

# ANNUAL REPORT 2016



PEM  PAL



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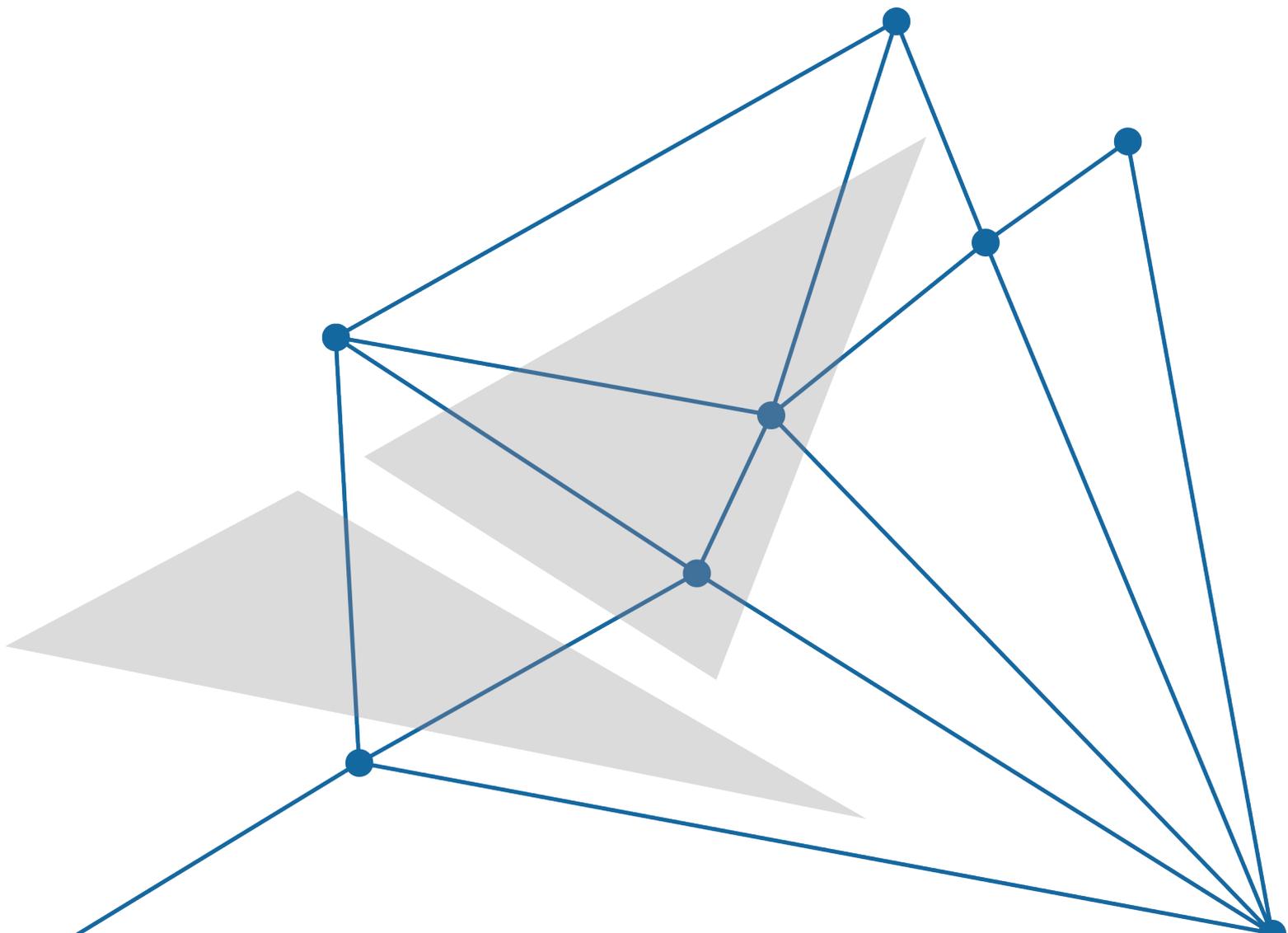
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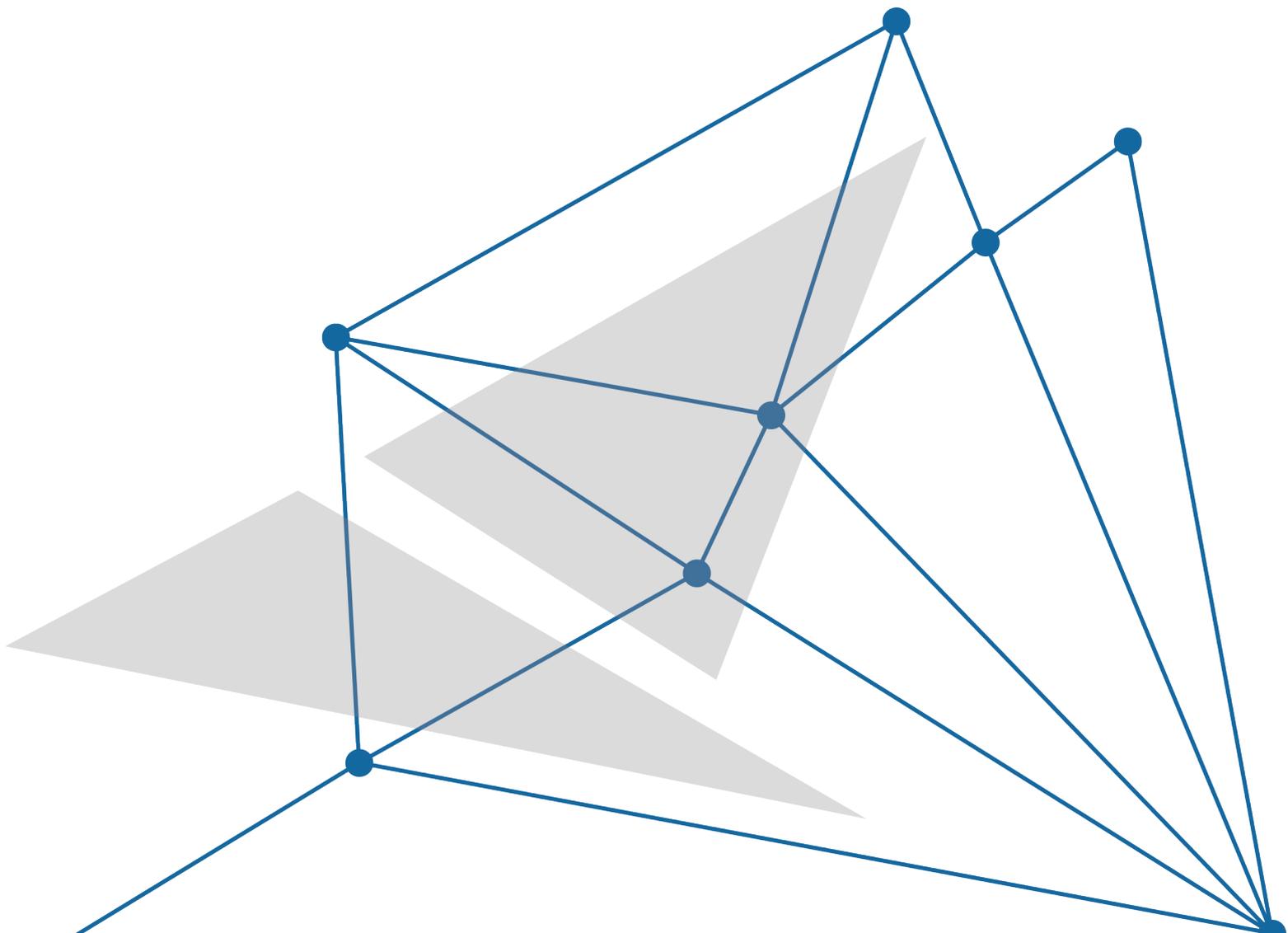
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# FOREWORD





It is with great pleasure that I present the 2016 PEMPAL Annual Report, as the current Chair of the Public Expenditure Management Peer Assisted Learning network (PEMPAL) Steering Committee. I have had the opportunity to see the benefits of PEMPAL directly

since I became a representative in 2013 for the Swiss State Secretariat for Economic Affairs (SECO), one of the key donors to the program. During my close involvement with PEMPAL, I have personally seen how it provides a valuable platform for which to connect public finance peers to benchmark and discuss public financial management (PFM) reform issues.

2016 was a particularly busy year for the PEMPAL Executive, who met several times to discuss the development of the new PEMPAL Strategy 2017-22, including new initiatives to strengthen the sustainability of the program. SECO had the pleasure of hosting the key meeting for these discussions in Bern, Switzerland in mid-July. The PEMPAL Executive included 17 member country representatives from Ministries of Finance and Treasuries from 13 countries, together with representatives of the key donors: SECO, the Ministry of Finance of the Russian Federation, and the World Bank together with the program's logistic and administrative experts from the PEMPAL Secretariat (hosted by the World Bank Moscow office). Preparations for these meetings were held during the first half of the year, in order to make key decisions regarding identification of thematic priorities for the next five years; consideration of feasible costing options and funding scenarios for the next strategy; and discussion of methodologies and approaches to collecting success stories. The decisions made in these areas, helped shape the draft of the strategy document, which was finalized in September and shared with the three Communities of Practice (COPs) for consultations.

As part of the new strategy which will commence in July this year, the sustainability of the program delivery mechanism will be strengthened. Diversifying the funding base through pursuing a wider range of donors and also piloting member contribution initiatives will be pursued. Alternatives for the temporary Secretariat function

will also be investigated. The value and impact of the program, will be captured in a more methodological way. A comprehensive set of success stories was already documented as part of strategy development activities and is shared as part of this Annual Report. Cross-COP initiatives will also continue to be pursued including meetings of all COPs to be held twice during the next strategy period. The Steering Committee will also ensure there is increased emphasis on COPs sharing progress and potential synergies during quarterly Steering Committee meetings to facilitate synergies being identified and joint projects being implemented.

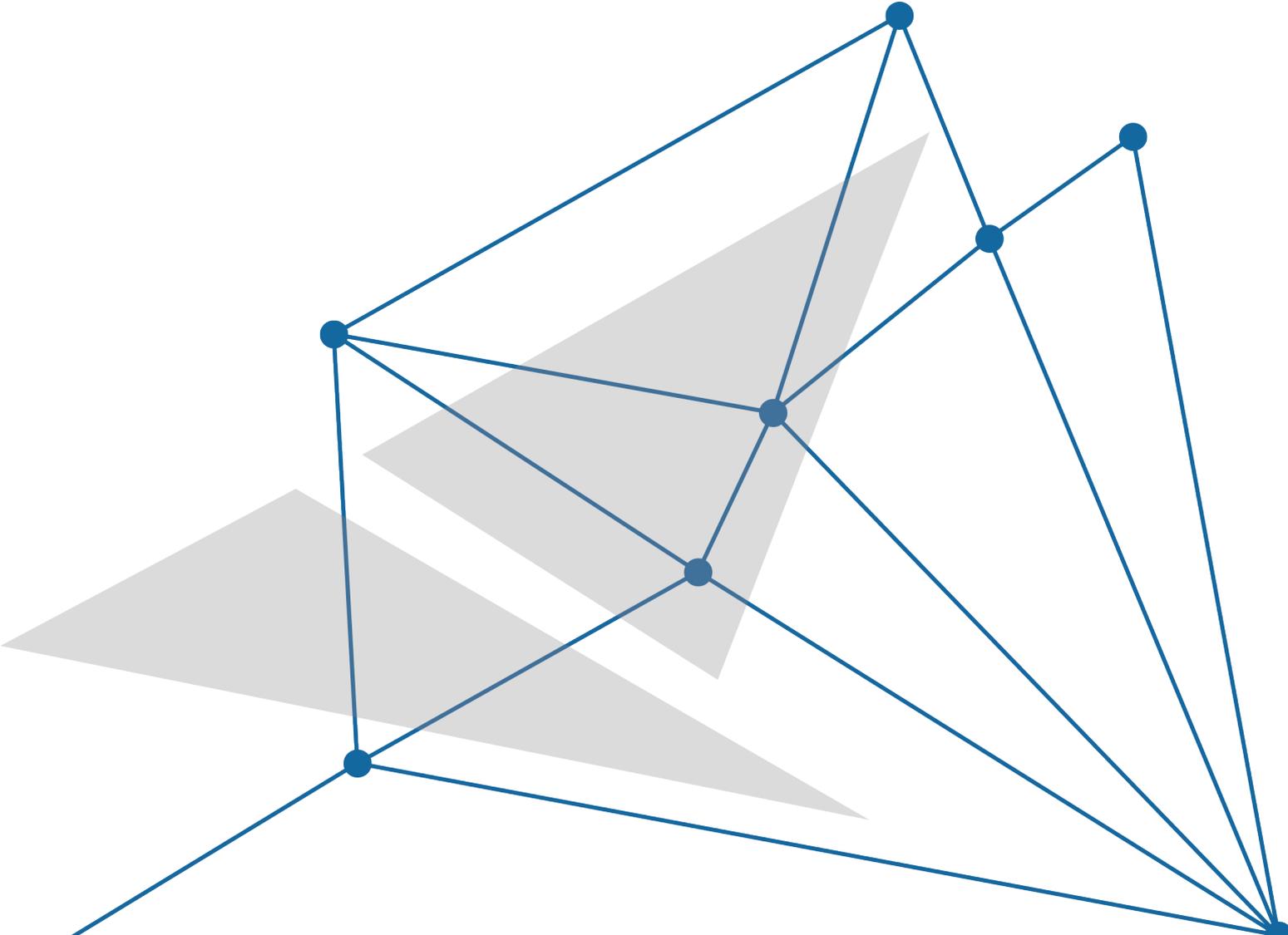
On behalf of the Steering Committee, I would like to take this opportunity to thank the member countries and all the key stakeholders for their continued support and valuable contribution. Learning from international and regional good practices and sharing information between countries is a key tool that underlies the peer-learning approach used by PEMPAL. I have personally used PEMPAL as a model and inspiration for other projects given its power and effectiveness. Regional collaborations between central government agencies, leads to improvements in PFM systems and strengthened regional relationships which is of significant value to the Europe and Central Asia region and beyond.

This report documents the progress and achievements of PEMPAL over 2016, a year that was characterized by some funding uncertainty given the program is coming to a close at the end of the program's current PEMPAL Strategy 2012-17. However, the enthusiasm of the member countries, and their willingness to think of innovative approaches to continue to be involved in this valuable platform, has led to a clear roadmap to direct the network for the next five-year period. With such successes and plans, we are also looking for development partners to invest in the network to ensure its sustainability. Member countries also plan to build on their significant in-kind contributions of leadership and knowledge creation and sharing and implementing concrete plans to increase member financial contributions to ensure the network's viability and sustainability. We are all excited about the future of PEMPAL and would like to share our achievements over the last year with you, as outlined in this report.

Irene Frei  
PEMPAL Steering Committee Chair in 2016-2017  
State Secretariat for Economic Affairs – SECO  
Switzerland



**BACKGROUND**



## **Economic growth in Europe and Central Asia was projected to improve only modestly in 2016 after a contraction in 2015**

with weak global growth, continued geopolitical tensions and uncertainties, the refugee crisis, and the ongoing low oil revenues and weak remittance flows in Eurasia. About 14 percent of the region's population—more than 66 million people—still lives in poverty including almost 19 million who live on less than \$2.50 a day.<sup>1</sup> Aging is also a critical issue in the region as is climate adaptation and energy efficiency being one of the world's most energy-intensive regions. These challenges faced by the Governments of the region, emphasize the importance of efficient, effective, equitable and accountable outcomes from the use of public monies.

## **Participation in PEMPAL has assisted member countries to discuss potential solutions to such common challenges.**

PEMPAL was established over ten years ago in 2006 and currently has active participation of public finance professionals from up to 23 of the 30 World Bank classified Europe and Central Asia countries.<sup>2</sup> It provides learning events, workshops, study tours and resource materials in accordance with member driven action plans in the thematic areas of budget, treasury and internal audit.

This peer learning approach has been effectively used in both the public and private sectors and is supported by research and independent evaluation results.<sup>3</sup> The current financial donors are the Ministry of Finance of the Russian Federation and the Swiss State Secretariat for Economic Affairs (SECO), with the World Bank playing a key role in providing technical resource teams and managing the overall program, including the multi-donor trust fund (MDTF). The World Bank Moscow Office currently houses the Secretariat.

## **There are three distinct Communities of Practice in PEMPAL**

i.e. the Budget Community of Practice (BCOP), the Treasury Community of Practice (TCOP) and the Internal Audit Community of Practice (IACOP), who are led by COP Executive Committees comprising volunteer members from 8 member countries for BCOP and IACOP and 9 member countries for TCOP. COPs meet regularly in a variety of ways either through meetings of all members, working groups of a sub-set of members, or study visits to countries to discuss and address problems in more depth. Regular meetings also occur via videoconference and information is shared via the public website in the official languages of the network: English, Russian and Bosnian-Croatian-Serbian. The institutional structure of PEMPAL is provided in **Figure 1**.

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1 Source: World Bank Annual Report 2016

[www.worldbank.org/en/about/annual-report/regions/eca](http://www.worldbank.org/en/about/annual-report/regions/eca)

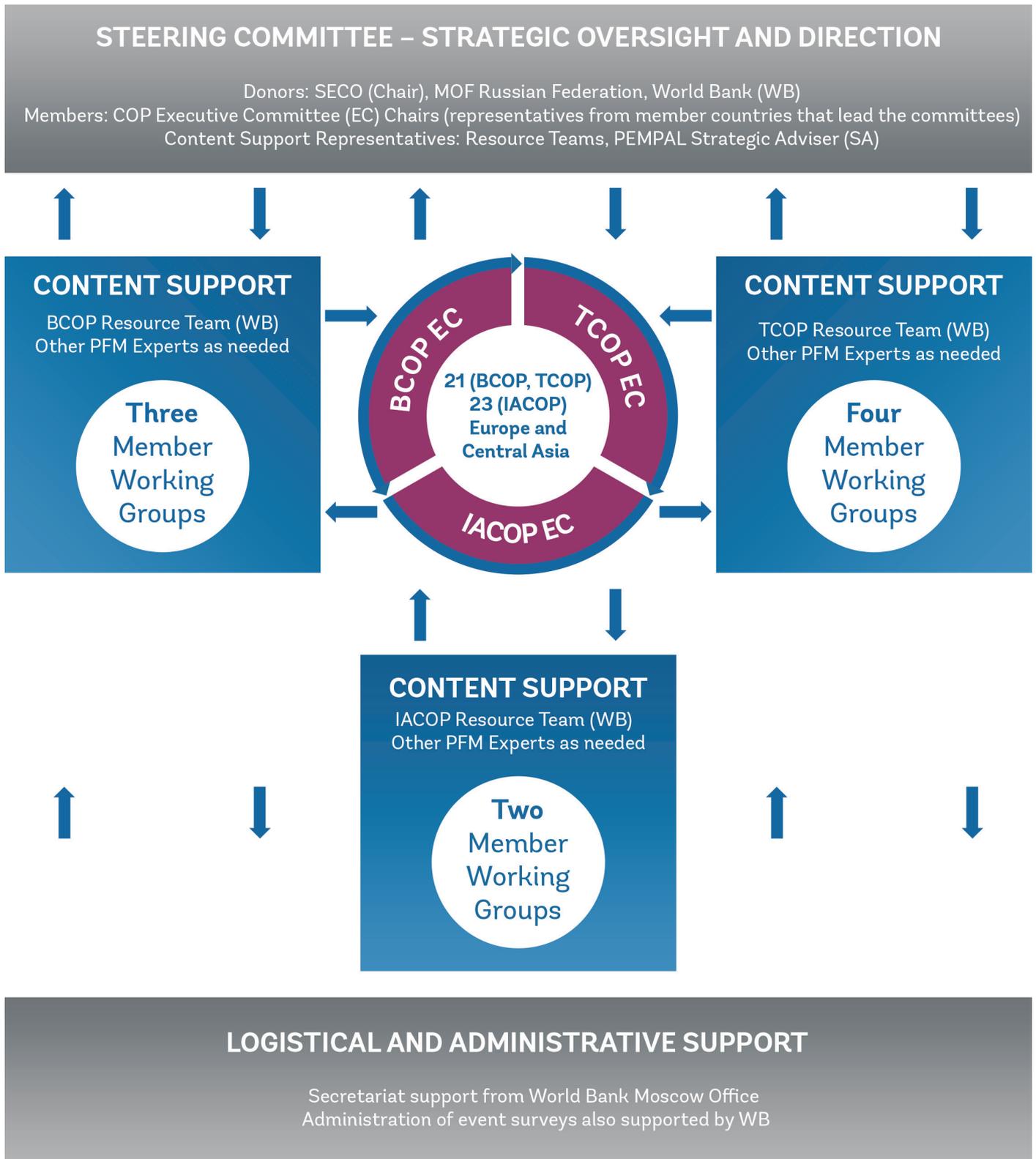
2 Countries represented in PEMPAL include Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Hungary (IACOP only) Bulgaria, Czech Republic (IACOP only), Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine and Uzbekistan.

3 An independent evaluation of PEMPAL completed in 2012 found that out of the 21 member countries at the time, from 13 to 15 indicated that activities of PEMPAL had influenced their PFM systems. A subsequent internal evaluation which assessed the mid-point of the current PEMPAL Strategy also found concrete examples of positive impact. Refer

[www.pempal.org/events/pempal-executive-meeting-mid-term-review-pempal-strategy-2012-17-consideration-results-and](http://www.pempal.org/events/pempal-executive-meeting-mid-term-review-pempal-strategy-2012-17-consideration-results-and)

and in addition, Success Stories collated in 2016 and are available at PEMPAL web site.

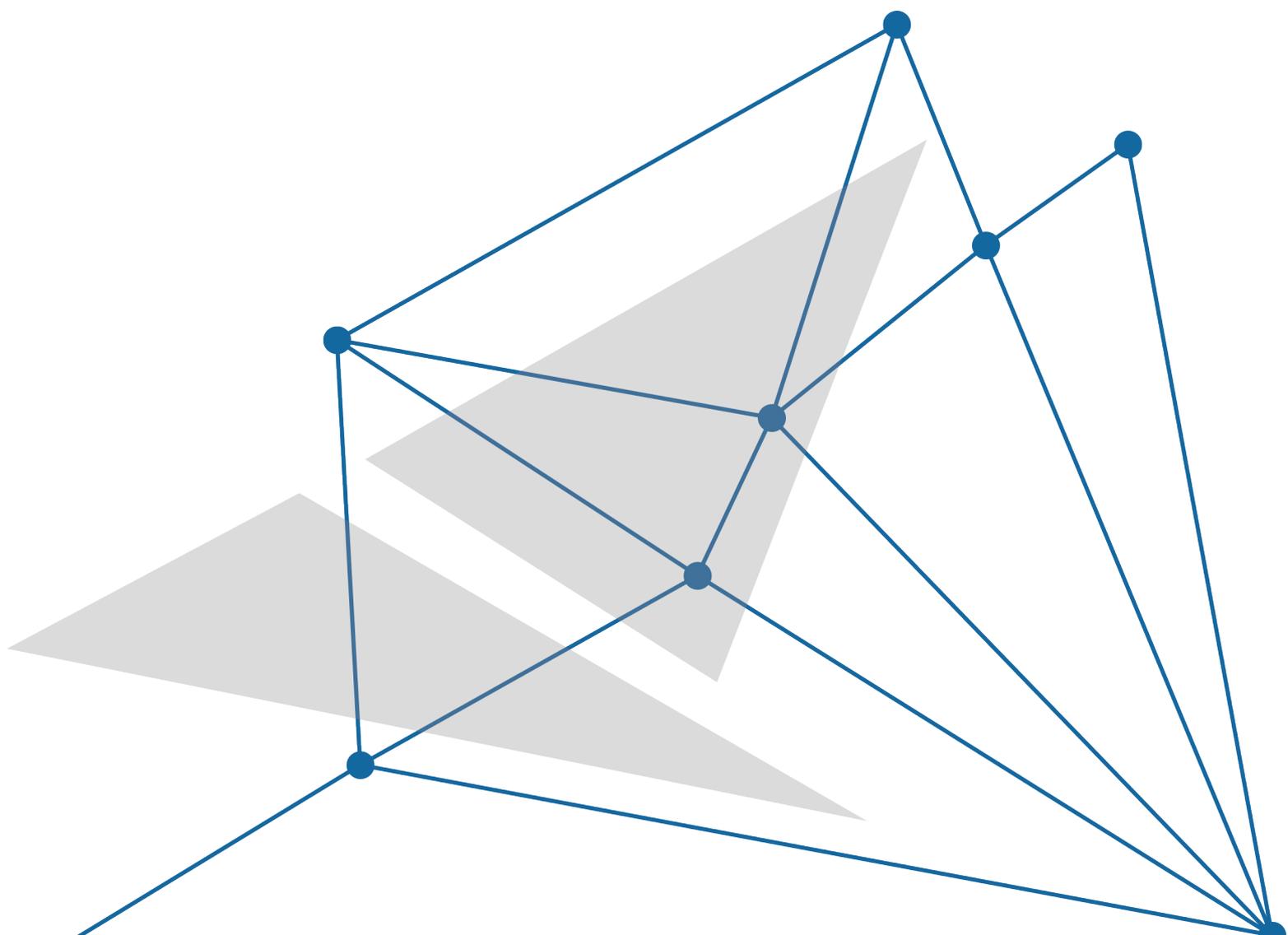
**FIGURE 1: PEMPAL INSTITUTIONAL STRUCTURE**







# PEMPAL STRATEGY AND REPORTING AGAINST ITS RESULTS FRAMEWORK

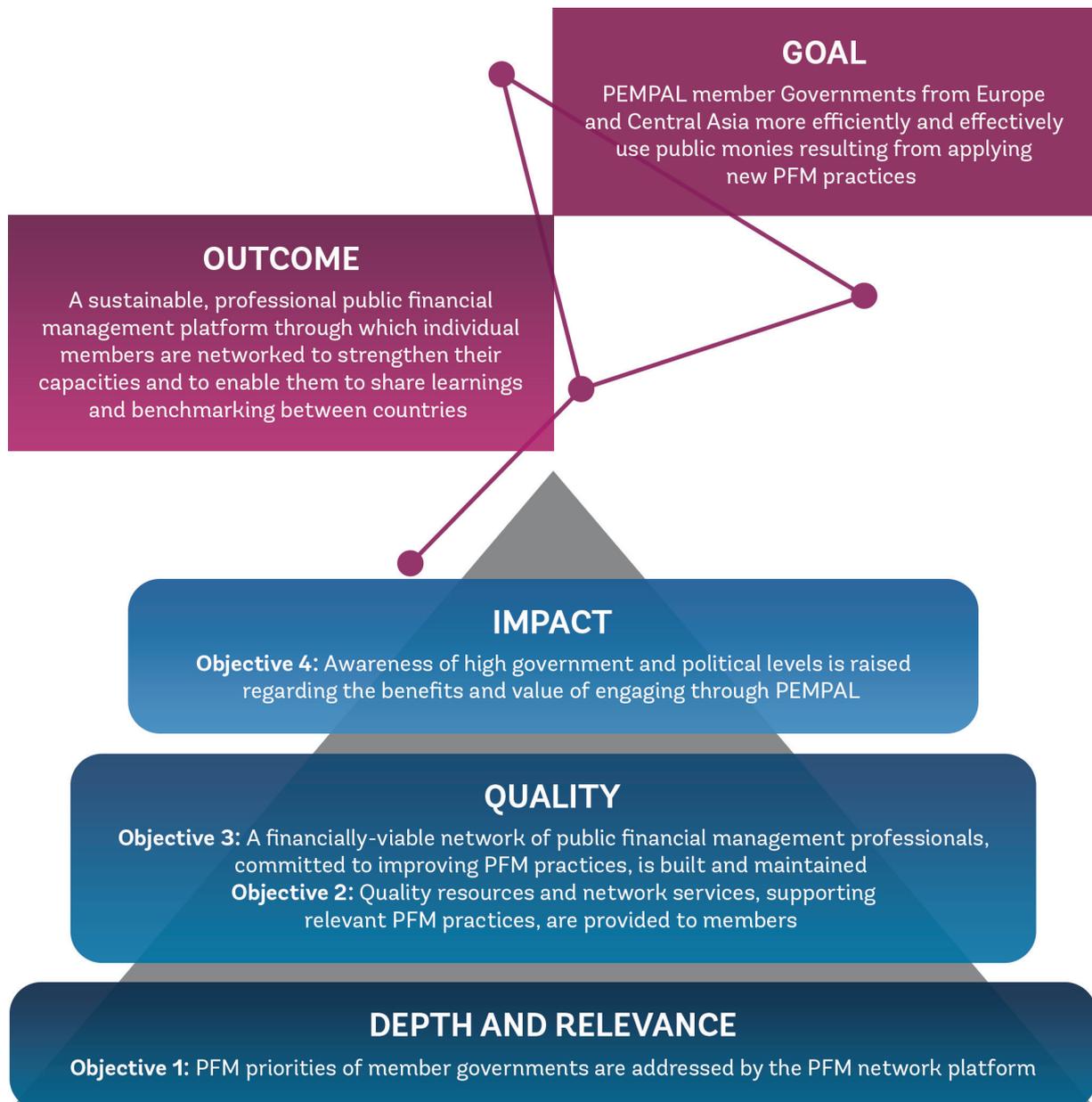


**The PEMPAL Strategy 2012-17 and its Results Framework have guided COP activities since its adoption from July 2012.** COPs link their operational plans to the PEMPAL's strategic values and objectives. This is the last FY of the strategy with its implementation finishing at the end of FY 2017 (ie June 2017) so this will be the last Annual Report under this strategy. In line with accepted common reporting periods in the region, this report covers a calendar year (CY) i.e. from 1 January to 31 December 2016.

[www.pempal.org/strategy](http://www.pempal.org/strategy)

**The current strategy's goal is for PEMPAL member Governments from the Europe and Central Asia region to more efficiently and effectively use public monies** resulting from applying new PFM practices. It will do this through building and maintaining a sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and to enable them to share learnings and benchmarking between countries. The Strategy's four output objectives and supporting actions set the current direction for PEMPAL against a set of key performance indicators and several means of verification. The key structure and interrelationships of the Strategy are illustrated in **Figure 2**.

**FIGURE 2: PEMPAL RESULTS FRAMEWORK**



**In 2015, a mid-term review (MTR) of the implementation of the PEMPAL Strategy 2012-17 was undertaken.**

The MTR showed very good progress in the strategy's implementation.<sup>4</sup> It was found that the original objectives of PEMPAL Strategy remain valid and PEMPAL is making very good progress at all levels. The main risk highlighted by the review was related to sustainability of the network beyond the current Strategy period. Thus, the focus of the Executive during 2016 was to examine these risks and develop mitigation strategies for the way forward, as part of strategy development discussions. A full set of the meeting materials capturing the deliberations of the Executive during the MTR and on strategy development can be found at the following links:

[www.pempal.org/event/read/144](http://www.pempal.org/event/read/144)

[www.pempal.org/events/pempal-cross-cop-executive-meeting](http://www.pempal.org/events/pempal-cross-cop-executive-meeting)

**Thus, several dimensions of sustainability (quality, secretariat support, financing) were discussed during 2016, which has resulted in a clear path forward**

which has been incorporated into the new PEMPAL Strategy 2017-22 was released in the first half of 2017. A full set of the meeting materials capturing these discussions and decisions related to sustainability can be found at the following link:

[www.pempal.org/events/pempal-cross-cop-executive-meeting](http://www.pempal.org/events/pempal-cross-cop-executive-meeting)

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<sup>4</sup> All references to the results of the mid-term review (MTR) are sourced from reports and evidence provided at

[www.pempal.org/event/read/144](http://www.pempal.org/event/read/144)

which examined the mid-point of the PEMPAL 2012-17 (i.e. the two and a half years of implementation from July 2012 to end 2014).



# 3.1

## PEMPAL IMPACT VISIBLE

**Notwithstanding methodological challenges of measuring the impact of the strategy, PEMPAL has had a visible impact at the member country level.** As part of establishing a more systematic approach to the collection of success stories, member countries and COP resource teams worked on developing success stories during 2016.

**Albania, Belarus, Georgia, Kyrgyz Republic, Moldova and the Russian Federation prepared success stories with detailed accounts of impact of PEMPAL on their PFM reforms.** A summary of key points is provided in **Table 1** below with the full set provided in a separate booklet available at the program web site. Success stories were also provided in the COP submissions to the MTR of this current Strategy, which also included many examples of improved PFM practices that were fully or partially attributable to PEMPAL. During the MTR assessment, six countries from BCOP and 10 countries from TCOP provided concrete examples of impact of COP activities, while 12 countries from IACOP indicating significant impact from IACOP activities.

**During 2016, success stories were also collected on key public financial management themes being addressed by the COPs** including use of information technologies in treasury operations, program and

performance budgeting, fiscal and budget transparency, and internal audit knowledge products. A summary of key points is also provided in **Table 2** below and the full set of stories is accessible at the program website.

[www.pempal.org/success\\_stories](http://www.pempal.org/success_stories)

**The factor that constrains the impact analysis is the lack of readily available PFM performance indicators for the member countries that are easily measurable, comprehensive and produced regularly.** The coverage of available PFM performance assessments based on PEFA methodology across PEMPAL member countries is not comprehensive and the periodic nature of those assessments limits their use for PEMPAL purposes, given they are implemented at different times and some are out of date. It is also practically impossible to try and connect the impact of PEMPAL activities on the PFM performance of any country through linking it with PEFA scores. Not all countries participate in other international assessments on selected PFM dimensions such as the Open Budget Index, although such assessments have been promoted through PEMPAL.

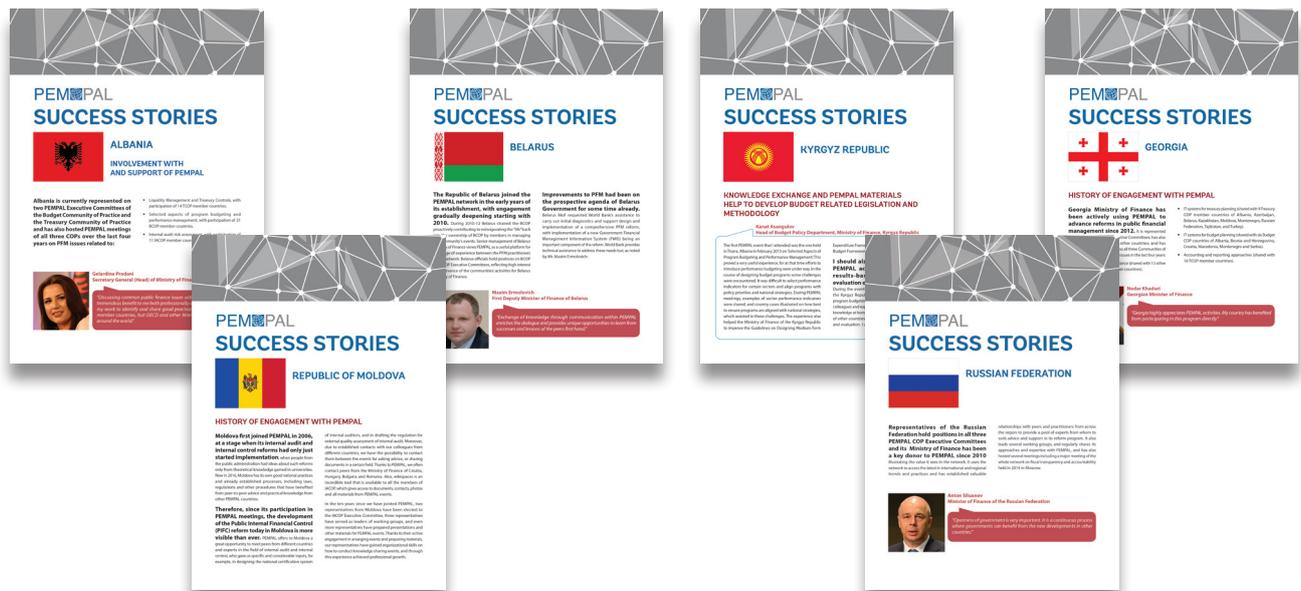
However, there are high participation levels in pre-event thematic surveys conducted by PEMPAL that informally ascertain the status of reforms under discussion. These surveys are used regularly by both BCOP and TCOP. For example, during 2016 informal thematic, benchmarking surveys were undertaken on fiscal rules (BCOP); application of good practices in the Relationship of Internal Audit with Financial Inspection and External Audit (RIFIX) (IACOP); thematic surveys on TSA, Cash Management and Forecasting issues (TCOP). BCOP also participated in OECD's formal survey

on Performance Budgeting, to allow benchmarking between PEMPAL and OECD countries. These surveys involve the documentation of practices in up to 23 member countries, to facilitate networking and sharing of information. Some COPs also periodically undertake their own reviews of the impact of COP activities on PFM reforms, as evidenced by IACOP's 2007, 2011 and 2014 surveys. All COPs also plan to undertake such a survey in 2017, to collect baseline data to measure the impact of the new PEMPAL Strategy 2017-22.

**TABLE 1: EXAMPLES OF IMPACT OF PEMPAL FROM 2012- 2016 BY COUNTRY**

COUNTRY	EXAMPLES OF IMPACT
<b>Albania</b>	<b>Albania</b> used PEMPAL as an essential tool to assist with the development of a PFM strategy to progress reforms that resulted in normative acts to support payment of taxes through an automated treasury IT system and the establishment of e-taxation, VAT, e-payments, and customs automation. Lessons were taken from the Integrated FMIS' of both Azerbaijan and Turkey; Ukraine's treasury controls; Georgia's accounting and reporting reforms; and Russia's budget transparency reforms. Albania has also been able to help other countries, through hosting PEMPAL meetings on liquidity management and treasury controls (TCOP), internal audit risk assessment (IACOP), and program budgeting and performance management (BCOP).
<b>Belarus</b>	<b>Belarus</b> has used PEMPAL to inform approaches to reforms such as public sector accounting and convergence with IPSAS; development of Belarus' FMIS modernization concept; and FMIS design. Belarus has received peer and expert advice on such reforms through PEMPAL's TCOP. This led to close collaborations with a number of countries more advanced in reforms who could assist through providing advice on reform development and implementation. Belarus has also been able to help other countries and it has hosted several meetings in Minsk in 2016: on fiscal rules and budget transparency for BCOP and on public sector accounting for TCOP.
<b>Georgia</b>	<b>Georgia</b> has used PEMPAL to advance its reforms while also sharing its approaches in the areas of internal audit quality assurance (shared with 13 other IACOP member countries); IT systems for budget and treasury planning (shared with 9 other TCOP member countries and 6 other BCOP member countries respectively); and accounting and reporting approaches (shared with 16 TCOP countries). It sees PEMPAL as a valuable resource to gain advice and 'road test' potential reforms and it has used the collection of experiences gathered by other countries, to ensure evidence-based policy making e.g. in the implementation of an IFMIS; establishment of the Central Harmonization Unit; and internal audit capacity building.
<b>Kyrgyz Republic</b>	<b>Kyrgyz Republic</b> has used PEMPAL to review budget legislation provisions of Russia, Kazakhstan, Georgia and others; the role of Austria's Parliament in the budget process; and South Africa's budget related reforms. This work has contributed to the development of the Budget Code of the Kyrgyz Republic, which was passed by the Parliament of the Kyrgyz Republic in April 2016. PEMPAL has also helped to inform developments in program budgeting and budget transparency reforms with Kyrgyz Republic being the most improved across the PEMPAL region in the 2015 Open Budget Index. Kyrgyz Republic also holds positions on the working groups actively progressing these reforms and holds membership in all three Executive Committees given the value it has experienced from using the network to share and create knowledge with peers and external experts. Such knowledge exchange has also facilitated internal audit law making and methodology design, in addition to internal audit training and certification for which the IACOP knowledge product has been very valuable. Kyrgyz Republic has also begun hosting meetings for PEMPAL including one in 2015 for IACOP and plans for one for BCOP in 2017.

COUNTRY	EXAMPLES OF IMPACT
<p><b>Moldova</b></p>	<p><b>Moldova</b> has been able to use PEMPAL as a way to meet peers from different countries and experts in the field of treasury, internal audit and internal control to advance reforms. For example, it joined PEMPAL in 2006 when internal audit and internal control reforms had only just started implementation and it has been able to use PEMPAL's opportunities to access peers, experts and knowledge products to develop its own national practices. Moldova has also been able to share its experiences through PEMPAL, and has hosted a study visit in 2015 for Armenia, Kazakhstan, Russia and Ukraine on financial management control and internal audit implementation as well as the role and activities of the Central Harmonization Unit. In 2016, Moldova was also able to use IACOP's practical guide on Quality Assessment, to create a system for external assessment of internal audit activity.</p>
<p><b>Russian Federation</b></p>	<p><b>Russian Federation</b> has benefited from PEMPAL by gaining access to international trends and practices and has established valuable collaborations with other member countries, and international bodies such as the World Bank, IMF, OECD and IBP. PEMPAL has assisted in fiscal legislation amendments (TCOP); innovative ways to engage citizens and students with budget information (BCOP); and to design regulations on internal financial control and audit of key spending units (IACOP). Russia provides leadership to several of the COP working groups, is active in the PEMPAL Steering Committee, and its MoF is one of the key PEMPAL donors. It has also shared its expertise and knowledge with other member countries across many reform issues such as program budgeting, fiscal transparency, treasury modernization, budget literacy reforms, and information portals.</p>



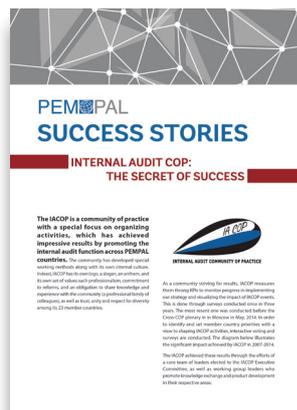
**TABLE 2: EXAMPLES OF IMPACT OF PEMPAL FROM 2012- 2016 BY THEMATIC AREA**

PFM TOPIC ADDRESSED	EXAMPLES OF IMPACT
<p><b>Use of IT in treasury operations</b></p>	<p><b>A dedicated TCOP Working Group from 10 countries</b> uses the collaborations supported by PEMPAL <b>to develop, strengthen and reform FMIS used for MoF and treasury functions.</b> This has included studying member country experiences, best international practices, and live demonstrations of systems' functionalities. Peer advice has been used by Belarus, Tajikistan, Georgia and Azerbaijan to strengthen their systems for example, and information has been shared through PEMPAL on the approaches of Azerbaijan, Belarus, Russia, Kazakhstan, Turkey, South Korea, Georgia, and Moldova.</p>

PFM TOPIC ADDRESSED	EXAMPLES OF IMPACT
<p><b>Program and Performance Budgeting</b></p>	<p>BCOP has held several annual meetings on this topic which enabled sharing of approaches between up to 21 BCOP member countries, and countries outside the region such as Estonia, France, Poland, Austria, Ireland, and Sweden. Fifteen countries have since formed a working group in early 2016 to dedicate more time to strengthening reforms. <b>Thirteen countries have participated in the OECD Performance Budgeting survey including participating in explanatory survey workshops arranged through PEMPAL with OECD to facilitate documenting and benchmarking practices</b> with those across the OECD region. In-depth discussions have also been held with representatives from the French Ministry of Finance, the World Bank, and the OECD SBO Performance and Results network on the use of spending reviews and other tools to strengthen performance.</p>

<p><b>IACOP Knowledge Products</b></p>	<p><b>Unique knowledge products developed by IACOP serve as reference materials on best practice gathered from around the world.</b> Member countries have developed these products on: best practice on internal audit; a template on best practice on continuous professional development; a body of knowledge on internal audit; risk assessment when planning an audit; a manual on quality assurance and improvement; and a concept on collaboration between internal audit, financial inspection, and external audit. For example, the IACOP's Quality Assurance Guide (QAG) has been used by Bosnia and Herzegovina, Moldova, Croatia, Serbia and Ukraine and many countries have said the guide is excellent, useful and of high quality. The QAG provides a common methodology to understand how to apply international standards and best practices to improve the quality of internal audit practice, including the processes used for internal and external assessment using quality assessment tools and techniques. The QAG also includes the possibility of IACOP assessment missions whereby the IA system at the national level can be assessed by a panel of IACOP peers and a few countries have expressed an interest to pilot the methodology to assess their systems in such a way.</p>
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<p><b>Fiscal and Budget Transparency</b></p>	<p><b>A Budget Literacy and Transparency Working Group has been established since 2015</b> to learn from international experience in raising budget literacy among citizens and to strengthen budget openness and accessibility. Up to 15 countries have been meeting regularly including benchmarking practices through PEMPAL and IBP surveys, and examining budget literacy practices internationally. Approaches of engaging citizens by Canada, UK, Russian Federation and Croatia have also been examined in-depth. The Working Group identified 10 challenges to developing Citizens' Budgets in the region, and documented them in a knowledge product that identifies peer and international advice to address them. PEMPAL has enabled collaborations to be established with the World Bank, IBP, GIFT and OECD on various aspects of fiscal and budget transparency, and the Working Group has also presented its progress at OECD Senior Budget Officers meetings including providing input to OECD's Budget Transparency Toolkit during 2016.</p>
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# 3.2

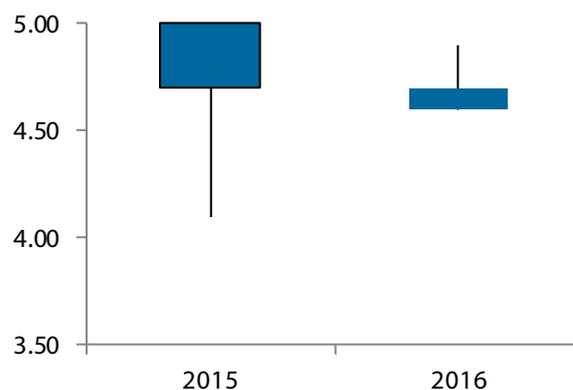
## PEMPAL OUTCOME – New and Improved Practices and Satisfied Members

**The MTR showed good progress at the outcome level of the Strategy with strong evidence of new and improved knowledge in PFM practices,<sup>5</sup> and continuing and rising high levels of satisfaction** of individual members with the opportunities for knowledge sharing and learning provided by the network. Quotes and letters of support from senior managers of PFM institutions provided by the COPs indicate that they believe PEMPAL is contributing to improved skills, knowledge and professionalism in PFM practices in their countries. Senior managers will also be approached in 2017, to gain baseline information for the new strategy.

**Satisfaction ratings from PEMPAL participants, taken from post-event surveys, have remained consistently**

**high throughout the last three years** (Refer to **Section 6.4**, for survey result charts for the last two calendar years). From these charts, feedback from post event surveys remains very positive in most categories with some members also requesting more time for questions and discussions, and events to be longer in some cases. Overall event satisfaction remained 4.6 and above with less range than last year.

**CHART 1: OVERALL EVENT SATISFACTION**



<sup>5</sup> As assessed by Ministers and Heads of Organizations, as required under this level in the strategy.

**Survey responses collected during 2016 also provided examples of value and impact,** although the format and comprehensiveness of responses was limited by the survey approach. Some examples are provided below.

*This event was a tremendous learning experience for me and I definitely learned from other participants. I am going to revise the Internal Control Framework for government entities in my country and will take on board concepts I have learned from other participants.*

IACOP

*Thanks for this PEMPAL event. Proper planning and management of financial resources allocated for the salaries of the public sector is of great strategic importance for any country. All the more urgent becomes this topic, in an environment of limited financial resources.*

BCOP

*The workshop was well planned. In the first day, we learned about the state of accounting reforms in Belarus, and we had the opportunity to further discuss the experience of other countries and give direction to our Belarussian colleagues.*

TCOP

## LOOKING AHEAD

**Taking into account the existing methodology challenges, success stories remain the main instrument for demonstrating program impact,** so

it is important to have a systematic approach to collecting and documenting them. A methodology was applied during 2016 which entailed the 'PEMPAL Champions'<sup>6</sup> being interviewed and/or providing responses to a detailed set of questions designed to capture the impact of PEMPAL on their PFM systems. This methodology will be applied again as part of the MTR of the new Strategy scheduled for after 2019. Impact at the country level will also be collected through a survey during 2017, after 2019, and 2022. Each COP is also experimenting with different approaches and will share their experiences over the next strategy period.

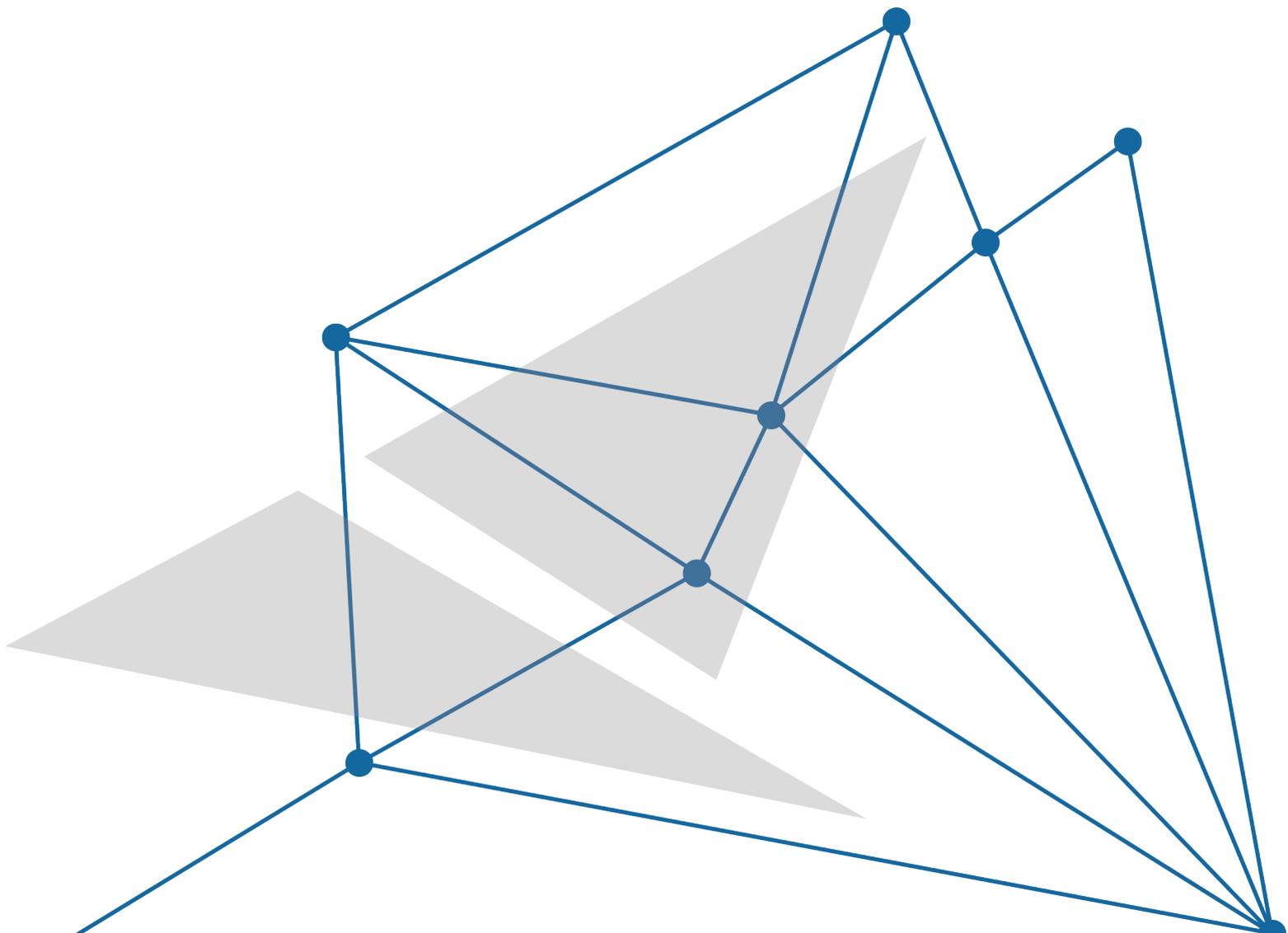
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<sup>6</sup> These are COPs that host PEMPAL meetings in their countries more than one time during the calendar year.





**PEMPAL RESULTS: PFM  
PRIORITIES OF MEMBER  
GOVERNMENTS ADDRESSED**



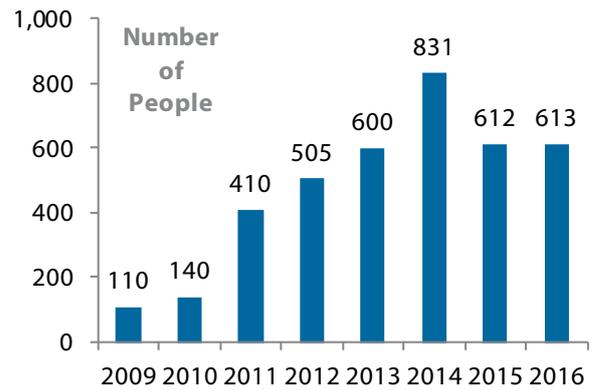
**Output Objective 1 was met by all COPs through member driven action plans that focus on thematic PFM priorities chosen by their members.**

BCOP has focused on improving public expenditure management through tools for fiscal management such as program budgeting, fiscal rules, effective wage bill management and improvements in budget literacy and transparency. TCOP has focused on public sector accounting, use of information technologies in treasury operations, cash management, risk management in treasury operations, and the evolution of the role and functions of treasury. IACOP has focused on reviewing global and regional internal audit systems; finalizing a good practice document on clarifying the relationship between internal audit, financial inspection, and external audit; while also sharing member countries good practices in internal control. It is worth noting that an ECA regional PFM study undertaken by the Bank in 2012 confirmed high relevance of all the topics chosen by PEMPAL COPs for ECA countries.<sup>7</sup>

**Both face-to-face consultations and member surveys were used to identify priorities** that were then used to prepare action plans. Processes to prioritize activities are common across COPs and consist of a range of approaches, including selecting the most common requested topics for larger format meetings; working group and study visits for less common topics, with final selection done through a combination of voting by members and selection/approval by the COP Executive Committees.

**In 2016, 18 events were held which connected 613 people in 8 different countries, including 6 events hosted by PEMPAL countries<sup>8</sup>** (as shown by **Charts 2, 3** and **Table 3**). Of the 18 events, 4 of these were held via videoconference. In total, 837 people took part in the meetings, including 613 participants from member countries, 118 technical PFM resource team experts, 101 administrative staff, and 5 observers.<sup>10</sup>

**CHART 2: EVENT PARTICIPANTS**



**The number of events dropped from 28 in 2015 to 18 in 2016 but this did not impact significantly on participation levels,** and reflects the finalization and closure of work of several working groups during the year and also cost savings approaches being adopted by some COPs (given the need to ensure funding is available for the transition to the new strategy). Despite this impact on the number of events, a similar number of participants from member countries attended meetings as shown in **Chart 2**. This is due to an increase in the use of larger format meetings (i.e. there were three plenaries and nine small group meetings in 2016, compared to two and seven respectively in 2015). Further, there was only one study visit in 2016, compared to six in 2015, which are smaller format meetings, which only allow a maximum of 15 participants. There were also less videoconferences in 2016 with only four compared to 12 the year before (again reflecting more working groups being active in 2015 compared to 2016). Videoconference meetings tend to also be smaller format meetings with less attendance than plenary and small group face-to-face meetings, so this would also contribute to the difference.

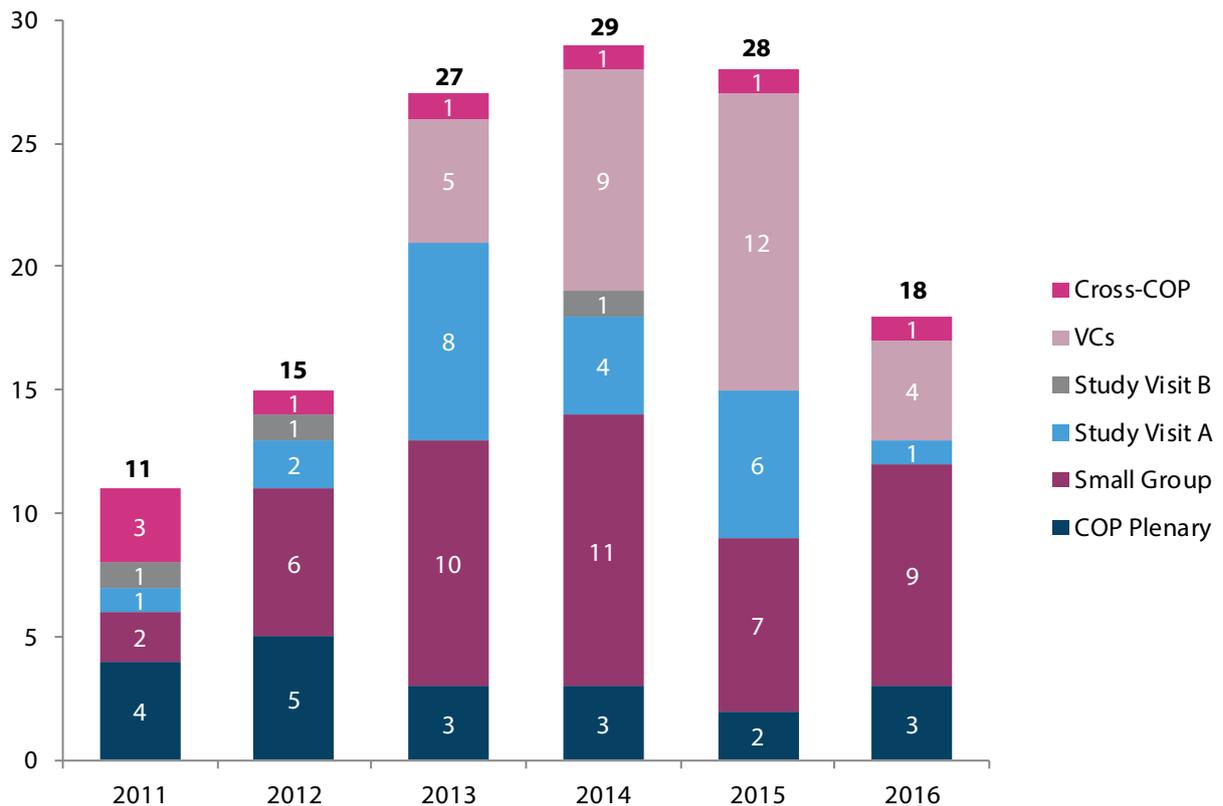
<sup>7</sup> Comparison of regional PFM priorities identified by the mentioned study and thematic priorities of PEMPAL COPs was presented at a PEMPAL Executive meeting held in July 2013.

<sup>8</sup> Meetings were held in **Belarus (2), Czech Republic, France, Slovenia (2), Switzerland, Moldova, Russia and Turkey**, with PEMPAL members in bold.

<sup>9</sup> Shows member country participants by agenda. 2014 includes a cross-COP meeting of all three COPs which only happens every 3-4 years.

<sup>10</sup> These figures exclude Steering Committee and COP Executive Committee meetings. PEMPAL Secretariat comprises a core team of three staff, one per COP who also accesses a team of World Bank translators. The technical Resource Teams comprise two to three core members for each COP and other PFM experts as needed. Meeting observers during CY 2016 included participants from Slovakia (at TCOP and BCOP events); Hungary (TCOP event); and a TCOP person who observed at two IACOP WG meetings.

**CHART 3: TOTAL EVENTS BY TYPE**



**An analysis of events over time also shows the change in the use of event types with an increased use of smaller group meetings and videoconference meetings by some COPs evident.**

For example, during 2016 there were nine working groups which actively met: BCOP (3), TCOP (4) and IACOP (2). These groups meet regularly, usually via videoconference or small group face-to-face meetings, to discuss and address specific PFM issues, common to a sub-set of countries.<sup>11</sup> As illustrated in **Chart 3**, from 2011-2016, 35% of all meetings were held in small group format, with the next most used format being videoconferences at 23%, and study visits (type A) at 17%. COP plenary meetings comprised 16% of all meetings during this time period (where all members of a specific COP are gathered face-to-face usually at least once a year for each COP). This meeting type continues to be common practice to ensure members are updated on the progress of the

working groups established to focus more intensely on specific reform issues. Study visits (type B) have been used rarely and a separate budget allocation is available to countries on application to organize a study visit for themselves through the Secretariat (and independent of any COP). These have only been used by Uzbekistan (to Croatia and Slovenia) and by Ukraine (to Latvia). Other study visits (type A) are organized through the COP Executive Committees and continue to be used although the logistical limits of 15 people on these types of meetings, have led to an increasing use of small group meetings to meet the demand. Cross-COP events are also held regularly at least once a year. Most years these entail a face-to-face meeting of the three COP Executive Committees to discuss strategic network issues. A meeting of all members from the three COPs is also held periodically with one being held in 2011 and again in 2014.

<sup>11</sup> Fourteen (14) such meetings were held in CY 2016, compared to 19 in CY 2015, 10 in CY 2014 and five in CY 2012. Of these 14 working group events held, TCOP held six, BCOP held five, and IACOP held three.

**Examining the trends within each COP also provides additional information on how the COPS are maturing and the different approaches adopted by each to meet member driven reform needs.**

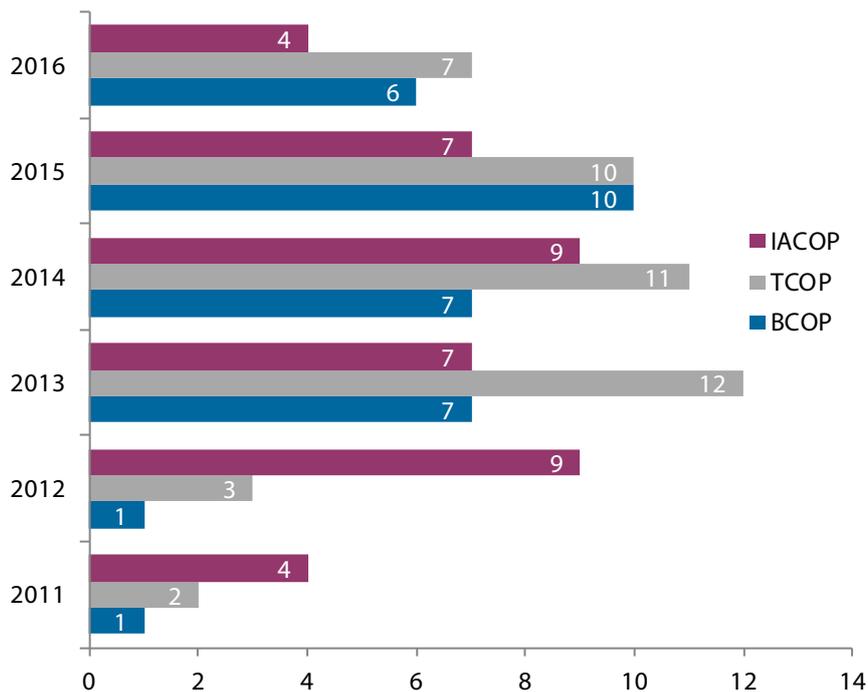
From **Chart 4**, IACOP was the COP that initially grew faster with the operation of several working groups to address key issues given the internal audit function was being established across the region. This placed PEMPAL at a distinct advantage to provide the platform for which to facilitate these reforms. Over the years, IACOP has depended on these working groups who meet in small group format as a way of progressing reforms, with over 65% of its meetings being held this way over the 2011-2016 period. Compared to the other COPs, it has used videoconferencing rarely but has committed to try this meeting type in the future given its cost effectiveness. BCOP in 2011 and 2012 was only meeting once a year through plenary of all members, after a period of little activity but has since been driven by a strong Executive Committee and resource team. Since 2013, it has relied on all the meeting format types to support its growth. TCOP has also grown over the years, and has the most reliance on videoconference meetings since adopting them in 2013 as a cost-effective way to meet with 44% of all its meetings being held this way over the 2011-2016 period. Initially in 2011 and 2012, TCOP relied on plenary

meetings of all members which it held several each year, but with the maturity of its network, it too uses more videoconferences and small group meeting formats for its working groups, supplemented with study visits, to progress key reform issues. All COPs continue to use annual face-to-face plenary meetings of all members to provide updates on reform progress, with meetings held for each COP every year since 2011 (except in 2015 for IACOP who held several small group meetings and study visits instead).

**Belarus is our ‘PEMPAL Champion’ for CY 2016, as they hosted meetings for both BCOP and TCOP over the year.**

Other member countries that are also champions to PEMPAL include Turkey, Czech Republic, Russia, and Moldova, who hosted one meeting each during the time period. Such in-kind contributions are very important to PEMPAL, which usually entails advice on logistics and assistance with organizing high-level speakers to open events. This also raises awareness of the value and benefits of PEMPAL to higher levels, one of the key objectives of the current strategy. Hosting countries also usually contribute to the cost of some of the expenses. Plans are in place to also expand this financial contribution from the next strategy to encourage hosting countries to cover more than the costs of just one cultural tour or dinner.

**CHART 4: NUMBER OF EVENTS BY COP**



**TABLE 3: PEMPAL EVENTS BY COP, DATE, LOCATION AND FORMAT, 2016**

Date	BCOP	TCOP	IACOP	Cross-COP	SC
January					
February	Belarus (A); WG (B)				(VC)
March		Turkey WG (B)	Czech Republic (A); WG (B)		
April	Slovenia WG (C)	WG (VC)			
May					(VC)
June	Slovenia WG (B); OECD SBO	Moldova (A); WG (B)			
July				Switzerland Cross-COP Exec Com	Switzerland
August					
September	WG (VC)				
October		WG (VC); Belarus WG (B)	Russia WG (B); WG (B)		
November	France WG (B); OECD SBO				(VC)
December		WG (VC)			

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**(A)** - COP Plenary    **(B)** - Small group meeting    **(C)** - Study visit    **(VC)** - Video Conference    **(WG)** - Working Group  
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*Note the table above excludes meetings of each COP Executive Committee, which happen regularly in the lead up to events as part of event planning and preparation processes.*

**COP Plenary meetings** are those that all member countries are invited to, i.e. 21-23 countries.

**Small group meetings (B)** can include those that address an ongoing thematic issue that has been chosen by a sub-set of countries eg face-to-face working group meetings. They may at times have a significant number of member countries attend. Small group meetings differ from study visits (C), as study visits have a maximum limit of 15 persons, in light of logistical and other constraints in the host government accommodating such a large group to examine their budget, treasury and internal audit processes.

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## 12 key PFM theme aspects were discussed by PEMPAL in 2016.<sup>12</sup>

These are outlined by COP below including details of the objectives and results of each meeting provided in **Attachment 2**, and links to find the knowledge resources developed and shared provided in **Attachment 3**.

### Budget Community of Practice

- Fiscal rules for effective and sustainable budgeting
- Wage bill management in Slovenia (final study visit before closure of the working group)
- Budget literacy and transparency
- Program and performance budgeting

### Treasury Community of Practice

- Cash management
- Use of Information Technologies in Treasury Operations
- Evolution of the role and functions of the Treasury
- Public Sector Accounting
- Risk management in Treasury Operations

### Internal Audit Community of Practice

- Key recent developments in PEMPAL countries and beyond
- Public Internal Control
- Relationship of Internal Audit with Financial Inspection and External Audit (RIFIX) (final knowledge product released before closure of the related working group).
- Quality Assurance (final knowledge product released before closure of the related working group)

### Cross-Cutting Themes

- Executive consideration of network sustainability and development of new PEMPAL Strategy 2017-22.
- BCOP's presentations addressing several themes at the OECD Senior Budget Officials regional network for Central, Eastern and South-Eastern European Countries (CESEE SBO)

<sup>12</sup> Within these PFM themes, sub-themes included: citizens' budgets; Open Budget Index success factors; Turkey cash management practices; public internal control in Czech Republic; Kazakhstan FMIS; Moldova treasury system and FMIS; OECD Performance Budgeting survey; France performance budgeting framework; aligning public sector accounting standards to IPSAS; principles of effective internal control; Belarus public sector accounting system reforms and treasury operations risk management experiences in Russia.



# 4.1

## Budget Community of Practice (BCOP)

**The BCOP aims to strengthen budget methodology, planning and transparency in PEMPAL member countries.** It facilitates discussions on common challenges member countries are facing at annual plenary meetings, while for more focused discussions on specific issues and more targeted assistance to member countries in addressing challenges, it has established several working groups which comprise a sub-set of members who meet more regularly:

- Wage Bill Management Working Group (whose activities were completed in FY 2016).
- Budget Literacy and Transparency Working Group (whose activities began in FY 2015)
- Program and Performance Budgeting Working Group (new CY 2016)

### BCOP thematic priorities for 2014 – 2016

During the period 2014-2016 the BCoP organized its activities around the following main themes:

- **Sharpening tools for effective fiscal management** (i.e. program budgeting and other tools).
- **Strengthening fiscal transparency and accountability** with a focus on budget literacy, transparency and public participation initiatives
- **Facilitating Knowledge exchange** between a) OECD member and accession countries in Europe and Central Asia at Senior Budget Officials (SBO) annual meetings b) between Budget related Departments of its 21-member country MoFs c) other COPs, through monitoring and sharing progress at annual cross-COP Executive Committee meetings and quarterly Steering Committee meetings
- **Expanding internationally available data** on PEMPAL countries eg budget transparency through monitoring results of Open Budget Surveys and consultations with International Budget Partnership (IBP) and Global Initiative for Fiscal Transparency (GIFT); implementing PEMPAL and OECD surveys (eg fiscal rules; performance and program budgeting) and knowledge products to document regional practices and benchmark against international practices.

## **The Wage Bill Management Working Group finalized its work program in 2016.**

The objectives of this group, launched in FY14, were to learn from international experience and exchange lessons PEMPAL countries learnt on how to address key challenges and vulnerabilities in countries public sector pay systems and wage bill management practices. Over FY 2014 to FY 2016, the group has examined application of a wage bill forecasting model and pay flexibility approaches in the civil service; use of IT systems in wage bill management based on Turkey case study; and Latin American countries experience in improving HRM efficiency and country case studies in public pay reforms, including lessons from Kyrgyz Republic, Croatia and Slovenia. The results of this working group have included a deepening knowledge of members on several critical issues in pay policy and wage bill management. This should lead to improved wage bill management and overall strengthened budget sustainability given the wage bill accounts for a significant proportion of public expenditures across the ECA region. The Working Group was technically supported by Maya Gusarova and Zac Mills from the World Bank.

## **The Budget Literacy and Transparency Working Group established in FY 2015 aims to learn from international experience with raising budget literacy among citizens and budget openness and accessibility.**

So far the work of the group has included documentation of member countries practices and status of reforms through an online survey during 2015. International country case studies have also been reviewed through presentation of a World Bank study on budget literacy practices. Approaches of engaging citizens by Canada, UK, Russian Federation and Croatia were also examined in more depth. The Working Group towards the end of 2015 examined citizens' budgets and participation in Croatia, at the state and local levels,

through a study visit. During 2016, the Working Group met with the International Budget Partnership to discuss success factors for the IBP's Open Budget Index including examining good PEMPAL performers Russian Federation and Romania who achieved 74 and 75/100 respectively in the 2015 OBI, with Kyrgyz Republic also, as the most improved. A knowledge product identifying challenges in producing citizens' budgets and how they could be addressed was developed during 2016 which identified peer and international advice to address 10 challenges that member countries were experiencing. The Working Group is technically supported by Deanna Aubrey and Maya Gusarova from the World Bank and is led by Anna Belenchuk from the Ministry of Finance of the Russian Federation.

## **A new working group was launched in FY 2016 on program budgeting, given the topic continues to be categorized as high priority**

despite several plenary meetings already held on such reforms. A small BCOP delegation has participated in the annual OECD SBO meeting on Performance and Results in 2014 and 2015 to gather ideas for the work of the group, and a concept note was presented at the 2016 annual plenary meeting, to determine interest and subscription of member countries to the group. Fifteen countries subscribed to the group, which including participating in the OECD Performance Budgeting survey as a pre-condition of membership. Meetings during 2016 were focused on this survey, which culminated in the Working Group attending the OECD SBO meeting on Performance and Results in France, in 2016. The results of survey participation will be presented to all members at the proposed plenary meeting to be held in April 2017. The Working Group was technically supported by Naida Čaršimamović Vukotić and Maya Gusarova from the World Bank and is led by Nicolay Begchin from the Ministry of Finance of the Russian Federation.

## Greatest Challenges to Implementation of Program Budgeting

as identified through joint OECD – PEMPAL BCOP survey

### OECD COUNTRIES

Lack of performance culture

Lack of resources (time, staff, operating funds) to devote to performance evaluations

Lack of capacity/training

Lack of accurate/timely data

Lack of information on efficiency

### PEMPAL COUNTRIES

Lack of resources (time, staff, operating funds) to devote to performance evaluations

Unclear policy/program objectives make it difficult to set performance measures/targets

Lack of capacity/training

Lack of performance culture

Lack of accurate/timely data

### A plenary meeting was held in 2016 on fiscal rules for effective and sustainable budgeting.

In light of many countries adopting fiscal rules as a tool, members wanted to share PEMPAL and international approaches, impact and lessons learnt. Country cases of Albania, Belarus and Russia were examined and compared with those of Latvia and Sweden. A pre-meeting thematic survey was also conducted using relevant sections on fiscal rules from the OECD Budget Practices and Procedures survey. The World Bank, IMF and OECD also shared international trends and good practices. The next plenary meeting will be held in April 2017, and members have chosen to discuss tools for fiscal management with a focus on fiscal risk management, and updates from the two working groups with new information on the results of the OECD Performance Budgeting survey, Citizens' Budget knowledge product, and public participation approaches.

### In 2016, the BCOP held 6 events in total

which included one plenary meeting, three small working group meetings, one study visit, and one thematic videoconference meeting. In addition, BCOP representatives also participated in the annual meeting of the OECD Senior Budget Officials from Central, Eastern and South Eastern Europe (CESEE) countries in addition to the OECD Senior Budget Officials meeting on Performance and Results, and the BCOP Executive Committee participated in the cross-COP Executive meeting on strategy development.

Details of each BCOP event held in 2016 including their objectives and results are provided **Attachment 2**.



# 4.2

## Treasury Community of Practice (TCOP)

**TCOP activities aim at strengthening 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 good 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, as part of the general PEMPAL network, in Central Europe and Central Asia.
- Involving top managers of Treasuries and MoFs from member countries to support the TCOP activities and PEMPAL network in general.

### TCOP thematic priorities for 2014 – 2016

In 2014-16 TCOP organized its activities around the following main themes:

- **Cash management and forecasting**, discussing various approaches to improving cash management in TCOP members countries (consolidation of cash balances and design of a Treasury Single Account (TSA), improving timeliness of recording and reporting of cash flows, cash forecasting tools, etc.)
- **Treasury controls and evolution of the treasury function**, addressing various dimensions of treasury controls (commitment controls, prevention of expenditure arrears, risk management etc.), and discussing international trends in evolution of the national treasury function
- **Use of information technologies in treasury operations**, with a focus on Financial Management Information Systems implementation experiences in PEMPAL countries and around the world
- **Public sector accounting and financial reporting**, with a particular focus on the assessment of national public sector accounting standards and practices in comparison to international public sector accounting standards (IPSAS) requirements

## **Several TCOP working groups have been established to allow sub-sets of members to meet more regularly**

(usually via videoconference) to discuss and solve common problems. All working groups are technically supported by Elena Nikulina and Ion Chicu from the World Bank and periodically by PFM expert Mark Silins and other technical experts as needed. The working groups operating during 2015 and 2016 were:

## **Use of information technologies in Treasury operations.**

This thematic group was created in 2013 and serves as a platform for the specialists from 10 member countries for exchanging experience and knowledge. Most TCOP countries are in the process of development of their treasury information systems and many of them are either considering or already moving towards expanding their functionality and creating integrated financial management information systems. Since its launching, the group conducted five thematic videoconferences, two study visits (to Ankara, Turkey - 2013, and to Seoul, South Korea - 2015), and three thematic workshops (in Minsk, Belarus – 2014, Tbilisi, Georgia – 2015, and in Moldova -2016). The March 2015 study visit to Seoul offered a good opportunity to the group members to learn about the main features of “dBrain” information system used in the public finance management system of South Korea and considered to be one of the most advanced systems of this nature in the world. In October 2015, the group met in Tbilisi, discussing Georgia’s experience in implementing the Public Finance Management Information System, from the design phase to the post implementation stage. The videoconference held in June 2015 preceded the Tbilisi event and familiarized the group members with the mechanism of interaction between the Georgia treasury system and the electronic procurement system, used by the State Procurement Agency. The Belarus approach in ensuring the security of its PFM information system was discussed during the thematic videoconference held in December 2015. The group continued its work in 2016, with a videoconference in April to discuss the experience of Kazakhstan in maintaining its FMIS system, followed by a face-to-face meeting in Moldova to share Moldova’s experience in implementing a new FMIS in the context of the evolution of changing roles of treasury functions.

## **Cash Management thematic group,**

comprising 13 TCOP member countries, was established in 2014 on the initiative of several TCOP countries interested to address a number of challenges faced in liquidity management, and wishing to move from passive cash management to more active cash management practices. In 2015, the group met at three events: the TCOP plenary meeting in Albania and two videoconferences. In Tirana the group members exchanged experiences in developing cash management practices, and were familiarized with the hosting country experience in liquidity management. The April 2015 videoconference was a good opportunity for the group members to get familiar with Azerbaijan approach to cash management and forecasting, while the videoconference in October was devoted to discussions on the TSA models. Several country cases related to cash management and forecasting practices have been discussed within the group since its establishment, including experience of Turkey, Azerbaijan, the Russian Federation, Moldova and Georgia. The group continued its activities in 2016, with a meeting in Turkey in March, to examine the cash management and forecasting processes in the Turkish PFM system and a videoconference in October to examine tools which might be applied in cash management processes such as financial instruments used to tune the balance, both on the borrowing and investment side, which were presented by the World Bank expert Mike Williams.

## **Public Sector Accounting thematic groups**

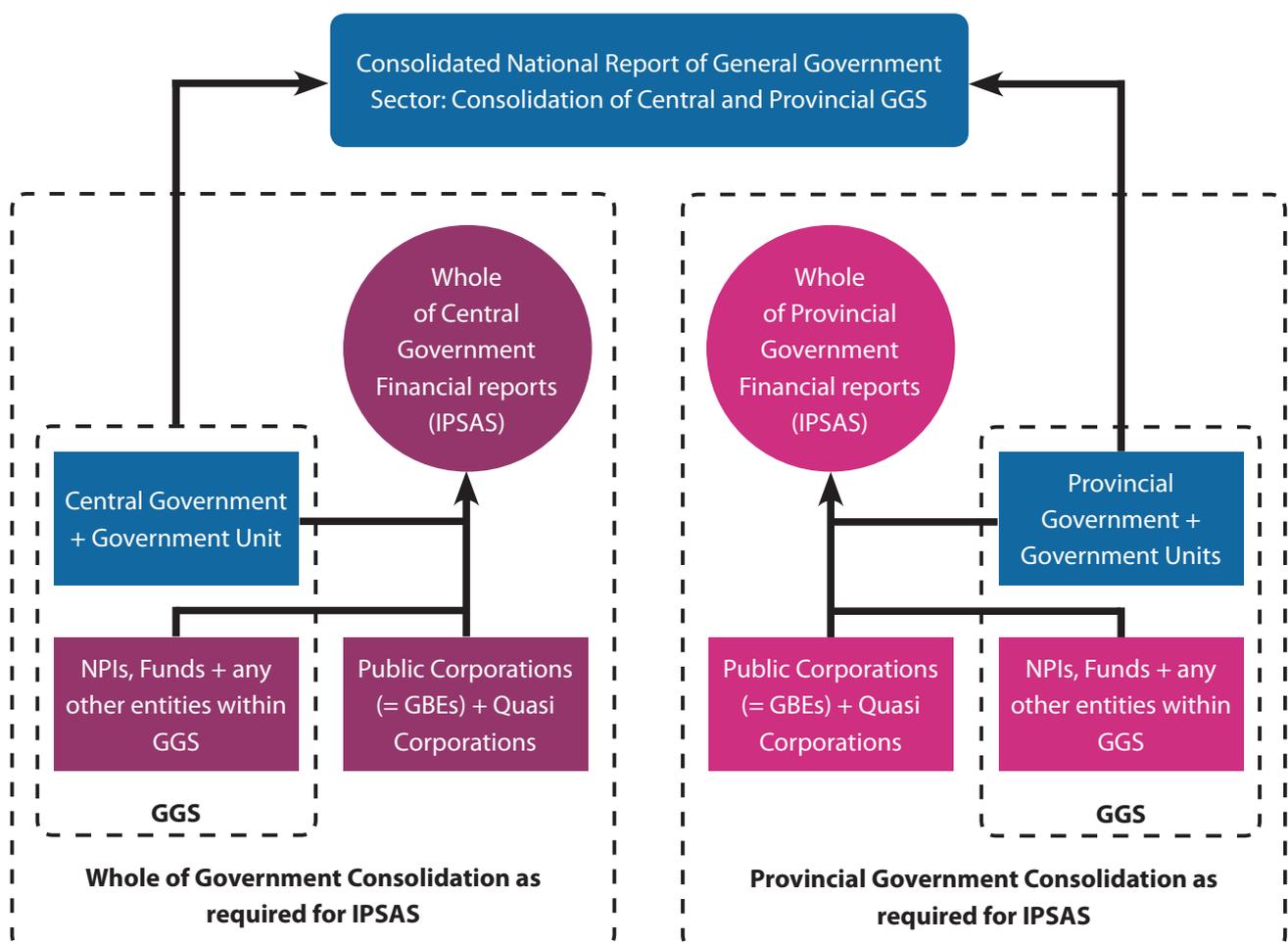
have been in operation within the TCOP since 2013:

- **The group on Accounting Standards** includes seven TCOP countries interested to discuss the challenges of public sector accounting reforms, involving transition to broader use of the elements of accrual accounting and introduction of national public sector accounting standards aligned to various degrees with international public sector accounting standards (IPSAS). Over the past years the group met on several occasions (face-to-face meetings in Macedonia, Georgia and Montenegro), addressing several issues of priority interest for the group members. In April 2015 the group organized a videoconference to discuss the toolkit titled “Assessment of Public Sector Accounting and Auditing against International Standards”. The

tool allows countries to assess prevailing variances and provides a basis for charting a path towards compliance with IPSAS. The group met in October 2016 in Minsk, Belarus, to discuss the practical issues in aligning public sector accounting standards with IPSAS, including sharing the progress of Russia and Kazakhstan. World Bank experts also shared the experience of supporting the design stage of similar reforms in Poland and provided updates on the progress in formulating an EU vision for public sector accounting standards. Belarus also received peer and expert advice on challenges being experienced in formulating their public sector accounting reform strategy. The event in Minsk was attended by representatives of 13 TCOP member-countries.

- **Thematic groups on Public Assets Accounting and Financial Reporting Consolidation** did not meet in 2015 or 2016, but were focused on developing the summary documents to record the results of their previous activities. The summary report of the group on Public Assets was completed in 2015 and published on the PEMPAL website. The other group finished its work on developing the Guidance on Financial Reporting Consolidation, which was published on the website in 2016. These groups closed their activities in 2016 as all the topics envisaged in their action plans have been discussed.

**FIGURE 3: GFS + IPSAS ARCHITECTURE**



Consolidation of financial reporting is the topic of TCOP knowledge product published in 2016.



## Evolution of the role and functions of the Treasury:

During the plenary meeting of the TCOP in Tirana, Albania in May 2015, a decision was taken to form a new thematic group to support member countries to discuss and plan for the changing role of Treasuries. The advent of automated systems and processes, and the adoption of international reporting standards, is placing new demands on Treasuries. The group comprising 12 member countries held its launching videoconference in November 2015. Mark Silins, the World Bank PFM expert working with the TCOP, made a presentation on the evolving role of the treasury function. The case of Azerbaijan was also discussed during the videoconference. The group continued its work in 2016, by holding a plenary meeting in Moldova and inviting all TCOP members to discuss the evolving role of the treasury function given the transition from a traditional manual processing environment to automation using modern financial management information systems. This included examining Moldova's system including its strategic plans for further development, in addition to examining the systems of Russian Federation, Georgia and Hungary. The TCOP thematic group of IT in Treasury Operations also participated in a joint session to share Moldova's experience in developing its new FMIS.

## Risks management in Treasury

**Operations:** This was a new topic initiated in 2016 with a videoconference on the Russian Federation's experience in the treasury operations risk management. Eight member countries participated to learn how the Russian Treasury has established a risk classification system, applied it to processes, and how the system generates management and monitoring reports.

**In 2016, the TCOP held seven events in total** which included one plenary meeting, three small group meetings, and three thematic videoconference meetings.

Details of each event including their objectives and results are provided in **Attachment 2**.



# 4.3

## Internal Audit Community of Practice (IACOP)

**In accordance with IACOP's latest strategic plan,<sup>13</sup> the IACOP offers support to its member countries in establishing a modern and effective Internal Audit system** that meets international standards and best practices and is a key for good governance and accountability in the public sector. Following an IACOP plenary decision, five working/thematic groups have been established during the period since 2013, which offer additional opportunities for member countries to address the issues of their priority interest and to fill the gap where there is no clear international best practice established for public sector internal audit.

**The Good Practice knowledge products developed by IACOP are the result of extensive exchange of ideas, experience and knowledge on respective country practices among members.** On average, a single Good Practice product takes around two years to develop. These Good Practices are used by member countries to inform their internal audit reforms and guide development of respective documents. They are treated as high value and unique knowledge products, which are the result of the collective work of policy makers and practitioners from 23 IACOP member countries.

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<sup>13</sup> Refer to PEMPAL website:

[www.pempal.org/about/action-plans/iacop](http://www.pempal.org/about/action-plans/iacop)

**IACOP's unique Good Practice knowledge products developed by the community itself represent a reference of good practice globally.** Those completed and under development are as follows:

1. Good Practice IA Manual Template (completed and published)
2. Good Practice Continuing Professional Development Manual Template (completed and published)
3. Internal Audit Body of Knowledge (completed and published)
4. Risk Assessment in Audit Planning (completed and published)
5. Concept Note on RIFIX (Relationship of Internal Audit with Financial Inspection and External Audit) (Completed, to be published in 2017)
6. Quality Assurance Guide (Completed and published in 2016)
7. Communiqués
8. Newspapers

**IACOP also prepares 'Communiqués' at the end of each plenary or thematic meeting to summarize key conclusions**

reached during the particular event. Those also represent a key reform guide for member countries. (Other COPs also prepare something similar but refer to these as 'Event Reports'.)

**In 2016, IACOP started to produce and publish 'newspapers' to better learn the key recent developments on Public Internal Control (PIC) reforms in the ECA region and beyond.**

First two editions of the newspaper were issued in October 2016 at the Moscow IACOP meeting. The first edition had the focus on the news from about the Relationship of Internal Audit with Financial Inspection and External Audit (RIFIX). Peers from six countries (Kyrgyz Republic, Albania, Georgia, Macedonia, Romania, Bosnia and Herzegovina) shared the experience in RIFIX issues. The second edition was dedicated to internal control and reflected the news from five PEMPAL countries, including articles about Moldova's latest developments in harmonizing the activity of Financial Departments in central Government with FMC principles, the latest developments in PIC in Hungary, and other news from Bosnia and Herzegovina, Albania, and Georgia.



### IACOP Priority themes for 2014 to 2016

- **Modern Internal Audit and Financial Management and Control** implementation with emphasis on accountability and transparency (new working groups called 'Internal Control' and 'Audit in Practice')
- **Relationship of Internal Audit with Financial Inspection and External Audit** (RIFIX working group finalizing activities in 2016)
- **Quality Assurance** including periodic internal and external assessments and Central Harmonization Units' challenges at different stages of the reform (continuing working group)
- **Promotion of IACOP**, including existing knowledge products and experience gained in on-going and previous working groups: Training & Certification, Continuing Professional Development, Risk Analysis, Quality Assurance, Body of knowledge

## **A new Working Group on Internal Control was established in 2016.**

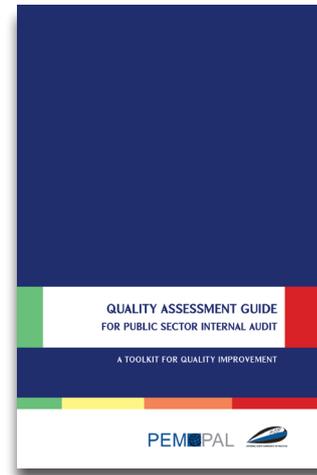
A plenary meeting was held of all members in Czech Republic in March 2016 to discuss internal control implementation challenges, which included learning from the experiences of Czech Republic in implementing public internal control; to share recent developments across the region; and to initiate the work of the new Working Group on Internal Control. Presentations were delivered by representatives from the European Union, South Africa, Brazil, Belgium and the Czech Republic. The new group met after the plenary meeting to give participants the opportunity to express their priorities with regard to the scope of the new group, and they decided that its objectives were to learn and share experiences on the role of internal audit and the CHU in the assessment and development of Public Internal Control. Members intend to identify guidance and good practices, which could then be used by countries as a reference. The Working Group's second meeting was held in Russia in October 2016, to discuss the COSO Framework's principles of effective internal control and to establish those most relevant to the public sector, and to discuss challenges in internal control implementation.

## **The Working Group on RIFIX finished its work in 2016.**

The group aimed to identify the main differences between internal audit and external audit and between the supreme audit institution and financial inspection not only at the conceptual level but through providing IACOP positions on key issues based on reform implementation experience. In 2015 the group, represented by all 23 member countries, met in Armenia to learn from best country practices; to progress the Good Practice Concept Paper on RIFIX; to advance development of a Good Practice Template of a Cooperation Agreement between internal audit and financial inspection/external audit; and to learn from the Armenian experience of internal audit reforms. In 2016, the Working Group met in Russia to discuss survey results on progress made in applying good RIFIX practices and to also finalize and endorse the good practice Concept Paper including elaborating on its future roll out. This marks the closure of this Working Group with the Concept Paper summarizing the results of the group.

## **The Working Group on Quality Assurance also finished its work in 2016.**

The group aimed to develop an IACOP approach to periodic internal and external assessment by Central Harmonization Units. In 2015 the group, represented by 13 countries, met in Armenia to finalize the scoring system for the PEMPAL approach to external



assessment; to endorse the Good Practice Quality Assessment Guide for Public Sector Internal Audit; and to discuss possible application of the Guide by IACOP countries. Although the group did not meet in 2016, work continued on completing the Guide. This Guide, now published, represents another major knowledge product for IACOP and provides a unique guide to apply the International Professional Practices Framework and International Standards for the Professional Practice of Internal Auditing on Quality Assurance of Public Sector Internal Audit.

## **The new Audit in Practice Working Group will meet in 2017.**

The decision to establish the group was taken in 2015, to address the practical implementation of the audit cycle, and different type and models of audits, including IT solutions. Member countries met in Kyrgyz Republic in 2015 to exchange experiences and learning from advanced internal audit, financial management control practices and activities of Central Harmonization Units. Although the group did not meet formally in 2016, they made plans during the year to meet in 2017 to focus on practical auditing tools reflecting the progress of the internal audit function reforms in the region.

## **In 2016, the IACOP held four events,**

which included one plenary meeting and three small group meetings. IACOP was technically supported by Arman Vatyan, Diana Grosu-Axenti and Jean Pierre Garitte from the World Bank and Manfred van Kestern and Ruslana Rudnitska from the Ministry of Finance of the Netherlands through its National Academy for Finance and Economics; with additional PFM experts and other resources engaged where needed from countries with advanced PIC, including internal audit systems, such as Belgium, France, South Africa, and Brazil.

Details of each IACOP event including their objectives and results are provided in **Attachment 2**.



# 4.4

## Cross-COP Executive meeting

**Date:** July 14-15, 2016

**Location:** Bern, Switzerland

The progress of development of the PEMPAL Strategy 2017-22 was considered by the PEMPAL Executive on July 14-15 2016, in Bern, Switzerland. The meeting was hosted by one of the main donors of the PEMPAL program, the Switzerland Government's SECO, and was attended by the members of Executive Committees of all three COPs. The participants included 17 member country representatives from Ministries of Finance and Treasuries from 13 countries (Albania, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, and Tajikistan). Representatives of the key donors to the program: SECO, the Ministry of Finance of the Russian Federation, and the World Bank also participated, along with the PEMPAL Secretariat.

The objectives of the meeting were for the PEMPAL Executive to consider the progress made on the development of the PEMPAL Strategy 2017-22 and to make decisions on:

- Approaches to identifying COP thematic priorities for the next five years, including ideas to strengthen cross-COP collaboration;
- Feasible costing options and funding scenarios for the next strategy; and

- How to improve PEMPAL's methodology and approach to collecting success stories.

Key decisions were made on these aspects, which shaped the draft of the strategy document finalized in September and shared with the full COP membership for consultations. The main meeting was preceded by parallel preparatory meetings of the three Executive Committees held on July 13.

At the start of the meetings, SECO organized thematic presentations on the public finance reforms of the Switzerland Government in relation to a) developing accrual accounting and the lessons learnt; and b) fiscal rules in the form of Swiss cantonal debt brakes and their institutional and legal framework at the subnational level, delivered by the Zurich University of Applied Sciences, School of Management and Law.

Representatives from PEMPAL and the World Bank also attended the SECO offices to provide a presentation on the peer learning approach used by PEMPAL during a 'brown bag lunch' on July 13. Around twenty SECO participants attended the presentation and a 'questions and answers' session on the processes and peer learning approaches used by the network.

The Bern events concluded with the Steering Committee meeting that endorsed the next steps to finalize the new PEMPAL Strategy. Minutes of the Steering Committee meeting can be accessed through the link provided to all Steering Committee minutes further below.

All materials, including a comprehensive event report that captures all discussions and decisions, can be found in the following link:

[www.pempal.org/events/pempal-cross-cop-executive-meeting](http://www.pempal.org/events/pempal-cross-cop-executive-meeting)



# 4.5

## Steering Committee meetings

**In 2016 the Steering Committee - the governing body of the PEMPAL network - met four times** – three via videoconference and once face-to-face in Bern, Switzerland to make decisions on the development of the new PEMPAL Strategy 2017-22 including deciding on initiatives to strengthen the program’s sustainability. Minutes to these meetings are available at

[www.pempal.org/event/sc\\_meetings/](http://www.pempal.org/event/sc_meetings/)

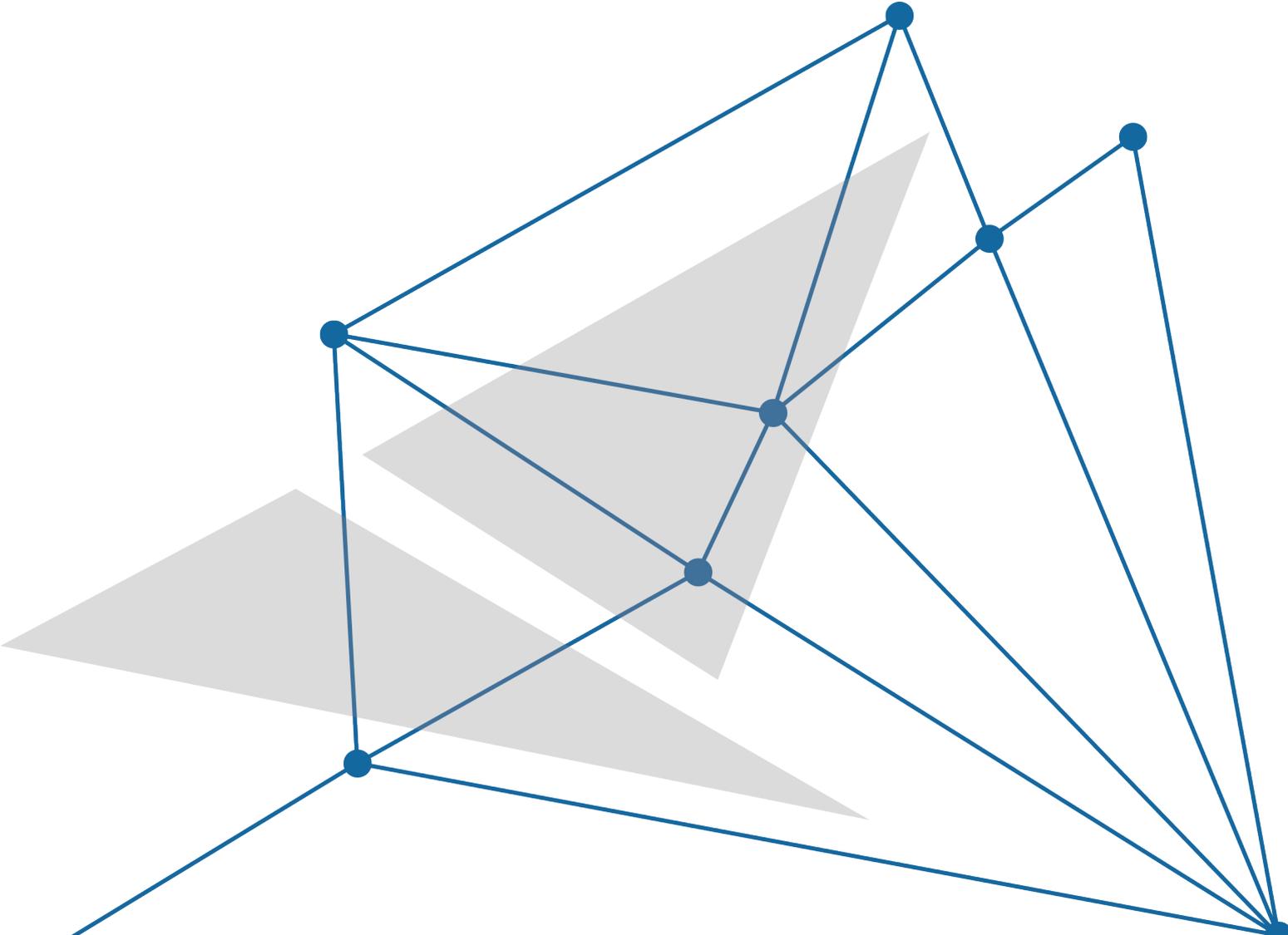
More information can be found about their activities under **Section 6.1**.

## LOOKING AHEAD

The FY 2018 (i.e. 2017-18) COP budgets were approved by the Steering Committee in early 2017, indicating the COPs plan active agendas over the coming year, despite funding uncertainties with contingencies in place to ensure adequate financing is available. COPs have pursued cost saving approaches during 2016 including moving events to future years where possible, which will ensure savings can be carried forward into 2017, in preparation for the launch of the new PEMPAL Strategy 2017-22, and the new funding period. The new PEMPAL Strategy 2017-22 will be launched by its start in July 2017, which will lay the basis for the strategic priorities of the program over the next five years.



**PEMPAL RESULTS: QUALITY  
RESOURCES AND SERVICES  
PROVIDED TO THE MEMBERS**



**Good progress in achieving Output Objective 2 continued in 2016 with positive post-event survey feedback from members, and quality resources being shared and created by members.**

This was also confirmed by the MTR of the strategy conducted during 2015. The review found solid evidence

of high and growing levels of member satisfaction with the quality of resources and services provided by the network. The challenge for the future is to sustain the high overall quality and further improve the quality of materials while continuing to encourage stronger participation of the members in producing knowledge resources and gradually reducing the inputs from the resource teams.



# 5.1

## Quality Resources

**A key service to members is the provision of knowledge products related to PFM reforms to assist in member's work,** which in many instances are developed by the members themselves. This includes benchmarking against progress in reforms in countries within and outside the PEMPAL region, to identify good practices and to share reform challenges and solutions. This is done through presentations and discussions with country representatives and also through formal and

informal surveys which document reform status. Other knowledge products range from guidelines prepared by countries using the latest international approaches adapted to suit their local contexts; to technical PFM material translated into the PEMPAL languages to support reform processes (for example IMF, World Bank and OECD guidelines). Materials provided by PEMPAL were rated **good quality** or **high quality** by most respondents to COP MTR surveys, showing an increase across most material types since the 2012 external evaluation results.

## Donor Quotes

### Ministry of Finance of the Russian Federation

*“Objective 2 ‘Quality resources and network services, supporting relevant PFM practices, are provided to members’ is currently on a good level. PEMPAL website operates well and a virtual library is created. Now the main objective in this field is to continue updating content with the latest news about events and information about main achievements of community, etc.”*

### State Secretariat for Economic Affairs SECO

*“We think that the management of knowledge products as well as the use of IT solutions to facilitate exchange will require more attention in the future. With the volume of knowledge products growing the COPs and the Secretariat have to ensure that these products are regularly updated and only relevant knowledge products remain in circulation otherwise these sources of information become unmanageable. Also, COPs have to regularly examine whether the IT tools in use (e.g. wiki, virtual library) are actually used by members.”*

Source: donor submissions to mid-term review of current strategy

### Several knowledge products were being developed or finalized in 2016,

with feedback provided by member countries that they have been very useful and valuable to progress their PFM reforms. BCOP developed a document, to be released in 2017, on how to break challenges being experienced by member countries in developing Citizens' Budgets which included peer and international advice on how to address them. It also participated in the OECD Performance Budgeting survey which will provide important baseline data and identification of good practices and trends in a knowledge product to be released in 2017. IACOP finalized two knowledge products in the areas of Quality Assurance and RIFIX. TCOP developed one knowledge product titled “Financial Reporting Consolidation.” In addition, during 2016, PEMPAL shared 175 relevant PFM related documents to support discussions. This included PowerPoint presentations which illustrated country cases,

latest approaches and results of discussions; and PFM related documents translated and 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. Links to the key resources developed and shared during 2016 by COP, is provided in **Attachment 3** and Knowledge Products can be found on the PEMPAL website at:

[www.pempal.org/knowledge-product-list](http://www.pempal.org/knowledge-product-list)



# 5.2

## Network Services

**PEMPAL benefits from strong leadership, technical and administrative support services** (refer to Figure 1 for PEMPAL's organizational chart). The Steering Committee is an important strategic oversight mechanism, to allocate and approve budgets, and monitor progress to facilitate cost-effective provision of services. The role of the COP Executive Committees and their Resource Teams are key to provide support to the

technical content required to meet the PFM priorities identified by the member countries, and to ensure the network is meeting the needs of its members and donors. The Secretariat is also essential to the network, through its role in providing administrative, logistical and performance reporting services. The support services provided by the Resource Teams and Secretariat are further explained below whereas more details on the composition and performance of the Steering Committee and COP Executive Committees are provided in **Section 6**.

### 5.2.1

#### COP Resource Teams

**Resource teams comprise the core teams that provide the day-to-day support for event preparation,<sup>14</sup> and the thematic experts,** which are engaged depending on 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. In the COP submissions to the 2015 MTR, all three Executive Committees rated the support from technical Resource Teams as **highly satisfactory** and plans are in train to introduce assessments of performance more regularly through amendments to the standardized post-event surveys distributed to members so that performance can be monitored and reported more regularly.

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<sup>14</sup> Tasks done jointly or under direction by the COP Executive Committees include designing agendas and surveys, sourcing technical materials and experts, facilitating working and discussion groups, developing and managing COP budgets, and implementing network improvement initiatives.

## Member countries involvement in leading agenda development and working group activities continues to increase.

This is reflected in the declining reliance on international experts as COPs drive more of the agenda. The drop in the number of experts from 241 in CY 2013 to 118 in CY 2016,<sup>15</sup> as shown in **Table 4** also reflects the increased use of working groups whereby the countries are more actively engaged in delivering the agendas, and each group is led by a resource country which provides lead experts.

## The COP Resource Teams providing support to the Executive Committees remained the same in 2016 as previous years.

The core team includes Elena Nikulina (PEMPAL

Task Team Leader/TCOP Lead Coordinator), Ion Chicu (TCOP Resource Person/Program Operations Adviser), Maya Gusarova (BCOP Lead Coordinator), Deanna Aubrey (BCOP Resource Person/Network Strategic Adviser), Naida Čaršimamović Vukotić (BCOP Resource Person), Arman Vatyán (IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP Resource Person). Marius Koen provides strategic oversight to IACOP/PEMPAL as a member of the Steering Committee. Nina Duduchava also provides support for implementation of electronic post event feedback surveys. Zac Mills, from the World Bank, who provided support to the Wage Bill Management Working Group, left BCOP with the closure of this group and his departure from the World Bank during 2016. The Ministry of Finance of the Netherlands through its National Academy for Finance and Economics, also provided thematic experts to IACOP during 2016 and investigations are underway as to the feasibility of expanding their role.

**TABLE 4: SUPPORT BY RESOURCE TEAMS AND INTERNATIONAL EXPERTS**

	CY 2013	CY 2014	CY 2015	CY 2016
<b>Events</b>	27	29	28	18
<b>PEMPAL Participants</b>	600	831	612	613
<b>Resource Teams and International Experts</b>	241	160	124	118

## 5.2.2 Secretariat

**The PEMPAL Secretariat is also key to achieving this output objective given its role of providing administrative and performance reporting services to support the PEMPAL program.** The Secretariat function includes: organizing face-to-face events e.g. coordinating event invitations, arranging flights, accommodation, visas, translations, venue and supplies contracting, document distribution; providing background materials for the 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 the 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.

<sup>15</sup> The Secretariat undertakes reporting on a calendar year CY basis.

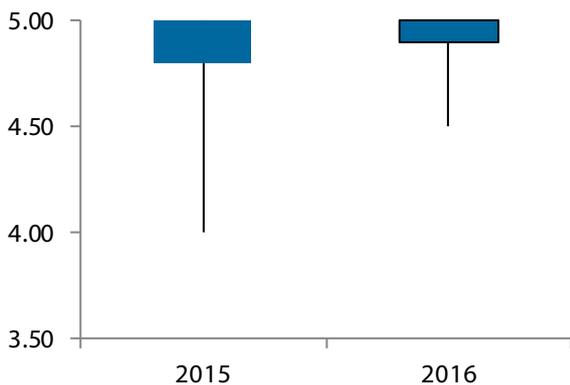
## A temporary Secretariat mechanism has been in place since the last half of 2015,

with the unexpected departure of the Slovenian Center of Excellence of Finance. The services continued to be conducted during 2016 by a new Secretariat team established at the World Bank Moscow Office, including Ekaterina Zaleeva (TCOP Coordinator), Ksenia Galantsova (BCOP Coordinator) and Kristina Zaituna (IACOP Coordinator). Based on the decision of the Steering Committee, this transition arrangement is expected to remain in place until the end of the next strategy period until June 2022, but efforts will be made to find a more permanent mechanism as part of the initiatives planned under the new strategy.

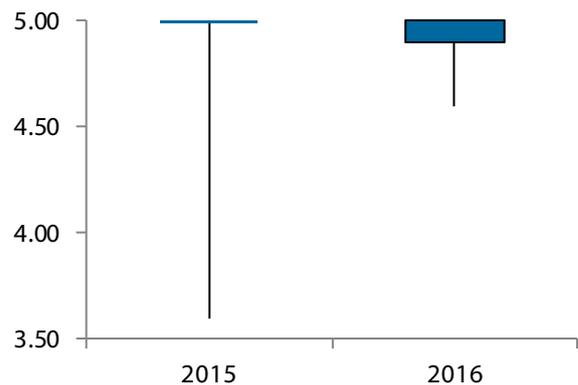
## Despite having a steep learning curve, the new Secretariat performed very well over 2016, with consistently high scores in post-event survey feedback from members.

Members provided feedback on the quality of organization in the ranges of 4.5 to 5.0 (with most events being scored either a 4.8 or 4.9 out of a possible 5.0) and for quality of administration in the ranges of 4.6 to 5.0 (with most events scoring 4.8 and above). Overall, the transition went smooth and much better than anticipated due to a committed and competent team. **Attachment 1** presents the post-meeting survey feedback for each event in detail.

**CHART 5: QUALITY OF ORGANIZATION**



**CHART 6: QUALITY OF ADMINISTRATION**



*Note: The above charts use 'Japanese candlestick' methodology whereby the vertical line through the bar (i.e. the candle wick) represents the full range of scores for the indicator, and the bar itself (i.e. the candle) represents the rating given for the first event compared to the last event of the year. A short candle depicts consistency in performance over the year, with the first and last events achieving similar scores. A short wick also depicts consistency of scores across events. The Y-axis shows a rating from 1 to 5, or alternatively, displays results in percentages.*

*To construct the charts data for ten events, across all three COPs, including one face-to-face cross-COP executive meeting, was used.*

*This methodology, as applied by the former Secretariat, will be reviewed as part of the next strategy and alternatives for presenting the post-event survey data will be investigated.*

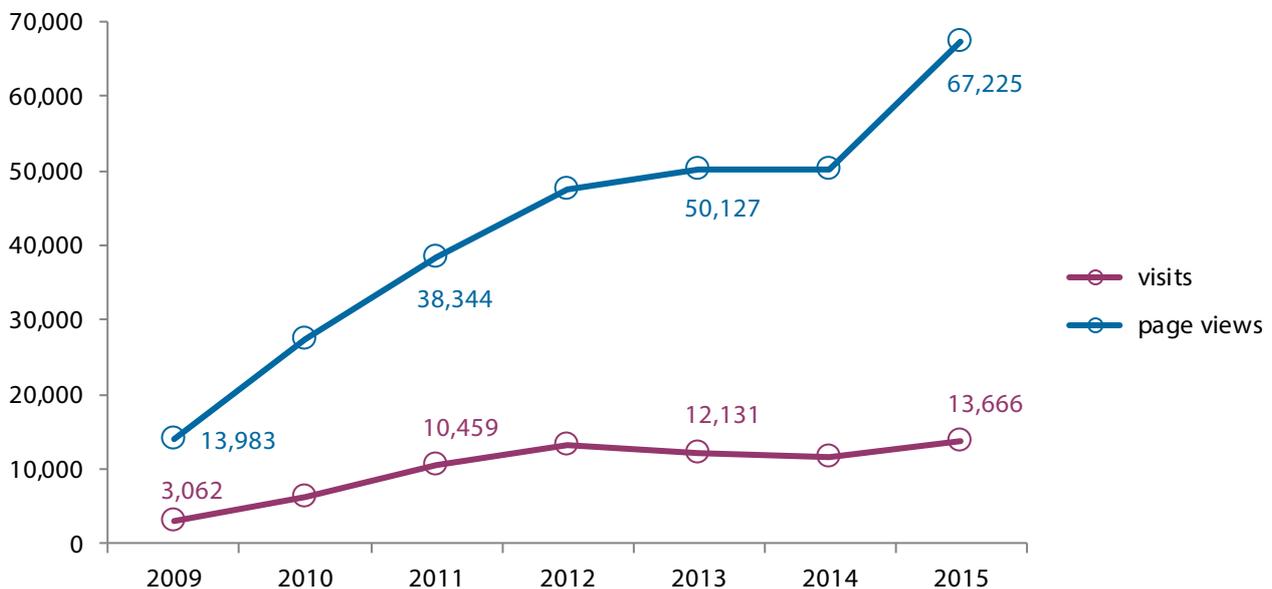
# 5.3

## On-line Resource Materials and Communication

**The PEMPAL website is the main storage facility for information on meetings, study visits and COP reform progress.** The PEMPAL Secretariat monitors PEMPAL web page visits systematically through Google Analytics, which provides a wealth of helpful information, e.g. on visits (number, duration, etc.).

**The PEMPAL website was transferred from the former Secretariat to the new Secretariat during 2016,** thus website traffic information is not available for that time period. However, from previous data it shows an increasing trend and such monitoring has been established for 2017.

**CHART 7: PEMPAL WEBSITE TRAFFIC**



## The PEMPAL Virtual Library

[www.pempal.org/library/](http://www.pempal.org/library/)

## and Glossary of Terms

[www.pempal.org/glossary/](http://www.pempal.org/glossary/)

available at the PEMPAL website have been designed to help the PFM practitioners in their daily work: find laws and regulations of other countries, share best practices, and check the meaning of a specific term for example. The library continues to allow for an efficient and cost effective storage facility and direct upload of documents.

**Some COPs use a wiki, an informal web based collaboration tool, to discuss action plans, store event agendas, resource materials,** and to form a shared understanding of their activities. Access to wikis is restricted to COP members only to ensure a confidential

sharing of draft policies, laws and procedures. IACOP uses its wiki for event preparation and BCOP uses it for storing additional PFM resources. Box is used as the main facility by the Secretariat and Resource Teams to store draft and final documents, which was established as a platform to house the files transferred from the former Secretariat.

## **Real-time conferencing through the World Bank supported videoconference facilities and on-line communication rooms are widely used**

(e.g., Skype, WebEx) not only for Executive and Steering Committee meetings, but also by the COPs for their thematic workshops and seminars. It has proved to be an effective and efficient tool enabling quick and easy-to-organize knowledge exchange with minimum costs.

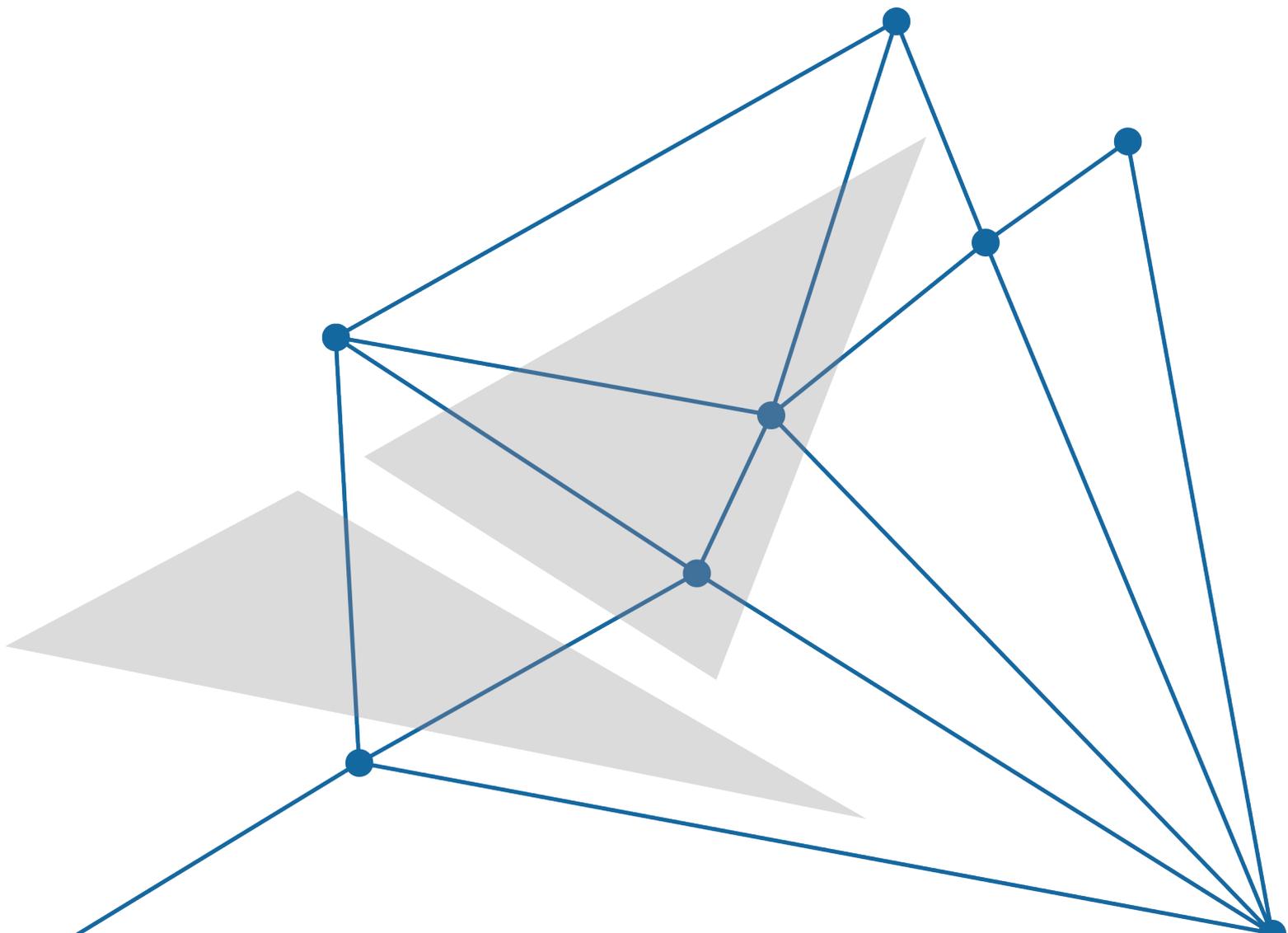
## LOOKING AHEAD

**The challenge in relation to Output Objective 2 for the remainder of the Strategy period is to maintain the high quality of products and services despite the funding uncertainty,**

including reduced budget allocations for the COP activities and reduced inputs from external experts. In line with the approved Strategy, budget resources available for implementation of COP action plans, as well as technical inputs from the external partners will be reduced in the remaining year of the Strategy period. This is already reflected in the approved program budget for FY 2017 and projections for FY 2018.



**PEMPAL RESULTS: A  
FINANCIALLY-VIABLE  
NETWORK OF COMMITTED PFM  
PROFESSIONALS**



**There is evidence of strong member commitment to the network, high quality of membership as well as increasing provision of in-kind and financial contributions to the program by the member countries,** although reporting of such contributions requires further improvement which will be implemented as part of the new strategy.

Generous donor contributions to the PEMPAL MDTF assured stable program funding throughout the year, and until the completion of the strategy in June 2017. However, COPs implemented cost savings to ensure adequate funding will be available for the start of the

new strategy, while funding for the full period is being pursued. Several initiatives were also developed during 2016 and risk management strategies identified to accommodate scenarios of inadequate funding being secured to implement full network activities (such as conversion of face-to-face meetings to videoconference if needed while still aiming for at least two face-to-face meetings each year to maximize the benefits of the peer to peer learning approach). Network expense savings are also being pursued such as reducing the printing costs by implementing a 'go green' initiative, and increasing the level of member contributions. Additional donors are also being sought to ensure the ongoing viability and sustainability of the program.



# 6.1

## Committed Leadership

**There is evidence of high quality leadership and management services being provided to the network.** Feedback from respondents to the MTR member survey indicated

**high to very high satisfaction** with the governance structures of PEMPAL, and PEMPAL's standardized post-event survey instrument will be amended next year, to more regularly capture members' perceptions of these services across the new strategy. The composition of the TCOP Executive Committee remained unchanged but there were some changes for BCOP and IACOP Executive Committees, with the addition of Armen Manukyan

(Armenia) joining BCOP; Karen Sedrakyan (Armenia), Petru Babuci (Moldova), Edgar Mkrtychyan and Olimjon Myrzoiev (Tajikistan) joining IACOP, and the departure of Maksim Timokhin (Ukraine) and Svilena Simeonova (Bulgaria) from IACOP and also Kristina Scutelnic (Moldova) and Giuli Chkuaseli (Georgia) who went on maternity leave. BCOP Executive Committee members also nominated deputy members to ensure a consistency of leadership for each country, given instances where members could not actively participate due to work and budget process demands. The current composition of the Committees is provided below.

## Composition of PEMPAL Executive Committees

At the end of 2016, the COPs' Executive Committees / leadership groups included the following members:

### BCOP

Russia	• Anna Belenchuk (Chair)
Albania	• Gelardina Prodani (Deputy Chair)
Belarus	• Mikhail Prokhorik (Deputy Chair)
Armenia	• Armen Manukyan
Bosnia and Herzegovina	• Alija Alijović
Croatia	• Mladenka Karačić
Kyrgyz Republic	• Kanat Asangulov
Russia	• Nikolay Begchin
Turkey	• Hakan Ay

### IACOP

Hungary	• Edit Nemeth (Chair)
Croatia	• Ljerka Crnković (Deputy Chair)
Kyrgyz Republic	• Zamira Omorova
Moldova	• Petru Babuci
Armenia	• Edgar Mkrtchyan
Bosnia and Herzegovina	• Amela Muftić
Russia	• Stanislav Bychkov
Tajikistan	• Olimjon Myrzoev
Georgia	• Giuli Chkuaseli

### TCOP

Azerbaijan	• Vugar Abdullayev (Chair)
Georgia	• Nino Tchelishvili (Deputy Chair)
Kazakhstan	• Zaifun Ernazarova (Deputy Chair)
Albania	• Mimoza Pilkati
Moldova	• Angela Voronin
Montenegro	• Marija Popović
Russia	• Alexander Demidov
Tajikistan	• Ismatullo Khakimov
Belarus	• Liudmila Gurianova

## The COP Executive Committees held 11 meetings in 2016

comprising BCOP (4), TCOP (5) and IACOP (2). Minutes to these meetings are publically available for TCOP at

[www.pempal.org/about/governance/ex-com-tcop/](http://www.pempal.org/about/governance/ex-com-tcop/)

and for BCOP at

[www.pempal.org/about/governance/ex-com-bcop/](http://www.pempal.org/about/governance/ex-com-bcop/)

IACOP minutes are held in the COP wiki page and are available on request.

## The PEMPAL Steering Committee (SC) held four meetings in 2016

with minutes to these minutes publically available at

[www.pempal.org/event/sc\\_meetings/](http://www.pempal.org/event/sc_meetings/)

A sub-group of the Steering Committee was established during 2015, to progress development of the PEMPAL Strategy 2017-22 which held its first meeting in December 2015 with three meetings held during 2016 in May, June and August with additional informal meetings held of sub-groups who worked on key outputs required for strategy development. These two sub-groups, the Strategic Objectives and Results Framework sub-group and the Costings Options and Funding Scenarios sub-group developed key parts of the strategy which were then submitted to the full Working Group and Steering Committee for review. The Strategy Development

Working Group also planned the preparations for the meeting of the three COP Executive Committees held in July, including submitting the key outputs of their work to the Committees to undertake preparatory work to ensure they had all the relevant information in support of their decision-making. Membership was drawn from the Steering Committee and included donor, member country and World Bank representatives. Minutes were kept for all meetings and are available on request.

## COPs' action plans, budgets and funding envelopes were reviewed and approved.

The Steering Committee discussed and approved the COPs' budget envelopes for the FY 2017 (from July 2016 until June 2017). At each quarterly meeting, it reviewed implementation of the COPs' action plans and budgets, and related funding. The SC also endorsed the 2015 PEMPAL Annual Report before distribution.

## At end-2016, the Steering Committee included key network stakeholders

including representatives of donors (the World Bank, SECO, and Ministry of Finance of the Russian Federation) and COPs (Chairs and/or Deputy Chairs of Executive Committees). Representatives from the COP Resource Teams also participated. In 2016, the chairmanship of the Steering Committee was effectively undertaken by Ms. Irene Frei (SECO).

**TABLE 5: PEMPAL STEERING COMMITTEE**

Name	Organization	Country	Role	Position
Irene Frei	SECO	Switzerland	Chair of the Steering Committee/Donor	Member
Anna Valkova	MoF	Russian Federation	Donor	Member
Elena Nikulina	WB	Russian Federation	PEMPAL Team Leader/TCOP Resource Team (Lead)	Member
Marius Koen	WB		Donor	Member
Anna Belenchuk	MoF	Russian Federation	Chair of PEMPAL BCOP	Member
Gelardina Prodani	MoF	Albania	BCOP Deputy Chair	Member
Mikhail Prokhorik	MoF	Belarus	BCOP Deputy Chair	Member
Edit Nemeth	Ministry of National Economy	Hungary	Chair of PEMPAL IACOP	Member

Name	Organization	Country	Role	Position
<b>Ljerka Crnković</b>	MoF	Croatia	IACOP Deputy Chair	Member
<b>Vugar Abdullayev</b>	MoF	Azerbaijan	Chair of PEMPAL TCOP	Member
<b>Nino Tchelishvili</b>	MoF	Georgia	TCOP Deputy Chair	Member
<b>Zaifun Ernazarova</b>	MoF	Kazakhstan	TCOP Deputy Chair	Member
<b>Ion Chicu</b>	WB		PEMPAL Operations Adviser/ TCOP Resource Team	Permanent observer
<b>Deanna Aubrey</b>	WB		PEMPAL Strategic Advisor/ BCOP Resource Team	Permanent observer
<b>Maya Gusarova</b>	WB		BCOP Resource Team (Lead)	Permanent observer
<b>Arman Vatyan</b>	WB		IACOP Resource Team (Lead)	Permanent observer
<b>Ekaterina Zaleeva</b>	WB	Russian Federation	PEMPAL Secretariat (TCOP)	Permanent observer
<b>Ksenia Galantsova</b>	WB	Russian Federation	PEMPAL Secretariat (BCOP)	Permanent observer
<b>Kristina Zaituna</b>	WB	Russian Federation	PEMPAL Secretariat (IACOP)	Permanent observer



# 6.2

## Accountability and Performance

**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 plethora of tools and processes for monitoring, measuring and evaluating its performance and relevance:

- Internal guidelines: Operational Guidelines (including guidelines for budget management), Guidelines for events, and Guidelines for study visits;  
[www.pempal.org/rules/](http://www.pempal.org/rules/)
- Steering Committee review and approval of COP budgets, linked to the PEMPAL Strategy;
- COP management of budgets including quarterly progress reports to the Steering Committee;
- Qualitative and quantitative performance indicators – measured after every event through post-event surveys;
- Internal and External evaluations (e.g. periodic external evaluations and in-house reviews);
  - External evaluations were undertaken in 2008, 2012 and an internal mid-term review of the current PEMPAL Strategy was undertaken in 2015.

- Quarterly newsletters and annual reports;
- Internal self-monitoring of the membership performed by the COPs (ongoing);
- Fiduciary framework of the World Bank's MDTF; and
- A set of externally audited financial statements issued for the entire Trust Fund portfolio managed by the World Bank.

**During 2016, regular quarterly progress review meetings were held with the PEMPAL Secretariat including intensive work to transfer over the website from the previous Secretariat.**

These meetings were conducted between the World Bank program management team (comprising Elena Nikulina TL, and Ion Chicu, Program Operations Advisor) and the Secretariat to discuss program activities and to monitor performance. Transfer of the website from the former Secretariat CEF continued during 2016 due to the complexity of the previous platform and the need to transfer over all resources since 2006. This activity was effectively finalized by mid-2016.

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# 6.3

## Ensuring a Financially Viable Network – Key Indicators

**Given the public good benefits of the network, donors' continuous engagement is necessary for a sustainable approach to PEMPAL's future activities.** The Ministry of Finance of the Russian Federation and SECO have agreed to support PEMPAL financially through FY 2016 and FY 2017, which covers all activities in the PEMPAL Strategy 2012-17 estimated at a total of USD 10.35 million for the five-year period.

**In line with the trend envisaged under the program Strategy, total PEMPAL program expenses began to decrease in 2015,** as shown in **Table 6**, after reaching their peak in 2014. Expenses in 2014 were particularly high because of the costs of the major plenary meeting of the whole PEMPAL network which is organized once in every three years. Decrease in program spending was mainly

achieved through lower logistical and administrative costs of event organization (including travel, accommodation, conference facilities, translation, interpretation, etc). A small increase was experienced in total program spending between 2015 and 2016 of USD 25,000 as shown in the **Table 6**, which was driven by an increase in expenditures on events, but offset by savings achieved in spending on resource teams and the Secretariat.

**Average event expenses per participant have increased** as shown in **Chart 8**.<sup>16</sup> Net expenses per participant per event decreased from USD 1,983 in 2014 to USD 1,371 in 2015, but increased to USD 1,775 in 2016, reflecting the COPs having fewer meetings, particular videoconference meetings, but choosing to have meetings in face-to-face format. If calculated in gross terms (including Secretariat costs and other administrative expenses not attributable to individual events), average event expenses per participant decreased in 2015 to USD 1,963 from USD 2,481 in 2014 but increased to USD 2,294 in 2016.

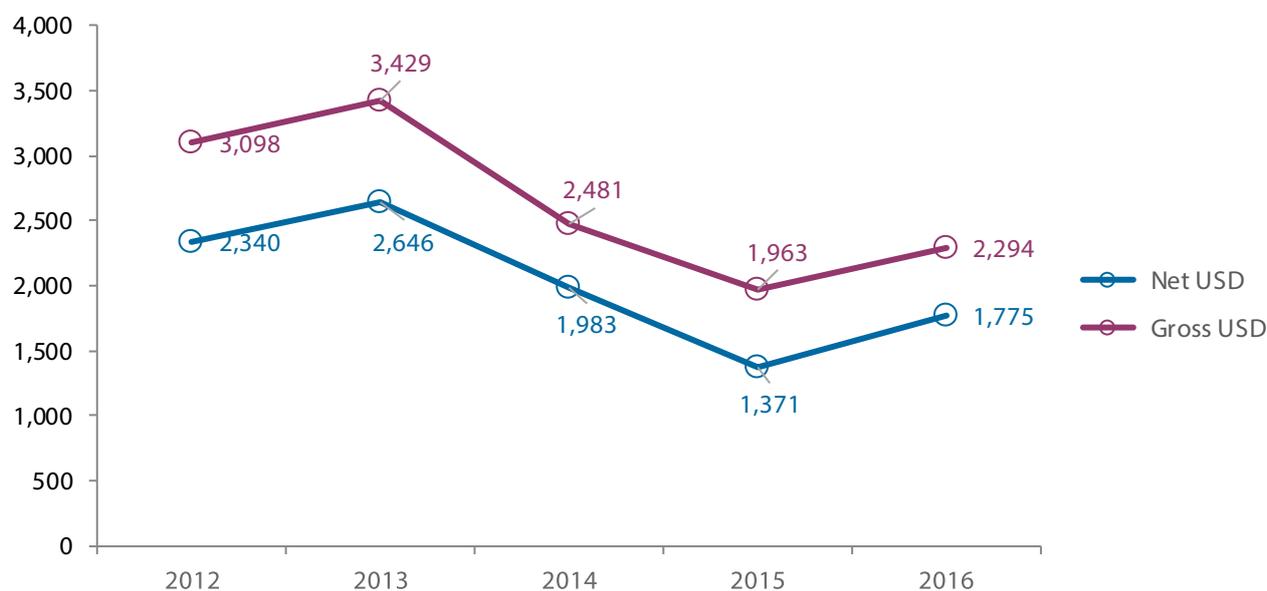
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<sup>16</sup> Calculations made on member country participants by location including videoconferences.

**TABLE 6: PEMPAL PROGRAM SPENDING (USD, THOUSANDS)**

	2013	2014	2015	2016
<b>Events</b>	1,146	1,505	769	918
<i>of which whole network plenary meeting, May 2014</i>		722		
<b>Resource teams</b>	578	605	535	475
<b>Steering committee</b>	40	50	20	20
<b>Secretariat</b>	339	378	332	268
<b>TOTAL</b>	<b>2,103</b>	<b>2,538</b>	<b>1,656</b>	<b>1,681</b>

**CHART 8: AVERAGE EXPENSES PER PARTICIPANT**



**For a more complete picture of average event expenses, however, the type of event format should be considered.**

Videoconference formats and back-to-back meetings have a significant impact on costs and these type of event formats have become more common with the maturity of the network. However, several working groups in CY 2016 were closed upon the finalization of their work, and some COPs chose to delay events given the uncertainty of funding, which led to a decrease in the number of meetings. Including videoconference meetings in the cost analysis can also skew the results, given they do not contribute as much to the total costs (as

there are no accommodation and travel costs involved). For example, if you deduct the number of participants who attended videoconference meetings in 2015 and 2016, participant numbers fall to 355 and 428 respectively with more participants in 2016 due to the fall in the number of videoconferences (12 in 2015 compared to only 4 in 2016).

**Taking these amended participant numbers, gross expenses per participant is USD 3,102 in 2015 compared to USD 2,771 in 2016, a fall of 11 percent, with net expenses remaining**

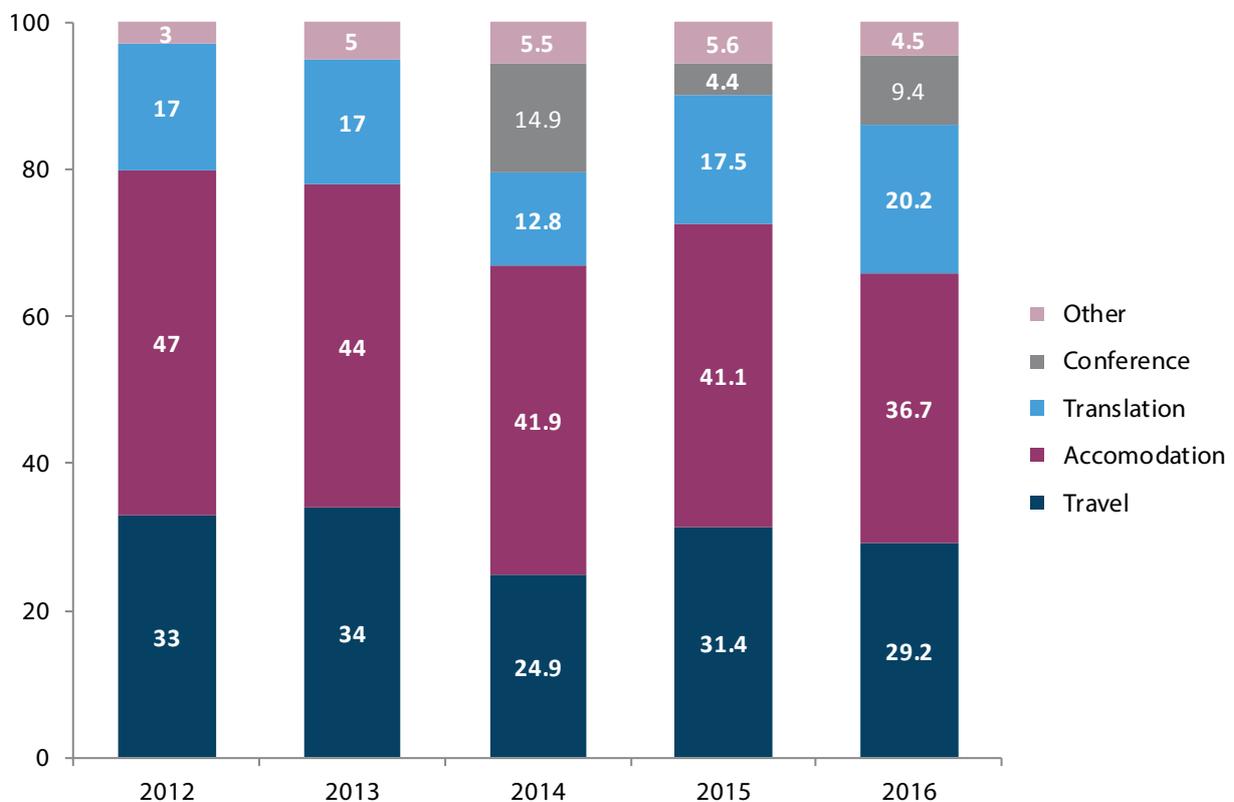
relatively constant over the two years. COPs were also seeking a more cost effective approach given the uncertainty in funding, so they used the format of holding more back-to-back meetings (i.e. two face-to-face meetings held sequentially in the one location, with different objectives and results sought for each meeting). For example, in CY 2015 there were 28 events held compared to 18 in CY 2016 with only three back-to-back meetings in CY 2015 compared to six in CY 2016 (three for BCOP, two for IACOP, and one for TCOP).

**Using the format of back-to-back meetings, increases the cost-effectiveness of expenditures, as travel and accommodation costs are minimized** with the participant attending more than one meeting at the location. To illustrate the following events in 2016 were held back-to-back: the BCOP Budget Literacy and Transparency Working Group meeting and the BCOP annual plenary in Belarus; the BCOP Program and Performance Budget Working Group meetings and

the 12th OECD Senior Budget Officers network of Central, Eastern and South Eastern European (CESEE) countries in Slovenia and the OECD Senior Budget Officers Performance and Results network meeting in France; the IACOP plenary meeting with an Internal Control Working Group meeting in Czech Republic; RIFIX and Internal Control working group meetings in Russia; and TCOP annual plenary and a meeting of the Working Group on Use of IT in Treasury Operations in Moldova.

**Structure of event expenses changed in some categories compared to previous years.** Chart 9 depicts the relative shares of accommodation, travel and other event related expenses, with accommodation and travel decreasing in share compared to previous years, with the share for conferences and translation costs growing, reflecting the costs of longer events being held in more expensive locations in some cases and the increasing demand for translation as COPs progress several knowledge products.

**CHART 9: STRUCTURE OF EVENT EXPENSES**





# 6.4

## Other Quantitative and Qualitative Performance Indicators

**A strong member-driven network exists with substantial in-kind contributions being made from member countries.** The COP Executive Committees commit significant time to providing strategic oversight and management of the COPs as evidenced by the number of meetings held and decisions made, as reported in their meeting minutes. Members are active in agenda implementation, and in preparing country cases and presentations on specific thematic issues. Members (particularly of working groups who meet more regularly), commit their time to meetings and also documenting their practices through benchmarking surveys, development of knowledge products, and presentation of their country case studies. Ensuring a viable network depends on such ongoing commitment of PEMPAL member countries. This commitment can be measured through the level of member country financial and in-kind contributions, and whether a core committed membership are attending regularly. The results of the

MTR found significant commitment was present and there are plans in train for the Secretariat to strengthen the monitoring and reporting of such information in 2017. Target membership is defined by the COP Executive Committees, and regularly monitored, and the Steering Committee must approve any new country members.<sup>17</sup> Target members continue to be from central finance and treasury agencies, with line ministries only involved for specific events if needed.

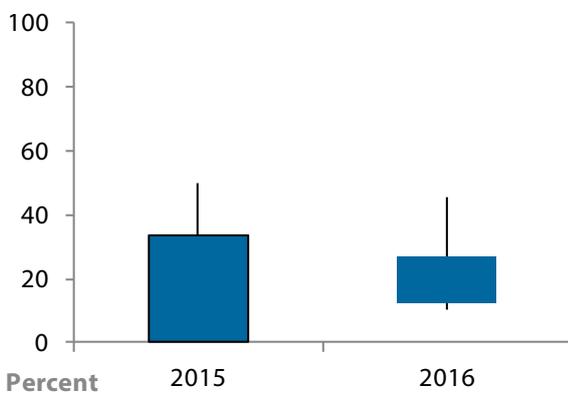
**The network continued to grow in CY2016, with more people indicating it was their first ever time in PEMPAL.**

The chart shows Secretariat data for new membership across the network, driven somewhat by the fact that member countries are holding more meetings within their countries and are thus able to send additional participants who would normally not attend given membership policies (to illustrate 50 percent and 44 percent of all events were held in member countries in CY 2015 and CY 2016 respectively. When you only include face-to-face

<sup>17</sup> Refer Operational Guidelines of the PEMPAL Network, Section 3

meetings i.e. no videoconference meetings, this increases to 88 and 57 percent respectively). Countries sending additional participants as self-payers could also affect these figures. An induction kit for new members will be developed as part of the next strategy and membership analyses will continue to be done periodically to ensure a core set of members participate in network activities, to facilitate relationship building, trust and knowledge exchange.

**CHART 10: FIRST PARTICIPATION IN COP EVENT**



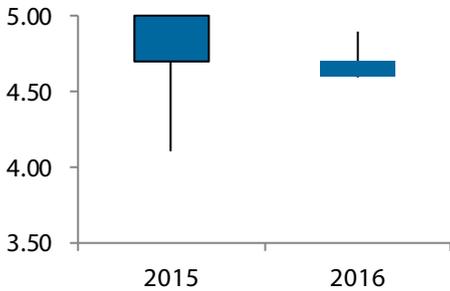
**A series of key quantitative and qualitative indicators has also been developed in order to capture PEMPAL’s value creation** and to monitor, identify and address any issues that may affect network delivery and achievement of the PEMPAL results framework. Participants are being regularly asked through post-event surveys to provide feedback on the value they see in PEMPAL. The indicators are also intended to help the donors evaluate the effects of their contributions to PEMPAL. See **Attachment 1** for more details.

**The anonymous post event surveys, conducted electronically after each event based on a standard survey template, provide two sets of indicators:**

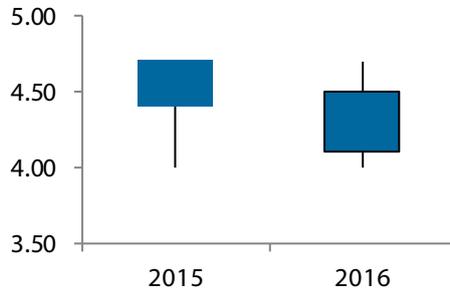
one assessing the value of events, and the other measuring interaction and activity, such as attendance, efficiency of events, participants’ opinions, etc. In addition, the surveys also collect participants’ observations and suggestions. From the charts below, scores remained consistently high in most cases. However, performance was not as high in some areas as indicated in **Charts 18, 19** and **22**. In the past, participants, have raised they would like more time for group discussions and questions to speakers (as measured in **Charts 18** and **19** below). Thus, in response, COPs have implemented initiatives in their meetings, for example, the inclusion of 1-2 afternoons dedicated to small group discussions and/or roundtable discussions. Further, as part of the agenda design, there are also several sessions included that provide dedicated time for questions to panels of speakers. Looking at these figures by event in **Attachment 1**, most events scored 4.5 or above out of 5.0 for the two categories. However, figures were skewed by the last event of the year, which scored low in both categories at 3.7 (BCOP participation in the OECD Senior Budget Officers (SBO) Performance and Results network meeting and back-to-back one day workshop of the Program and Performance Budgeting Working Group). BCOP participate actively in these OECD meetings but the planning of the agenda, and time allocated to questions and discussions are outside the control of PEMPAL. Comments from participants indicated that the one day workshop held back-to-back with the SBO meeting was also too short, which impacted on the results in **Chart 22** below. However, given the meeting was held in an expensive location (Paris, France), cost considerations had to be considered.

**Overall event satisfaction remained 4.6 and above with less range than last year because knowledge continues to be applicable to daily work but is also challenging norms with events increasingly aligned to relevant issues.**

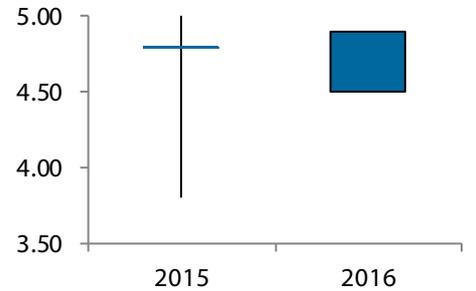
**CHART 11: OVERALL SATISFACTION WITH EVENT**



**CHART 12: KNOWLEDGE APPLICABLE TO DAILY WORK**

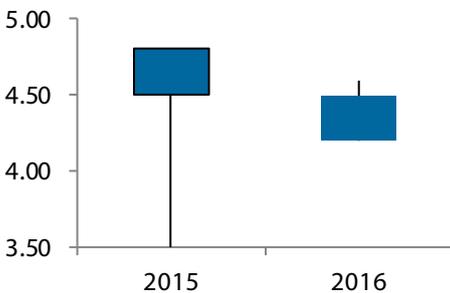


**CHART 13: EVENT ADDRESSED ISSUES IMPORTANT TO MY WORK**

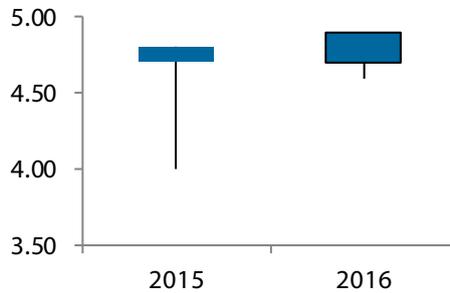


**Participants appreciate learning from their peers' experience but are increasingly sharing theirs and the level of discussion is increasingly aligned with their knowledge level with varying levels of prior experience to meet all stages of reform needs.**

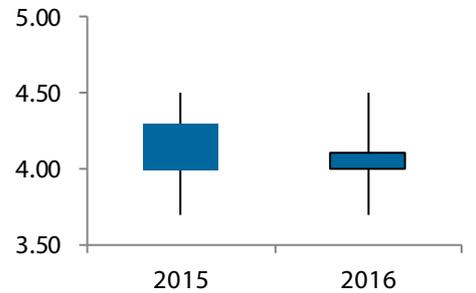
**CHART 14: LEARNING FROM EXPERIENCE OF OTHER PARTICIPANTS**



**CHART 15: LEVEL APPROPRIATE FOR KNOWLEDGE LEVEL**

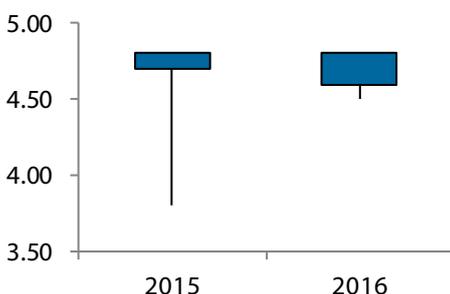


**CHART 16: PARTICIPANTS WITH ABOUT EQUAL PRIOR EXPERTISE**

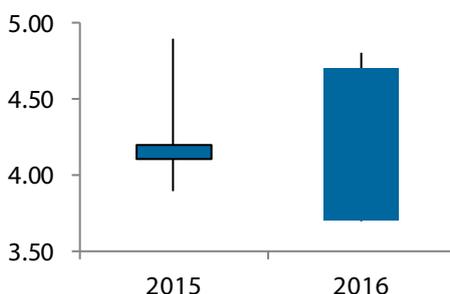


**Presentations at events are relevant and useful but for some events, participants would still like more time allocated to questions of speakers and for more discussions.**

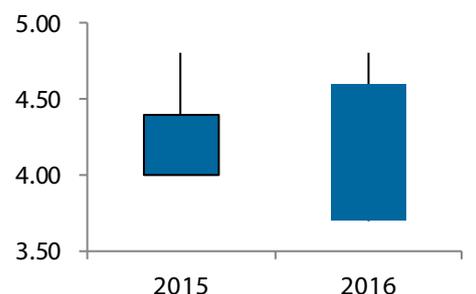
**CHART 17: PRESENTATION RELEVANT AND USEFUL**



**CHART 18: TIME ALLOWED FOR QUESTIONS**

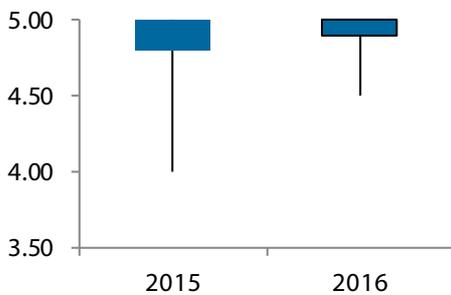


**CHART 19: TIME ALLOWED FOR DISCUSSIONS**

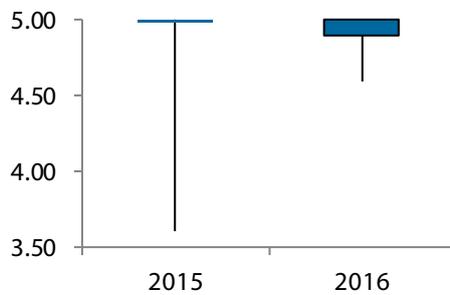


The quality of organization and administration remained high with more consistency between events with feedback about event duration being right varying (events too short for some).

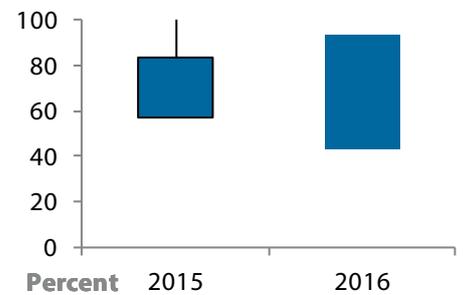
**CHART 20: QUALITY OF ORGANIZATION**



**CHART 21: QUALITY OF ADMINISTRATION**

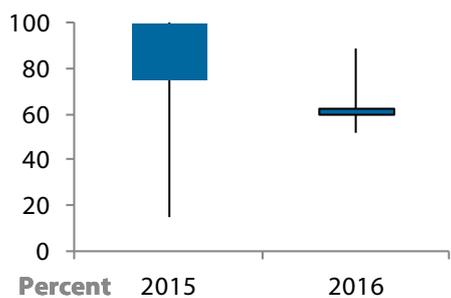


**CHART 22: EVENT DURATION**

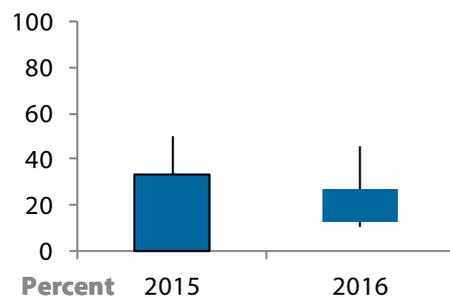


Participants felt they were slightly less active in 2016 reflecting more new members. The network grew (more people indicated it was their first ever PEMPAL event) and up to 38% of participants the events exceeded expectations.

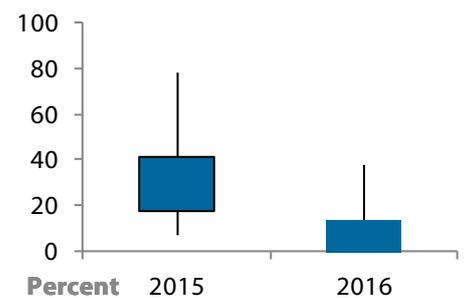
**CHART 23: EVENT PARTICIPATION (ACTIVE, AVERAGE, PASSIVE)**



**CHART 24: FIRST PARTICIPATION IN COP EVENT**



**CHART 25: EVENT DELIVERY VS. EXPECTATION**



Note: the last four charts' indicators only show survey results with answers given in percentages.



# 6.5

## Feedback from participants in 2016

*"Unique mechanism of communication and practical knowledge of international experience was created."*

*"Year after year you can notice the improvement of the meetings in terms of substance of problems discussed."*

*"I have had the opportunity to participate in other events and compare the organization quality with the organization of all PEMPAL events. When it comes to the quality of organization and administration, PEMPAL gets the highest marks. At this event, too, the travel logistics and especially the level of service provided by the Secretary staff were extraordinary."*

*"The possibility of live communication with representatives of other countries. This makes possible to discuss informally emerging issues and to hear about ways to solve them."*

*"There is a professional approach by PEMPAL officers to the processes included in the agenda. This brings the quality and efficiency. Again, PEMPAL officers encourage participants to participate in the discussions. This also increases information sharing and efficiency."*

*"Overall impression is very positive and informative. Organizers of the event did their best. The invited expert's knowledge was very high. Hosting party showed us their hospitality and openness."*

## Some suggestions the participants made in 2016 as to event organization

*"We needed more time to explore the presentations and discussion in more detail, but the general feedback is highly positive."*

*"This plenary meeting should be at least four days long, because topics are very important and the subjects are very complex."*

*"I applaud the use of videoconferences in the future, since they are cheaper and more people can participate. The venue and equipment of the World Bank should be used during such events since our Ministry of Finance does not have the adequate technical equipment nor is it possible to organize interpretation there."*

*"It can include some more practice sessions on different concrete topics, like exercises, where different countries will give the solution/explanations according to their country rules."*

*"Perhaps it would be useful to limit the time for the speakers in a panel discussion so that there is enough time left for questions, but also to limit the Q&A to specific questions, instead of making general comments."*

*"It may be worthwhile to give countries a particular topic and for participants to present on how that is being done in their respective countries. In that manner, best practices can be identified and it would also be easier to determine what works and what does not work."*

*"Probably it is necessary to have joint meeting of three executive committees more often."*

*"Since all the countries are in reform process and all of them reached a certain level with the introduction of program budgeting, results-oriented budgeting, financial management and control, internal audit, external audit, treasury reform, I believe that should be considered organizing a larger event with representatives from all of these areas to link all reforms together to create a big picture of how the system should work, what are the competencies and in which areas we can and need to rely on each other, where the touch points and how we can be supportive to each other. It would also be useful to see how far each country went in the entire process of reform of public finances, what the benefits and challenges are. Specifically, in the case of my country simultaneously takes place over the reform process and no one has a clear picture of general goal and how it all should work."*

## LOOKING AHEAD

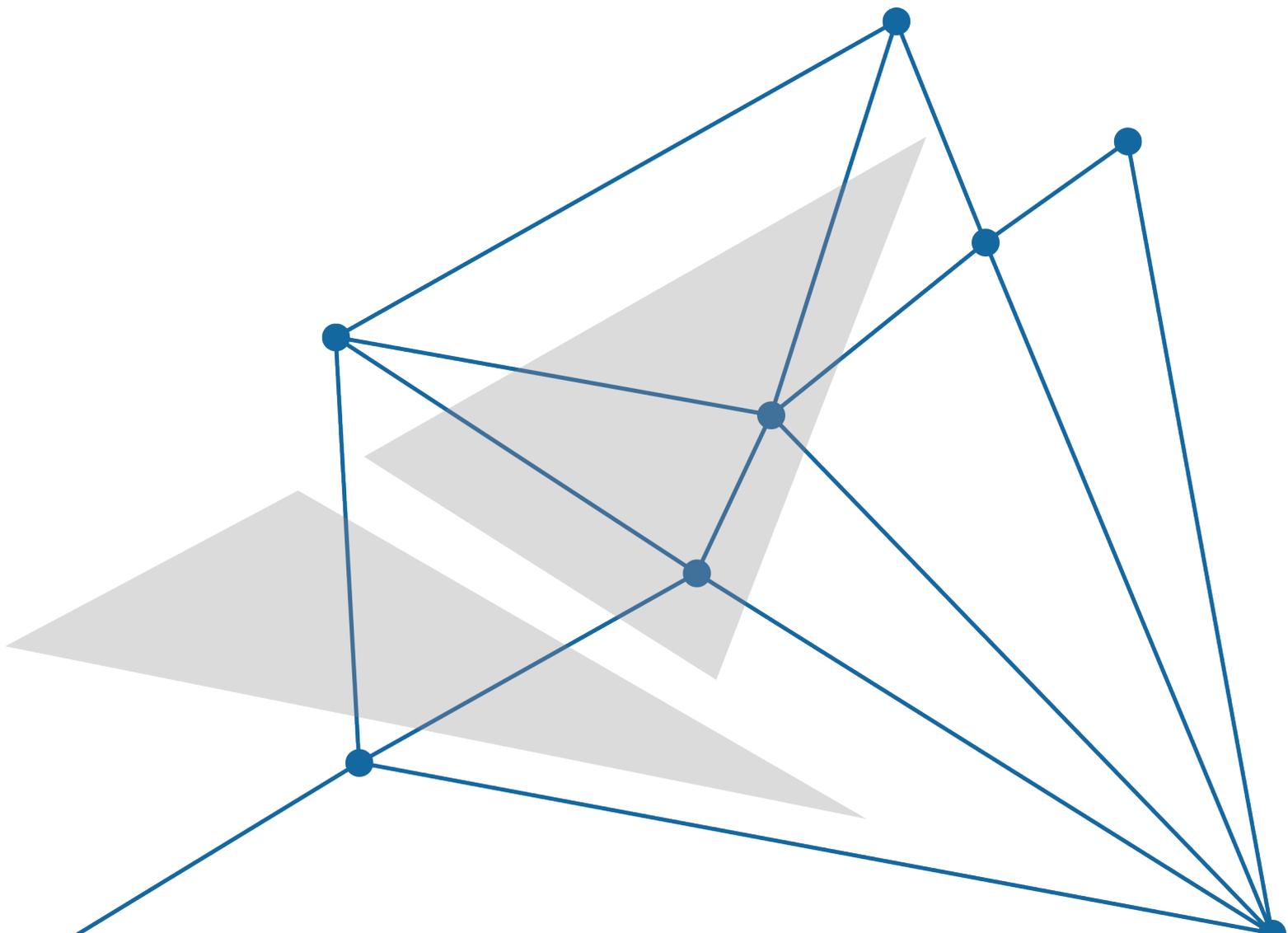
**A more systematic approach to the collection and reporting of financial (and in-kind) member contributions will be established, within agreed templates.** As part of strategy development activities during 2016, the PEMPAL Executive have decided on a number of initiatives to strengthen member contributions including encouraging more expenses to be covered by member countries hosting meetings, and not funding some meals during face-to-face events

thus relying on member per diems. A target of 11% of program expenditures has been included over the next five year funding period starting with the new strategy from FY 2018 (i.e. from July 2017), with contribution targets rising from 7% to 14% over the period. In terms of other measures of performance, while some of the key indicators will remain from the previous strategy, new Goal/Impact, Outcome and Result Areas have been developed by the PEMPAL Executive, so the basis of reporting performance will change from the next Annual Report.





# **PEMPAL RESULTS: AWARENESS OF HIGH GOVERNMENT AND POLITICAL LEVELS OF BENEFITS AND VALUE OF PEMPAL EVIDENT**



**For Output Objective 4 there is convincing evidence of increased awareness of high government and political levels of the benefits and value of engaging through PEMPAL,**

as evidenced by the number of countries hosting PEMPAL meetings and also from information in the results of the last MTR.<sup>18</sup>

Some of our COP representatives also hold high level positions in Government and are able to see first-hand the benefit of participation in PEMPAL, while also ensuring that the program design meets PFM reform needs of members (for example, Gelardina Prodani, is Secretary General of Ministry of Finance, the highest administrative civil service position within the Ministry in Albania and currently acts as a BCOP Executive Committee Deputy Chair).

**In 2016, PEMPAL events took place in eight countries, including five PEMPAL countries who agreed to host meetings to promote PFM reforms.** This helps hosting countries to show experience in the area of reform being discussed, and also raises the profile of PEMPAL to high political levels. These levels have shown an increasing

interest in the work of PEMPAL in discussing PFM reform challenges, opportunities and best practices and often open meetings and/or attend part of the agenda. As a result, reforms in several countries got more political support and stakeholder recognition of the benefits and value of engaging through PEMPAL.

**As part of the program’s marketing approach, thank you letters were sent to all member country Ministers,** and newsletters summarizing the achievements and results of PEMPAL activities were sent quarterly. During 2016, a number of Ministers and Deputy Ministers and other officials attended or opened events, with an example of quotes collected from their speeches on the next page.

**Awareness of PEMPAL in other networks is also being raised.** In 2016 PEMPAL participated in the 12th OECD SBO meeting of CESEE countries, including delivering several presentations on trends and progress in reforms it has been working on (budget transparency, program budgeting for example). BCOP Budget Literacy and Transparency Working Group were also asked to input to OECD’s draft Budget Transparency Toolkit which it presented its suggested input at the meeting.

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<sup>18</sup> The MTR results found that over the two and a half years of the first half of the strategy, 14 out of the potential 21-23 member countries hosted meetings exposing their senior officials to how PEMPAL operates.

**Iurii Cicibaba, Deputy Minister of Finance, Moldova**

*“What is PEMPAL? Is it only a community of people united by a common goal? In reality, it is an opportunity to meet peers from other countries and have a professional discussion about challenges, objectives, failures, and success stories that each member country has to share; it is a chance to exchange knowledge about solutions, make sure we are on the right track, and learn from other countries experience to avoid certain mistakes in the reform of the public sector. And, of course, it is a chance to quickly gain professional skills making the most of being surrounded by top professionals for 2 or 3 days.”*

**Yury Seliverstov, Deputy Minister of Finance, Republic of Belarus**

*“Our country, Belarus, has recently launched the public sector accounting reforms, and we consider this PEMPAL event in Minsk as a good opportunity to discuss and receive peer assistance from our colleagues regarding the progress achieved and plans for the future.”*

**Nina Lupan, Director of the State Treasury of the Ministry of Finance, Moldova**

*“PEMPAL is known to be a unique platform for sharing experiences between PFM professionals, and this opportunity for exchange with peers was assisting Moldova in improving its performance and implementing many of its reforms.”*



# 7.1

## Working with Other Stakeholders

**Since its inception in 2006, PEMPAL has received substantial financial and in-kind support from donor governments and multilateral institutions,** including the SECO (Swiss State Secretariat for Economic Affairs), the Russian Federation, the World Bank, the National Academy for Finance and Economics of the MoF of the Netherlands, the GIZ (German development agency), OECD, OECD Sigma, the IMF, the US Treasury, the DFID and others. PEMPAL maintains relationships with its past

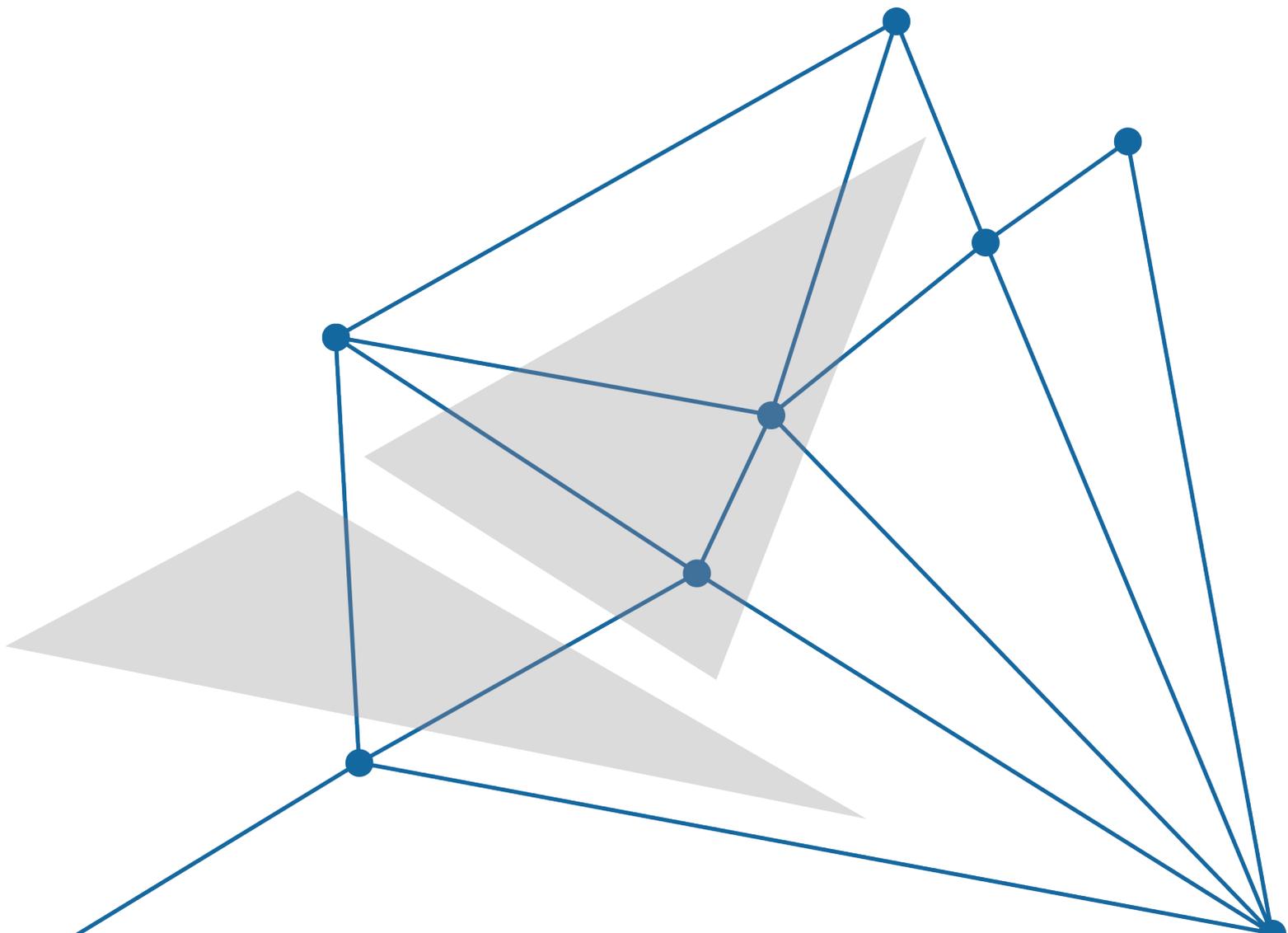
and current donors, with representatives sometimes participating in meetings and sharing information. Each COP also establishes and maintains relationships with professional associations as required to implement their COP action plans. It is important that these stakeholders are regularly made aware of the results and value of PEMPAL to ensure continuing and potential future support. Current donors (World Bank, Ministry of Finance of the Russian Federation and SECO) also need regular evidence of returns on their donor investments.

### LOOKING AHEAD

Focus of the leadership in the last six months of the current strategy under Output Objective 4 will be consulting with all key stakeholders to seek financing for the new funding period. This output objective is closely aligned with Output Objective 3, and efforts will also be made to implement initiatives to increase member contributions and program savings where feasible.



# PEMPAL AT A GLANCE



## 23 member countries

- Albania
- Armenia
- Azerbaijan
- Belarus
- Bosnia and Herzegovina
- Bulgaria
- Czech Republic (IACOP only)
- Croatia
- Georgia
- Hungary (IACOP only)
- Kazakhstan
- Kosovo
- Kyrgyz Republic
- Macedonia
- Moldova
- Montenegro
- Romania
- Russian Federation
- Serbia
- Tajikistan
- Turkey
- Ukraine
- Uzbekistan

## 3 Communities of Practice

[www.pempal.org/event/budget/](http://www.pempal.org/event/budget/)

[www.pempal.org/event/treasury/](http://www.pempal.org/event/treasury/)

[www.pempal.org/event/internal\\_audit/](http://www.pempal.org/event/internal_audit/)

## Community of Practice (COP)

... is a learning partnership among practitioners, who find it useful to learn from and with each other about experiences and solutions in public financial management.

## Members of the COP

... are public finance officials in the PEMPAL member countries, who have been nominated by public administration institutions that provide services to the governments in these countries' existing functional areas of budget, treasury and internal audit as interpreted/evaluated by the Executive Committee of the respective COP.

## Executive Committee (EC)

... is a governing body of a COP. Membership is determined through nomination by the current members of the EC through consideration of the level of active involvement of a member of the COP.

Budget

[www.pempal.org/about/governance/ex-com-bcop/](http://www.pempal.org/about/governance/ex-com-bcop/)

Internal Audit

[www.pempal.org/about/governance/ex-com-iacop/](http://www.pempal.org/about/governance/ex-com-iacop/)

Treasury

[www.pempal.org/about/governance/ex-com-tcop/](http://www.pempal.org/about/governance/ex-com-tcop/)

## Chair of a COP

... is elected by the members of the EC.

## PEMPAL Steering Committee (SC)

... represents the PEMPAL network. It is comprised of two representatives of the World Bank; two members of each COP, including the Chair; one representative of each donor. The Secretariat and Resource Team representatives act as permanent observers.

[www.pempal.org/event/sc\\_meetings/](http://www.pempal.org/event/sc_meetings/)

## World Bank Task Team Leader

... is a representative of the World Bank responsible for approving activities within PEMPAL World Bank administered budget and assuring overall budget implementation.

## PEMPAL Secretariat

World Bank (Moscow Office)

## Resource Team

... is a group of thematic experts who provide professional expertise, coordination support, technical assistance, and strategic guidance on activities and events to the SC, EC and COP members. Each COP has a core Resource Team. Other international experts are engaged where necessary (as speakers at meetings, or to work on a specific thematic issue for example).

## Alumni

All members of the COPs, representatives of the donors as well as experts, who continue to stay engaged with PEMPAL even after their retirement from the position that made them eligible for participation in PEMPAL.

## PEMPAL events

Events are planned and devised by the ECs, and as such are included and budgeted in the COPs action plans.

[www.pempal.org/activities/](http://www.pempal.org/activities/)

## PEMPAL study visits

There are two types of study visits, Type A and Type B. The main distinction is based on the budget source from which the visit is paid.

[www.pempal.org/rules/](http://www.pempal.org/rules/)

## PEMPAL Plenary meetings

Cross – COP meetings either of members of either each COP, all three COPs, or their Executive Committees

[www.pempal.org/event/plenary\\_meeting/](http://www.pempal.org/event/plenary_meeting/)

## PEMPAL Regulations

- Operational Guidelines (formerly Rules of Operation)
- Guidelines for study visits
- Guidelines for events and social activities
- Budget management guidelines

[www.pempal.org/rules/](http://www.pempal.org/rules/)

## PEMPAL Resource materials

PEMPAL encourages creation of resource materials to help members of the COPs improve skills and knowledge, and facilitate change.

Knowledge Products

[www.pempal.org/knowledge-product-list](http://www.pempal.org/knowledge-product-list)

Virtual library

[www.pempal.org/library/](http://www.pempal.org/library/)

Glossary of terms

[www.pempal.org/glossary/](http://www.pempal.org/glossary/)

## PEMPAL Strategy

Launched in September 2012, provides guidance for PEMPAL activities in 2012 – 2017. Addendum agreed by Executive during 2015.

[www.pempal.org/strategy](http://www.pempal.org/strategy)

## Monitoring and evaluation

Annual Reports

[www.pempal.org/reports/](http://www.pempal.org/reports/)

2012 External Evaluation

[www.pempal.org/evaluation/](http://www.pempal.org/evaluation/)

PEMPAL Strategy 2012-17 Mid-Term Review

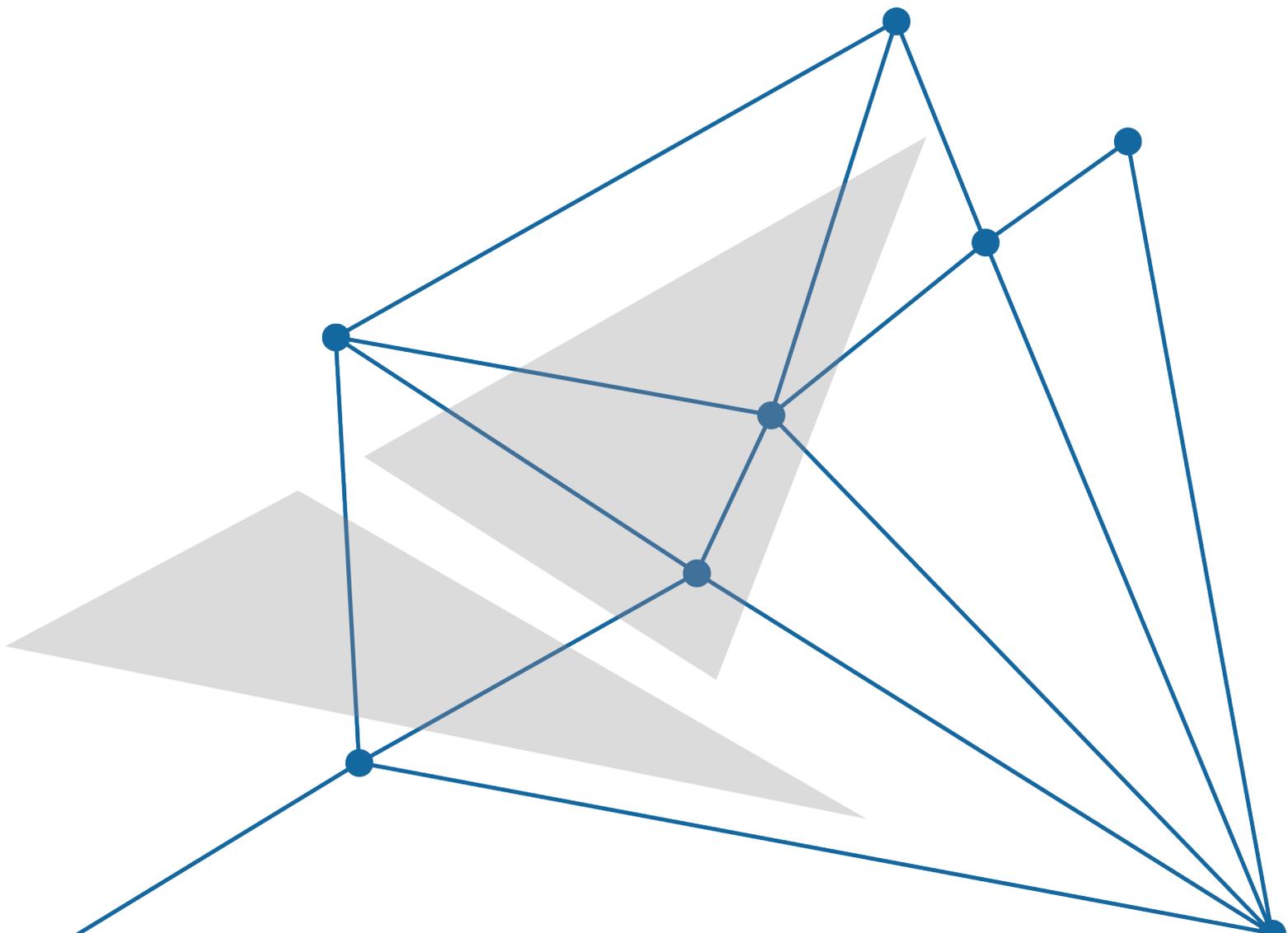
[www.pempal.org/event/read/144](http://www.pempal.org/event/read/144)

PEMPAL Strategy 2017-22 Development Discussions

[www.pempal.org/events/pempal-cross-cop-executive-meeting](http://www.pempal.org/events/pempal-cross-cop-executive-meeting)



# PEMPAL IN 2014, 2015 AND 2016



**TABLE 7: PEMPAL IN 2014, 2015 AND 2016**

	CY 2014	CY 2015	CY 2016
<b>Face-to-face events</b>	3 Plenary 11 small group 1 cross-COP (members) 5 study visits	2 Plenary 7 small group 1 cross-COP (executive) 6 study visits	3 Plenary 9 small group 1 cross-COP (executive) 1 study visit
<b>Videoconferences</b>	8	12 <sup>19</sup>	4
<b>Total Number of Events</b>	27	28	18
<i>(of which WG meetings)</i>	<i>(10)</i>	<i>(19)</i>	<i>(14)</i>
<b>PEMPAL participants by agenda</b> (from member countries)	831	612	613
<b>PEMPAL participants by location<sup>20</sup></b> including VCs (from member countries)	759	561	517
<b>Hosting countries</b>	13	14 <sup>21</sup>	8 <sup>22</sup>
<i>(of which PEMPAL member countries)</i>	<i>(7)</i>	<i>(7<sup>23</sup>)</i>	<i>(5<sup>24</sup>)</i>
<b>Total event expenses (gross)</b>	USD 1.9 million	USD 1.1 million	USD 1.2 million
<b>Net expenses/participant/event</b>	USD 1,983	USD 1,371	USD 1,775
<b>Gross expenses/participant/event</b>	USD 2,481	USD 1,963	USD 2,294
<b>Overall satisfaction with events</b>	4.6 – 5.0 / 5.0	4.1 – 5.0 / 5.0 <sup>25</sup>	4.6– 4.9 / 5.0
<b>Appreciate learning from peers</b>	4.1 – 4.8 / 5.0	3.5 – 4.8 / 5.0	4.2– 4.6 / 5.0
<b>Knowledge level appropriate</b>	4.2 – 4.9 / 5.0	4.0 – 4.8 / 5.0	4.6 – 4.9 / 5.0
<b>Topics applicable for work</b>	4.0-5.0 / 5.0	4.0-4.7 / 5.0	4.0-4.7 / 5.0
<b>Event participation active<sup>26</sup></b>	1.7-1.0U	Active: 15—100% Average: 0—85% Passive: 0—17.6%	Active: 52—89% Average: 11—46% Passive: 0—9%
<b>PEMPAL website: # of visits</b>	11,518	13,666	N/A
<b>PEMPAL website: # of page views</b>	50,106	67,225	N/A

19 Excluding all individual SC and Executive Committee meetings.

20 Participants by agenda, count the participant for each event if that event has a different objective and expected results. For example, if a member attended three meetings held in the one location (back-to-back), they would be counted three times by agenda (to report to donors and stakeholders on achieving results). Whereas, by location, the member would only be counted once. This latter classification is used for average cost calculations.

21 Includes Austria (2), Armenia (2), South Africa, South Korea, Moldova, Poland, Albania, Netherlands, Kyrgyz Republic, Georgia, France and Croatia.

22 Includes Belarus (2), Czech Republic, France, Moldova, Russia, Slovenia (2), Switzerland, and Turkey.

23 Includes Armenia (2), Moldova, Albania, Kyrgyz Republic, Georgia, and Croatia.

24 Belarus (2), Czech Republic (IACOP member), Moldova, Russia, and Turkey.

25 Average level of satisfaction for 2014 events was 4.76/5.0. Average level of satisfaction for 2015 events was 4.7/5.0.

26 Participation can vary depending on whether the member is new to the network; whether the country is advanced in the reforms under discussion; and the type of meeting it is (a smaller working group meeting as opposed to a plenary meeting). Event participation measure for 2014 was weighted average score with 1 active, 2 average, 3 passive, but approach for 2015 was simplified to show % of participants who indicated they were active, average or passive.



## **ATTACHMENT 1**

# **PEMPAL PERFORMANCE INDICATORS FOR 2015 AND 2016**

**TABLE 8: PEMPAL PERFORMANCE INDICATORS FOR 2015 - VALUED BY PRACTITIONERS AND DONORS**

1. Valued by practitioners and donors														
PEMPAL events (see legend)	1	2	3	4	5	6	7	8	9	10	11	12a	12b	13
<b>No. of people responding</b>	7	23	9	8	17	12	11	29	28	20	26	12	28	19
1.1. Overall satisfaction with event (1-5 scale)	4.7	4.8	4.9	4.9	4.1	4.9	4.8	4.7	4.6	4.8	4.8	4.7	4.5	5
1.2. Knowledge applicable to daily work (1-5 scale)	4.7	4.3	4.7	4.6	4	4.4	4.5	4.2	4.4	X	4.3	4.4	4.4	4.4
1.3. Event addressed issues important to my work (1-5 scale)	4.8	4.6	4.9	4.4	3.8	4.6	4.9	4.6	4.6	X	4.7	5	4.5	4.8
1.4. Learning from experience of other participants (1-5 scale)	4.5	4.3	4.8	4.3	3.5	4.3	4.5	4.5	4.6	4.3	4.5	4.3	4.4	4.8
1.5. Level appropriate for knowledge level (1-5 scale)	4.8	4.6	4.8	4.8	4	4.8	4.7	4.6	4.6	4.7	4.6	4.2	4.5	4.7
1.6. Participants with about equal prior expertise (1-5 scale)	4.3	3.9	3.9	4	3.8	4.5	3.9	4.3	3.8	4.4	3.8	3.8	3.7	4
1.7. Presentation relevant and useful (1-5 scale)	4.7	4.3	4.8	4.8	3.8	4.7	4.7	4.4	4.6	4.8	4.8	4.6	4.6	4.8
1.8. Event delivery vs. expectation (1-5 scale):	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Meet (%)	67	75	22	86	73	36	80	88	86	80	60	80	86	58
Exceed (%)	18	25	78	14	7	54	20	12	14	20	40	20	14	42
1.9. Donors providing financial contribution	Russian MoF, SECO													
1.10. Donors providing significant in-kind contribution	The World Bank, National Academy for Finance and Economics (Dutch MoF)													

Legend:

(1) TCOP, Austria, January;

(6) IACOP, Netherlands, May;

(11) TCOP, Georgia, October;

(2) BCOP, Armenia, February;

(7) BCOP, Poland, May;

(12a) IACOP RIFIX, Armenia, October;

(3) BCOP, South Africa, March;

(8) TCOP, Albania, May;

(12b) IACOP RIFIX=QA, Armenia, October;

(4) IACOP, Moldova, March;

(9) IACOP, Kyrgyz Republic, June;

(13) BCOP, Croatia, December.

(5) TCOP, South Korea, March;

(10) Ex-Com meeting, Austria, July;

Sources: Post-event surveys were conducted by the World Bank.

**TABLE 9: PEMPAL PERFORMANCE INDICATORS FOR 2015 - MEASURING ACTIVITY AND INTERACTION**

2. Measuring activity and interaction														
PEMPAL events (see legend)	1	2	3	4	5	6	7	8	9	10	11	12a	12b	13
<b>No. of people responding</b>	7	23	9	8	17	12	11	29	28	20	26	12	28	19
2.1. Quality of organization (1-5 scale)	5	5	4.7	4.9	4.8	5	4.9	4.9	4.8	4.5	4.6	4.3	4	4.8
2.2. Quality of administration (1-5 scale)	5	5	4.6	5	4.7	5	4.9	4.9	5.0	4.5	4.8	4.3	3.6	5.0
2.3. Time allowed for questions (1-5 scale)	4.1	4.7	4.9	4.4	3.9	4.6	4.5	4.2	4.2	4.6	4.4	4.1	4.3	4.2
2.4. Time allowed for discussions (1-5 scale)	4	4.5	4.8	4.5	4.1	4.6	4.6	4.4	4.5	4.6	4.8	4.1	4.5	4.4
2.5. First participation in COP event (%)	0	33	0	50	6	33	36	43	18	15	16	8	0	33
2.6. Event participation (1-5 scale):														
Active (%)	100	48	100	75	47	45	82	64	71	15	65	25	79	75
Average (%)	0	52	0	25	35	55	9	32	29	85	35	75	21	25
Passive (%)	0	0	0	0	18	0	9	4	0	0	0	0	0	0
2.7. Event duration (1-5 scale):														
Too short (%)	43	14	11	13	12	0	18	14	18	0	4	25	7	17
About right (%)	57	86	89	87	88	100	82	82	78	100	92	67	93	83
Too long (%)	0	0	0	0	0	0	0	4	4	0	4	8	0	0

Legend:

(1) TCOP, Austria, January;

(6) IACOP, Netherlands, May;

(11) TCOP, Georgia, October;

(2) BCOP, Armenia, February;

(7) BCOP, Poland, May;

(12a) IACOP RIFIX, Armenia, October;

(3) BCOP, South Africa, March;

(8) TCOP, Albania, May;

(12b) IACOP RIFIX=QA, Armenia, October;

(4) IACOP, Moldova, March;

(9) IACOP, Kyrgyz Republic, June;

(13) BCOP, Croatia, December.

(5) TCOP, South Korea, March;

(10) Ex-Com meeting, Austria, July;

Sources: Post-event surveys were conducted by the World Bank.

**TABLE 10: PEMPAL PERFORMANCE INDICATORS FOR 2016 - VALUED BY PRACTITIONERS AND DONORS**

1. Valued by practitioners and donors										
PEMPAL events (see legend)	1	2	3	4	5	6	7	8	9	10
<b>No. of people responding</b>	30	16	25	12	29	14	19	25	39	16
1.1. Overall satisfaction with event (1-5 scale)	4.7	4.8	4.6	4.8	4.8	4.7	4.9	4.8	4.8	4.6
1.2. Knowledge applicable to daily work (1-5 scale)	4.1	4.5	4.5	4.0	4.4	4.7	X	4.5	4.6	4.5
1.3. Event addressed issues important to my work (1-5 scale)	4.5	4.9	4.6	4.9	4.6	4.7	4.8	4.8	4.8	4.9
1.4. Learning from experience of other participants (1-5 scale)	4.5	4.6	4.3	4.4	4.6	4.2	4.3	4.5	4.5	4.2
1.5. Level appropriate for knowledge level (1-5 scale)	4.7	4.6	4.6	4.7	4.8	4.8	4.8	4.8	4.7	4.9
1.6. Participants with about equal prior expertise (1-5 scale)	4.0	3.9	3.7	4.5	4.1	4.2	4.4	3.8	3.7	4.1
1.7. Presentation relevant and useful (1-5 scale)	4.6	4.7	4.5	4.8	4.8	4.8	4.8	4.8	4.8	4.8
1.8. Event delivery vs. expectation (1-5 scale):	X	X	X	X	X	X	X	X	X	X
Meet (%)	86	63	86	90	69	83	79	83	79	100
Exceed (%)	13	37	14	10	31	17	21	17	21	0
1.9. Donors providing financial contribution	Russian MoF, SECO									
1.10. Donors providing significant in-kind contribution	The World Bank, National Academy for Finance and Economics (Dutch MoF)									

Legend:

- (1) BCOP, Belarus, February; (5) TCOP, Moldova, June; (8) TCOP, Belarus, October;  
 (2) TCOP, Turkey, March; (6) BCOP, Slovenia, June; (9) IACOP, Russia, October;  
 (3) IACOP, Czech Republic, March; (7) Cross-COP, Switzerland, July (meeting of network executive on network strategic issues); (10) BCOP, France, November.  
 (4) BCOP, Slovenia, April;

Sources: Post-event surveys were conducted by the World Bank.

**TABLE 11: PEMPAL PERFORMANCE INDICATORS FOR 2016 - MEASURING ACTIVITY AND INTERACTION**

2. Measuring activity and interaction										
PEMPAL events (see legend)	1	2	3	4	5	6	7	8	9	10
<b>No. of people responding</b>	30	16	25	12	29	14	19	25	39	16
2.1. Quality of organization (1-5 scale)	4.9	4.8	4.5	4.8	4.8	4.9	4.9	4.8	4.9	5.0
2.2. Quality of administration (1-5 scale)	4.9	4.9	4.6	5.0	4.9	5.0	4.9	4.8	5.0	5.0
2.3. Time allowed for questions (1-5 scale)	4.7	4.4	4.5	4.5	4.5	4.1	4.7	4.8	4.7	3.7
2.4. Time allowed for discussions (1-5 scale)	4.6	4.4	4.1	4.7	4.6	4.5	4.8	4.8	4.7	3.7
2.5. First participation in COP event (%)	27	19	20	46	24	29	11	24	18	13
2.6. Event participation (1-5 scale):										
Active (%)	60	81	52	73	63	71	89	54	77	63
Average (%)	37	19	44	18	30	29	11	46	23	38
Passive (%)	3	0	4	9	7	0	0	0	0	0
2.7. Event duration (1-5 scale):										
Too short (%)	3	13	24	18	7	36	5	21	10	56
About right (%)	93	88	76	82	85	64	65	79	87	44
Too long (%)	3	0	0	0	7	0	0	0	3	0

Legend:

(1) BCOP, Belarus, February;

(5) TCOP, Moldova, June;

(8) TCOP, Belarus, October;

(2) TCOP, Turkey, March;

(6) BCOP, Slovenia, June;

(9) IACOP, Russia, October;

(3) IACOP, Czech Republic, March;

(7) Cross-COP, Switzerland, July (meeting of network executive on network strategic issues);

(10) BCOP, France, November.

Sources: Post-event surveys were conducted by the World Bank.

**TABLE 12: PEMPAL EVENT EXPENSES**

	2013		2014		2015		2016	
	USD	%	USD	%	USD	%	USD	%
Transport	388,713	34	374,004	24.9	241,558	31.4	267,800	29.2
Accommodation	507,674	44	409,457	27.2	196,140	25.5	208,100	22.7
Meals			221,233	14.7	120,168	15.6	128,700	14
Translation / interpretation / moderation	195,368	17	192,541	12.8	134,883	17.5	185,400	20.2
Conference facilities			224,185	14.9	33,525	4.4	86,500	9.4
Other	53,902	5	83,409	5.5	42,829	5.6	41,300	4.5
<b>Total administrative and logistical expenses related to event organization (net)</b>	<b>1,145,657</b>	<b>100</b>	<b>1,504,829</b>	<b>100</b>	<b>769,104</b>	<b>100</b>	<b>917,797</b>	<b>100</b>
<b>Total administrative and logistical expenses (gross, incl. costs of secretariat and other administrative expenses not attributable to individual events)</b>	<b>1,484,955</b>		<b>1,883,210</b>		<b>1,101,079</b>		<b>1,185,797</b>	
Gross administrative and logistical expenses per participant	3,429		2,481		1,963		2,294	
Net administrative and logistical expenses per participant	2,646		1,983		1,371		1,775	
# of COP participants by event location (agenda)	433 (600)		759 (831)		561 (612)		517 (613)	



## **ATTACHMENT 2**

# **EVENT OBJECTIVES AND RESULTS BY COP**



# Budget Community of Practice

## Workshop of the Budget Literacy and Transparency Working Group on Approaches to Citizens Budget and Open Budget Index Success Factors

**Date:** 23 February 2016

**Location:** Minsk, Republic of Belarus

**Twenty-seven participants from 10 BCOP member countries** were joined by experts from the World Bank and the International Budget Partnership.

**The objective of the meeting** was for the Budget Literacy and Transparency Working Group to discuss approaches to citizens' budgets and Open Budget Index success factors.

**The results of the meeting** included an analysis of PEMPAL member performance in the 2015 Open Budget Index (OBI) which revealed that less than half the countries from the PEMPAL region have a citizens' budget. Therefore, the working group's leadership recognized the importance of lessons from countries, which had attempted to introduce or had successfully introduced citizens' budget. The agenda of the workshop included a presentation of the PEMPAL countries OBI survey 2015 results, delivered by the BCOP Resource

Team; global lessons, presented by an International Budget Partnership representative; as well as case studies by Romania, Russia (PEMPAL OBI 2015 champions) and Kyrgyz Republic (which demonstrated significant improvements in the OBI since the last 2012 assessment and which scored the highest in 'public participation' in the PEMPAL region based on the 2015 Open Budget Survey results). The meeting ended by the discussion on the challenges in producing citizens' budgets and key recommendations that should be included in PEMPAL Guidelines for Citizens' Budgets, which the leadership of the working group aims to finalize in FY17.

The agenda, presentations and distributed background materials (including translated country and IBP guidelines) are posted on the PEMPAL website:

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)

# Plenary Meeting of the Budget Community on Fiscal Rules for Effective and Sustainable Budgeting

**Date:** 24 - 26 February 2016

**Location:** Minsk, Republic of Belarus

**Forty-nine participants from 18 BCOP member countries** participated in the annual meeting of the Budget Community of Practice together with experts from the World Bank, IMF and OECD to discuss Fiscal Rules for Effective and Sustainable Budgeting.

**The objectives of the meeting** were to share PEMPAL and international approaches on the use of fiscal rules, their impact and lessons learnt; and to provide the opportunity for BCOP member countries to exchange experiences and discuss possible approaches and options to using fiscal rules in the context of discussion groups.

**The results of the meeting** included clarification of key concepts and implementation challenges by speakers from IMF, OECD and the World Bank on Day one. In addition, the BCOP Resource Team presented the results of a thematic member survey,

undertaken prior to the plenary meeting based on the relevant parts of the OECD budget practices and procedures survey. Small group discussions between participants were also held on options and solutions to key implementation challenges, which continued into the second day. Day two was also dedicated to country cases with presentations from Latvia, Sweden and three PEMPAL countries (Albania, Belarus and Russia). Updates on BCOP plans and results were also shared with members, including progress of work by the Budget Literacy and Transparency Working Group, and the proposed plan of work for the new Program and Performance Budgeting Working Group. Input was also sought by members to the FY18 BCOP Action Plan. The agenda and concept of the meeting including survey results, presentations and event report are available at:

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)



# Study Visit – Public Sector Pay Reforms and Wage Bill Management Practice

**Date:** 13 - 16 April 2016

**Location:** Ljubljana, Slovenia

**Twelve participants from six BCOP member countries** (Armenia, Belarus, Bosnia and Herzegovina, Croatia, Kyrgyz Republic, and Moldova) participated in this study visit.

**The objective of the meeting:** The BCOP Working Group on Wage Bill Management organized a study visit to review lessons from Slovenia public sector pay reforms and wage bill management practices. The visit provided a unique opportunity to hear details about Slovenian reforms and lessons from Slovenia Ministry of Public Administration and Ministry of Finance representatives.

The objective of this Working Group, launched in 2013, is to learn from international experience and exchange lessons PEMPAL countries learnt on how to address key challenges and vulnerabilities in countries public sector pay systems and wage bill management practices. Slovenia was identified as an interesting example of a country to learn from, as it undertook significant public pay system reforms during the mid-2000s, had to go through a 'stability' program after the crisis of 2008, and continues enhancing policy on public sector pay and wage bill management practices.

**The main results of the meeting:** A roundtable to discuss lessons learnt was held as part of the agenda and the hosts provided additional relevant documents on the policy and legislative framework that were posted on wiki for BCOP members. All participants noted an impressive level of transparency of public sector pay in Slovenia. As practitioners responsible for

planning compensation of employees, the participants recognized the benefits of pay transparency for wage bill analysis and planning. While some PEMPAL countries have undertaken civil service pay reforms (e.g. Moldova, Kyrgyz Republic, Armenia), the majority of participating countries admitted the need to reform pay in the public sector at large, where pay systems are too complex, lack transparency, and are difficult to manage. Meanwhile wages of public sector organizations employees in sectors funded by the government (e.g. in health and education) constitutes usually the largest share of the consolidated government wage bill and have higher impact on the wage bill dynamics.

All participants noted the importance of trade unions in pay reform but Slovenia experience of collective agreements and negotiations with trade unions was especially useful for Croatia, having a similar context. All participants were also impressed to learn about Slovenia's two IT systems, used for analysis of pay and pay policy setting by the Ministry of Public Administration and wage bill analysis and payroll management by the Ministry of Finance. The importance of pay monitoring and analysis for sustainability of wage bill management was acknowledged by all participants, although unfortunately not all participating countries have dedicated structural units, mandated to undertake analysis of public sector pay.

Materials can be found at

[www.pempal.org/events/study-visit-public-sector-pay](http://www.pempal.org/events/study-visit-public-sector-pay)



# OECD Performance Budgeting Survey workshop for the BCOP Program and Performance Budgeting Working Group / 12th Annual OECD Central, Eastern and South-Eastern Europe Senior Budget Officials (CESEE-SBO) meeting

**Date:** 27 - 29 June 2016

**Location:** Ljubljana, Slovenia

**Twenty participants from 14 member countries participated in the Working Group meeting followed by the back-to-back meeting of the annual OECD CESEE-SBO.** Countries included Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kyrgyz Republic, Moldova, Russian Federation, Serbia, Turkey, Ukraine, and Uzbekistan. Slovakia also attended as an observer in light of interest in PEMPAL and the OECD survey.

**The objective of the meeting:** BCOP is participating in the OECD Performance Budgeting survey to collect baseline information for the new PEMPAL Working Group on Program and Performance Budgeting, which has been recently established under BCOP in light of the priority of these reforms. To help with responding to the survey, BCOP and the OECD organized a workshop on 27 June 2016 to give the opportunity to the 13 member countries participating in the survey to ask questions of the OECD expert, regarding their preliminary survey responses.



After the workshop, members were also given the opportunity to attend the 12th annual OECD CESEE-SBO meeting, which was co-hosted by the OECD, Centre of Excellence in Finance (CEF) and the Slovenian Ministry of Finance. This meeting was held on the 28-29 June and covered issues related to effectiveness of PFM and public governance reforms, current challenges of

budgetary governance, fiscal transparency, and fiscal risks. Participants from OECD and PEMPAL member countries, OECD, PEFA Secretariat, World Bank, IMF, International Budget Partnership, GIFT, civil society organizations, and academia attending and input was also sought on OECD's draft 'Shared Toolkit on Budget Transparency', and proposed changes to the International Budget Partnership and PEFA indicators related to public participation.

**The results of the meeting:** BCOP OECD Workshop: Questions related to the OECD Performance Budgeting survey were clarified which will enable members to finalize their input to the on-line survey by the beginning of August. Data cleaning will then proceed, and a final report prepared to document and benchmark practices from within and outside the region. The results of survey participation will also be presented at the BCOP annual plenary meeting to be held in Kyrgyz Republic in 2017.

OECD CESEE-SBO meeting: Participation of BCOP in the OECD annual CESEE-SBO meetings gives the opportunity for members to share information and benchmark reforms with a wider representation of Ministries of Finance in the CESEE region who are members of this regional OECD network. PEMPAL is increasingly having larger roles in these meetings, with significant inputs to the SBO agenda made by the Russian Federation, Kyrgyz Republic and Croatia, which were facilitated through PEMPAL. Comments from PEMPAL were also provided on OECD's draft 'Shared Toolkit on Budget Transparency' and discussions held with OECD, GIFT and IBP on future cooperation including their proposed input to BCOP's draft knowledge product on breaking challenges to preparing Citizens Budgets with consultation with these international organizations expected to commence in September 2016, once the final draft of this BCOP knowledge product is approved by members. Materials from the workshop are available in the link below.

[www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group](http://www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group)

# Program and Performance Budgeting Working Group Workshop and the meeting of OECD Senior Budget Officials' Network on Performance and Results

**Date:** 23-25 November 2016

**Location:** Paris, France

**Nineteen participants from 13 BCOP countries from the Program and Performance Budgeting Working Group attended the workshop** (Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Kyrgyz Republic, Moldova, Russian Federation, Ukraine, and Uzbekistan). Some countries also participated in the 12th meeting of the OECD Senior Budget Officials' Network on Performance and Results, which was held after the workshop.

**The objectives were** to learn about the current state of affairs and plans of OECD countries in performance budgeting reforms and to also discuss the status of PEMPAL's reforms including participation in the OECD Performance Budgeting survey.

**The results of both events** included valuable exchange of experiences between PEMPAL and OECD countries, including reviewing the findings from performance budgeting cases of selected countries outlined in the World Bank's new report "Towards Next Generation Performance Budgeting: Reflections on the Experience of Seven Reforming Countries"; discussing in detail the French experience in performance budgeting implementation, presented by the Ministry of Finance of France; and the identification of key trends in spending reviews in selected OECD countries. In addition, the

group held roundtable discussions to reflect on lessons learnt, shared updates on the Working Group countries' developments, and decided on the future activities of the Group. Participants acknowledged that there was no unique, identical approach and it was a necessary step to define the objective of any program and performance budgeting reforms. The participants also noted the trend to simplify approaches and volume of performance information, focusing on the results and performance indicators that are significant both for the government and citizens. Nevertheless, they admitted that for budget users it would remain important to enhance monitoring practices and instruments to be able to monitor indicators on processes and business results, significant for achieving higher level government indicators. The participants also noted the importance of political support and clear communication mechanisms for successful implementation of performance budgeting reforms.

Materials can be found at: PEMPAL workshop

[www.pempal.org/events/program-and-performance-budgeting-working-group-workshop-and-meeting-oecd-senior-budget](http://www.pempal.org/events/program-and-performance-budgeting-working-group-workshop-and-meeting-oecd-senior-budget)

OECD Performance and Results Meeting

[www.dropbox.com/sh/ci5hx7gr8vtdtyl/AABYba0pJIQ41EF6XuijOCEma?dl=0](https://www.dropbox.com/sh/ci5hx7gr8vtdtyl/AABYba0pJIQ41EF6XuijOCEma?dl=0)





# Treasury Community of Practice

## Thematic Group Meeting on Cash Management

**Date:** 16 - 18 March 2016

**Location:** Ankara, Turkey

**Thirty-eight participants from 11 countries** (Albania, Azerbaijan, Belarus, Croatia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkey and Ukraine) attended the meeting of TCOP thematic group on Cash Management issues in Ankara, Turkey.

**The objective of the Ankara meeting** was to offer an opportunity to its members to deepen the understanding of selected issues of priority interest for the group based on experience of the hosting country, Turkey, and other member-countries invited to demonstrate their experience in this area.

**The results of the event** included participants' familiarization with the Turkish PFM system with particular emphasis on cash management and forecasting processes. The hosts highlighted the specific tools they have in place to optimize cash management and forecasting, including the use of ICT. Also, the links with debt including liquidity risk management, and how government interacts with the Central Bank and the bank payment systems in Turkey, were demonstrated during the first day of the event. At the end of the "hosts' day" participants identified a list of the strengths and challenges of the Turkish PFM and cash management system. During the second day of the event participants were familiarized with the main findings of the thematic survey on the Treasury Single Account,

cash management and forecasting issues, conducted among the TCOP countries prior the event. Day two continued with three country presentations on the TSA and cash management arrangements from Moldova, Albania and the Russian Federation. Participants also examined the issues of targeting the TSA balance and determining a cash buffer. The afternoon small group discussion session was focused on how to expand the operations of the TSA and whether countries can, and should, target the TSA balance and establish cash buffers. During this session TCOP members identified a list of problems faced by countries in extending the TSA coverage, suggesting various solutions for overcoming many of them. Also, participants identified a number of challenges in targeting the cash balance and creating a cash buffer.

Discussions on the future working plans of the thematic group were held on day three. A list of the key topics was identified for further discussions, including the role of the treasury in cash management, risk management as part of cash management, use of financial instruments for cash management, etc.

The summary of discussions, as well as the main results of the meeting can be found in the event report, posted on the PEMPAL website:

[www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management](http://www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management)

*Thematic Group Meeting on Cash Management, 16 - 18 March 2016, Ankara, Turkey*



## Thematic Videoconference on Use of Information Technologies in Treasury Operations

**Date:** 5 April 2016

**Twenty-two members of the thematic group from 8 countries** (Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russian Federation and Turkey) took part in the videoconference.

**The objectives of the meeting** were to discuss experience of Kazakhstan in maintaining FMIS system and also for the group to prepare for the next face-to-face meeting.

**The main results of the meeting** included clarification of Kazakhstan approach to outsourcing

FMIS maintenance. According to the existing legislation, information resources of national importance are supported by the single operator of the information and communication infrastructure, state owned company JSC "National Information Technologies". The group also formulated the agenda for its next face-to-face meeting planned for early June in Chisinau.

Materials of the meeting can be found at

[www.pempal.org/events/tcop-thematic-videoconference-use-information-technologies-treasury-operations-0](http://www.pempal.org/events/tcop-thematic-videoconference-use-information-technologies-treasury-operations-0)

# TCOP Plenary Meeting

**Date:** 1 - 3 June 2016

**Location:** Chisinau, Moldova

**The meeting was attended by fifty-six specialists representing 15 PEMPAL countries** (Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Russian Federation, Serbia, Tajikistan and Turkey). Observers from the Ministry of Finance of Slovakia and the Hungarian State Treasury also attended the meeting.

**The main objective of the meeting** was to discuss the evolving role of the government treasury function given the transition from a traditional manual processing environment to automation utilizing modern financial management information systems. The event also served as the forum for updating the TCOP activity plan for FY2017.

**The main results of the meeting** included TCOP members' familiarization with the recent evolution of the treasury system of the event hosting country – Moldova, as well as with its strategic plans for further development of the PFM system in general, and treasury in particular. Along with Moldova's case the meeting participants have been familiarized with experiences

of several participating countries in developing their treasury systems: Russian Federation, Georgia and Hungary. An overview of international trends in the treasury function evolution was also presented by the experts. The increasing role of Information technologies in performing treasury function was the focus of the last day of the event, when the plenary meeting was joined by the members of TCOP thematic group on Use of IT in Treasury Operations. The joint session offered participants a good opportunity to get familiar with Moldova's experience in developing its new financial management information system and using IT in providing various public services.

In addition to the thematic part of the event, the survey conducted among the meeting participants provided important information on the TCOP members' thematic priorities for the future events, which will be taken into account by the Executive Committee when confirming the COP activity plans.

Materials can be found at

[www.pempal.org/events/pempal-tcop-plenary-meeting](http://www.pempal.org/events/pempal-tcop-plenary-meeting)



# Meeting of the Thematic Group on Use of IT in Treasury Operations

**Date:** 3 - 4 June 2016

**Location:** Chisinau, Moldova

**Twenty-nine specialists representing 10 PEMPAL countries attended the meeting** (Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russian Federation, Tajikistan, Turkey and Ukraine) which was facilitated by the World Bank resource team working with TCOP.

**The objective of the meeting** was to offer to its members an opportunity to informally discuss key issues relating to use of ICT, particularly in relation to how it can better enable the changing role of the treasury function. The event also aimed to provide participants with comprehensive information on Moldova's experience in implementing the new FMIS.

**The main result of the meeting** was an in-depth examination of Moldova's experience in implementing new FMIS, with particular emphasis on lessons learnt. The Ministry of Finance went through a lengthy and challenging process of development of the new system. It initially contracted an external supplier to develop the system under the donor financed project but was not fully satisfied with the quality of the system developed by the supplier and opted to continue the development on its own. The new system was launched in operation on 1st January 2016. It is a web-based

system, accessed by nearly 9000 users at both central and local government levels, and built around the SAP platform which has been significantly modified to meet the government's specifications.

Participants were familiarized also with Moldova's government electronic payment service (MPay), launched in 2013. The government decided to modernize its relationship with the citizens by establishing electronic services accessible across the country. Two key reasons for the reform were the fight against corruption and also to provide a user-friendly interface for payments made by the large Moldovan diaspora living abroad. Discussions on the future working plans of the thematic group were also held. A series of videoconferences will be organized during the FY2017 for discussing the following topics:

- FMIS technical support in different countries;
- Project management, Change management, Risk management;
- FMIS modules (order of implementation, integration rules, etc).

Meeting materials can be found at

[www.pempal.org/events/tcop-meeting-thematic-group-use-it-treasury-operations](http://www.pempal.org/events/tcop-meeting-thematic-group-use-it-treasury-operations)



# Thematic Group Meeting on Public Sector Accounting

**Date:** 3-5 October 2016

**Location:** Minsk, Belarus

**Forty-five specialists representing 13 PEMPAL countries** attended the meeting (Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkey and Ukraine).

**The objectives of the meeting** were to offer an opportunity for TCOP members to deepen the understanding of the practical issues in aligning public sector accounting standards with IPSAS, and to exchange news on the progress of public sector accounting and reporting reforms in their countries. Another objective was to provide peer advice to the hosting country, Belarus.

**The main results of the meeting** included participants' familiarization with the latest Public Sector Accounting reform developments in the participating countries and broader in the region. Representatives

of Russia and Kazakhstan shared their recent progress and lessons learnt. The Bank team also shared the experience of supporting the design stage of similar reforms in Poland and updated the participants on the progress in formulation of an EU vision for public sector accounting standards. The event allowed Belarus representatives to get advice from the peers and experts on critically important questions they were struggling with in the process of formulating their public sector accounting reform strategy. Future working plans of the TCOP thematic group on Public Sector Accounting and Reporting were also discussed. The group members expressed their interest for further detailed discussions on specific IPSAS standards, including "Segment Reporting" and "Inventories", as well as on country-level practical implementation experiences.

Materials can be found at

[www.pempal.org/events/pempal-tcop-thematic-group-meeting](http://www.pempal.org/events/pempal-tcop-thematic-group-meeting)



## Thematic videoconference on Cash management

Date: 19 October 2016

**Thirty-six participants from 12 countries** (Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkey and Ukraine) took part in a three-hour videoconference on the subject of financial instruments used in cash management. The videoconference was centered around a presentation by the World Bank expert Mike Williams.

**The objective of the meeting** was to make an overview of the tools, which might be applied in cash management process. Preparation of the group's next face-to-face meeting in Moscow was also among the objectives for the videoconference.

**The main results of the meeting** included participants' familiarization with various cash management instruments commonly available for tuning the balance, both on the borrowing and investment side. Mr. Williams's presentation provided a useful reminder as to the key objectives and benefits that accrue from efficient cash management, and that the policy objectives do not happen in isolation from other policy objectives, such as those for fiscal, debt management and monetary policies. The importance of a TSA as a tool for centralized

cash management was acknowledged, with benefits of operating a single bank account, or network of linked accounts highlighted such as improved control and planning, reduced administrative burdens and more cost-effective management of cash. It also highlighted that once a TSA is in place, cash managers are better placed to forecast the balance, and subsequently to seek to "rough" or "fine" tune it, i.e. to smooth cash flows, reducing the volatility of the balance. Treasury bills (T-bills), particularly shorter-term (often 1-month) T-bills were usually the main instrument for rough tuning, whereas fine tuning involved more active management with a wider range of shorter term instruments, in particular sale and repurchase agreements (repo).

The TCOP Cash Management thematic group members decided to conduct a face-to-face meeting in early April 2017 in Moscow. Members inputs to the event concept and preliminary agenda were collected after the videoconference.

Materials can be found at:

[www.pempal.org/events/videoconference-pempal-tcop-thematic-group-cash-management-0](http://www.pempal.org/events/videoconference-pempal-tcop-thematic-group-cash-management-0)

## Thematic videoconference “Risks Management in Treasury Operations”

Date: 13 December 2016

**Twenty-seven participants from 8 countries** (Azerbaijan, Belarus, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan) took part in a two-hour videoconference on the subject of risk management in the Treasury. Mr. Alexei Solodov, Head of Department of Internal Control (Audit) and Performance Evaluation of the Federal Treasury of Russia delivered a presentation, followed by questions from participants.

**The objectives of the meeting** were to provide the TCOP members with information on the Russian Federation's experience in the treasury operations risks management. The videoconference served as a good start for launching the discussions on this topic within the TCOP.

**The main results of the meeting** included participants' familiarization with the Russian Treasury approaches in management of the risks related to treasury operations. The presentation delivered by Mr. Solodov helped participants to understand how the Russian Treasury has established the risk classification system, applied it to processes and how the system generates management and monitoring reports. It was demonstrated how the risk classification is determined: risk prone activities are highlighted, then the specific areas of risk are identified, and finally, the risk activities or events are given a classification. Participants learned also how the Russian Treasury determines the criteria for selecting which risks to monitor or mitigate, how the treasury system identifies risks, is there possibilities to identify the risks earlier than when payments are entered into the system, does the system interact with other systems etc.

Materials can be found at

[www.pempal.org/events/tcop-thematic-videoconference-%E2%80%9Crisks-management-treasury-operations%E2%80%9D](http://www.pempal.org/events/tcop-thematic-videoconference-%E2%80%9Crisks-management-treasury-operations%E2%80%9D)



# Internal Audit Community of Practice

## Plenary Meeting and “Internal Control - Implementation Challenges” Working Group Meeting

**Date:** 21 - 24 March 2016

**Location:** Prague, Czech Republic

**Eighty-one participants from 25 countries** met on their annual plenary dedicated to Internal Control implementation challenges.

**The objectives of the meeting** were to learn from experience in implementation of the public internal control (PIC) with focus on the Czech Republic; to share key recent developments in the internal audit in different regions and countries; to share the knowledge developed and report on the progress made in the IACOP working groups; and to introduce the IACOP updated strategy and the new Internal Control Working Group.

**The main results of the meeting:** IACOP shared key developments in the area of internal audit, both at the global level (update to the framework of internal auditing standards) as well as at the regional level. The Dutch and Belgian representatives explained the rationale and challenges behind their centralized model of internal audit. Russia, Romania, Kazakhstan, Montenegro, Armenia, Serbia, Bosnia and Herzegovina, Moldova and Croatia shared their progress, challenges and ambitions which showed a lot of efforts made and goals achieved with the help of the PEMPAL Internal Audit Community of Practice.

Participants learned how other countries have implemented public internal control. Members exchanged ideas following presentations from the European Union, South Africa, Brazil, Belgium and the Czech Republic. Specific attention was given to how accountability can be ensured within the system of internal control. Participants also learned that the effectiveness of the internal control model is directly related to the culture and maturity of a country with regard to risk, control and audit. The host, the Czech Ministry of Finance, presented its status and challenges on the implementation of public internal control. These challenges were taken up by the various discussion groups, which in turn gave feedback and advice to our Czech colleagues on how to progress.

The Concept Paper on the relationship of Internal Audit with Financial Inspection and the Supreme Audit Institution was also discussed at the meeting, including models of practical application.

The latest knowledge product was presented, the quality assessment and improvement toolkit for public sector internal audit. This product is the end result of a series of workshops where participants learned from their peers how to raise the bar with regard to the effective implementation of good internal audit practices in their respective countries. A few countries explained how they are already using this toolkit as a guide to improve their internal audit functions.

**Forty-six participants from 24 countries** attended the meeting of the working group on Internal Control.

**The objectives of the meeting** were to introduce the new Internal Control Working Group (ICWG) and to share key principles and understanding of Public Internal Controls from EU among members; to clarify definitions and key players in the PIC area; and to agree on the next steps of the ICWG.

**The main results of the meeting:** A new working group on Internal Control was introduced, whereby the participants had the opportunity to express their priorities with regard to the scope of the working

group. IACOP members are aiming at developing, through their learning and sharing of experience, a Position Paper on the role of internal audit and the Central Harmonization Unit (CHU) in the assessment and development of Public Internal Control. Members intend to identify guidance and good practices, which could be used by IACOP member countries as a reference.

Presentations, as well as the main results of the meeting which have been captured in a Communique, can be found in the event summary report, posted on the PEMPAL website:

[www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges](http://www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges)



# Relationship of internal audit with financial inspection and external audit (RIFIX) Working Group meeting

**Date:** 17 October 2016

**Location:** Moscow, Russia

**Fifty-four members of the working group from 20 PEMPAL countries attended the meeting.**

**The objectives of the meeting** were to bring together members of the RIFIX Working Group to share progress and to determine future work.

**The main results of the meeting included:**

- Finalizing and endorsing the RIFIX Concept Paper - the IACOP good practice document summarizing the results of work in the RIFIX Working Group;

- Learning good practices in RIFIX and the key recent developments in the countries in ECA region and beyond;
- Discussing survey results on progress made in application of good RIFIX practices in the member countries since the inception of the RIFIX Working Group; and
- Elaborating the potential for further roll out of the good practice RIFIX Concept Paper.

Materials can be found at

[www.pempal.org/events/rifix-and-internal-control-wg-meeting](http://www.pempal.org/events/rifix-and-internal-control-wg-meeting)



## Internal Control Working Group meeting

**Date:** 18-19 October 2016

**Location:** Moscow, Russia

**Fifty-four members of the working group from 20 PEMPAL countries attended the meeting.**

**The objectives of the meeting** were to bring together members of the Internal Control Working Group to share member countries' good practices in internal control and to discuss next steps for the Working Group.

**The main results of the meeting** included discussing the COSO Framework's 17 principles of effective internal control to establish those most relevant for the public sector; and to learn how countries have addressed implementation challenges in internal control. Future work was also discussed which included the initiation of work to establish a glossary for internal control.

Materials can be found at

[www.pempal.org/events/rifix-and-internal-control-wg-meeting](http://www.pempal.org/events/rifix-and-internal-control-wg-meeting)



## **ATTACHMENT 3**

# **LINKS TO KEY RESOURCES DEVELOPED AND SHARED**

During 2016, PEMPAL shared and translated many documents to support translations as outlined in the table below. Links to key documents are provided below and can be found on the PEMPAL website in the network's official languages of English, Russian and Bosnian-Croatian-Serbian.

[www.pempal.org](http://www.pempal.org)

**TABLE 13: PEMPAL DOCUMENTS SHARED/TRANSLATED**

Documents Shared/Translated	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>PFM related PowerPoint and text presentations</b>	75	54	15	31	175

## Budget Community of Practice

Research on latest trends and issues related to fiscal rules, provided in concept note for plenary meeting. Can be found under 'Concept Note and Agenda' folder at:

[www.pempal.org/events/bcop-plenary-meeting-fiscal-consolidation](http://www.pempal.org/events/bcop-plenary-meeting-fiscal-consolidation)

Status of reforms in BCOP member countries on application of fiscal rules (as captured in informal pre-meeting thematic survey results based on relevant section of OECD budget practices and procedures survey). Presentation of survey results can be found under 'Materials' folder at:

[www.pempal.org/events/bcop-plenary-meeting-fiscal-consolidation](http://www.pempal.org/events/bcop-plenary-meeting-fiscal-consolidation)

The Power of Making it Simple: A Government Guide to Developing Citizens Budgets, International Budget Partnership (IBP), April, 2012. These guidelines can be found under 'Documents' folder at:

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)

Citizens' Budget of Kyrgyz Republic. Refer to document posted under 2015 minutes at:

[www.pempal.org/about/governance/ex-com-bcop](http://www.pempal.org/about/governance/ex-com-bcop)

OBI 2015 rankings tables (Graph rankings; and Annex C and D: Available English and Russian). Example of IBP country level result report for Georgia:

[www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/full-report/](http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/full-report/)

Guidelines of the Russian Federation on Citizens' Budget (September, 2015). These guidelines can be found under 'Documents' folder at:

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)

Recommendations on Citizens Budget (prepared for Moldova Ministry of Finance), 2013, Analytical Center "Expert Group", Moldova. These guidelines can be found under 'Documents' folder at:

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)

Kyrgyz Republic, 2014 Methodology for Development of a Citizens' Budget in the Kyrgyz Republic translations available under 'Documents' folder at

[www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group](http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group)

OECD Regulatory Review of the Public Sector Salary System in Slovenia available on BCOP wiki:

- Slovenia: Public Sector Salary System Act; Collective Agreement; Decree on Promotion to Salary Grades available on BCOP wiki;
- OECD Performance Budgeting Survey and related Glossary available at

[www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group](http://www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group)

- Presentations from the 12th annual OECD CESEE-SBO meeting including OECD's draft 'Shared Toolkit on Budget Transparency' available at

[www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group](http://www.pempal.org/events/meeting-pempal-budget-community-practice-bcop-program-and-performance-budgeting-working-group)

- Study visit to Slovenia to examine public sector pay reforms and wage bill management practices. Materials from study visit available at

[www.pempal.org/events/study-visit-public-sector-pay](http://www.pempal.org/events/study-visit-public-sector-pay)

Additional materials on public sector pay management provided by Slovenian Government (available in English, Slovenian and Russian, and posted on BCOP wiki):

- Public Sector Salary System Act
- Decree on Promotion to Salary Grades
- Collective Agreement

Materials from the videoconference on Citizens Budget Knowledge Product development:

[www.pempal.org/events/budget-literacy-and-transparency](http://www.pempal.org/events/budget-literacy-and-transparency)

Documents and presentations related to program and performance budgeting from the meeting of the BCOP Working Group.

[www.pempal.org/events/program-and-performance-budgeting-working-group-workshop-and-meeting-oecd-senior-budget](http://www.pempal.org/events/program-and-performance-budgeting-working-group-workshop-and-meeting-oecd-senior-budget)



# Treasury Community of Practice

Summary of results of PEMPAL member countries Survey on Treasury Single Account

[www.pempal.org/sites/pempal/files/event/attachments/tcop\\_tsa\\_thematic\\_survey\\_report\\_eng.docx](http://www.pempal.org/sites/pempal/files/event/attachments/tcop_tsa_thematic_survey_report_eng.docx)

Materials from the meeting of the TCOP thematic group on Cash Management – Country Cases (Turkey, Albania, Moldova, Russian Federation) and Event Report

[www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management](http://www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management)

Materials from TCOP Plenary meeting on Evolution of the Role and Functions of the Treasury, including the event Report

[www.pempal.org/events/pempal-tcop-plenary-meeting](http://www.pempal.org/events/pempal-tcop-plenary-meeting)

Materials discussed during the TCOP workshop on Use of Information Technologies in Treasury Operations – case of Moldova, and event Report

[www.pempal.org/events/tcop-meeting-thematic-group-use-it-treasury-operations](http://www.pempal.org/events/tcop-meeting-thematic-group-use-it-treasury-operations)

Presentation from the VC on Use of Information Technologies in Treasury Operations – case of Kazakhstan, and event Report

[www.pempal.org/events/tcop-thematic-videoconference-use-information-technologies-treasury-operations-0](http://www.pempal.org/events/tcop-thematic-videoconference-use-information-technologies-treasury-operations-0)

Materials from thematic meeting on Public Sector Accounting and Reporting, including the Event Report.

[www.pempal.org/events/pempal-tcop-thematic-group-meeting](http://www.pempal.org/events/pempal-tcop-thematic-group-meeting)

Presentation from videoconference on Cash Management and Summary of discussions.

[www.pempal.org/events/videoconference-pempal-tcop-thematic-group-cash-management-0](http://www.pempal.org/events/videoconference-pempal-tcop-thematic-group-cash-management-0)

Presentation from videoconference on Risks Management and Summary of discussions.

[www.pempal.org/events/tcop-thematic-videoconference-%E2%80%99Crisks-management-treasury-operations%E2%80%9D](http://www.pempal.org/events/tcop-thematic-videoconference-%E2%80%99Crisks-management-treasury-operations%E2%80%9D)



# Internal Audit Community of Practice

Materials from the Plenary meeting of the IACOP and Communique

[www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges](http://www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges)

Materials from the meeting of the IACOP thematic working group on Internal Control

[www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges](http://www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges)

Quality Assessment Guide for Public Sector Internal Audit

[www.pempal.org/sites/pempal/files/event/attachments/qag\\_eng.docx](http://www.pempal.org/sites/pempal/files/event/attachments/qag_eng.docx)

Documents and presentations related to the meetings of the RIFIX Working Group and the Internal Control Working Group.

[www.pempal.org/events/rifix-and-internal-control-wg-meeting](http://www.pempal.org/events/rifix-and-internal-control-wg-meeting)

Concept Paper on Relationship of Internal Audit with Financial Inspection and External Audit - the IACOP good practice document summarizing the results of work in the RIFIX Working Group.

[www.pempal.org/knowledge-product-list](http://www.pempal.org/knowledge-product-list)

IA COP Newspaper 1st and 2nd edition.

[www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges](http://www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges)



# Cross-COP

Presentations and documents from the PEMPAL Cross-COP Executive Meeting

[www.pempal.org/events/pempal-cross-cop-executive-meeting](http://www.pempal.org/events/pempal-cross-cop-executive-meeting)







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Education and Research EAER  
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