation of FMIS and their integration with other government systems in PEMPAL countries and around the world; and
- **public sector accounting and financial reporting**, focusing on practical aspects of the design and implementation of public sector accounting and financial reporting reforms.

¹⁹ TCOP strategic and action plans can be found at:

- **Use of information technologies in treasury operations** – implementation of financial management information systems and their interoperability with public procurement systems;
- **Public sector accounting and reporting** – optimization of the chart of accounts design.

The TCOP organized seven thematic events in FY19. This included the annual plenary meeting and six working group meetings. Two of the working group events were held face-to-face and the other four through videoconferences.

The TCOP annual plenary meeting was in June 2019 hosted by the State Treasury of Hungary in Budapest.

The main objective of the meeting was to deepen understandings of the evolution of budget expenditure controls with a particular focus on the interaction between government budget execution and procurement processes. Participants received advice on possible options for linking specific functional modules of IFMIS and e-procurement systems and familiarized themselves with the capabilities of such systems operating in the Russian Federation, Georgia, and Rwanda. Experiences were shared on the application of spending controls in participating countries which led to a debate on the role that the advent of information technologies plays in transforming expenditure controls in the region. The TCOP annual survey was conducted during the meeting to collect suggestions for future activities to inform development of the TCOP action plan for FY2020.

3.2.1. TCOP Working Groups and Knowledge Products

TCOP operates several working groups allowing sub-sets of members to meet more regularly to discuss and solve common problems. The activities and results achieved by these working groups are briefly summarized below.

Working Group on Use of Information Technologies in Treasury Operations

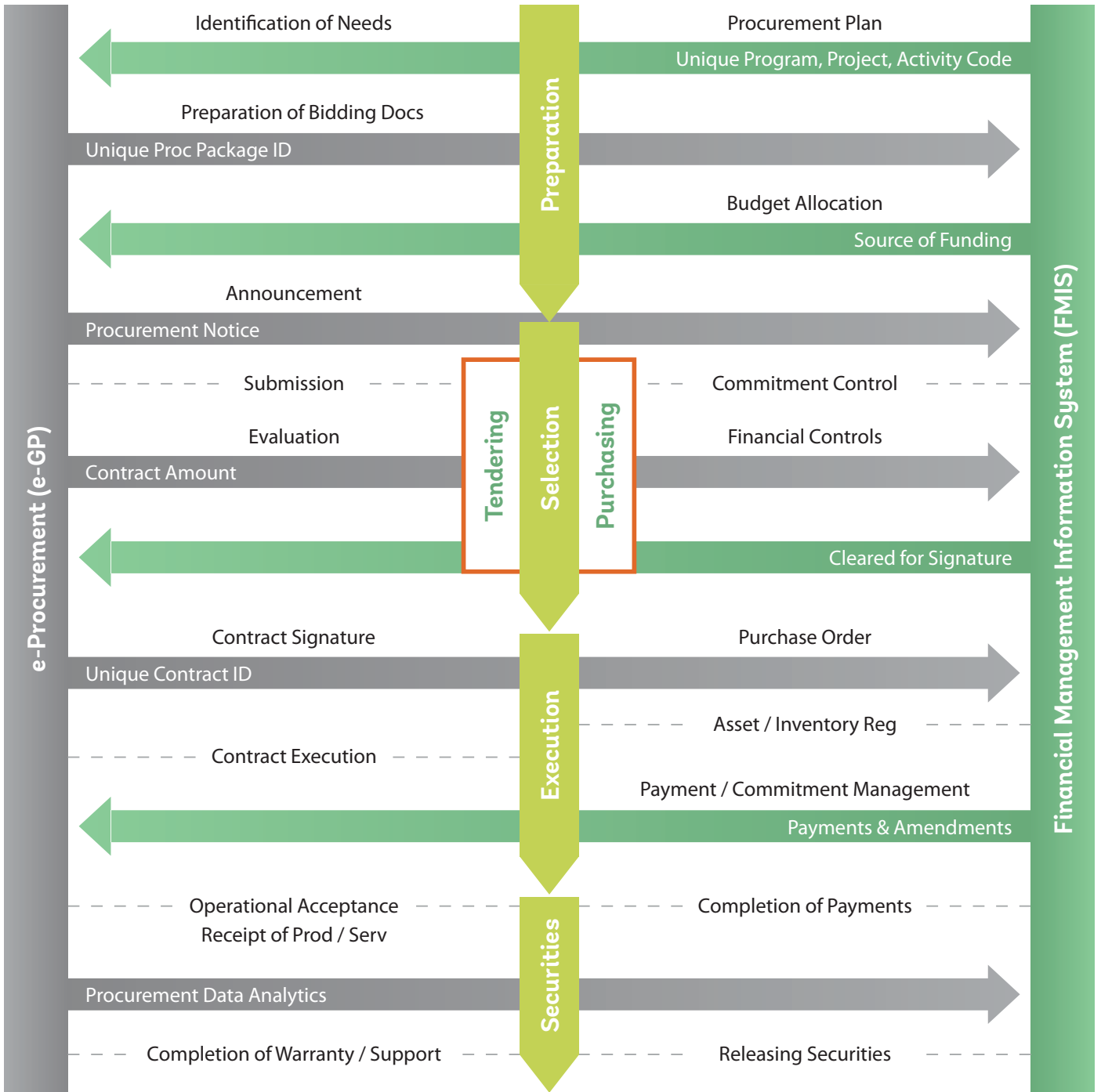
The Working Group on Use of Information Technologies in Treasury Operations was established in 2013 and allows specialists from 11 member countries to exchange experience and knowledge. Most TCOP countries are in the process of developing their treasury information systems and many are either considering or already moving towards expanding their functionality and creating integrated

FMIS. In FY19, the group held a videoconference to share recent developments in use of information technologies for public financial management in Albania, Azerbaijan, Belarus, and Tajikistan, and to prepare for their next face-to-face meeting. This took place in Budapest, back-to-back with the TCOP plenary meeting, and addressed IT support for the Treasury function in Hungary, including the centralized payroll solution, provision of uniform application services for municipalities, and consolidation of existing data warehouses as part of the ongoing integrated FMIS project. The group also discussed integration and interoperability aspects of financial management information systems based on the experiences of the Russian Federation, Moldova, Rwanda, and the World Bank.

“In the process of designing the relationship between the FMIS and the procurement system in our country, I will be making proposals based on the experiences of other PEMPAL countries.”

— TCOP Plenary meeting, Hungary

FIGURE 3: FMIS & e-GP DATA EXCHANGE²⁰



²⁰ Source: Cem Dener (WB) presentation to PEMPAL, Budapest (Hungary), June 2019

Cash Management Working Group

The Cash Management Working Group was established in 2015 and currently comprises 16 TCOP member countries looking to address a number of liquidity management challenges and striving to move from passive to more active cash management practices. In FY19 the group held a videoconference to prepare for their face-to-face meeting and refine the agenda. When they met in Vienna participants discussed essential elements of soundly-based and high-performing cash flow forecasts, shared ideas and experiences on how these could be developed in participating countries, and explored the links between cash flow forecasting and budget execution. The results of the meeting included a review of good international practice in cash flow forecasting with a special focus on how cash management and forecasting differ from cash and appropriation controls; familiarization of participants with a successful example of integrating cash and debt management functions that was presented by guest speakers from the Treasury and Debt Management Agency of Hungary; examination of specific approaches to cash forecasting used in Turkey and Russia; and discussions on the status of cash forecasting in the member countries which illustrated that in many countries detailed cash planning is still at the core of cash forecasting with a gradual shift towards adopting internationally recognized practices.



PEMPAL Cash Management Working Group event, Vienna (Austria), November 2018

Working Group on Public Sector Accounting and Reporting

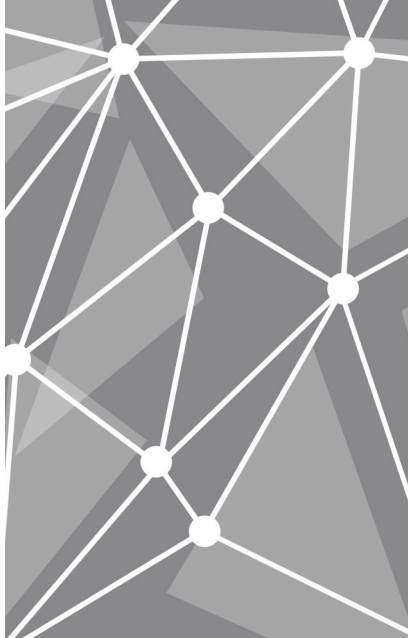
Since its establishment in 2013, the Working Group on Public Sector Accounting and Reporting has grown to include 14 TCOP countries addressing the challenges of public sector accounting reforms, involving transition to the broader use of the elements of accrual accounting and introduction of national public sector accounting standards aligned to various degrees with IPSAS. In FY19 the group initiated work on a new knowledge product on the optimization of the chart of accounts design being prepared by TCOP Thematic Advisor, Mark Silins, building on the 2014 paper "Integration of the Budget Classification and the Chart of Accounts: Good Practice among TCOP Member Countries". At a videoconference participants confirmed the relevance and usefulness of such a knowledge product for their daily work and advised on aspects of the chart of accounts (CoA) design to be covered in more detail in the new knowledge product. TCOP members have been involved in contributing their comments to the draft paper, which is due to be published in FY20.

Working Group on Evolution of the Role and Functions of the Treasury

The Working Group on Evolution of the Role and Functions of the Treasury, established in 2015, supports member countries in their discussions and plans for the changing role of Treasuries in their countries. The group has grown to comprise 16 member countries. The activities of the group shaped the agendas of the 2016–19 annual plenary meetings of the TCOP. The group met through videoconference in FY19 to consider the changes in institutional structure for public finance management in Turkey and discussed the lessons learned. The participants also provided their proposals for the concept of the 2019 TCOP plenary meeting.

"The event addressed issues that are very important for the current stage of evolution of Treasury in Albania, including the system's interoperability with public procurement system with the aim to prevent the arising of new arrears."

— TCOP Plenary meeting, Hungary



3.3.

Internal Audit Community of Practice (IACOP)

In accordance with its latest strategic plan,²¹ the IACOP offers support to its member countries in establishing a modern and effective internal audit system that meets international standards and good practices and is a key for good governance and accountability in the public sector.

Focus in FY19

- **Improved value and impact of internal audit** - Identifying the factors that may increase the effectiveness of IA in the public sector and ways in which internal auditors can demonstrate the impact and value.
- **Internal control** - Examining the control environment and application related to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles in the public sector context.

- **Role of Internal Audit** - Examining various roles of the modern internal audit function including assurance and advice.
- **IACOP knowledge products** - Further development of IACOP knowledge products including finalization of the IACOP publication “Guidance for Planning the Internal Audit Engagement” and “PEMPAL Guidance on Internal Audit: Demonstrating and Measuring Added Value.”

“The experience of other member countries facilitates implementation of certain activities in our country, because thanks to the shared information on examples of good practice we can build our own processes on a daily basis.”

— Montenegro comment on IACOP events

IACOP thematic priorities

In FY19 IACOP organized its activities around the following main themes:

- **Improved value and impact of internal audit**
- **Practical implementation of the audit cycle (Audit in Practice Working Group)**
- **Public internal control - the role of central harmonization units and internal auditors (Internal Control Working Group)**
- **Synergy: Public internal control with emphasis on integrity management and anti-corruption**
- **Promotion of IACOP and dissemination of its knowledge products and experience gained in ongoing and previous working groups**

²¹ Refer to PEMPAL website:

www.pempal.org/about/action-plans/iacop

IACOP had four face-to-face meetings during the period, including an annual plenary meeting and three working group meetings.

The IACOP annual plenary meeting was held in Tbilisi, Georgia, in October 2018. Participants identified the factors that may increase the effectiveness of internal audit in the public sector and ways internal auditors can demonstrate the impact and value of their work. Participants also learned from the Georgian experience. Georgia is implementing major reforms of its Financial Management System in parallel with wider Civil Service and budgetary reform, drawing extensively on PEMPAL knowledge and experiences. A key reform element is to raise awareness at all levels about managerial accountability. Participants also noted clear progress demonstrated by both IACOP working groups: on Internal Control and Audit in Practice.

All IACOP events in FY19 benefitted from financial and in-kind support from host countries.

High-level Government officials and officials of Georgia and North Macedonia attended events, including the Minister of Finance of North Macedonia and Deputy Minister of Finance of Georgia. The events were also attended by the heads of PIFC units, treasury heads, and their deputies from PEMPAL countries. Representatives from the National Academy for Finance and Economics of the Ministry of Finance of the Netherlands, from the European Commission Internal Audit Service, as well as from South Africa, Poland, and Austria also actively contributed, including delivering presentations, sharing practical experience, participating in panel discussions, working on the knowledge products, and facilitating the events.

3.3.1. IACOP Knowledge Products

In FY19, the IACOP prepared internal audit documentation templates.²²

More than 14 good practice templates from South Africa, the Netherlands, the European Commission, and Austria were shared – including examples of an audit plan and program, risk and control matrix, performance audit matrix, IT audit documentation and tools, engagement planning memo, planning roadmap, an annual report, start-up paper, audit report and feedback questionnaire.

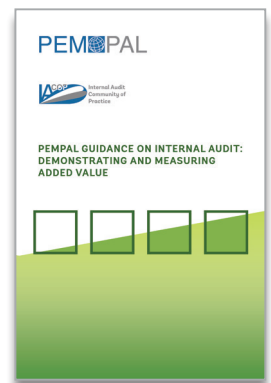
“I am going to mention PEMPAL, its activities, and working documents in the 3-year strategic development plan of our department as a specific resource for developing staff competence to improve the efficiency of our department’s activities.”

— IACOP Plenary meeting, Georgia

The IACOP published a new knowledge product in FY19.

‘PEMPAL Guidance on Internal Audit: Demonstrating and Measuring Added Value’ captures knowledge generated during the IACoP’s plenary meeting in Tbilisi, Georgia and earlier work and input including the Global Internal Audit Common Body of Knowledge (CBOK) initiative. The focus is on:

- How to demonstrate the value added by internal audit in the public sector in the particular circumstances that exist in different PEMPAL member countries; and
- How to measure the added value of internal audit work in the public sector in terms of “Value for Money” (economy, efficiency, and effectiveness).



²² IACOP also prepares ‘Communiqués’ or event reports to summarize key conclusions reached during events, developed by members of the group jointly with the experts that are highly valued by the IACOP.

The IACOP continued to promote its activities and multiple existing knowledge products. A session was organized in North Macedonia with around 20 internal auditors from the host country to promote IACOP's activities and knowledge products. IACOP leaders shared experiences of accountability and the role of internal auditors and presented the good practice knowledge products developed by IACOP, which include: Internal Audit Manual Template; Continuing Professional Development

Manual Template; Internal Audit Body of Knowledge; Risk Assessment in Audit Planning; Quality Assurance and Improvement Guide for Public Sector Internal Audit; and the Concept Paper on Cooperation among Public Sector Audit and Financial Inspection Entities. These are considered high value and unique, providing practical tools which result from the collective work of policy makers and practitioners from 23 IACOP member countries. Participants valued this unique opportunity to learn from IACOP members.

3.3.2. IACOP Working Groups

IACOP has several working/thematic groups. These offer additional opportunities for member countries to address internal audit issues of priority interest, particularly where there is no clear international best practice established.

Working Group on Internal Control

The Working Group on Internal Control (ICWG), launched in 2016, continued its work in FY19 with two face-to-face meetings in Georgia and North Macedonia. Participants learned from South Africa and the Netherlands about good practice practical tools for applying a control environment; risk assessment; and establishing control activities in public sector organizations. The European Commission's experience was also shared. OECD Sigma and the National Academy of Finance and Economics of the Ministry of Finance of the Netherlands also presented their internal control assessment guides.

The ICWG affirmed the COSO internal control framework is applicable in the public sector context. Internal audit, as the third line of defence, works to ensure that the first and second lines of defence are operating effectively.

The internal control system needs to be assessed on a regular basis, and action plans established to address any shortcomings. Specific governance arrangements are required in the public sector, in place of the Board of Director's role under COSO.

The ICWG finalized the knowledge product 'Guidance for Internal Auditors on Assessing the Effectiveness of Internal Control'. This provides guidance to help internal auditors better understand the main features of effective internal control and how best to assess its maturity and effectiveness. During the FY19 meetings participants worked in break-out groups to determine criteria to assess the control environment, risk assessment, and control activities in the public sector context. The guide promotes a four-level assessment model of the maturity of Internal Control and presents a detailed framework for assessing the maturity of internal controls at these four levels drawing on the assessment criteria developed by PEMPAL.

The ICWG also made progress in developing the knowledge product 'Public Internal Control Glossary'. The final draft will be presented and approved in FY20.

Audit in Practice Working Group

The Audit in Practice Working Group (AiPWG), established in 2015, met once face-to-face in FY19 in North Macedonia and made progress through its virtual work on a draft IACOP knowledge product on Internal Audit Engagement Planning, and case studies on IT, human resources, and hospital audit. The AiPWG discussed the consulting role of internal audit versus its assurance activity. It became apparent that internal auditors need to carefully balance their role between assurance (the basics of the profession and the only service that makes the third line of defense unique) and consulting (which appears to deliver more value in the eyes of management). This balancing exercise is also impacted by the risk and control maturity of the organization.







4

**PEMPAL RESULTS:
HIGH QUALITY AND
RELEVANT SERVICES AND
RESOURCES PROVIDED TO
MEMBERS**

High quality PEMPAL products and services, established during the past strategy period, are being maintained.

“PEMPAL in 2012–17” provided solid evidence of high and growing levels of member satisfaction with the quality of resources and services provided by the network during the past strategy period. The challenge is to sustain these

high overall standards and further improve the quality of materials while continuing to encourage stronger participation of members in producing knowledge resources and gradually reducing the input from resource teams. This was addressed successfully during the first and second years of the current strategy period, as evidenced by the data presented in this section.

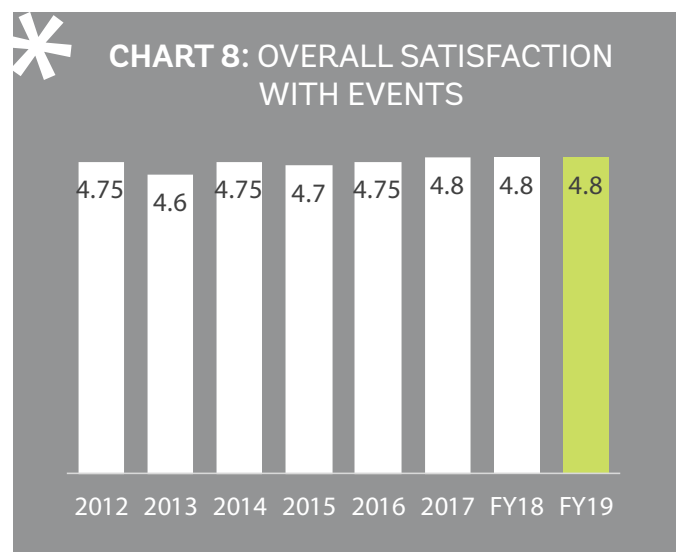


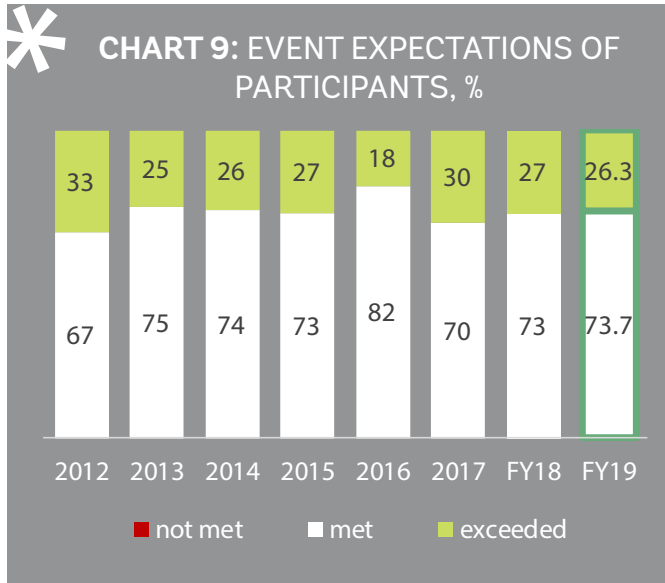
4.1.

Quality and Relevance of Events and Materials

A key service provided by PEMPAL is organization of thematic events focusing on issues of priority interest for members.

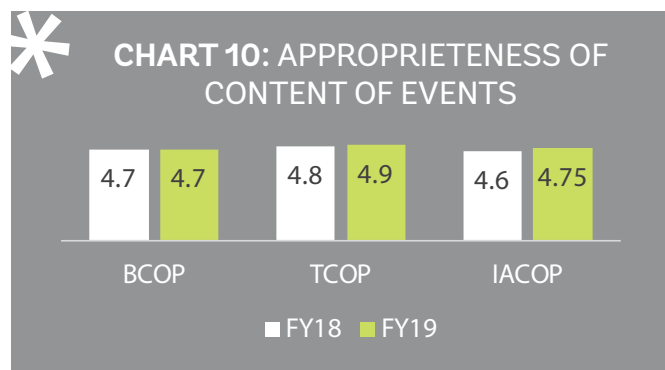
Participant event evaluation surveys again rated the quality of PEMPAL events as high in FY19. The survey data shows that average satisfaction ratings remained at a historically high level (**Chart 8**) and that events met expectations for a majority of participants and exceeded expectations for a significant number of them (**Chart 9**). Participants felt that agendas were properly prepared and, crucially, that events addressed issues important to their work (**Charts 10 and 11**). **Attachment 4** provides data on other indicators of PEMPAL quality monitored through event evaluation surveys. The surveys also provide a rich set of written feedback from participants on PEMPAL events, including practical suggestions for further improvements (see **Attachment 1**).





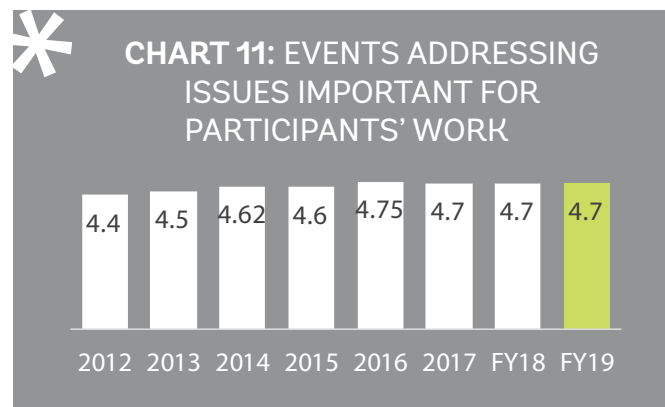
Event surveys also provide useful data on the opinions of participants about the quality of materials used.

FY19 survey data shows that participants value the resources provided by PEMPAL and find them relevant, appropriate, and useful. In particular, the surveys show high ratings for the appropriateness of content of presentations, handouts, and other materials used at the events, as well as for the relevance and usefulness of presentations, see **Charts 12 and 13**, with improvement evident in FY19 compared to FY18.



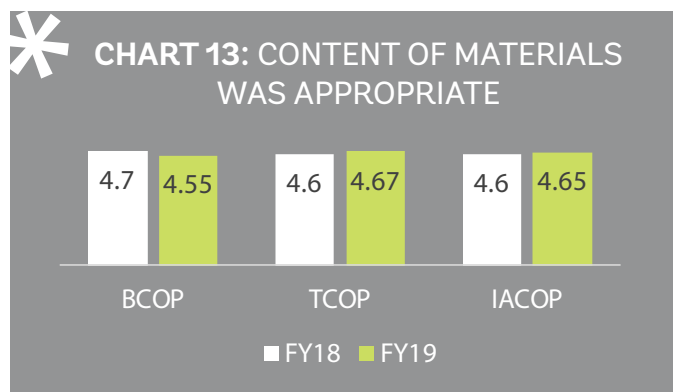
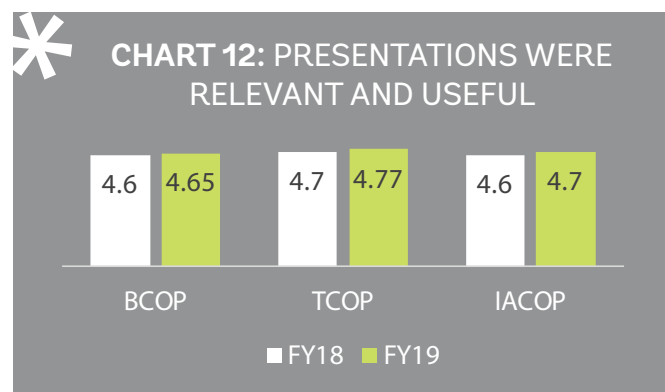
PEMPAL knowledge products have been increasing over recent years and are another important service provided by the network.

Most have been generated by the IACOP working groups, both TCOP and BCOP intensified their work on knowledge products in recent years. The knowledge products include the results of benchmarking surveys on reform progress in countries within and outside the PEMPAL region, document elements of good practices, and/or share reform challenges and solutions.



PEMPAL continued to share relevant PFM-related documents to support discussions during FY19.

This included PowerPoint presentations which illustrated country cases, latest approaches and results of discussions, as well as PFM-related documents translated and/or delivered to ensure all members got access to, and were able to share information, in the official languages of PEMPAL – English, Russian, and Bosnian-Croatian-Serbian.





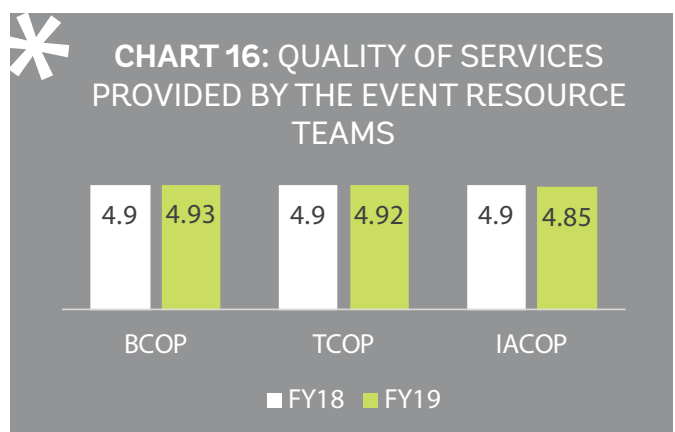
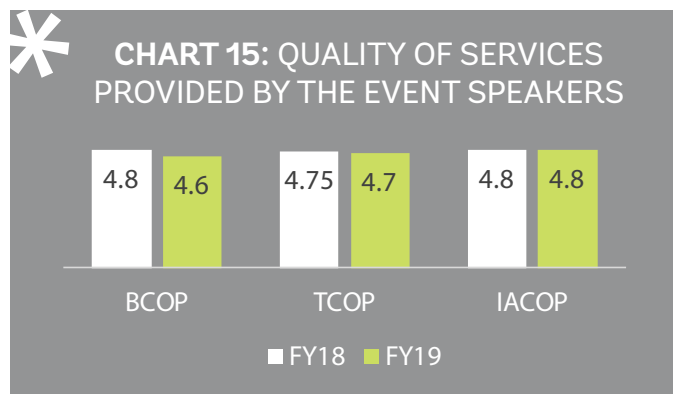
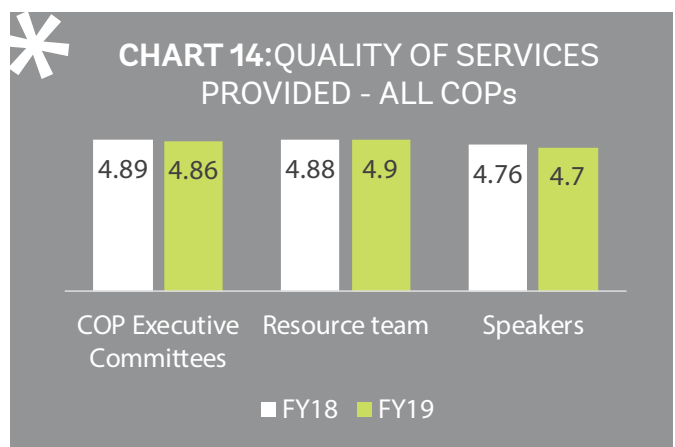
4.2.

Quality of Content Support by the COP Resource Teams

Resource teams are key to providing support on the technical content required to address the identified PFM priorities and to ensure the network meets the expectations of its members and donors. These teams support the Executive Committees in designing agendas and surveys, sourcing technical materials and experts, facilitating working and discussion groups, developing and managing COP budgets, and implementing network improvement initiatives. The resource teams also include thematic experts, engaged according to the technical needs of the topic under discussion. Other international experts are engaged as speakers or for technical short-term support, depending on the content requirements of the COP action plans.

The quality of services provided to the COPs was highly rated by event participants. Starting in FY18, event evaluation surveys also ask about the quality of services provided by Executive Committees, resource teams, and event speakers. These show very high ratings across all three COPs, as shown in **Charts 14, 15** and **16**.

The core resource teams provided by the World Bank in FY19 included Elena Nikulina (PEMPAL Task Team Leader/TCOP Lead Coordinator), Yelena Slizhevskaya (TCOP Resource Person), Maya Gusarova (BCOP Lead Coordinator), Naida Čaršimamović Vukotić (BCOP Resource Person), Arman Vatyan (IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP Resource Person). Iryna Shcherbyna joined the BCOP resource team as lead coordinator, towards the end of FY18 with the departure of Maya Gusarova from PEMPAL. Nina Duduchava continued to provide support for



implementation of the program surveys. The experts mobilized by the World Bank included for TCOP Mark Silins, Mike Williams, Cem Dener; for BCOP Harika Masoor; and for IACOP Jean-Pierre Garitte, and Richard Maggs with the Ministry of Finance of the Netherlands, through its National Academy for Finance and Economics, providing experts Manfred van Kesteren and Ruslana Rudnitska.

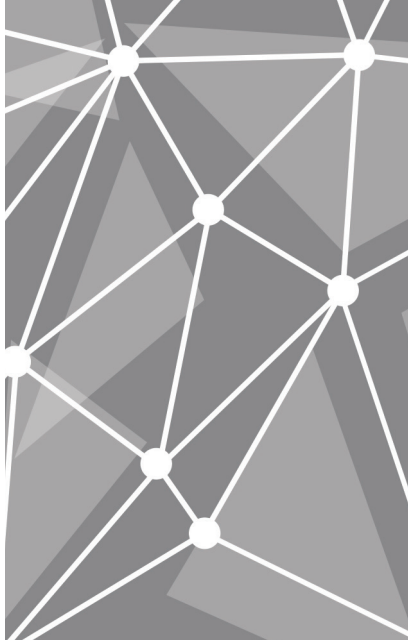
Reliance on paid-for external expertise is expected to decline and member involvement in the development and delivery of activities is expected to increase further, in line with the trends envisaged under the current strategy. **Table 2** provides data on the number of external experts involved in PEMPAL events. Budget restraint saw a decrease in paid external expertise in recent years. In FY18 and FY19 significant in-kind experts contributed to IACOP. Self-funded experts, including from the European Commission, OECD Sigma, France, UK, Poland, Belgium, and United Kingdom, have prepared presentations for events, provided inputs to knowledge products, and shared much demanded knowledge and practical experience in exchange for learning from PEMPAL countries.

TABLE 2: EXTERNAL EXPERTS AT PEMPAL EVENTS²³

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | FY18 | FY19 |
|---|------|------|------|------|------|------|------|------|
| Events | 15 | 27 | 29 | 28 | 18 | 15 | 20 | 17 |
| Participants from PEMPAL countries | 505 | 600 | 831 | 612 | 613 | 527 | 590 | 500 |
| Resource Teams and International Experts | 125 | 241 | 160 | 124 | 118 | 83 | 95 | 105 |



²³ All figures in the table are by agenda.



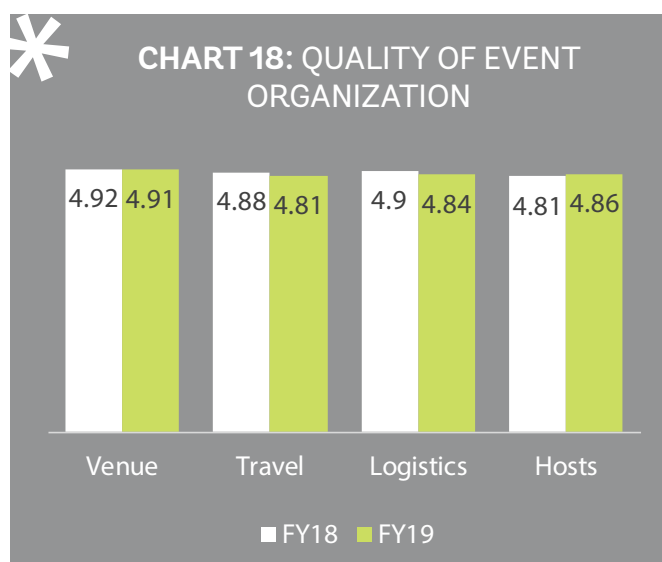
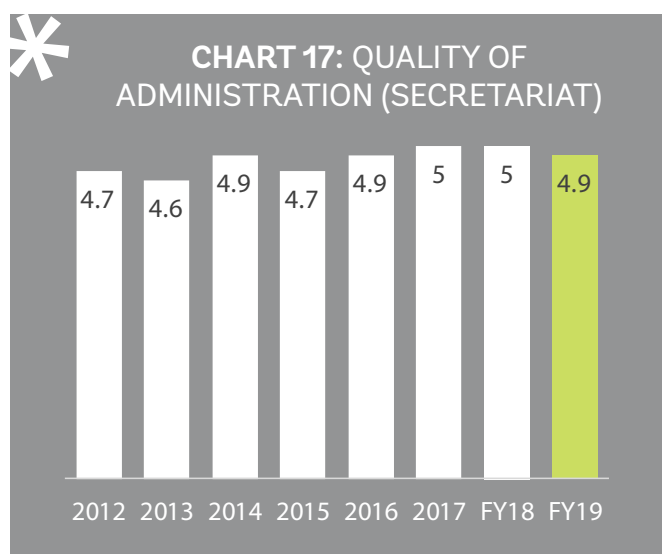
4.3.

Quality of Logistical and Administrative Support – Secretariat

The administrative and logistical support services provided by the PEMPAL Secretariat are also key to achieving strategy results. The Secretariat

function includes: organizing face-to-face events e.g. coordinating event invitations, arranging flights, accommodation, visas, translations, contracting venues and supplies, and document distribution; providing background materials for the PEMPAL Steering Committee discussions, e.g. amendments to internal regulation, updates on the COPs’ budgets; monitoring performance based on a comprehensive set of indicators; preparing progress and annual reports; maintaining and editing the PEMPAL website and newsletter; maintaining records of PEMPAL events and the virtual library; and organizing on-line meetings. As part of the Secretariat’s role, it administers and coordinates online-resource materials and communication such as the PEMPAL website and meetings through videoconferencing and other technologies.

The Secretariat services continue to be ranked highly by members.²⁴ Data from event evaluation surveys indicates that the quality of services provided by the Secretariat remained at a high level in FY19 (see **Chart 17**). The standard event evaluation questionnaire was updated in FY18 to request information on specific aspects of event organization, which all received very high ratings as shown on **Chart 18**.



²⁴ The Secretariat continues to be located in the World Bank Moscow office. An important change took place in the last quarter of FY19, with Galina S. Kuznetsova joining the Secretariat team as lead coordinator. Other members of the Secretariat include Ksenia Malafeeva (BCOP Coordinator), Ekaterina Zaleeva (TCOP Coordinator), and Kristina Zaituna (IACOP Coordinator).

“Everything was top notch, both the quality of the organization and the administration.”

— IACOP, Georgia

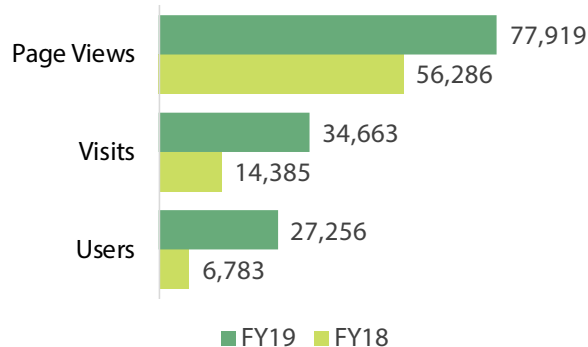
One of the Secretariat’s responsibilities is to maintain the PEMPAL website, which is the main storage platform for information on all program activities.

All event materials are made publicly available on the site in the three official languages of PEMPAL. In line with the greening initiative, since 2017 no printed materials are provided at events or distributed to participants in hard copy but are instead posted on the website in advance of events. The PEMPAL virtual library, attached to the website, provides an efficient and cost-effective storage facility for event materials as well as country documents shared by participants, including laws, regulations, analytical products, etc.

Data on web traffic shows a positive trend on all the dimensions (users, visits, and page views). The new monitoring tool, introduced in 2017, reveals significantly increased traffic in FY19 (see **Chart 19**) due to the consolidation of all documents and knowledge created being posted on the PEMPAL website, including event materials and translated presentations, added by some COPs before events as requested by members.

Real-time conferencing through World Bank supported videoconferencing facilities and on-line communication tools (e.g., Skype, WebEx, SurveyMonkey) are widely used. They have been successfully used for COP Executive Committee meetings and Steering Committee meetings, and also by BCOP and TCOP for their thematic workshops and seminars. This has proven to be effective and efficient, enabling quick and easy-to-organize knowledge exchange with minimum costs. The SurveyMonkey instrument is also used to administer electronic surveys for post-event survey feedback and event registration.

CHART 19: PEMPAL WEBSITE TRAFFIC







5

**PEMPAL RESULTS: A VIABLE
NETWORK SUPPORTED
BY COMMITTED PFM
PROFESSIONALS, MEMBER
COUNTRIES, AND DEVELOPMENT
PARTNERS**

Committed membership and leadership are key assets of the PEMPAL network. Data for the past year provides evidence of continued strong member commitment to the network, including through provision of in-kind and

financial contributions to the program by the member countries. Excellent partnerships with the current donors have ensured a positive financial situation for the program during the period, although delays in approvals and availability of funding caused COPs to have to implement cost saving measures as outlined earlier.



5.1.

Committed Membership and Leadership

The network continued to benefit from the strong support of member countries and individual members in FY19 through different channels.

COP Executive Committees, which are the driving force of the network, include volunteers from member countries. Committee members invest significant time in network activities. Most have served on the respective committees for several years. As many concurrently hold senior positions in their home institutions, such dedication indicates strong commitment to PEMPAL network. Three out of nine members of the TCOP Executive Committee in FY19,²⁵ for example, were senior managers of member countries' national Treasuries (Head of Treasury of Moldova, Deputy

Heads of Treasuries of Belarus and Russia). The Secretary General of the Ministry of Finance and Economy of Albania and Assistant Minister for Budget of the Federal Ministry of Finance of Bosnia and Herzegovina continued to serve as members of the BCOP Executive Committee. For IACOP, an Assistant Minister also served as Deputy Chair of the IACOP Executive Committee until April 2019, and continued to serve as a member for the remainder of the FY.

The Executive Committees are responsible for formulation and implementation of all COP activity plans. The chairs and deputy chairs of the COPs are also members of the PEMPAL Steering Committee and have a responsibility to provide updates on the progress of COP activities to the quarterly Steering Committee meetings. COP Executive Committees generally met at

²⁵ One position was vacant during the time.

least once each quarter in FY19. BCOP and TCOP Executive Committees each held five documented meetings for which formal minutes were taken²⁶ during the period. The IACOP Executive Committee had a less formal approach to its frequent meetings, organized in various formats and often virtual, with minutes stored in the COP's internal shared web resource, available on request.

As of end-June 2019, 15 of the 23 member countries were represented in at least one of the COP Executive Committees.

Composition of the Committees is limited by the program operational guidelines to nine country representatives. Each of the COPs has its own internal process for identification of the candidates for membership in the Executive Committee and electing the leadership but is required under the operational guidelines to hold annual elections of the chair (see **Attachment 2** for lists of Executive Committee members).

Strong member country commitment is also evident from their willingness to host PEMPAL events and invest significant resources into their organization.

As previously mentioned, six of the nine face-to-face events in FY19 took place in PEMPAL member countries (Georgia, Hungary, North Macedonia, Russia, and Uzbekistan.). Host institutions used the opportunity of PEMPAL events to share with colleagues their experience in the reform areas being discussed, mobilizing multiple speakers and preparing significant parts of the event agendas. In several instances, contributions to the content of the event agendas were supplemented by significant in-kind or financial contributions provided by the host countries in various forms, including direct financing of event venues, conference packages, meals, and other types of expenses.

FY19 events attracted high-level involvement from member countries.

Meetings hosted by member countries were opened at a senior level and attended by high-level officials. For example, the Deputy Prime Minister and Minister of Finance of Uzbekistan opened the BCOP plenary

meeting; the Minister of Finance of North Macedonia opened the IACOP event, the President of the Hungarian State Treasury opened both TCOP events in Budapest; Minister of Finance of North Macedonia opened the IACOP event, and the Deputy Minister of Finance of Georgia opened the IACOP plenary meeting. The Assistant Minister of Finance of the Federation of Bosnia and Herzegovina and General Secretary of the Ministry of Finance of Albania also actively participated in several BCOP events during the year. Overall, 24 senior officials²⁷ from member countries attended PEMPAL face-to-face events in FY19 (5 from BCOP, 16 from TCOP and 3 from IACOP). Selected member countries also continued to delegate additional participants to the events at their expense (21 such instances were recorded in FY19, one from BCOP, 10 from TCOP, and 10 from IACOP).²⁸

“The contribution of the Macedonian participants of the seminar was also very valuable, their presentations on the reform of the internal audit structures and the strategic development of the system of PIFC.”

— IACOP, North Macedonia

Increasingly active members' engagement in the preparation and delivery of COP events is an important success factor of PEMPAL activities.

There is growing evidence of member country representatives actively developing and delivering the event agendas and knowledge products and leading the thematic groups. According to the data collected by the PEMPAL Secretariat, at FY19 events COP members prepared and delivered 94 presentations, 37 of which were substantive presentations of the level typically expected from invited speakers and consultants.²⁹

PEMPAL keeps stakeholders informed of activities to help maintain strong support for the program. Quarterly newsletters, the Annual Report, and occasional additional

26 All minutes available at

www.pempal.org/about/governance/ex-com-bcop

www.pempal.org/about/governance/ex-com-tcop

27 Senior officials are Ministers/Deputy Ministers of Finance and Heads and Deputy Heads of Treasury.

28 IACOP regularly places limits on the number of selfpaid participants, as the demand is high, which may affect the flow of the events, and logistical arrangements required.

29 The remaining presentations were smaller e.g. reform news, small group discussion summaries, live system demonstrations.

information (such as program success stories and the results of the first PEMPAL impact survey targeting senior management) are sent to stakeholders. During the reporting period, the 5-year report on the results of the previous strategy ("PEMPAL in 2012-2017") was printed and distributed along with the annual thank you letters

sent at the end of 2018. Members actively promote the value of PEMPAL in their countries. The Secretariat has adopted a more systematic approach to capturing information on these member promotion activities and some examples are provided in **Box 1**.

BOX 1: EXAMPLES OF PEMPAL PROMOTION ACTIVITIES BY MEMBERS IN FY19

Ministries of Finance and Treasuries posted press releases related to PEMPAL events on their websites, with some of the examples below.

North Macedonia

Members reported that TV, Facebook and other media platforms were also used.

"As a host country we have already promoted the event, on Ministry of Finance website, on a National and other private TV stations with the statement of the Minister and also we put the info and photos about closing ceremony at social media (Ministry of Finance FB profile)."

— North Macedonia IACOP event

Ministry of Finance:

www.finance.gov.mk/en/node/7912

Other promotional articles related to IACOP meetings in North Macedonia:

www.conaci.org.br/produtos-recomendados

Uzbekistan

Ministry of Finance:

<https://www.mf.uz/news/zavershilos-zasedanie-byudzhetnogo-soobshchestva-pempal.html>

<https://www.mf.uz/en/component/k2/zavershilos-zasedanie-byudzhetnogo-soobshchestva-pempal-2.html>

Other promotional articles related to the BCOP plenary meeting in Uzbekistan:

<https://telegra.ph/Byudzhet-%D2%B3amzhamiyatining-yalpi-mazhlisi-davomi-03-20>

<https://telegra.ph/Toshkentda-ZHa%D2%B3on-banking-Davlat-moliyasini-bosh%D2%9Barish-bujicha-halkaro-%D2%B3amkorlik-talim-dasturi-PEMPALning-navbatdagi-yalpi-maz-03-18>

Georgia

Georgia promoted the PEMPAL IACOP event it hosted on its website.

pifc.gov.ge

Ukraine

Posted its participation in PEMPAL TCOP Budapest event on the news on the Treasury web-site:

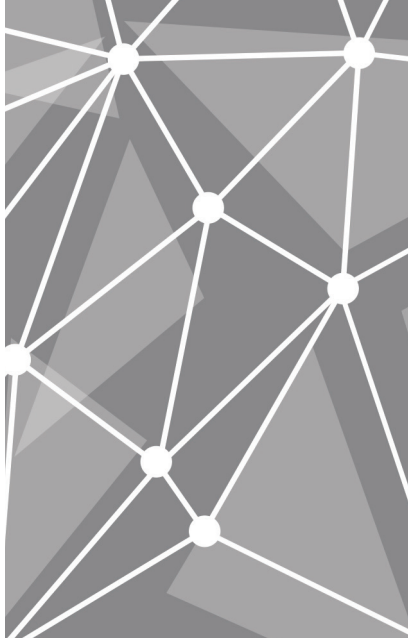
www.treasury.gov.ua/ua/news/shchorichne-plenarne-zasidannya-mizhnarodnoyi-kaznachejskoyi-spilnoti-pempal-u-budapeshti

Russian Federation

At the 10th anniversary of Russia being a donor, in a Blitz-interview with Anna Valkova, Deputy Director of the Department of International Financial Relations, Russian Ministry of Finance, Ms Valkova noted PEMPAL was among one of the most effective programs that Russia supports as a donor.

Croatia

BCOP members from the Ministry of Finance of Croatia hold lectures and workshops on budget planning and execution, transparency, budgetary funding, for different institutions and at the local government level. In these lectures, PEMPAL and knowledge gained through PEMPAL is promoted and discussed.



5.2.

Strong Donor Support and Oversight

PEMPAL donors play a critical role in sustaining the benefits of the network for member countries. In addition to providing financing for the program through the PEMPAL MDTF, donor partners provide significant content support for the activities of the COPs and play a key role in providing strategic oversight of the network operations through their involvement in the Steering Committee. A summary of PEMPAL Steering Committee activities is in **Box 2**.

The generous contributions from long-standing development partners SECO and the Ministry of Finance of the Russian Federation through the PEMPAL MDTF remained the main source of program funding in FY19, although some progress was made in expanding cooperation with new partners. Following the signing in December 2017, of the Administrative Agreement between the World Bank and SECO for a new financial contribution to support the implementation of PEMPAL Strategy 2017–22, the Ministry of Finance of the Russian Federation also approved a new financial contribution to support this Strategy, for which approval by the Russian Government was received in late FY19. Successful discussions were held with a new donor, the European Commission, in FY19 and arrangements are due to be finalized in FY20. Both current donors are represented on the PEMPAL Steering Committee, which is chaired on an informal rotating basis between them and the World Bank.³⁰

The World Bank continued its support for PEMPAL in FY19 through overall program management and administration of the PEMPAL MDTFs³¹; administrative and logistical services provided by the Secretariat team based at the World Bank office in Moscow; and content support for COP activities through the resource teams.

The COPs enjoyed continued close cooperation with development partners, who provided significant contributions during FY19. Development partners include for the BCOP: the OECD and GIFT, and the World Bank's Russia Local Initiatives Support Project. For the TCOP: the Federal Treasury of Russia, the Ministry of Treasury and Finance of Turkey, the Hungarian State Treasury, the Debt Management Agency of Hungary, and the Ministry of Finance and Economic Planning of Rwanda. For the IACOP: the National Academy for Finance and Economics of the Netherlands, the Government of Belgium, and representatives of the European Commission, Ministries of Finance of Poland, France and Austria, National Treasury of South Africa, Government Internal Audit Service of UK, the Brazilian National Council of Internal Control, the Federal Treasury of Russia, and the Russian Institute of Internal Auditors.

³⁰ World Bank representative, Dan Boyce, Practice Manager for the Governance Global Practice in the ECA region, was chair throughout FY19.

³¹ In FY19, two PEMPAL MDTFs were active. The first PEMPAL MDTF was fully used and closed in the middle of FY19 (end-December 2018). The second PEMPAL MDTF was established in FY18 to support the implementation of the new Strategy but only began to be used in FY19.

BOX 2: PEMPAL STEERING COMMITTEE ACTIVITIES IN FY19

The PEMPAL Steering Committee, as PEMPAL's oversight body, held 3 meetings in FY19, two through videoconference and one face-to-face in Budapest, Hungary. The Steering Committee monitored implementation of the PEMPAL Strategy and the 2017-22 Activity Plan. The COPs' budgets for FY20 were discussed and approved at the February 2019 meeting. The execution of current year budgets were reviewed at each meeting. Chairs and Deputy Chairs of COP Executive Committees represented in the Steering Committee provided regular updates on COP activities. The Steering Committee welcomed the successful cross-COP leadership meeting and noted that COPs should be encouraged to explore further options for cross-COP thematic collaborations.

The Steering Committee approved the completed "PEMPAL in 2012-17" report; approved amendments to PEMPAL operational guidelines to formalize expectations of host countries; initiated an internal paper to examine sustainability aspects of other similar networks; and approved several savings measures in light of funding uncertainty. The Steering Committee also gave approval

for COPs to collect information on the use of knowledge products within COP surveys, and to individually prepare induction kits for new members.

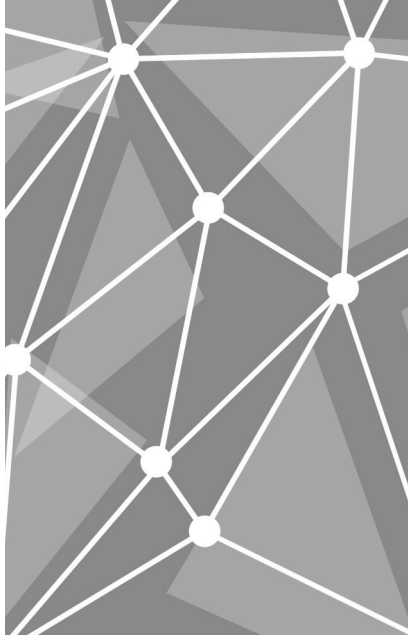
Annual thank you letters to the Ministers of Finance of member countries, support countries, and the management of beneficiary institutions were distributed under the signature of the Steering Committee Chair together with the "PEMPAL in 2012-17" report.

The composition of the PEMPAL Steering Committee as of end-June 2019 is provided in Attachment 3. Irene Frei announced her departure from SECO in November 2018 and was replaced by Thomas Stauffer on the Steering Committee. Ms Frei provided a significant contribution to PEMPAL through her representation of PEMPAL's key donor SECO, including effectively chairing the Steering Committee for two consecutive years (from February 2016 to February 2018).

Minutes of all PEMPAL Steering Committee meetings are publicly available at

www.pempal.org/event/sc_meetings





5.3.

Ensuring a Financially Viable Network – Key Indicators

PEMPAL continued active dialogue in FY19 with current and prospective donors to secure the longer term financial future of PEMPAL. Both long-standing partners, SECO and the Ministry of Finance of the Russian Federation, have committed to financially support the new strategy period and will be joined by a new donor, the European Commission, in early FY20.

The PEMPAL MDTFs administered by the World Bank remained the main source of program funding in FY19. Actual spending from PEMPAL MDTFs in FY19 was USD 1,431,252. This was USD 1,075,748 below the amount projected in the PEMPAL Strategy 2017-22 for this year, see **Table 3**, as PEMPAL continued to apply savings

measures during FY19 due to uncertainty about funding for the later years of the strategy period. The original FY19 expense projection in the Strategy also included a whole-of-network plenary meeting, which was rescheduled to later years, due to the budget constraints.

The target for non-MDTF contributions to PEMPAL funding (both financial and in-kind) was successfully achieved and exceeded (8.9%).³² Data collected by the Secretariat (**Chart 20**) shows that member countries provided financial contributions to PEMPAL worth an estimated USD 70,350 (around 4.9% of total program spending). This included direct financing by the host countries of event venues, conference packages, meals, and other types of expenses, as well as financing by member countries of their staff participation in events.

TABLE 3: PEMPAL EXPENSES, FY19

| Expenses | Projected under PEMPAL Strategy 2017-22 | | Actual | |
|---------------------------------------|---|------------|-------------------------|------------|
| | USD | % of total | USD | % of total |
| Total expenses | 2,860,000 | 100.0 | 1,624,492 ³³ | 100.0 |
| o/w expenses from PEMPAL MDTFs | 2,507,000 | 87.7 | 1,431,252 | 88.8 |

³² In the PEMPAL Strategy 2017-22, a target of 8% was set for FY2019 for member contributions, thus the target was exceeded.

³³ This figure includes financial and in-kind contributions from member countries and third parties of USD 193,240.

The most significant contribution was by the Government of Georgia for the IACOP events, followed closely by the Government of Uzbekistan for the BCOP event. The Governments of Hungary and North Macedonia also provided notable contributions.

Over 4% of total program spending was estimated as in-kind contributions by the member countries

through delegating speakers to the events and provision of inputs to the event agendas. Furthermore, about 4.6% of total program spending was covered by in-kind and financial contributions from other parties (from countries who are not PEMPAL or COP members, who contribute their time through making presentations, and/or hosting a cultural event). For example, the Treasury of Hungary was a significant third party contributor during FY19, through its generous contributions to TCOP events held in Budapest.

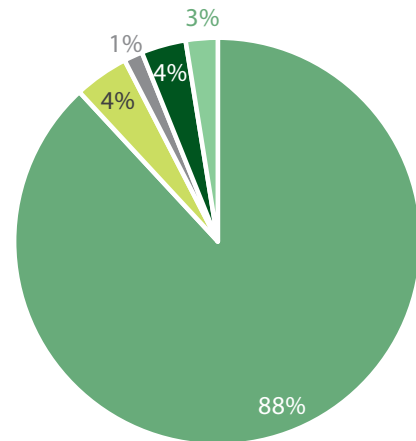
Savings measures applied during the year resulted in lower expenditures under some of the main spending categories

– specifically logistical and administrative costs of event organization, and program management and administration which were offset partly by increases in resource team expenses, as shown in **Chart 21**. All the savings achieved by the COPs in executing their FY19 budgets have been transferred to the FY20 budgets. Increases in resource team and secretariat expenses were due to the change in the World Bank trust fund administrative fee policy applied to the new PEMPAL MDTF.³⁴

One of the measures used to contain event costs in FY19 was organization of back-to-back meetings

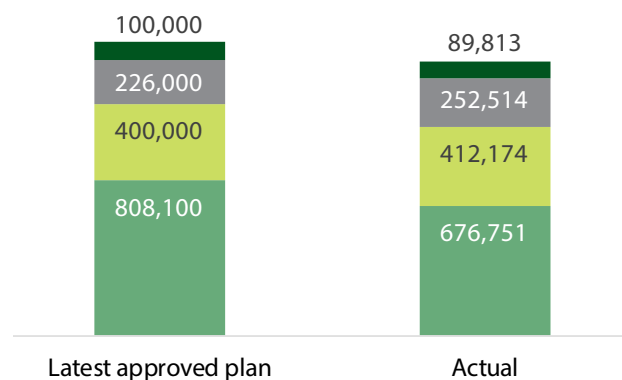
(i.e. two or more face-to-face meetings held consecutively at one location, with different objectives and results sought for each meeting). This helped to increase the cost-effectiveness of expenditure, e.g. reducing separate travel and accommodation costs and administrative overheads. In FY19, there were three examples of consecutive events held at the same location (two for IACOP meetings held in Georgia and North Macedonia, and one for TCOP meetings in Hungary).

CHART 20: PEMPAL SOURCES OF FUNDING, % SHARE FY19



- PEMPAL MDTF
- Financial contributions from the member countries
- Financial contributions from other parties
- In-kind contributions from the member countries
- In-kind contributions from other parties

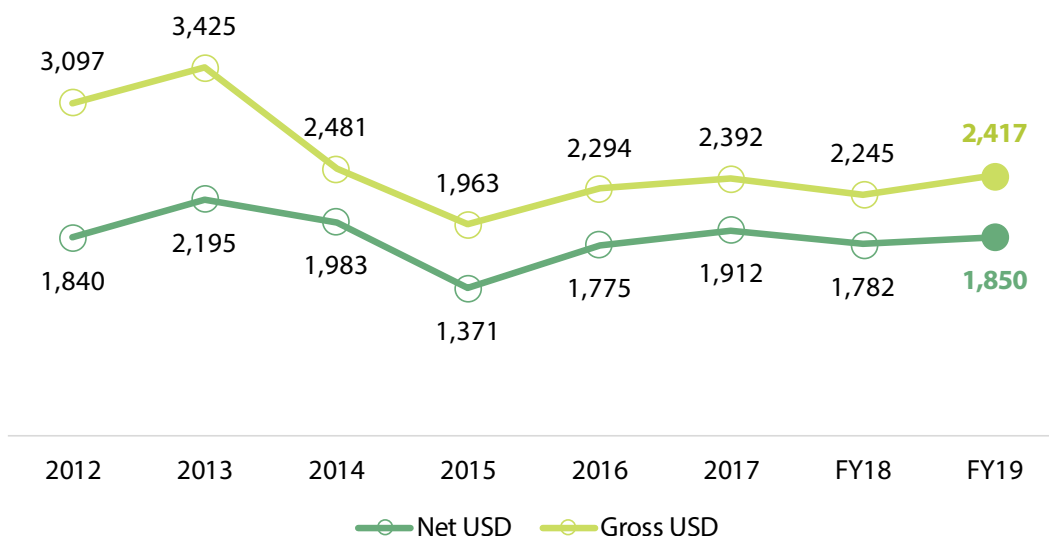
CHART 21: EXPENSES FINANCED FROM PEMPAL MDTFS (FY19 ACTUAL VS PLAN, USD)



- COP activities (administrative and logistical expenses)
- Resource teams
- Program management and administration
- Cross COP activities

³⁴ Under the current World Bank policy for trust fund administrative fees, this fee is charged as a percentage of actual expenses on staff time and consultants and included under the respective expenditure categories in trust fund financial reports.

CHART 22: AVERAGE ADMINISTRATIVE AND LOGISTICAL EXPENSES (USD PER PARTICIPANT, BY EVENT LOCATION, INCLUDING VCS)

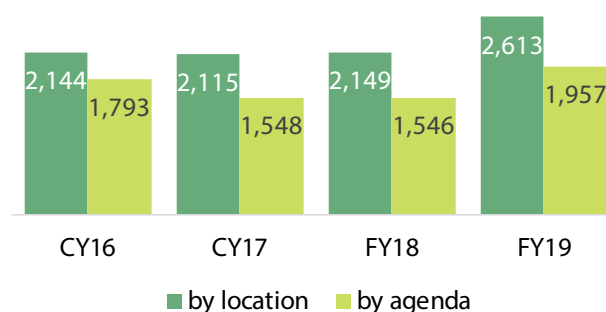


Event expenses remained the biggest spending category for PEMPAL in FY19 and continued to be closely monitored by the PEMPAL Secretariat. Chart 22 shows two of the indicators used to monitor event expenses – average administrative and logistical expenses per participant³⁵ in net and gross³⁶ terms. Both indicators increased in FY19 compared to FY18 due to higher costs of the venues used for face-to-face events and lower contributions provided by the hosting countries.

Average expenses for face-to-face events are provided in Chart 23. These also increased in FY19, both if calculated by event location and by agenda, reflecting the more expensive locations of the COP events held during the year and lower contributions provided by the hosting countries.

Structure of event expenses is presented in Chart 24. Expenses for translation and interpretation stabilized since FY18, reflecting the finalization of several knowledge products. Conference expenses decreased with the assistance of several host countries with venues. However, accommodation expenses increased given they were costly in some of the host countries despite good deals being negotiated with the providers. Data on the costs of individual events is provided in Attachment 5.

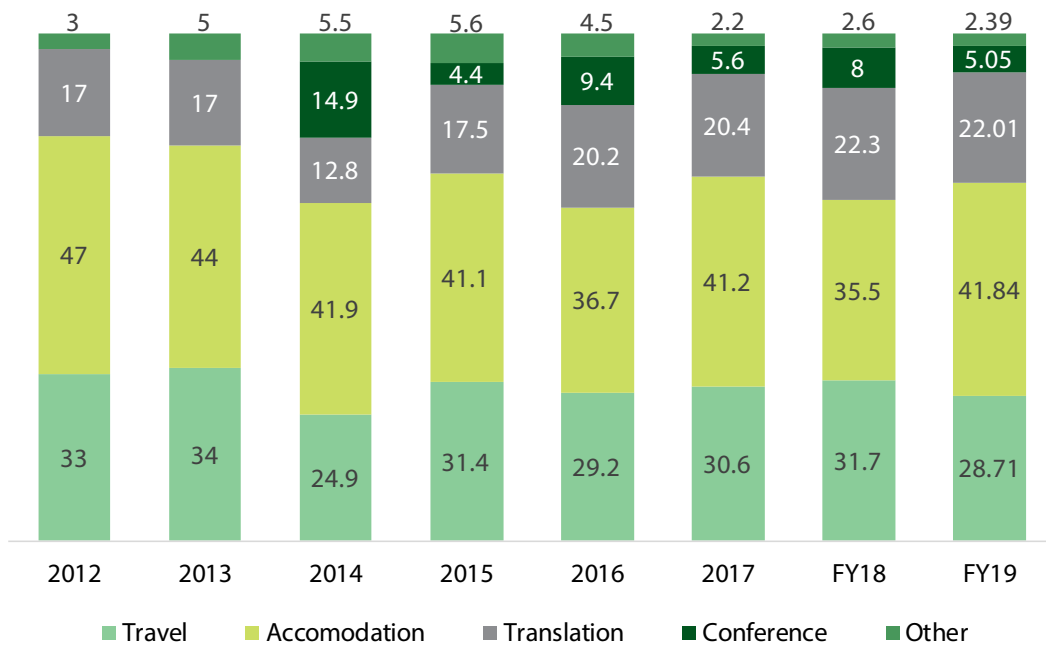
CHART 23: AVERAGE EXPENSES FOR FACE-TO-FACE EVENTS (USD, PER PARTICIPANT)



35 Calculations made on member country participants by location including videoconferences.

36 Administrative expenses in gross terms include Secretariat costs and other administrative expenses not attributable to individual events.

CHART 24: STRUCTURE OF EVENT EXPENSES, %





ATTACHMENT 1

IMPACT OF PEMPAL PFM PRACTICES AND PROFESSIONAL CAPACITY OF PFM SPECIALISTS



Budget Community of Practice: Examples of Impact in FY19

Some examples of BCOP impact provided by members

Belarus used knowledge gained through the BCOP Program and Performance Budgeting Working Group (PPBWG) to implement program and performance budgeting. Belarus also used knowledge gained through the BCOP Budget Literacy and Transparency Working Group (BLTWG) to publish their first citizens' budget in order to engage citizens on the budget process and enhance their knowledge on budget issues.

Bosnia and Herzegovina used knowledge gained in the PPBWG to reduce the number of programs and indicators, including identifying significant indicators that should be included in budget documentation, and identifying indicators that institutions should monitor for their internal management purposes.

Bulgaria is using knowledge on key performance indicators gained through BCOP.

Croatia used information shared in PEMPAL as input in preparing instructions on how to conduct spending reviews. In addition, budgeting experience shared by experts from developed countries, and the experience of other PEMPAL countries, was also used when drafting budget regulations.

Georgia noted that BCOP meetings cover aspects of PFM reform that are relevant for budgeting reforms conducted in Georgia, so knowledge gained through BCOP is used as additional input. Experience sharing during meetings adds to the quality of reforms.

For **Kazakhstan**, participation in BCOP activities helped to justify the need to include provisions on citizens'

budgets in the Budget Code. The overall planning function has also been improved with the consolidation of budget programs and alignment of strategic plans with the budget envelope.

Kosovo plans to add performance measures by sector in the next budget preparation process for 2020 using guidance obtained from the BCOP.

Moldova used knowledge from the BCOP to produce its citizens' budget.

North Macedonia is using knowledge on fiscal transparency gained through the BCOP to prepare a new budget law.

Serbia introduced and improved the program budget largely based on the knowledge and experience of other countries obtained at BCOP meetings. Preparation of the citizens' budget was also guided by information received through the BCOP.

Selected feedback on impact from BCOP post-event surveys in FY19

Even though I have already heard many presentations on public participation in budgeting and on budget literacy, I still hear new useful information every time I take part in BCOP activities and I hear new ideas which could potentially be implemented in my country in this topic. In addition, in this meeting, we also received useful information on the topics of capital budgeting trends and spending review global best practices.

— Plenary meeting, Uzbekistan

The agenda was very diverse and included knowledge exchange with the Global Initiative for Fiscal Transparency (GIFT) network and experts, as well as a learning visit about participatory budgeting practices at the national and sub-national level in Portugal. Discussion on how Portuguese practices approach was translated to the multi-level budget system Russian context was very useful.

— **Joint GIFT meeting, Portugal**

Knowledge acquired in this plenary meeting will be used to assist in the promotion of participatory budgeting in Uzbekistan.

— **Plenary meeting, Uzbekistan**

The reports on performance budgeting examined in the meeting were very useful for our work.

— **Plenary meeting, Uzbekistan**

Presentations by specialists working in the Ministries of Finance are very useful and provide us with the opportunity to anticipate potential problems and maximize potential success factors in our reforms.

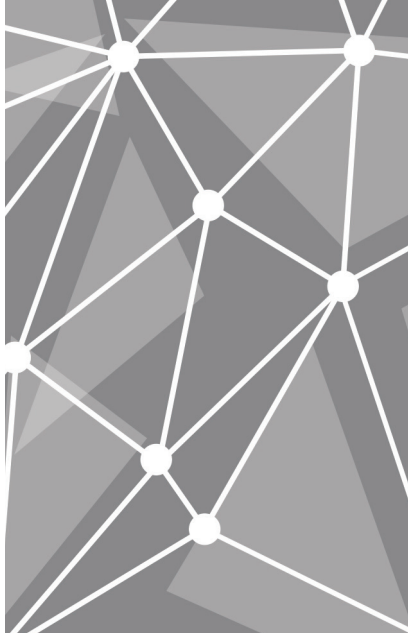
— **Plenary meeting, Uzbekistan**

All speakers in BCOP plenary meeting had great expertise in their topics and were ready and able to answer all of our questions.

— **Plenary meeting, Uzbekistan**

The joint event between GIFT and PEMPAL was a success. The participation of not only civil servants, but also NGOs, representatives of scientific organizations, and the media, helped to make the discussions rich with different perspectives. Wide variety of contexts from which meeting participants come (such as Africa, South America, Southeast Asia, the European continent, and post-Soviet countries) gave a unique feature to this workshop and positively influenced the workshop results.

— **Joint GIFT meeting, Portugal**



Treasury Community of Practice: Examples of Impact in FY19

Some examples of TCOP impact provided by members

Albania noted that TCOP events had a “full effect on the reform program.” This included for example the Albania Financial Management Information System (FMIS) project implementation and linkages with other systems; IT tools for cashflow forecasting; configuring product codes in Albania Government Financial Information System (AGFIS) for the public procurement plan; and establishing the web portal and electronic archive.

Azerbaijan established a green corridor for small utility payments drawing on the experience of Georgia, and plans to improve integration of procurement, budget management, and treasury execution based on experience gained through the TCOP.

Belarus acknowledged that TCOP activities had contributed to the design of the unified chart of accounts and development of the concept for public sector accounting reform and supported reforms in cash management, including development of the Ministry of Finance’s deposit auctions based on the peer experience.

Croatia used TCOP knowledge in improving IT support to the state treasury system; developing treasury execution processes and functionality; and developing methodology for determining the Treasury Single Account target balance. PEMPAL events helped them to identify good practices for integration of individual budget processes and treasury functions, as well as integration of the treasury system with other external systems.

Georgia reported that the TCOP activities had improved staff capacity and facilitated informed decision-making. The peer-to-peer experience and deepening

of personal contacts within TCOP continuously helps them to implement new initiatives and to make informed decisions when reforming PFM.

Kazakhstan implemented cash management reforms including establishing an interest-bearing Treasury Single Account balance.

Kosovo highlighted the positive effect TCOP had on cash management reforms under way, including modernization of their IT systems and real-time gross settlement payment module; and extending the explanatory notes in financial statements.

Kyrgyz Republic noted that TCOP activities had contributed to reforms in liquidity and payments management.

Moldova identified the TCOP contribution to improving the unified chart of accounts and budget classification. The peer experiences also assisted in the automation of treasury processes and their integration with other systems to eliminate paper work that has led to the transformation of the treasury role and review of the treasury’s functions. The TCOP events allowed Moldova to examine experiences of peers which helped to improve the quality and processes of cash management, as well as to enable that other public bodies also contribute to the cash forecasting process.

North Macedonia noted that the November 2018 cash management working group event improved the capacity of the staff to design the new cash forecasting framework that went live in January 2019. The knowledge gained at the TCOP events enabled the staff to add value and quality to the discussions regarding possible modules and system architecture of the new integrated FMIS that is being designed.

Russia acknowledged that the TCOP discussions on the evolution of the role and functions of the treasury facilitated the reforms related to centralization of the public accounting, use of advances in paying taxes; and automatic sanctioning of the payments. Russia explained that PEMPAL program is very important for the Federal Treasury as it serves as a trigger to move forward; it was also noted that as Russian representatives are often invited as speakers this serves as an embedded stimulus to further review and improve performance.

Tajikistan mentioned TCOP's impact on country's transition to e-submission of accounting reports compliant with International Public Sector Accounting Standards (IPSAS), and increased capacity of the staff that facilitated the work on the draft public procurement law.

Turkey reported that experiences shared during TCOP events assisted the Turkish Treasury to design the new Treasury Single Account system, including extending its coverage and further improvements in cash forecasting.

Uzbekistan is undergoing several PFM reforms and expects that the knowledge shared by the TCOP peers will assist to establish the cash forecasting system and facilitate reforms in public procurement (including long term contracts) and capital expenditure controls.

During the wrap up session of the **Budapest plenary meeting** delegations also shared their feedback on the value of the event, including:

Ukraine noted that event discussions had given them several options for how to implement the register of unreliable vendors and they would return home to pursue this.

Albania mentioned that as a result of the event they felt they had gained more skills to continue reforms.

Selected feedback on impact from TCOP post-event surveys in FY19

During the presentations I sketched out those innovations that are used by other countries. For example, the experience of Hungary and Kazakhstan in obtaining interest from the central banks on the Treasury Single Account balances. An example of public procurement system of Rwanda was also very useful.

— **Plenary meeting, Hungary**

Other countries experiences and experts' recommendations are taken into account when developing legislative base, enhancing business processes, and implementing improvements of budget execution methodology.

— **Plenary meeting, Hungary**

In the process of designing the relationship between the FMIS and the procurement system in our country, I will be making proposals based on the experiences of other PEMPAL countries.

— **Plenary meeting, Hungary**

The event addressed issues that are very important for the current stage of evolution of Treasury in Albania, including the system's interoperability with public procurement system with the aim to prevent the arising of new arrears.

— **Plenary meeting, Hungary**

Thank you so much for organizing this event, since the knowledge gained is very significant for our country. We provided a report to our management describing all developments in countries with a treasury budget execution system.

— **Plenary meeting, Hungary**

I will apply the acquired knowledge by cooperating with the relevant responsible structures for changing the procurement system's legislation by making sure that once the spending unit applies to e-procurement, then this system will have to ask e-Treasury for the sufficiency of budgetary funds for this commitment, which will be signed at the end of the procurement process; as well as for the exchange of information between e-Procurement and e-Treasury according to the best practices presented in this event. After the implementation of the system we will be able to strengthen and automate the expenditure control by shifting them to the IT system, as well as to reduce the number of the staff involved in manual controls and manual recording of contracts data in the Treasury.

— **Plenary meeting, Hungary**

In the further development of integrated FMIS we will take into consideration experiences and practices gained from other participating countries from this PEMPAL event. When integrating the treasury system with the procurement system, we will take into account the experience of the countries that have carried out this implementation, as well as will consider how effective such an implementation is in terms of budget execution.

— **WG meeting, Hungary**



Internal Audit Community of Practice: Examples of Impact in FY19

Some examples of IACOP impact from members

Mr. Jan Lokajíček, Counselor in the Central Harmonization Unit in the **Czech Republic** shared the following: “We find the PEMPAL products quite helpful as a reference source for the preparation of methodological guidance. Exceptionally inspirational for us was the Quality Assessment Guide for Public Sector Internal Audit. We find quite useful the internal audit case studies and adjustment of Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles for the public administration, which were developed in the recent meetings. We use these as a source of information for preparing lectures for public administration.”

Montenegro representatives mentioned: “...the shared knowledge and experience has contributed not only to the professional development of each single individual participant but also to the overall development of the system, which has been richly permeated by the knowledge and experience gained through IACOP working group activities.

The experience of other member countries facilitates implementation of certain activities in our country, because thanks to the shared information on examples of good practice we can build our own processes on a daily basis.

The IACOP community has made a major contribution to the development of internal audit in the part that pertains to improvement of certain aspects of legislation through specific solutions and practices, quality assessment, risk assessment, organization of training and certification, and professional development of internal auditors. Great significance has recently been attached to the assessment of financial management control quality through provided examples that illustrate the method

of implementation. In addition, trainings organized in Montenegro included the use of case studies that have been considered at IACOP working groups’ meetings.”

North Macedonia said it: “... is a real pleasure and honor to be part of IACOP. Unselfish exchange of experience, using the communication means and the personal contacts at the conferences are of invaluable importance. The community’s contribution for my country and the Ministry of Finance, as well as for me, arrived at the right time. Detailed elaboration of the Public Internal Financial Control (PIFC) basic principles, via practical examples of the country members, was of great importance to the preparation of the Macedonian updated PIFC strategic document. At the PEMPAL Conference, hosted by Skopje in April 2019, we had the opportunity to present the Policy Paper to more than 20 country members and to hear their comments and suggestions.

PEMPAL is unique in exchanging experience through practical work, case studies, roundtables, which is a good way to learn, remember, and discuss.”

Turkey acknowledged that they greatly benefited both from the information obtained from IACOP meetings and the documents published by IACOP (knowledge products). Those were used in the process of revising the legislation and other regulations that have been established in both internal audit and internal control areas. It was even decided to translate to Turkish some of IACOP documents published in order to analyze the current state of internal audit and to plan the strategy for the next three years. Subsequently, the translated “Concept Paper on Cooperation among Public Sector Audit and Financial Inspection Entities”, “Risk Assessment in Audit Planning” and “Quality Assessment Guide for Public Sector Internal Audit” were published on their website for the benefit of those concerned. Currently, Turkey’s representatives are also using IACOP publications

for updating the existing internal control guidelines and current internal control legislation.

Kazakhstan representative, Mrs. Arman Bekturova, Director of the Methodology, Accounting, Audit, Internal Control and Evaluation Activity Department, highlighted the specific added value of the IACOP knowledge products.

“As an internal auditor, I need to continually deepen and develop my professional knowledge and skills, and in this sense, PEMPAL events are an excellent opportunity and valuable resource. An in-depth study of the COSO internal control components will help with the assessment of internal control systems. The manuals provided by the experts, as well as the knowledge products of the PEMPAL itself, are available and practical to use, and if something is unclear, all of us could contact the direct authors of the material for help, clarification, or advice. This is important for effective work.”

— **WG meeting, North Macedonia**

Selected feedback on impact from IACOP post-event surveys in FY19

It was interesting to share experiences with other participants and learn specifics of internal control and internal audit in the public sector in their countries.

— **Plenary meeting, Georgia**

Most important, the issues addressed at the event were important and relevant to my work, especially the issues of organizing, improving, and evaluating internal controls. Audit in practice is a more understandable topic, and all that concerns financial internal control, the components of COSO and their adaptation and application in the public sector, which is most relevant today for countries reforming state internal financial control, including in my country. I presented on internal audit on behalf of a sectoral ministry in which a pilot project for the implementation of FMC is taking place. My participation in the PEMPAL event was timely, relevant, and useful.

— **WG meeting, North Macedonia**

I reaffirmed my knowledge and work in internal audit; our colleagues shared their valuable experiences with us pertaining to audit standards; we heard about our colleagues' experiences in matters of national certification; and possible solutions for quality assessments.

— **WG meeting, North Macedonia**

I liked that the participants were open and friendly people, ready to help in practical issues, share experience and knowledge, and discuss real problems with a focus on positivity and achievement of goals. I liked that all the experts were ready to discuss issues both during the work and during informal communication, and they were ready to share materials. Relationship in the PEMPAL family is very valuable and friendly, despite the fact that I was with them for only the second time, I felt very comfortable.

— **WG meeting, North Macedonia**

I am going to mention PEMPAL, its activities, and working documents in the 3-year strategic development plan of our department as a specific resource for developing staff competence that we will try to use to improve the efficiency of our department's activities step by step during the next 3 years.

— **Plenary meeting, Georgia**

In my presentation on raising the level of PIFC system understanding for operational managers in our ministry, I will use the materials and acquired knowledge about the components of the COSO internal control.

— **WG meeting, North Macedonia**

I can use the materials and approaches in my work, for example I can apply key principles of guidelines for assessing the quality of internal control. Also, I will use the Dutch approach in terms of FMC implementation.

— **WG meeting, North Macedonia**

For IACOP, a member stated “I reaffirmed my knowledge on the implementation of internal audit standards in our country through the presentations and discussions with other participants, and by talking to other colleagues around the table, as well as indirectly through discussions with experts. I am especially grateful to everyone because I learned how to start the internal control assessment using COSO components, which had been a mystery to my colleagues and me before.”

— **IACOP Plenary meeting, Georgia**

I will definitely point to PEMPAL as a valuable resource for all internal auditors and those responsible for implementing effective internal control. PEMPAL is an exclusive platform for dozens of countries to discuss the most pressing issues in the field of public administration, internal control, and modern internal audit. It is difficult to overestimate the importance and necessity of the existence of PEMPAL.

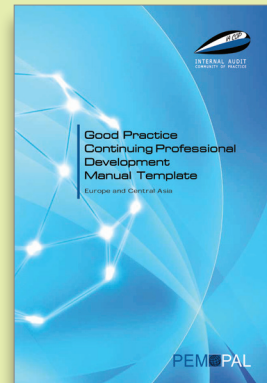
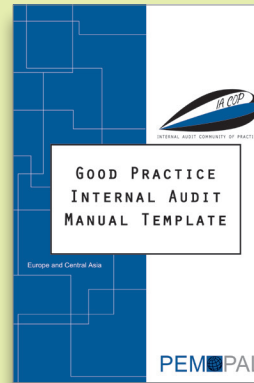
— **WG meeting, North Macedonia**

BOX 3: USE OF IACOP KNOWLEDGE PRODUCTS IN KAZAKHSTAN

Mrs. Arman Bekturova, IACOP Deputy Chair, Director of the Methodology, Accounting, Audit, Internal Control and Evaluation Activity Department of the Ministry of Finance, Kazakhstan, shared the progress achieved in drafting the methodology for public sector internal audit (IA).

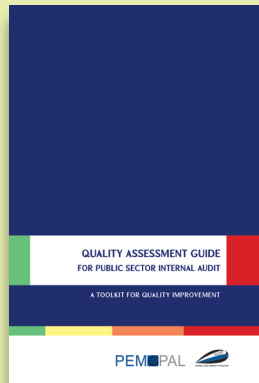
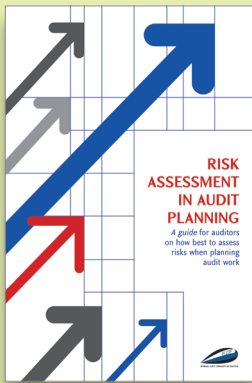
“ Due to the IACOP knowledge products, we formulated objectives and performance indicators for IA activity, designed a methodology for the IA Unit’s strategic planning, and prepared information on how internal auditors perform risk assessment... All this is included in our model risk management system - Guidelines for Public Sector Internal Audit and Financial Control. For this we used PEMPAL IACOP *Risk Assessment in Audit Planning*, which was one of the valuable sources to learn the best practices.

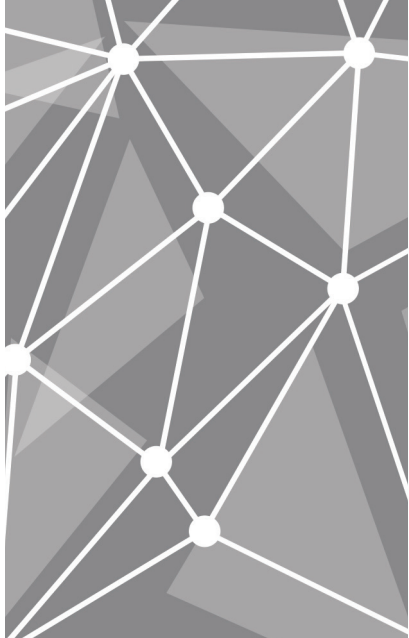
PEMPAL IACOP *Quality Assessment Guide for Public Sector Internal Audit* was another knowledge product we used when we drafted the methodology for IA performance assessment.



We also drafted and approved the Certification Rules for Candidates Applying for Qualification as Public Auditors. Ministry of Finance approved the examination modules and tasks and established proper procedures for quality control of continuous professional development.

The training program was designed using PEMPAL IACOP Internal Audit Body of Knowledge and *Good Practice Continuing Professional Development Manual Template*. The program consists of modules dedicated to internal control, governance and management, public procurement, budget, accounting, legislative framework, information science and IT systems, and government administration.





General Feedback on PEMPAL from post-event surveys in FY19

Content and Format

Exchanging experiences with other countries is very useful.

— **BCOP plenary meeting, Uzbekistan**

I have learned that countries can benefit significantly from reforms across all ministries, like the reforms that were undertaken by the Ministry of Public Service Administration in Georgia.

— **IACOP plenary meeting, Georgia**

I learned that certain things work differently in other countries, and that it may be possible to apply some lessons learned and practices from other countries in my country. Certainly, a positive experience.

— **IACOP plenary meeting, Georgia**

The practical experience of the participants gives me opportunity to consider their successful and unsuccessful examples in my work.

— **BCOP plenary meeting, Uzbekistan**

Representatives of member countries were actively participating and sharing information on the current developments in their countries. International experts talked about the latest global trends relating to the topics of our plenary event.

— **BCOP plenary meeting, Uzbekistan**

For me it was a unique opportunity to meet colleagues from so many countries, to discuss topical issues with them. Now I have their contacts and can call/write them if necessary. This is a very valuable experience.

— **IACOP plenary meeting, Georgia**

I liked the group discussions most of all, as we can get a lot of useful information in these discussions.

— **IACOP plenary meeting, Georgia**

All the topics examined in this event were very useful to me, because the information I received will be of assistance to me in my daily work. Thus, knowledge gained is an added value to my work.

— **IACOP, WG meeting, North Macedonia**

I was impressed that the problems faced by the participating countries are largely the same.

— **TCOP, plenary meeting, Hungary**

I liked that the participants were open and friendly people, ready to help in practical issues, share experience and knowledge, discuss real problems with a focus on positivity and achievement of goals.

— **IACOP, North Macedonia**

PEMPAL always provides the atmosphere that is on the top level and every working meeting is extraordinarily useful. Praise for how much effort and dedication has been dedicated to all members of the PEMPAL.

— **IACOP, Georgia**

I liked the variety of tools used to share knowledge (presentations, panel discussions, world cafes, etc.).

— **IACOP, Georgia**

Host Support

I would particularly like to thank the hosts for their warm and hospitable welcome.

— **IACOP, Georgia**

I was particularly impressed with the kindness of our hosts. Praise! The location choice and host contributions were fantastic, surpassing all expectations.

— **BCOP, Uzbekistan**

The contribution of the Macedonian participants of the seminar was also very valuable, their presentations on the reform of the internal audit structures and the strategic development of the system of PIFC.

— **IACOP, North Macedonia**

(NB. Many comments were received from members about the kind warmth, hospitality and contribution of the countries who hosted PEMPAL events during FY19. The above provides only a small sample.)

Technical Support

I liked that all the experts were ready to discuss issues both during the work and during informal communication; they were ready to share materials.

— **IACOP, North Macedonia**

Absolutely all the speakers did a wonderful job, very interesting and informative presentations!

— **TCOP, WG meeting, Hungary**

Everything was meaningful, interesting, a special gratitude to Mr. Dener for the presentation and for inviting a colleague from Rwanda who introduced us to the experience of implementing systems based on Open Source solutions.

— **TCOP, Hungary**

The quality of the resource team was highly professional and their advice was very useful for us.

— **TCOP, Hungary**

The Resource Team, together with the Executive Committee, has chosen topics that are relevant to all participating countries.

— **BCOP, Uzbekistan**

All lecturers were excellent and developed issues in a very interesting and professional way, quite concrete with practical concepts combined with case studies, etc.

— **IACOP, North Macedonia**

I was amazed how they manage to moderate the process so deftly. There were a lot of participants, 3 working languages, interpretations, people were excited when discussing topics, each at his table, it seemed that we would not be in time, but not! All members of the Executive Committee and the Resource Team set a benevolent and working tone, not only during working sessions, but also during informal communication, helped with interpretations so that people with language barriers could communicate. Many thanks to IACOP team they did a good job!

— **IACOP, Georgia**

The Executive Committee and the Resource Team provided all the necessary information, they were open to questions and provided quality related services.

— **BCOP, Uzbekistan**

Logistical and Administrative Support

The Secretariat was available at all times, as always. Great appreciation for the organization. The logistics, organization, communication, registration, all were top quality.

— **BCOP, Uzbekistan**

Everything was top notch, both the quality of the organization and the administration.

— **IACOP, Georgia**

The event was well organized, we had visa support, and correspondence and distribution of materials were made in time.

— **IACOP, North Macedonia**

I want to note the quality of translation and high professionalism of interpreters. They were at our disposal even after the official part of the event was over.

— **IACOP, North Macedonia**

The quality of written translations is high.

— **BCOP, Uzbekistan**

The interpreters are well familiar with the subjects of internal control and internal audit, so the interpretation was excellent.

— **IACOP, Georgia**

Many thanks to the interpreters who did a great job both during the event and during communication beyond the scope of the event. The quality of written translations is high.

— **TCOP, Hungary**

Suggestions for Improvement

Actual PFM concepts are multi-dimensional; therefore the effectiveness of joint peer activities is high. We also need more joint activities with other PEMPAL COPs.

— **BCOP, Portugal**

There was not enough time for questions and answers. But the questions asked were interesting and detailed because all procedures are very important when implementing.

— **BCOP, Portugal**

It might be good to allocate more time for Q&A but on condition that the questions are short and clear, without additional elaborations, and that the answers are precise and concise.

— **IACOP, Georgia**

There was a feeling that we had not enough time for discussion, but this was due to the importance of the offered topics. With this in mind, I believe that the event was well planned. Presentations by experts were interesting, I would like to have more time for questions, although this will certainly increase the duration of the event itself and will no longer be effective.

— **IACOP, Georgia**





ATTACHMENT 2

COMPOSITION OF PEMPAL COP EXECUTIVE COMMITTEES DURING FY19

Composition of PEMPAL Executive Committees

BCOP

Anna Belenchuk Russia
Head of Budget Analysis and Development Unit, Department of Budget Methodology and Public Sector Financial Reporting, Ministry of Finance

Marina Tikhonovich Belarus
Deputy Head, Budget Process Methodology Department, Ministry of Finance

Mladenka Karačić Croatia
Head of State Accounting and Non-Profit Organizations Accounting Service, Ministry of Finance

Kanat Asangulov Kyrgyz Republic
Head of Budget Policy Department, Ministry of Finance (Deputy Chair before March 2019)

Gelardina Prodani Albania
General Secretary, Ministry of Finance (Deputy Chair before March 2019)

Ruzanna Gabrielyan Armenia
Deputy Head, Budgetary Management Department, Ministry of Finance

Alija Alijović Bosnia and Herzegovina
Assistant to the Minister, Federal Ministry of Finance

Emil Nurgaliev Bulgaria
Senior Expert, Budget Methodology Division of Budget Directorate, Ministry of Finance

Vasile Botica Moldova
Head, Sector Budget Policies Department, Ministry of Finance

Nikolay Begchin Russia
Head, Program Planning and Efficiency of Budget Expenditures Department, Ministry of Finance

TCOP

Angela Voronin Moldova
Head of State Treasury, Ministry of Finance

Liudmila Gurianova Belarus
Deputy Head of State Treasury, Ministry of Finance

Ilyas Tufan Turkey
Head of Cash Management Department, Ministry of Treasury and Finance

Mimoza Pilkati Albania
Director of Treasury Operations Department, General Directorate of Treasury, Ministry of Finance

Nazim Gasimzade Azerbaijan
Chief of Information Technology Department, State Treasury Agency, Ministry of Finance

Levan Todua Georgia
Head of State Loans and Deposit Operation Department, State Treasury, Ministry of Finance

Zaifun Ernazarova Kazakhstan
Director of Budget Legislation Department, Ministry of Finance

Alexander Demidov Russia
Deputy Head of the Federal Treasury

IACOP

Edit Nemeth Hungary
Head of Central Harmonization Unit, Ministry of Finance (Deputy Chair until April 2019, Chair after April 2019)

Edgar Mkrtchyan Armenia
Deputy Head of Public Finance Management Methodology Department, Head of Financial Management and Control Methodology Division, Ministry of Finance (Chair until April 2019, Deputy Chair after April 2019)

Ljerka Crnković Croatia
Coordinator for Methodology and Development of Internal Audit Sector for Harmonization of Internal Control System, Ministry of Finance

Petru Babuci Moldova
Senior Consultant, PIFC Policy Division, Ministry of Finance

Arman Bekturova Kazakhstan
Department of methodology, accounting, audit, internal control and evaluation activity, Director, Ministry of Finance (Deputy Chair and member from April 2019)

Amela Muftić Bosnia and Herzegovina
Assistant Minister, Head of Central Unit for Internal Audit of Bosnia and Herzegovina Institutions, Ministry of Finance (Deputy Chair until April 2019)

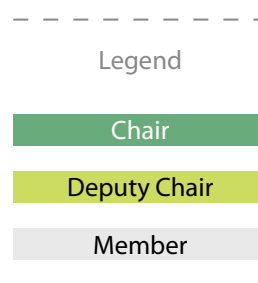
Giuli Chkuaseli Georgia
Head of Central Harmonization Unit, Ministry of Finance

Zamira Omorova Kyrgyz Republic
Head of Internal Audit Methodology Department, Ministry of Finance (member until April 2019)

Mioara Diaconescu Romania
Director, Central Harmonization Unit for Public Internal Audit, Ministry of Public Finance

Stanislav Bychkov Russia
Deputy Director, Department of Budget Methodology, Ministry of Finance

Olimjon Myrzoiev Tajikistan
Head of the Department of Management of Accounting, Financial Reporting and Auditing Policy, Ministry of Finance (member until April 2019)



Note: The role of Deputy Chair was rotated during the time period with only two supporting the Chair at any given time.



ATTACHMENT 3

PEMPAL STEERING COMMITTEE MEMBERS, FY19

The operational guidelines specify that two members of each COP are members of the steering committee – a chair and another member identified by the chair. In case

of the TCOP, the Chair participated and one of the Deputy Chairs, depending on their availability.

TABLE 4: PEMPAL STEERING COMMITTEE MEMBERS, FY19

| Name | Organization | Country | Role | Position |
|-------------------------------------|--------------|--------------------|--|---------------------------------|
| Daniel Boyce | WB | | Donor, Practice Manager | Chair of the Steering Committee |
| Thomas Stauffer³⁷ | SECO | Switzerland | Donor | Member |
| Anna Valkova | MoF | Russian Federation | Donor | Member |
| Elena Nikulina | WB | | PEMPAL Team Leader / TCOP Resource Team (Lead) | Member |
| Anna Belenchuk | MoF | Russian Federation | Chair of PEMPAL BCOP | Member |
| Kanat Asangulov | MoF | Kyrgyz Republic | Former BCOP Deputy Chair ³⁸ | Member |
| Edgar Mkrtchyan | MoF | Armenia | Former Chair of PEMPAL IACOP ³⁹ | Member |
| Edit Nemeth | MoF | Hungary | Chair of PEMPAL IACOP ⁴⁰ | Member |
| Angela Voronin | MoF | Moldova | Chair of PEMPAL TCOP | Member |
| Liudmila Gurianova | MoF | Belarus | TCOP Deputy Chair | Member |
| Ilyas Tufan | MoTF | Turkey | TCOP Deputy Chair | Member |
| Iryna Shcherbyna | WB | | BCOP Resource Team (Lead) | Permanent observer |
| Naida Carsimamovic Vukotic | WB | | BCOP Resource Team | Permanent observer |
| Yelena Slizhevskaya | WB | | TCOP Resource Team | Permanent observer |
| Arman Vatyan | WB | | IACOP Resource Team (Lead) | Permanent observer |
| Ekaterina Zaleeva | WB | Russian Federation | PEMPAL Secretariat (TCOP) | Permanent observer |
| Ksenia Malafeeva | WB | Russian Federation | PEMPAL Secretariat (BCOP) | Permanent observer |
| Kristina Zaituna | WB | Russian Federation | PEMPAL Secretariat (IACOP) | Permanent observer |

37 Since February 2019, formerly Irene Frei

39 Before April 2019

38 Before March 2019

40 Since April 2019



ATTACHMENT 4

SUMMARY OF RESPONSES TO PEMPAL EVENT EVALUATION SURVEYS

A standardized anonymous on-line questionnaire is administered after most face-to-face events by the PEMPAL Secretariat. These surveys include a number of standard questions answered using a response scale. They also give participants an opportunity to provide written comments.

Data from 7 such surveys is available for FY19. The only events for which the survey was not conducted was BCOP attendance at the November OECD meeting in Paris and the Russia Financial Forum because of the small number of participants involved. IACOP back-to-back events in

Georgia and North Macedonia were covered through one survey for each location. Post event surveys are not usually issued after videoconference meetings, given these are usually working meetings associated with event planning and/or development of COP knowledge products.

The table provides simple averages of responses for all the standard questions from the current survey template. If not indicated otherwise, the response scale used is 1 to 5, where 5 is the maximum possible (best) rating.

TABLE 5: SUMMARY OF RESPONSES TO THE STANDARD QUESTIONS FROM THE PEMPAL EVENT EVALUATION SURVEYS

| Question | FY18 average response rating | FY19 average response rating |
|--|------------------------------|------------------------------|
| Was this your first participation in a PEMPAL event? (Yes, %) | 21.4 | 29.4 |
| How do you rate your participation in this event? (Active, %) | 59.5 | 57.0 |
| How do you rate the event duration overall? (About right, %) | 90 | 82.9 |
| The level of the event was appropriate for a person with my experience and knowledge | 4.7 | 4.7 |
| I learned from the experience of other participants in the event | 4.6 | 4.6 |
| Participants had about equal level of prior expertise relevant to the event topics | 4.0 | 3.9 |
| Content of presentations, hand-outs and other materials were appropriate for a person with my level of knowledge | 4.6 | 4.7 |
| The event agenda was properly planned | 4.8 | 4.8 |
| The content of the event was properly prepared | 4.7 | 4.8 |
| The event addressed issues important to my work | 4.7 | 4.7 |
| The event covered a right number of topics for the amount of time available | 4.5 | 4.5 |
| The topics for the group discussions were relevant | 4.7 | 4.7 |
| Enough time was reserved for group discussions | 4.5 | 4.5 |
| Presentations made during the event were relevant and useful | 4.7 | 4.3 |
| Enough time was reserved for questions to speakers | 4.5 | 4.5 |
| Objectives of the event achieved | 4.6 | 4.6 |
| Quality of services by COP Executive Committee | 4.9 | 4.9 |

| Question | FY18 average response rating | FY19 average response rating |
|---|------------------------------|------------------------------|
| Quality of services by resource team | 4.9 | 4.9 |
| Quality of services by event speakers | 4.8 | 4.7 |
| Quality of organization and administration | | |
| • venue | 4.9 | 4.9 |
| • travel | 4.9 | 4.8 |
| • logistics | 4.9 | 4.8 |
| • hosts | 4.8 | 4.9 |
| Secretariat | 5.0 | 4.9 |
| • written communication | 4.9 | 4.9 |
| • registration | 4.9 | 4.9 |
| Paperless approach affect ability to understand / absorb information during the event (No, %) | 72.4 | 71.9 |
| Accessed event presentations on the website in preparation for the event (Yes, %) | 93.8 | 86.9 |
| Practice of posting presentations on the website before the event helpful (Yes, %) | 98.9 | 96.3 |
| Did you receive the agenda and event information in sufficient time before the event for them to be useful? (Yes, %) | 98.4 | 98.8 |
| Did you receive practical information (about the accommodation and other facilities, etc.) prior to the event? (Yes, %) | 99.7 | 98.8 |
| Are you satisfied with the quality of simultaneous interpretation provided during the event? | 4.7 | 4.7 |
| Are you satisfied with the quality of written translation of event materials? | 4.7 | 4.7 |
| Did the event disappoint, meet, or exceed your expectations? (Exceed, %) | 27 | 26.3 |
| I will be able to apply the knowledge acquired at this event to my work | 4.5 | 4.5 |
| Do you plan to brief your colleagues on this event? (Yes, %) | 99.3 | 98.9 |
| Overall, my satisfaction with the event was... | 4.8 | 4.8 |

41 Or consecutive interpretation for some events.





ATTACHMENT 5

PEMPAL EVENT EXPENSES

TABLE 6: PEMPAL EVENT EXPENSES⁴² (USD)

| | Travel | | Accommodation | Meals | Translation moderation | Conference facilities | Other | Total event expenses |
|----------------------------------|-----------------------|-----------------------|------------------|------------------|------------------------|-----------------------|-----------------|----------------------|
| | Flights and transfers | Resourse team flights | | | | | | |
| Cross COP, Budapest, July | 12,303.6 | 9,085 | 15,000 | 21,500 | 22,135 | 7,000 | 2,789.7 | 89,813.3 |
| BCOP, Moscow, September | 1,555 | 802 | 1,590 | 618 | 1,101 | 0 | 265 | 5,931 |
| IACOP, Tbilisi, October-November | 35,092 | 3,123 | 52,202 | 7,946 | 23,602 | 187 | 877 | 123,029 |
| BCOP, Cascais, October | 7,760 | 1,633 | 9,555 | 6,512 | 13,903 | 2,190 | 783 | 42,336 |
| TCOP, Vienna, November | 15,244.7 | 8,206 | 18,647.9 | 20,219.8 | 21,245.8 | 7,000 | 3,025.7 | 93,589.9 |
| BCOP, Paris, November | 2,544 | 1,107 | 5,207 | 980 | 516 | 0 | 801 | 11,155 |
| BCOP, Tashkent, March | 35,643 | 6,708 | 33,135 | 15,045 | 32,690 | 0 | 3,531 | 126,752 |
| IACOP, Scopje, April | 27,929 | 5,000 | 19,263 | 14,501 | 24,025 | 6,198 | 1,778 | 98,694 |
| TCOP, Budapest, June | 32,966.6 | 7,809.4 | 53,200 | 17,600 | 25,242 | 15,200 | 4,046 | 156,064 |
| TOTAL | 171,037.9 | 43,473.4 | 207,799.9 | 104,921.8 | 164,459.8 | 37,775 | 17,896.3 | 747,364.2 |

TABLE 7: PEMPAL EVENT EXPENSES⁴² (%)

| | Travel | | Accommodation | Meals | Translation moderation | Conference facilities | Other | Total event expenses |
|----------------------------------|-----------------------|-----------------------|---------------|--------------|------------------------|-----------------------|-------------|----------------------|
| | Flights and transfers | Resourse team flights | | | | | | |
| Cross COP, Budapest, July | 13.7 | 10.1 | 16.7 | 23.9 | 24.6 | 7.8 | 3.1 | 100 |
| BCOP, Moscow, September | 26.2 | 13.5 | 26.8 | 10.4 | 18.6 | 0 | 4.5 | 100 |
| IACOP, Tbilisi, October-November | 28.5 | 2.5 | 42.4 | 6.5 | 19.2 | 0.2 | 0.7 | 100 |
| BCOP, Cascais, October | 18.33 | 3.86 | 22.57 | 15.38 | 32.84 | 5.17 | 1.85 | 100 |
| TCOP, Vienna, November | 16.29 | 8.77 | 19.93 | 21.6 | 22.7 | 7.48 | 3.23 | 100 |
| BCOP, Paris, November | 22.81 | 9.92 | 46.68 | 8.79 | 4.63 | 0 | 7.18 | 100 |
| BCOP, Tashkent, March | 28.1 | 5.3 | 26.1 | 11.9 | 25.8 | 0 | 2.8 | 100 |
| IACOP, Scopje, April | 28.3 | 5.1 | 19.5 | 14.7 | 24.3 | 6.3 | 1.8 | 100 |
| TCOP, Budapest, June | 21.1 | 5 | 34.1 | 11.3 | 16.2 | 9.7 | 2.6 | 100 |
| TOTAL | 22.89 | 5.82 | 27.8 | 14.04 | 22.01 | 5.05 | 2.39 | 100 |

⁴² Costs related to events held back-to-back in one location, have been presented together.



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