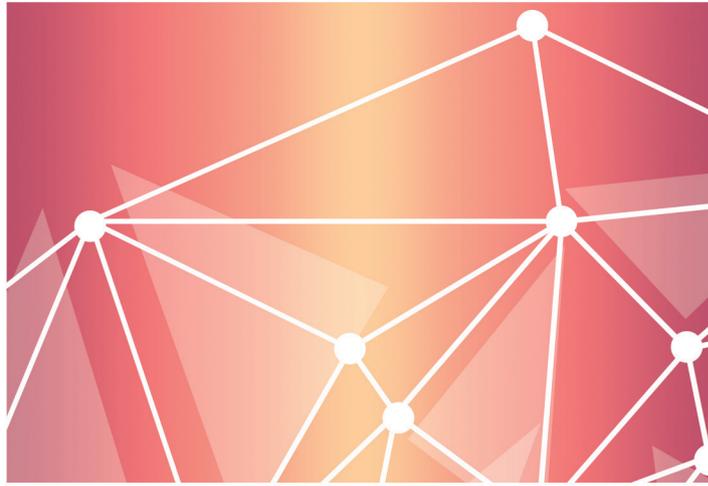


PEMOPAL



ANNUAL  
REPORT  
2020

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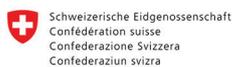
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# PEMPAL ANNUAL REPORT 2020



Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO



MINISTRY OF FINANCE  
OF THE RUSSIAN FEDERATION



European Union

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# ABBREVIATIONS



<b>BCOP</b>	Budget Community of Practice
<b>COP</b>	Community of Practice
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission
<b>ECA</b>	Europe and Central Asia Region
<b>FY</b>	Fiscal Year
<b>IACOP</b>	Internal Audit Community of Practice
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ICT</b>	Information and Communication Technologies
<b>IT</b>	Information Technologies
<b>MDTF</b>	Multi-Donor Trust Fund
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PEMPAL</b>	Public Expenditure Management Peer Assisted Learning
<b>PFM</b>	Public Finance Management
<b>SECO</b>	Swiss State Secretariat of Economic Affairs
<b>TCOP</b>	Treasury Community of Practice
<b>VC</b>	videoconference
<b>WB</b>	World Bank

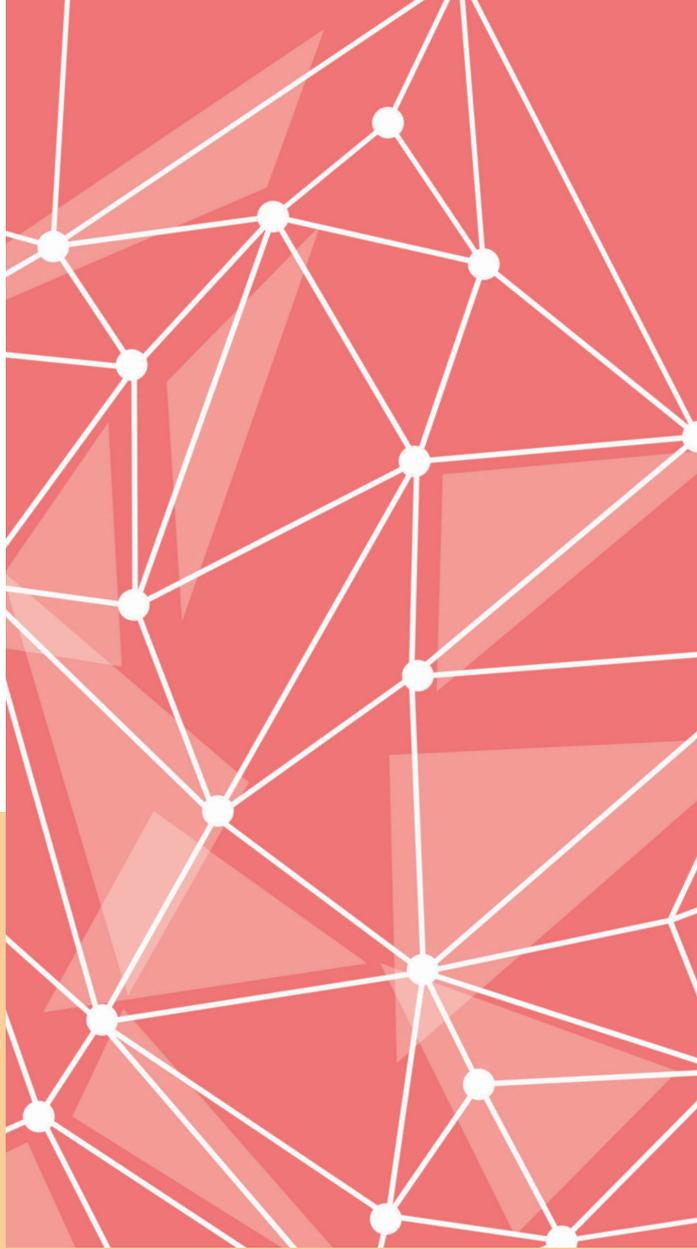
# OBITUARY



It is with deep sadness that we acknowledge the death of Angela Voronin, Chair of the Treasury Community of Practice, on September 15, 2020.

Angela was serving as a State Secretary of the Ministry of Finance of Moldova at the time of her passing. Her PEMPAL colleagues knew her as a dedicated treasury professional and committed leader. Her professionalism, hard work, and dedication to the concept of peer learning helped to shape the Treasury Community and to develop the network into one of the most successful examples of regional peer learning. She was highly respected in the PEMPAL network for her ability to create a culture of trust and open discussion and her commitment to improving treasury operations following good international practices.

Angela will be remembered for her great and kindhearted personality. She was a good friend to so many. Angela had a passion for life, and everyone who knew her will forever remember her ever-present smile and kindness of spirit.



# FOREWORD

It is an honor and pleasure to present to our stakeholders and the public at large the Annual Report of the Public Expenditure Management Peer Assisted Learning (PEMPAL) network for fiscal year 2020. At the outset of this reporting period the network and its members from the Europe and Central Asia region looked forward to building on the successes achieved together over the past years in making better use of public funds through improved public finance management practices. By evaluating the development and functioning of the unique PEMPAL knowledge sharing platform we were poised to draw lessons for further strengthening its effectiveness, outreach, and sustainability.

PEMPAL has been impacted by the ongoing global COVID-19 pandemic, which has profoundly challenged all of us, in our organizations and as countries, but also in our international cooperation. The need to mobilize, allocate, and control enormous fiscal resources in a very short time, to enable the health and economic measures necessary to cope with the crisis, have taxed PEMPAL members to the maximum. Nevertheless, with the unceasing effort and great flexibility demonstrated by the Communities of Practice leadership as well as the PEMPAL Resource Team and Secretariat alike, the PEMPAL network is holding up well in these extraordinary circumstances and has been able to provide timely support and continued possibilities for knowledge exchange, including through organizing several virtual events at the end of FY20. On behalf of the PEMPAL Steering Committee, I'd like to extend my heartfelt gratitude to all those that have and continue to contribute to this common good. In particular, I thank my predecessor as Chair, Ms. Anna Valkova from the Ministry of Finance of the Russian Federation, for her excellent stewardship during the reporting period.

Our network also experienced a tragic loss. We were profoundly shocked by the news of the death of former Treasury Community of Practice Chair Ms. Angela Voronin. I have conveyed my sincere condolences on behalf of the PEMPAL network, representatives of member countries, and on my personal behalf to her government, colleagues, and family. Ms. Voronin was proactively engaged with the PEMPAL program from its inception as representative of the Republic of Moldova. She was highly respected in the TCOP for her ability to create the culture of trust and open discussion on which PEMPAL is based. Through her professionalism and hard work, she helped to develop the network into one of the most successful regional peer learning initiatives. Angela was a good friend to so many and will be greatly missed.

In these difficult times it is especially important that we continue to work together to address challenges and share experience. With the EU having recently joined the Russian Federation and Switzerland as donors, and with growing contributions from its members, but most of all with the active participation of practitioners from all member countries, I feel confident that the PEMPAL network will continue to flourish.

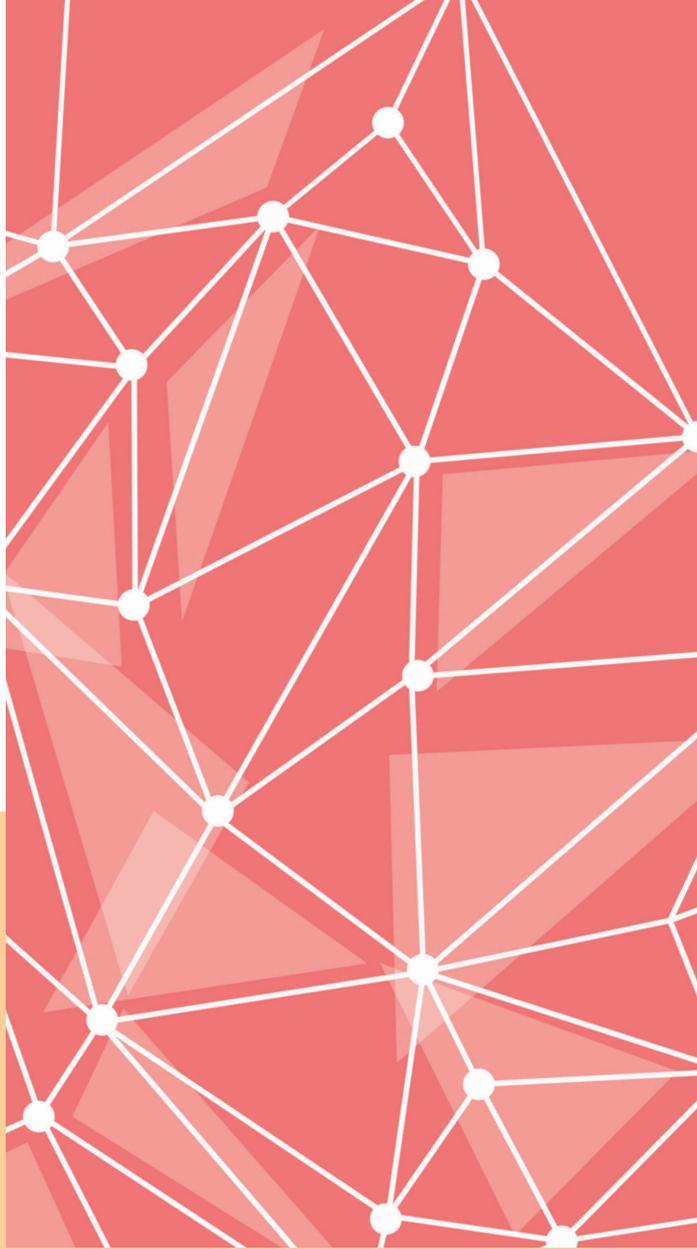


**Thomas Stauffer**

Chair, PEMPAL Steering Committee

State Secretariat for Economic Affairs SECO, Switzerland

A handwritten signature in blue ink that reads "Th. Stauffer". The signature is written in a cursive, slightly stylized font.



# EXECUTIVE SUMMARY

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

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

## **The rapid spread of the COVID-19 pandemic across continents in early 2020 and the imposition of unprecedented measures to fight it had a severe impact on PEMPAL activities.**

Members were unable to travel to join in-person meetings and faced huge demands in the work environment to tackle the impact of the pandemic. PEMPAL responded quickly by organizing online events (including focused on COVID-19 responses) at the height of pandemic restrictions in April, May, and June 2020, which were well attended and well received by participants. Moving meetings online enabled PEMPAL to go forward with many of its activities (with the exception of the plenary meetings) and remain relevant to its members.

## **The Fiscal Year (FY) 2020 PEMPAL Annual Report records progress in applying good and improved PFM practices developed, promoted, or shared through PEMPAL.**

During FY20, from July 1, 2019 to June 30, 2020, 576 participants from 23 PEMPAL member countries attended events, including face-to-face meetings, network exchanges, and videoconference meetings, including smart interactive talks. Strong member country commitment was evident from member countries' willingness to host PEMPAL events and invest significant resources into their organization (including for the planned plenary meetings in Tashkent and Nur-Sultan, which had to be postponed), as well as from member countries in delegating key staff to attend and contributing to PEMPAL events, developing PEMPAL knowledge products, and serving on the COP Executive Committees. Three of the four face-to-face events in FY20 took place in PEMPAL member countries with some events arranged back-to-back to achieve cost

efficiencies. There is also growing evidence of member country representatives actively engaging in developing and delivering event agendas and knowledge products, and leading the thematic groups, to advance reforms in their countries.

## **The BCOP focused on comprehensive performance budgeting systems, public participation resources, and budget-related responses to COVID-19.**

It organized five events in FY20, including one face-to-face event and four videoconferences, as well as participation in two face-to-face network exchanges within events organized by the Organization for Economic Cooperation and Development (OECD). Key themes were: i) formulating concrete recommendations for performance budgeting and spending review systems; ii) preparing a technical resource manual for public participation reforms; iii) examining ways for capturing citizens' satisfaction, perceptions, and engagement in performance indicators; and iv) exchanging advice among PEMPAL countries and with international organizations on budget-related responses to the COVID-19 emergency and examining its overall impact on budgeting reforms in the thematic areas of the BCOP's two working groups. The BCOP worked on finalizing two large analytical knowledge products (one was published in late FY20 and the other in early FY21).

## **The TCOP focused on national treasuries' activities, reforms, and trends.**

There were seven TCOP events in FY20, including one face-to-face event and six videoconferences. Key themes were i) the centralized model of public sector accounting and reporting, including the information technology aspects of such initiatives; ii) how the chart of accounts interacts with integrated financial management information system to better support reporting requirements, iii) capabilities of the financial management information systems to improve commitment management and prevent government arrears; iv) internationally recognized sound practices in cash management and liquidity planning, including approaches for setting and managing liquidity buffers; and iv) ensuring business continuity of the treasuries' operations during and after the COVID-19 pandemic. During FY20 the TCOP worked on a new and comprehensive knowledge product for public financial management practitioners providing various tips for optimization of the chart of accounts design in their countries (to be published in FY21).

**The IACOP continued to support the establishment of modern and effective internal audit systems in member countries and contributed to formulating the internal audit response to the COVID-19 pandemic.**

The IACOP met once face-to-face and three times virtually in FY20. Key topics discussed during these events included: i) good practices in the reporting phase of the internal audit engagement process and exploring the role of the internal audit function in detecting fraud and corruption; ii) practical tools applied in the public sector for implementing COSO principles related to risk management and control activities; iii) internal audit during the COVID-19 pandemic; and iv) key performance indicators for internal audit activity: collecting and analyzing qualitative and quantitative data. During FY20, the IACOP developed and published four knowledge products and is finalizing one more for publication in FY21.

**Feedback from PEMPAL participants was overwhelmingly positive.**

Post-event surveys revealed that participants highly appreciated the opportunities to learn and exchange knowledge with peers and international experts. They reported that PEMPAL contributed to improving their professional knowledge and skills. Beside the post-event surveys, PEMPAL launched an independent evaluation of the program in FY20, which will feed into a mid-term review of the current strategy implementation. The external evaluation will assess progress in achieving strategy results, outcomes, impact, and provide respective recommendations. One of the key areas would be the discussion on how to achieve the optimal learning mix in the pandemic environment, as online events can't be a full substitute for the face-to-face events. Both the evaluation and mid-term review will be completed in FY21.

**FY20 events attracted high-level involvement from member countries.**

Meetings hosted by member countries were opened at a senior level and attended by high-level officials. Overall, 13 senior officials from member countries attended four PEMPAL face-to-face events in FY20.

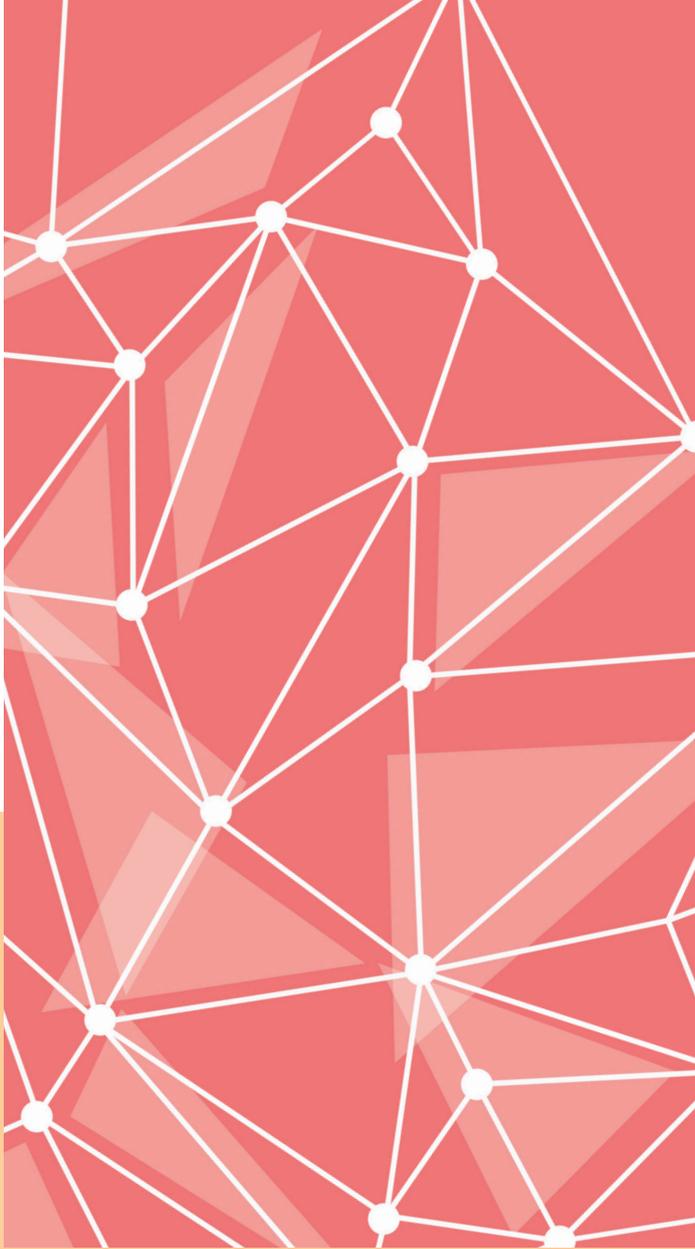
**PEMPAL continued to benefit from significant support from its development partners in FY20, including the World Bank, the Swiss State Secretariat for Economic Affairs SECO, the Ministry of Finance of the Russian Federation, the OECD, and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands.**

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

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

PEMPAL is proud of its achievements in FY20, including its ability to adapt quickly to the COVID-19 pandemic. PEMPAL remained relevant by continuing its activities online, using a platform with a simultaneous interpretation into PEMPAL languages, and adapting the content to respond to participants' needs. The virtual events had a high level of participation (on par with the small group face to face events) and were rated highly by those who joined. At the same time, it is important to recognize that while online events were a good solution during the unprecedented emergency situation, they can't be a full substitute for the face-to-face meetings in the long run. Finding the solution in the continued pandemic environment would be the main challenge in FY21 in order to further build on the effectiveness and efficiency of the network.





1

# BACKGROUND AND SCOPE

**The PEMPAL network facilitates the exchange of professional experience and knowledge transfer among PFM practitioners across countries in the ECA region.**

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

**PEMPAL members are government officials from ministries of finance, national treasuries, and other related central agencies of 23 ECA countries,**

including Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic,<sup>1</sup> Georgia, Hungary,<sup>1</sup> Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, the Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan. Members' responsibilities include government budget planning, preparation, execution and monitoring, and coordination/harmonization of the internal audit and internal control function.

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

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

**PEMPAL is organized around three thematic COPs focusing on budget, treasury, and internal audit issues.**

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

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

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

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

- Governments of PEMPAL member countries use public resources more efficiently and effectively as a result of applying good and improved PFM practices developed, promoted, or shared within the PEMPAL network.

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

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

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

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

<sup>1</sup> Partial membership in one community of practice only (IACOP).

**FIGURE 1: PEMPAL RESULTS FRAMEWORK 2017-22**



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

- Three thematic COPs – on budget (BCOP), internal audit (IACOP), and treasury (TCOP) – are each led by an Executive Committee of volunteer members from PEMPAL countries who drive and steer the network on behalf of members;<sup>2</sup>
- A Steering Committee including COP chairs/deputy chairs and donor representatives provides strategic oversight and direction;<sup>3</sup>

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

<sup>2</sup> Attachment 2 provides the list of the members of Executive Committees as of end-June 2020.

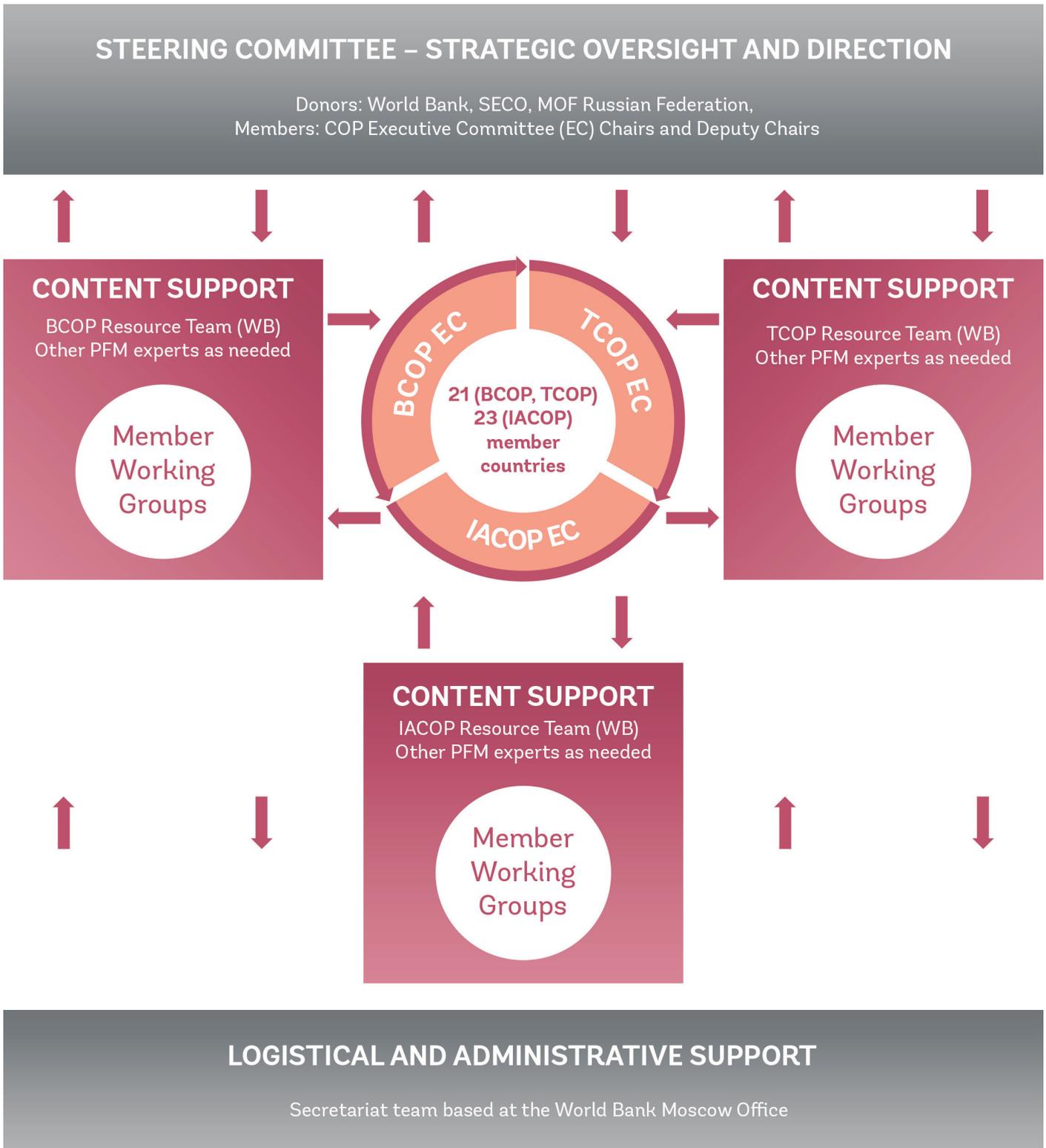
<sup>3</sup> Attachment 3 provides information on the composition of the Steering Committee as of end-June 2020.

**PEMPAL continues to benefit from significant support from its development partners, including the World Bank, SECO, the Ministry of Finance of the Russian Federation, the OECD, and the National Academy**

**for Finance and Economics under the Ministry of Finance of the Netherlands.**

In FY20, the program was funded through a MDTF administered by the World Bank and financed by contributions from the two main donors: SECO and the Ministry of Finance of the Russian Federation.

**FIGURE 2: PEMPAL GOVERNANCE STRUCTURE**



**PEMPAL is accountable for the use of donor funds, so it must ensure it meets the needs of all its key stakeholders and executes its budget at minimum cost with maximum impact while complying with its approved fiduciary framework.** To ensure accountability, PEMPAL continues to use a range of tools and processes for monitoring, measuring, and evaluating its performance and relevance.<sup>4</sup> For example, the Steering Committee reviews and approves COP action plans and budgets and monitors their implementation through regular meetings, with minutes publicly available on the PEMPAL website. Periodic internal reviews and external evaluations supervised by the Steering Committee are also conducted (such as the mid-term review in 2015 and another mid-term review planned in FY21).

**This report is part of PEMPAL’s accountability framework.** It is the third annual report produced for the new strategy period. In line with the PEMPAL Steering Committee decision to report on a fiscal year basis, the period covered is defined as FY20 (July 2019 – June 2020).<sup>5</sup> The structure of the report follows the logic of the strategic framework presented above. Sources of data include COP program impact surveys, event evaluation surveys, and administrative and other relevant data collected by the PEMPAL secretariat during FY20. Comparisons with earlier data are provided where feasible and relevant.

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4 See

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

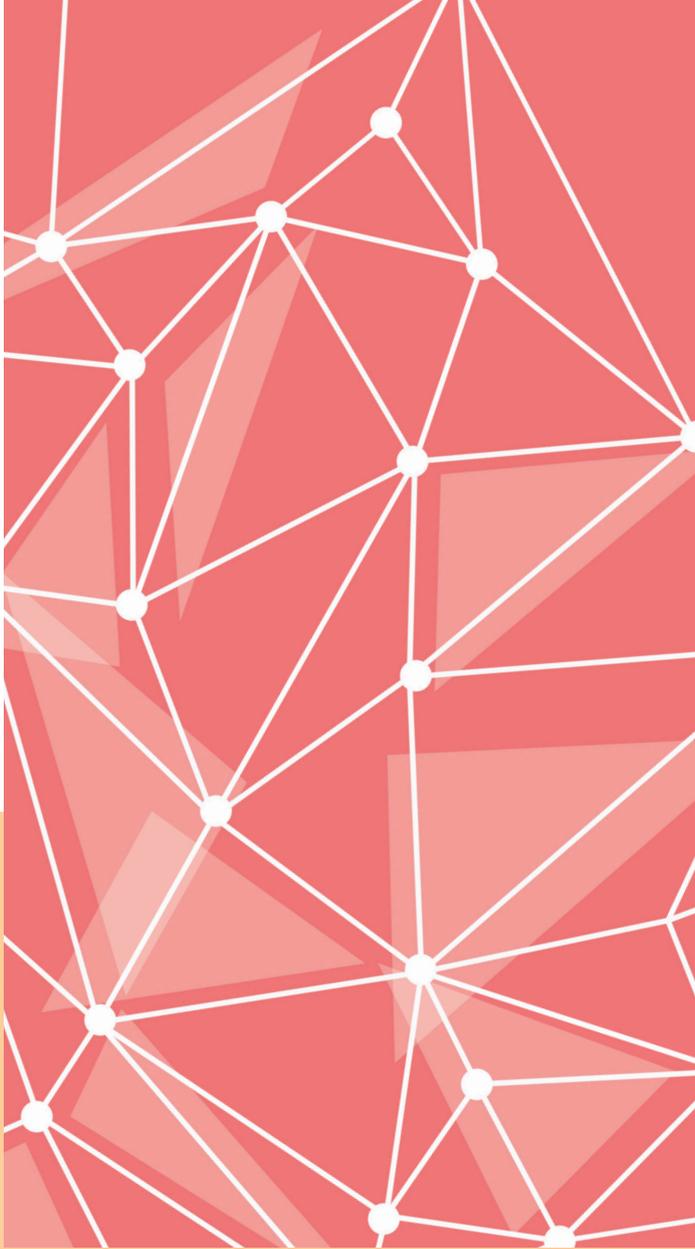
[www.pempal.org/event/steering-committee-meetings](http://www.pempal.org/event/steering-committee-meetings)

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

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

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





2

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

**PEMPAL has developed over the last decade into an important platform to support improvements in PFM in member countries across the ECA region. Its contribution to PFM reforms in member countries during the previous strategy period is documented in the report “PEMPAL in 2012–17.”**<sup>6</sup>

An impact survey undertaken at the start of the current strategy period, targeting senior officials of the beneficiary institutions,<sup>7</sup> found that 61% of respondents assessed PEMPAL’s impact on their PFM systems as high and 39% as medium, with no respondents reporting low impact or no impact.<sup>8</sup>

“I was surprised to see that so many countries found time to participate and share their experiences on the topic of discussion.”

— TCOP meeting on Specifics of the Treasury Operations in the COVID-19 Environment, April

**FY20 generated new evidence of PEMPAL impact on member country PFM systems.** The COPs continued to collect information on specific improvements in aspects of PFM practices implemented using information and knowledge obtained through PEMPAL (see Attachment 1). The information was collected through post event surveys, including from videoconference meetings from the last quarter of FY20, as well as some country examples of PEMPAL impact provided by IACOP members. The external evaluation of the PEMPAL program launched in FY20 is also collecting data on PEMPAL impact on PFM reforms in member countries, which will be reflected in the mid-term review report.

**Representatives from Croatia, Moldova, Georgia, North Macedonia, the Russian Federation, and Kazakhstan shared their very positive experience of IACOP dialogue and knowledge products to advance reform of internal audit and internal control.** Feedback from IACOP members was collected for evidence of knowledge generated and how it was applied in FY20. Specific examples are provided in Attachment 1. IACOP participants recognized the usefulness of knowledge gained in PEMPAL and the resulting added value of being able to use that knowledge for developing legislative frameworks on internal control and audit, for improving regulations, manuals and guidelines in line with good practices taken from PEMPAL events, and for organizing training and certification programs.

**Participants confirmed that PEMPAL knowledge products were an excellent resource and were being used extensively.** PEMPAL countries were making use of these materials for training, for internal control self-assessment, for building common understandings among professionals, managers, and politicians, for harmonizing national legislation, for awareness campaigns, etc. Following PEMPAL events, most participants reported briefing their colleagues on discussions and sharing PEMPAL information by posting on ministries’ websites, newsletters, forums, and professional social groups.

<sup>6</sup> [www.pempal.org/sites/pempal/files/pempal2012-2017\\_web\\_eng.pdf](http://www.pempal.org/sites/pempal/files/pempal2012-2017_web_eng.pdf)

<sup>7</sup> Ministries of Finance and national Treasuries of PEMPAL member countries.

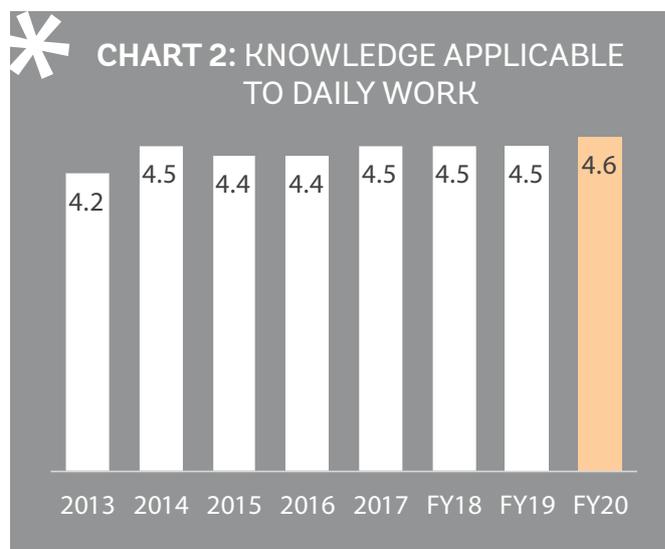
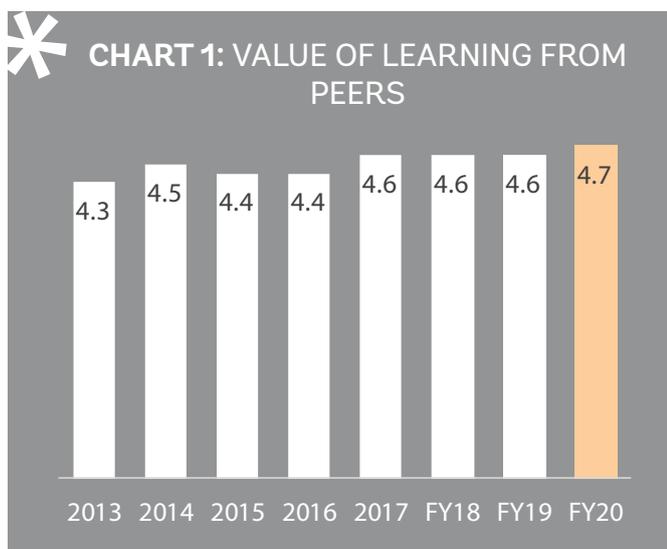
<sup>8</sup> Survey conducted September – November 2017. Questionnaires were sent to the senior management of the Ministries of Finance of all PEMPAL member countries. In cases where national Treasuries are not part of the Ministries of Finance, additional questionnaires were sent also to the management of the national Treasuries. Responses were received from 18 countries.

## Increased numbers of internal auditors joined virtual IACOP events organized during the COVID-19 pandemic.

This demonstrates increasing awareness of the potential value of IACOP for public sector internal auditors in PEMPAL countries. IACOP will monitor closely the specific impact in each country, for example on amendments in the legislation, methodology, and improving training and certification systems, in the next FY and will conduct a periodic survey (undertaken once every three years). The previous such survey was conducted in 2017. The results showed that there was a constant progress in all PEMPAL countries in the development of the legislation and methodology, training and certification and other benchmarks.

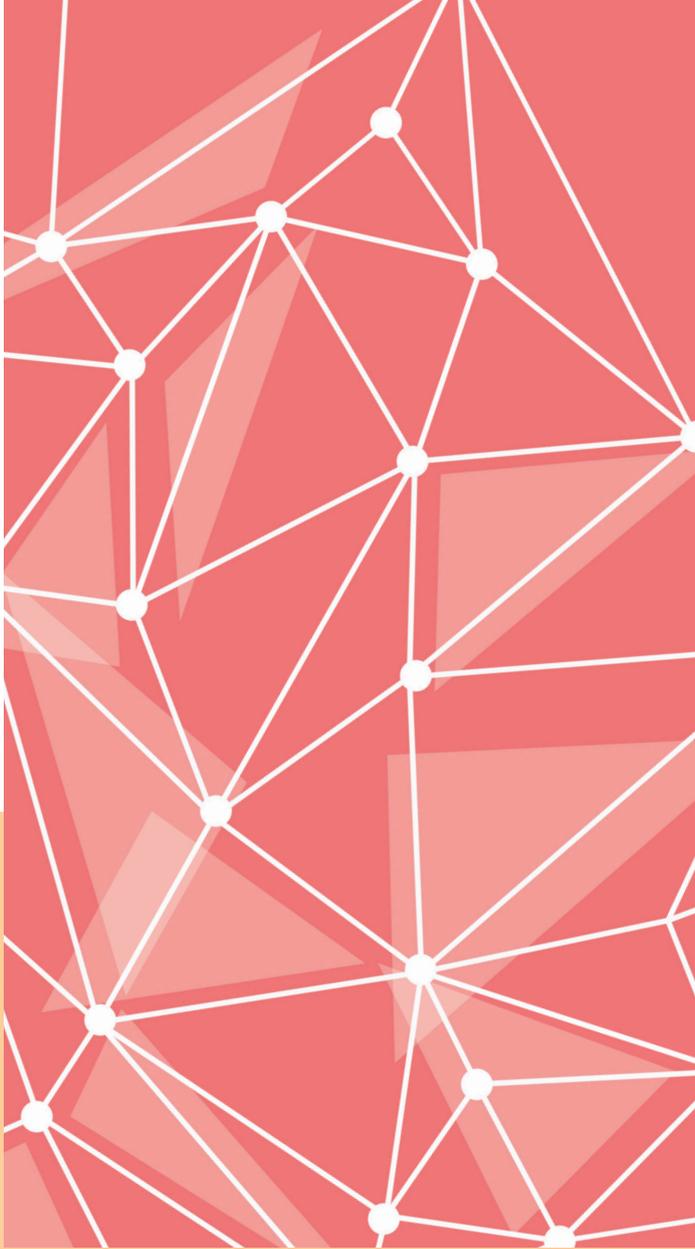
## PEMPAL is helping build capacity among participants who value network learning and cooperation.

Self-assessments by PEMPAL participants provide evidence that individual members attach high value to the opportunities provided by the network. Data from FY20 event evaluation surveys shows high ratings for the opportunity to learn from peers and the ability to apply knowledge obtained at events to daily work, as illustrated in **Charts 1** and **2**.<sup>9</sup> The FY20 ratings for the former indicator were at the highest level observed since monitoring of these indicators started in 2012; and slightly above FY19 and FY18 for the latter. Post event survey responses in FY20 include many written comments acknowledging PEMPAL's contribution to improving participants' professional knowledge and skills across all three COPs (see **Attachment 1**).



<sup>9</sup> Based on the data of the standardized on-line surveys administered after each significant face-to-face event and online events from April 2020. **Attachment 4** provides summary information on the average annual ratings for the standard questions from these surveys together with additional information on the methodology used. Throughout the report, the titles of charts based on the data from these surveys are marked with \*.





3

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

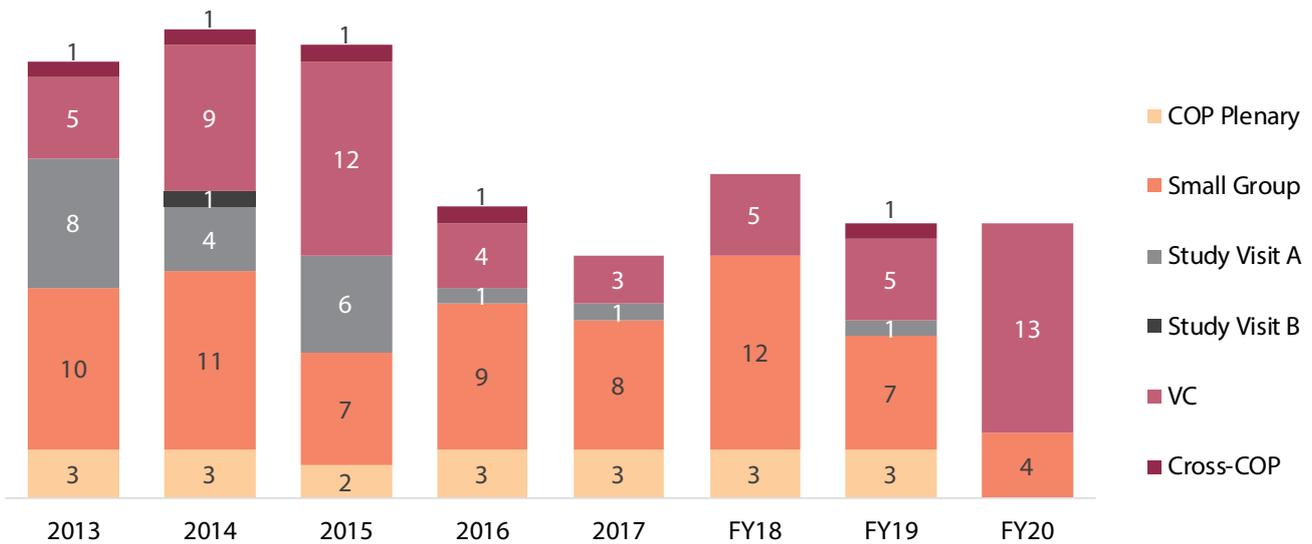
**PEMPAL COPs continued to work throughout FY20 on high priority topics directly related to the PFM reform agendas of member countries, quickly adapting to respond to COVID-19 restrictions and demands.**

There were 17 PEMPAL events in FY20; **Chart 3** below shows the number and type of events compared to previous years. The pandemic-related global travel restrictions introduced from March 2020 severely impacted the planned program of face-to-face events. Six face-to-face events, including all three COP plenary meetings at an advanced stage of preparation, were postponed to FY21 and the cross-COP leadership meeting originally planned for July 2020 in Bern was postponed to July 2021. However, PEMPAL continued its activities in the online format, with all three COPs organizing

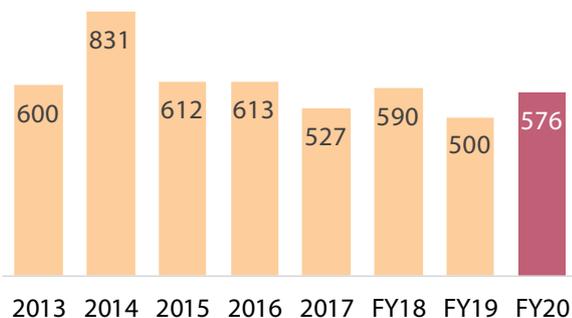
videoconference meetings in April-June, which proved highly relevant and attracted a lot of participants. Discussions planned with Swiss counterparts for the cross-COP meeting in Bern were among the workshops successfully taken online. **Table 1** below shows FY20 events and their type by COP. Meetings were held either face-to-face (in the first half of the year) or via videoconference (throughout the year). There were also two BCOP ‘network exchanges’, connected to external OECD events.

**576 participants from member countries attended events in FY20 (Chart 4).** The COVID-19 restrictions impacted the types of event held (see **Chart 5**<sup>10</sup>). Face-to-face meetings ceased in March and were replaced, when feasible, by videoconference meetings.

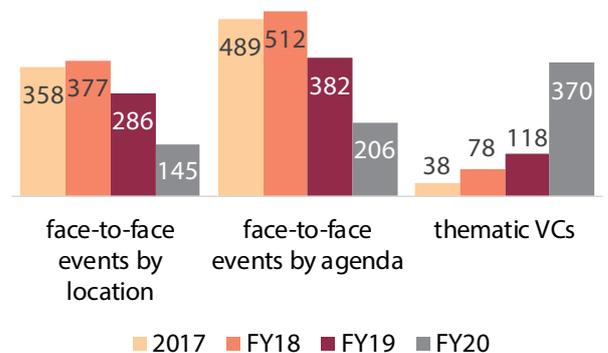
**CHART 3: PEMPAL EVENTS BY TYPE**



**CHART 4: EVENT PARTICIPANTS BY AGENDA, INCLUDING VCS**



**CHART 5: EVENT PARTICIPANTS**



<sup>10</sup> Some events took place concurrently at the same location. The head count “by location” counts each participant only once regardless of the number of events attended at the location. The

head count “by agenda” is the number at each event, participants who attended different events at the same location are counted for each event separately.

**TABLE 1: FY20 EVENTS AT A GLANCE**

Date	BCOP	TCOP	IACOP
<b>July 2019</b>	BCOP participation in meeting of the OECD Network for Senior Budget Officials from Central, Eastern, and Southeastern Europe, Minsk, Republic of Belarus		
<b>August</b>			
<b>September</b>		Meeting of the Public Sector Accounting and Reporting Working Group, videoconference	IACOP discussion of three lines of defense model exposure document, videoconference
<b>October</b>		Meeting of the Public Sector Accounting and Reporting Working Group (joined by members of the Working Group on Use of Information Technologies in Treasury Operations), Moscow, Russian Federation	Meetings of the Audit in Practice Working Group and Internal Control Working Group, Sochi, Russian Federation
<b>November</b>	BCOP 2-day workshop, Paris, France BCOP participation in meeting of the OECD Network for Performance and Results, Paris, France		
<b>December</b>		Meeting of the Cash Management and Forecasting Working Group, videoconference	
<b>January 2020</b>			
<b>February</b>		Meeting of the Working Group on Evolution of the Role and Functions of the Treasury, videoconference	
<b>March</b>			
<b>April</b>	Meeting of the BCOP on budget-related responses to COVID-19, videoconference	Meeting of the Working Group on Evolution of the Role and Functions of the Treasury on Treasury operations in the COVID-19 environment, videoconference	Smart interactive talk of the IACOP on internal audit during the COVID-19 pandemic, videoconference

Date	BCOP	TCOP	IACOP
May	Budget Literacy and Transparency Working Group workshop with the Global Initiative for Fiscal Transparency and the International Budget Partnership on public participation mechanisms, videoconference		
	Program and Performance Budgeting Working Group workshop with the OECD and the World Bank on performance budgeting and spending reviews, videoconference		
June	Meeting of the BCOP on public financial management and performance budgeting in Berne, Switzerland, videoconference	Meeting of the Public Sector Accounting and Reporting Working Group, videoconference	Smart Interactive Talk of the IACOP on key performance indicators for internal audit activity, videoconference
		Meeting of the Working Group on Evolution of the Role and Functions of the Treasury on the functions of the Swiss Federal Treasury, videoconference	

 Face-to-face event

 Videoconference (VC)

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

During the first half of FY20, PEMPAL members attended face-to-face events in four locations, including two PEMPAL countries: Belarus and Russia.<sup>11</sup> Events hosted by PEMPAL member countries provided opportunities for the host country to tailor the agenda, for example to include sessions on their experiences of relevant thematic areas and discussions of specific issues. Hosting institutions were able to include a larger number of local participants in the events and often involved senior management in selected sessions. Events held in member countries were also covered by the local mass media, helping promote the PFM reform agenda to a wider public audience.

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

Opportunities for cross-COP collaboration are arranged where topics are of mutual interest. The COP resource teams attended other COP meetings (e.g. an IACOP resource team representative attended the TCOP Public Accounting Working Group meeting in Moscow, a TCOP resource team member made a presentation at the IACOP event in Sochi, and the IACOP resource team coordinator and PEMPAL task team leader presented on the role of internal audit and financial reporting in performance budgeting at the BCOP workshop on program and performance budgeting and budget literacy and transparency). The Cross-COP Organizational Committee met twice in FY20 to prepare for the Cross-COP leadership team meeting planned for July 2020 (but subsequently postponed).

**The following sections provide more details on the activities of each of the COPs in FY20.**

<sup>11</sup> Russia hosted two events in October 2019: a TCOP event in Moscow and an IACOP event in Sochi.



# 3.1.

## Budget Community of Practice (BCOP)

**The BCOP aims to strengthen budget methodology, planning, and transparency in PEMPAL member countries.<sup>12</sup>**

The focus in FY20 was on:

- **Formulating specific recommendations for performance budgeting and spending review systems;**
- **Establishing mechanisms for public participation in the budget process and fiscal policy;**
- **Capturing citizen satisfaction, perceptions, and engagement in performance indicators within budget planning; and**
- **Urgent budget-related responses to COVID-19 and examining the pandemic's overall impact on budgeting reforms.**

**BCOP members continued to be engaged and active in FY20, with COVID-19 reinforcing the importance of working together and value in sharing good practice.** BCOP members

faced an expanded workload and significant COVID-19 related challenges this year given their regular key role in operational planning and monitoring the execution of budget appropriations, and the core role in operationalizing governments' response in terms of

new emergency measures and large budget expenditure pressures coupled with fall in revenues. These tasks are additionally complicated by the urgency to design and implement the measures quickly, while at the same time operating in extremely high uncertainty in terms of projections of budget revenues and the economic and social impact of the crisis. Financial prudence is an important feature of BCOP's activities, due to the network's financial uncertainties in FY20. The BCOP economized by combining working group meetings with other events and using email correspondence to conduct working group activities.

The presentation of Canadian experience in citizen engagement was particularly useful."

— BCOP joint workshop, France, November 2019

**The BCOP organized and attended seven events in FY20.** A two-day workshop

in Paris, France in November discussed topics including capturing citizens' satisfaction, perceptions, and engagement in performance indicators used for budgeting and technical methodology and processes for spending reviews. The event included roundtable discussions BCOP knowledge products and presentations from experts from the World Bank, the OECD, as well as from the Ministries of Finance of France, Italy, Ireland, and Canada.

<sup>12</sup> BCOP action plans can be found at:

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

“I will be able to use recommendations from the knowledge product on program budgeting in my daily work.”

— BCOP joint workshop, France, November 2019

## **A BCOP delegation joined the OECD Network for Senior Budget Officials from Central, Eastern, and Southeastern Europe meeting in Minsk, Belarus in July 2019.**

Meeting topics included fiscal risk management, capital budgeting, and performance budgeting and key performance indicators. The BCOP gave several presentations, including on performance budgeting and key performance indicators in Russia; the overall trends in PEMPAL countries in spending reviews; and analysis of legal and institutional frameworks and challenges in capital budgeting, using data collected from BCOP countries. Country cases of budgeting in Bulgaria, Belarus, and Slovak Republic were also examined.

“This was an excellent meeting with many useful different topics. We used coffee breaks and lunch time to continue discussions from the sessions with the speakers and our colleagues from other countries.”

— BCOP participation in the OECD meeting, Belarus, July 2019

“What I liked the best about the event is speakers' expertise, knowledge, and readiness to share useful lessons, as well as the openness of the BCOP members within the group discussions in sharing their experiences about the issues that they have faced in their countries”

— BCOP joint workshop, France, November 2019

**In early April, the BCOP met virtually to discuss the COVID-19 pandemic** and exchange experiences and advice on the approaches and challenges of budget-related responses to the situation.

## **A meeting jointly organized with SECO was held virtually in June 2020.**

This was an opportunity to better understand the Swiss experience, with a focus on the PFM system and performance budgeting in the city of Bern.

**BCOP activities have continued to be primarily driven by its two active and continuously expanding working groups.**

### **Budget Literacy and Transparency Working Group**

- Functioning since FY15
- Comprises 18 BCOP member countries: Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Belarus, Croatia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

### **The Program and Performance Budgeting Working Group**

- Functioning since FY16
- Comprises 17 BCOP member countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Russian Federation, Serbia, Turkey, Ukraine, and Uzbekistan.

# 3.1.1.

## BCOP Working Groups and Knowledge Products

### Budget Literacy and Transparency Working Group (BLTWG)

#### The Budget Literacy and Transparency Working Group continued in FY20 to address mechanisms for public participation in the budget process at the national level.

The Working Group met virtually for a workshop in May 2020 in partnership with the Global Initiative for Fiscal Transparency and the International Budget Partnership on public participation mechanisms which included presentations on the 2019 Open Budget Survey results and public participation good practices.

#### The Working Group's knowledge product *Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries* was finalized in FY20.

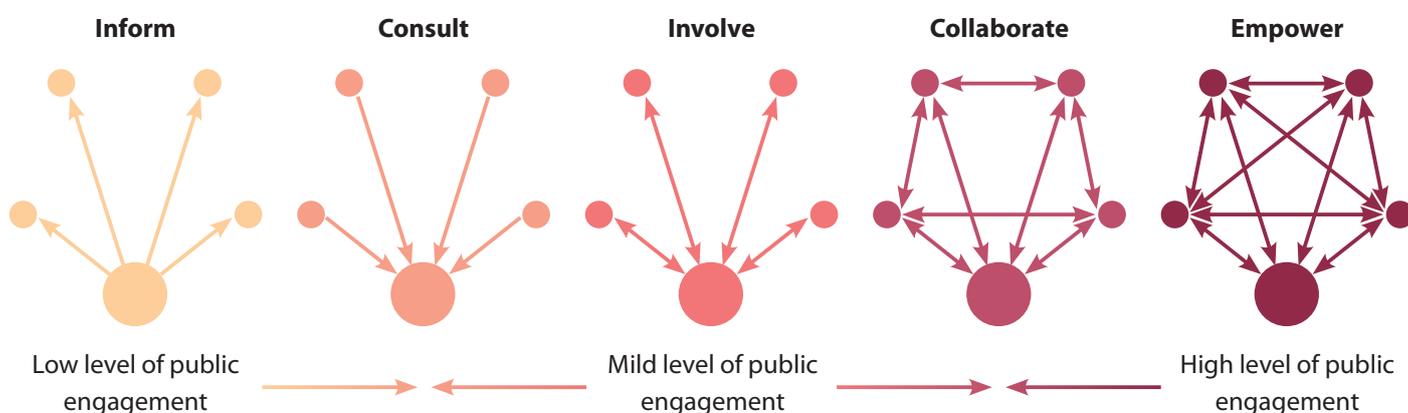
This technical resource for public participation reforms was developed with inputs from six Working Group countries: Belarus, Croatia, Kyrgyz

Republic, Russian Federation, Serbia, and Uzbekistan. It includes global definitions of public participation; benefits of public participation that could be used as justification for investments; international frameworks and assessment tools to identify what is considered best practice globally; mechanisms available for public participation on both the demand and supply sides; and lessons learnt from international experiences including risk factors and how they can be managed. It includes a suggested road map for PEMPAL countries that are considering establishing and/or strengthening public participation mechanisms which draws on regional and international practices and advice.

#### Outcomes for the Budget Literacy and Transparency Working Group in FY20 included:

i) discussion of new initiatives and plans in budget transparency, literacy, and public participation in PEMPAL countries, ii) familiarization with the updated global best practices in public participation, including new innovative forms of public participation from Sierra Leone, New Zealand, Portugal, and South Korea; iii) better understanding of the results of the International Budget Partnership's 2019 Open Budget Survey, iv) familiarization with mechanisms and trends in capturing citizens' satisfaction, perceptions, and

FIGURE 3: SPECTRUM OF PUBLIC'S ROLE IN PUBLIC PARTICIPATION PROCESS<sup>13</sup>



13 Source: Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries, derived from International Association of Public Participation

engagement in performance indicators, including experiences and advice from the World Bank, the OECD, France, and Canada, v) familiarization with the good practice examples in maintaining transparency and public participation during an emergency policy response; and vi) finalization of the knowledge product. Going forward there will be a greater focus on developing multiple smaller knowledge notes on more narrowly targeted subtopics that can be developed more quickly.

## Program and Performance Budgeting Working Group (PPBWG)

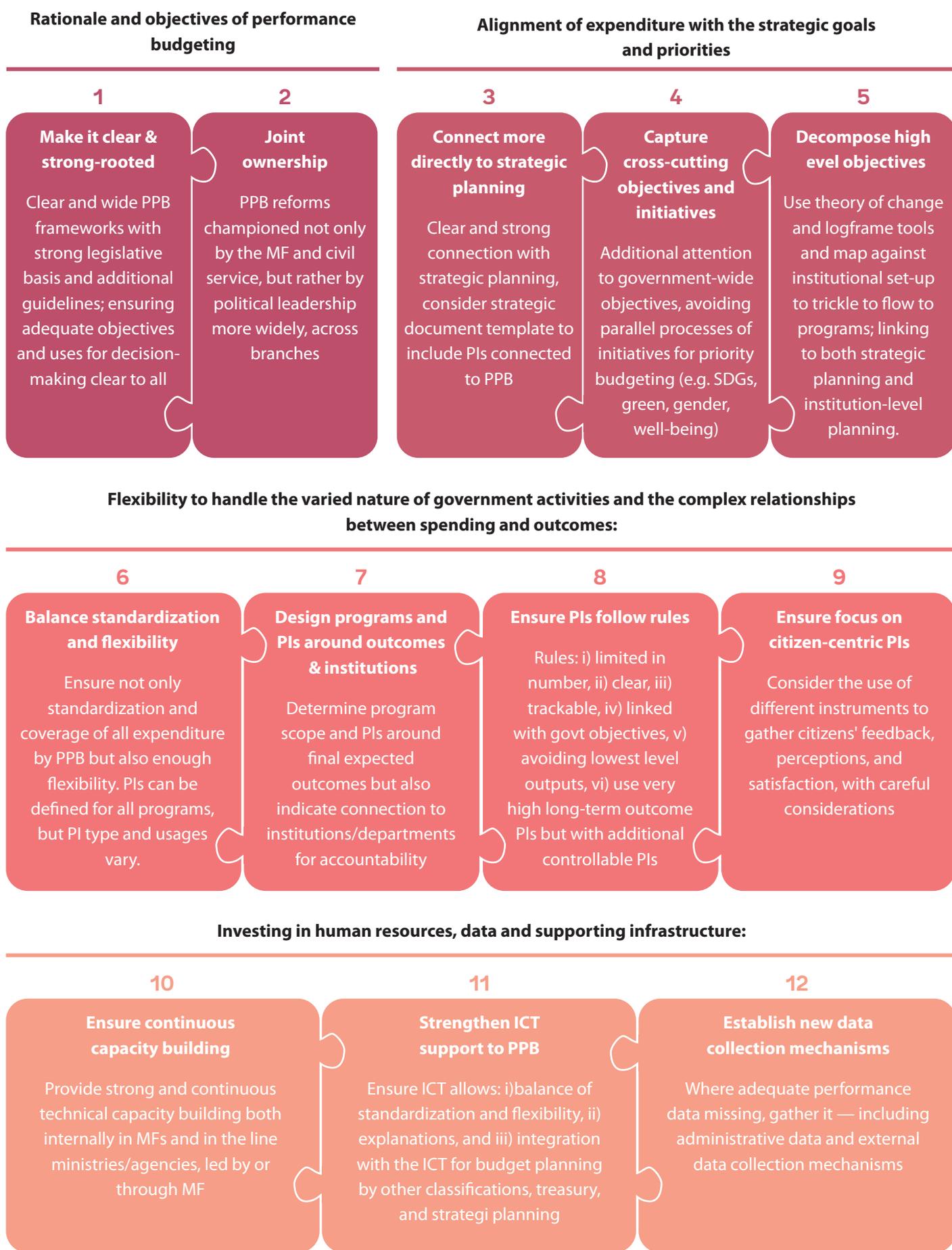
**The Program and Performance Budgeting Working Group in FY20 focused on identifying common challenges in performance budgeting and spending reviews and developing specific recommendations to address these for publication as a knowledge product.** The Working Group met virtually in June for a workshop with the OECD and the World Bank on performance budgeting and spending reviews and a small delegation attended a meeting of the OECD Network on Performance and Results in Paris in November. Additional thematic areas examined by the Program and Performance Budgeting Working Group in FY20 included capturing citizens' satisfaction, perceptions, and engagement in performance indicators (together with the Budget Literacy and Transparency Working Group) and examining the potential impact of the COVID-19 crisis on performance budgeting reforms.

**The Working Group knowledge product *Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations* was finalized in FY20.** The knowledge product (published in early FY21) presents data on performance budgeting and

spending reviews in PEMPAL countries, to benchmark the practices in PEMPAL countries to those in OECD countries and to provide food for thought for PEMPAL countries considering introducing or improving their performance budgeting and spending review systems. It was developed with inputs from 14 Program and Performance Budgeting Working Group countries: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Russia, Serbia, Ukraine, and Uzbekistan. Quantitative data used in this report is based on responses from PEMPAL and OECD countries to the 2018 OECD Performance Budgeting Survey and the internal BCOP survey of PEMPAL countries on spending reviews. This knowledge product provides a practical set of recommendations consistent with the OECD Good Practices but adapted to the circumstances in PEMPAL countries.

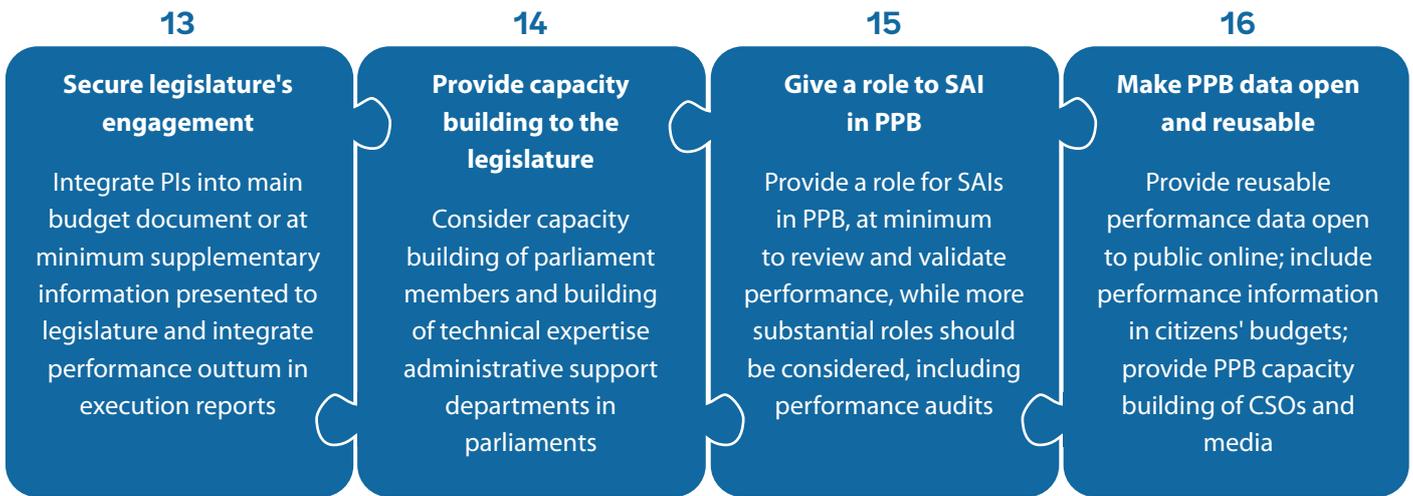
**Outcomes for the Program and Performance Budgeting Working Group in FY20 included:** i) finalization of the analytical knowledge product on performance budgeting and spending reviews, including collecting additional research and additional inputs from member countries, ii) presenting spending review developments and challenges in PEMPAL countries to the OECD network; iii) accessing information on new initiatives in performance budgeting and spending review reforms in PEMPAL and in OECD countries, iv) familiarization with new OECD work related to spending reviews and with characteristics and methodologies of public expenditure reviews conducted by the World Bank, v) examination and exchange of experiences and lessons learned in spending reviews in Italy, Ireland, Estonia, Germany, Bulgaria, and Russia, vi) familiarization with newest trends in developing key performance indicators, use of policy evaluation in performance budgeting, and aligning performance budgeting and management in specific OECD countries, vii) familiarization with new trends in performance budgeting on priority budgeting initiatives in OECD countries, including well-being budgeting in New Zealand, budgeting for sustainable development goals in Mexico, and gender budgeting in Iceland, and viii) examining the potential impact of the COVID-19 crisis on performance budgeting reforms.

**FIGURE 4: SPECTRUM OF PUBLIC'S ROLE IN PUBLIC PARTICIPATION PROCESS<sup>14</sup>**

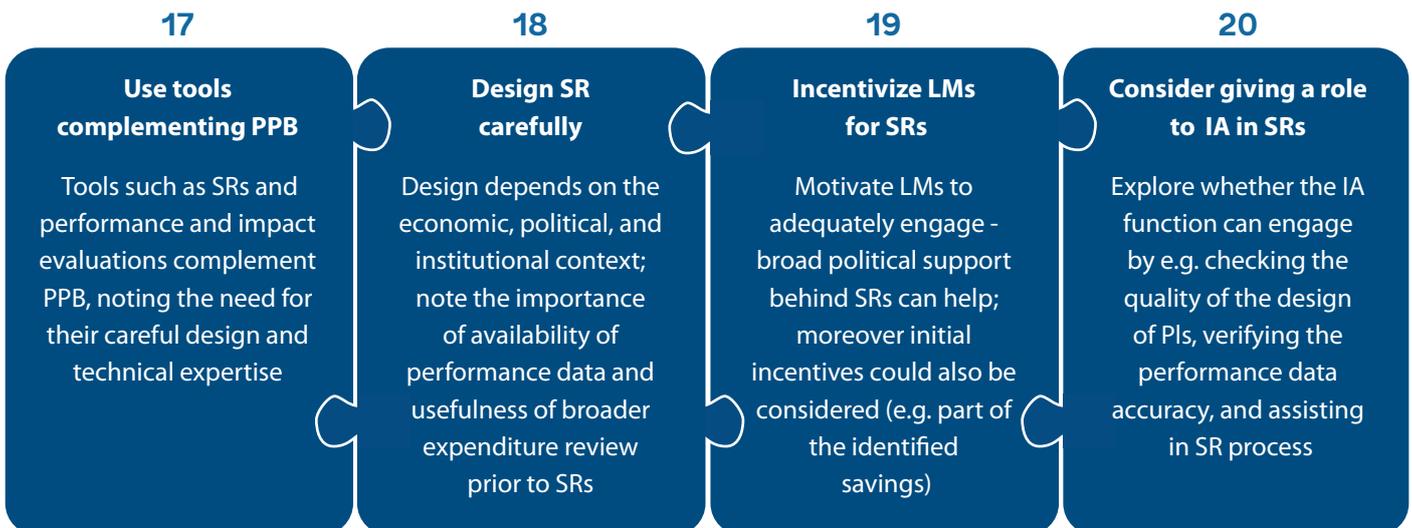


<sup>14</sup> Source: Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations, 2020

## Facilitating oversight by the legislature and civil society



## Complementing tools enforcing performance orientation



## Encouraging performance-oriented behavior and learning

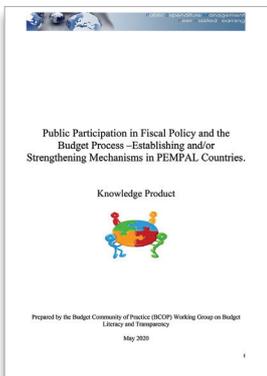
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### Focus on learning from PPB and SRs

Responses to under-performance should emphasize learning and problem solving, rather than individual rewards and penalties to develop a performance and learning based management culture

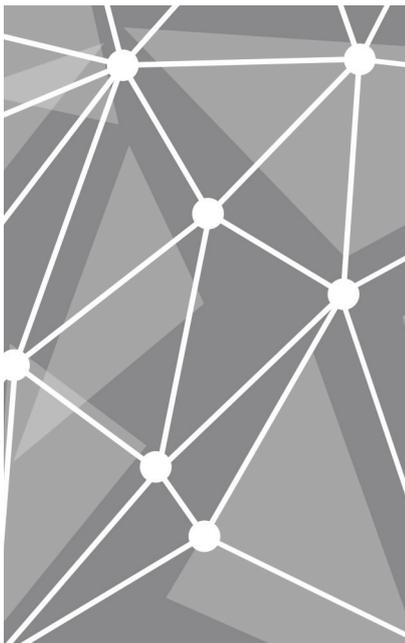
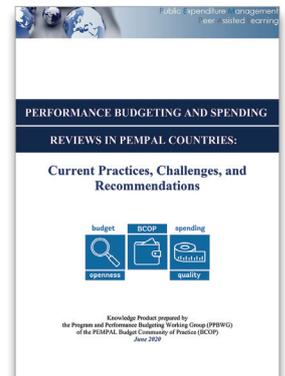
## BCOP Knowledge Products

In FY20, the BCOP finalized the following knowledge products:



*Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries* defines and outlines global definitions and best practice for public participation on both the demand and supply sides, and includes a road map for establishing and/or strengthening public participation mechanisms.

*Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations* includes data to support benchmarking of PEMPAL countries with OECD countries and advice for PEMPAL countries considering introducing or improving their performance budgeting and spending review systems (published in FY21).



## 3.2. Treasury Community of Practice (TCOP)

**The TCOP aims to strengthen the treasury function of government<sup>15</sup>** through supporting reforms of national treasury activities; building and enhancing a highly professional community of treasury experts; and offering high quality resources and knowledge services on topics of priority professional interest to TCOP members. The focus in FY20 was on:

- **Evolution of the role and functions of national treasury institutions** – evolution of the budget expenditure controls and arrears management, ensuring business continuity of treasury operations during and after COVID-19 outbreak;
- **Cash management** – setting and managing liquidity buffers;

<sup>15</sup> TCOP strategic and action plans can be found at:

- **Use of information technologies in treasury operations** – implementation of centralized model for public sector accounting and reporting, capabilities of the financial management information systems to improve commitment management and prevent government arrears;
- **Public sector accounting and reporting** – optimization of the chart of accounts design, centralized model for public sector accounting and reporting.

**TCOP members demonstrated their commitment and engagement throughout FY20, and especially when confronted by the new challenges caused by the COVID-19 pandemic.**

The TCOP organized seven thematic events in FY20. This included one face-to-face and six videoconference events of the TCOP working groups. Treasury COP had a very full activity plan for FY20, which started well in the fall with a very successful meeting of the Public Sector

Accounting and Reporting Working Group in Moscow and several videoconference meetings. Significant efforts went into preparation of the agendas for face-to-face meetings, including the annual plenary, originally planned for the spring, but those had to be cancelled. The vast experience with conducting videoconference meetings accumulated by TCOP over the years helped the COP to adjust relatively smoothly to the remote mode of operation necessitated by the COVID-19 pandemic. The members demonstrated real commitment to TCOP activities through active participation in the series of videoconference meetings that took place in April – June, despite all the complications associated with the emergency mode of operation introduced in the majority of countries that involved major technology adjustments and generated extreme workloads for the treasury staff. Treasuries across PEMPAL countries faced multiple challenges to ensure business continuity of their operations and to operationalize emergency arrangements, so the COP members appreciated the opportunity provided by TCOP events to share the operational challenges and practical solutions developed to overcome them during this difficult period.

# 3.2.1.

## TCOP Working Groups and Knowledge Products

**TCOP operates several working groups allowing sub-sets of members to meet more regularly to discuss and solve common problems.**

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

- Established in 2015
- Comprises 16 TCOP member countries: Albania, Azerbaijan, Armenia, Belarus, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Kosovo, Moldova, the Russian Federation, Serbia, Tajikistan, Turkey, and Ukraine.

### Cash Management Working Group

- Established in 2015
- Comprises 16 TCOP member countries: Armenia, Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Montenegro, North Macedonia, the Russian Federation, Tajikistan, Turkey, and Ukraine.

## Working Group on Use of Information Technologies in Treasury Operations

- Established in 2013
- Comprises 11 TCOP member countries: Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkey, and Ukraine.

## Working Group on Public Sector Accounting and Reporting

- Established in 2013
- Comprises 14 TCOP member countries: Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyzstan, North Macedonia, Moldova, the Russian Federation, Tajikistan, Turkey, Montenegro, and Ukraine.

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

**The Working Group on Evolution of the Role and Functions of the Treasury in FY20 continued supporting member countries in their discussions and plans for the changing role of treasuries in their countries.**

A Working Group videoconference meeting in February 2020 looked at how modern treasury information systems can improve commitment management and prevent government arrears. Participants learned from the experience of Albania in managing expenditure arrears and commitments, and preventing new arrears rising. The April 2020 meeting of the group was a timely opportunity for participants to discuss how to ensure business continuity of treasury operations during the COVID-19 outbreak, as well as how to prepare treasury institutions for operation in the post-pandemic environment. The Working Group's videoconference meeting in June 2020 allowed members to learn more about the sound internationally recognized practices used by the Swiss Federal Treasury in their cash management and liquidity planning. The outcomes for the Working Group in FY20 included agreement that most PEMPAL countries were generally well placed to support more responsive management and be able to accommodate emergency payment requests given the progress made by TCOP countries in transitioning to electronic payments and processing, focusing on risk management, and introducing more active management of treasury operations. The consensus was that, looking beyond the immediate challenges, the reliance on risk assessments and information systems was only likely to increase in the future.

## Cash Management Working Group

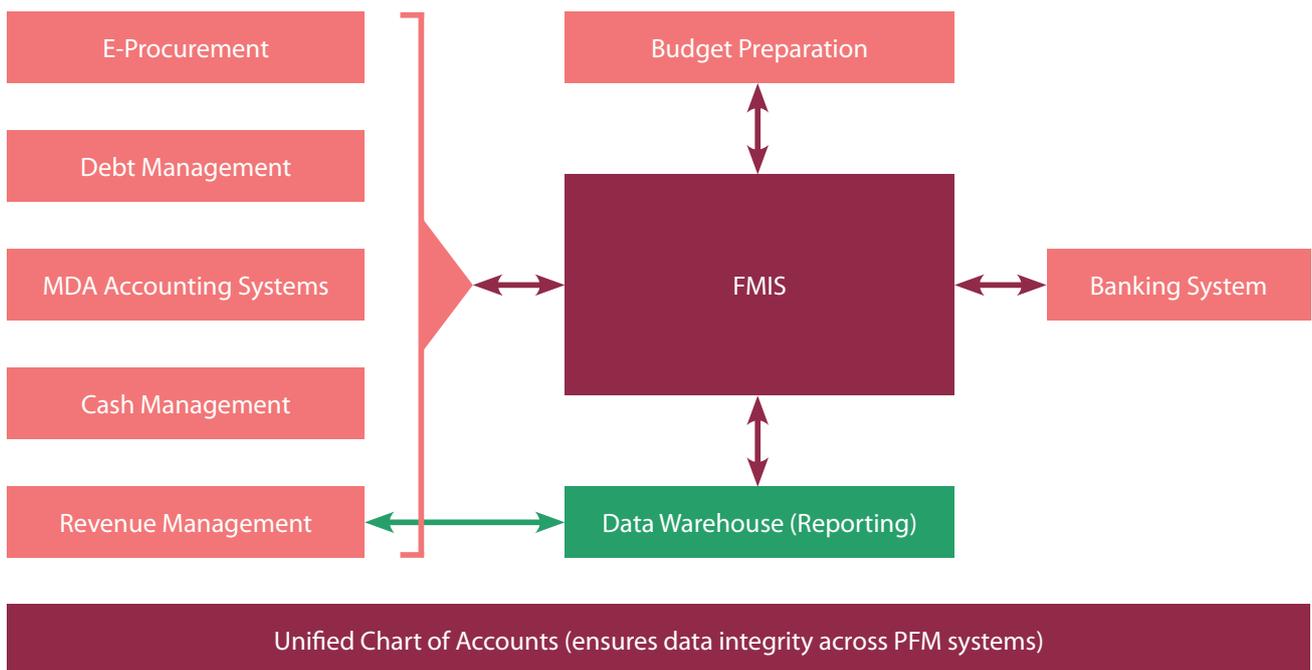
**The Cash Management Working Group continued in FY20 to address liquidity management challenges and moving from passive to more active cash management practices.**

A videoconference meeting in December 2019 focused on the approaches for setting and managing liquidity buffers. Participants discussed the theory of the cash buffer policy, including cash buffer components, methodologies for their calculation, key factors informing cash buffer policy decisions, as well as the specific example of operating the cash buffer policy in Turkey. Outcomes for the Working Group included agreement to explore further cash forecasting software, the organization of cash forecasting information flows, risks and internal control aspects of cash management, as well as the specifics of cash management in countries operating wealth/commodity funds.

"The COVID-19 pandemic is an extraordinary event and collecting information about countries' reactions are very important." "I liked the high interest of participants, their preparation for the event. This event was a good idea to be organized in this emergency situation."

— TCOP Working Group meeting, April 2020

**FIGURE 5: UNIFIED CHART OF ACCOUNTS UNDERPINS INTEROPERABILITY ACROSS ALL PFM SYSTEMS<sup>16</sup>**



## Working Group on Use of Information Technologies in Treasury Operations

**The main thematic focus of the Working Group on Use of Information Technologies in Treasury Operations in FY20 was developing treasury information systems, especially expanding functionality, creating integrated financial management information systems, and use of new ICT.** Most TCOP countries are in the process of developing their treasury information systems, expanding their functionality, and creating integrated FMIS and this topic continues to be the core of the group discussions. The members of the group actively contributed to and benefited from the discussions on information technology aspects of implementing a new centralized model for public sector accounting and reporting piloted at the federal level in Russia (Moscow event in October 2019). The workshop considered how the chart of accounts interacts with integrated financial management information systems to better support convergence/

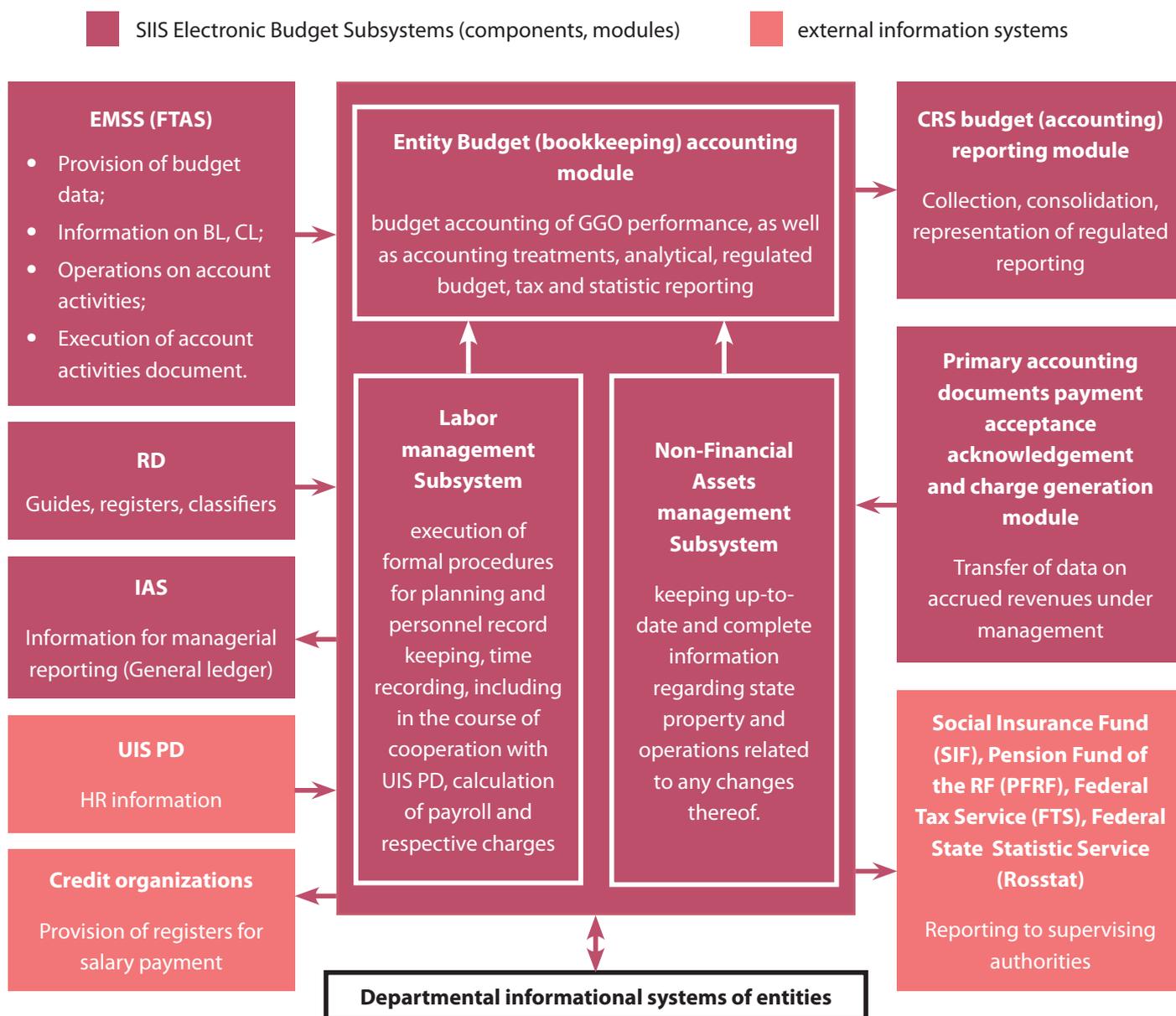
compliance with international reporting requirements such as International Public Sector Accounting Standards (IPSAS) and the government finance statistics manual (GFSM). The Working Group also progressed planning of the new knowledge product on the chart of accounts design. A February 2020 videoconference addressed how modern treasury information systems can improve commitment management and prevent government arrears. The TCOP leadership, recognizing that the evolution of treasury functions is largely informed by the new ICT available and that treasury functions cannot be viewed or separated from IT support, agreed to invite treasury IT staff to participate in relevant working group meetings.

## Working Group on Public Sector Accounting and Reporting

The Working Group on Public Sector Accounting and Reporting continued its focus on addressing the challenges of public sector accounting reforms in FY20, particularly transition to the broader use of the elements of accrual accounting and introduction of national public sector accounting standards aligned to various degrees with IPSAS. The group met in Moscow in October 2019

<sup>16</sup> Source: PEMPAL Public Sector Accounting and Reporting Working Group event, September 2019

**FIGURE 6: FUNCTIONAL STRUCTURE OF SIIS ELECTRONIC BUDGET IN ACCOUNTING AND FINANCIAL REPORTING PART (RUSSIAN FEDERATION TREASURY)<sup>17</sup>**



to learn about the new centralized model for public accounting and reporting being introduced at the federal level in the Russian Federation based on centrally maintained software; the new model is expected to reduce the costs of federal government accounting and financial reporting functions, speed up preparation of the government financial reports and, in general, increase the reliability, availability, and transparency of financial information. The results of the meeting included the consensus that centralized development of clear public sector accounting and financial reporting policies and methodologies is an essential basic requirement and foundation for developing advanced centralized IT

solutions in the public administration. The outcomes for the Working Group in FY20 included reaffirmation of the importance of the unified chart of accounts to integrate different reporting requirements from various stakeholders into a common structure and a common data labeling system that ensures integrity of the data across all PFM systems. The Working Group continued work on a new knowledge product, on the optimization of the chart of accounts design to be published in FY21, during videoconference meetings in September 2019 and June 2020. The meetings were also an opportunity for participants to share the progress of public sector accounting and financial reporting reforms in their countries.

<sup>17</sup> Source: PEMPAL Public Sector Accounting and Reporting Working Group event, Moscow, October 2019



# 3.3.

## Internal Audit Community of Practice (IACOP)

**The IACOP offers support to its member countries in establishing a modern and effective internal audit system** that meets international standards and good practices and is a key for good governance and accountability in the public sector.<sup>18</sup> The focus in FY20 was:

- **Improving the value and impact of internal audit.**
- **Identifying factors to increase the effectiveness of internal audit** in the public sector and ways in which internal auditors can demonstrate the impact and value.
- **Practical implementation of the audit cycle** and different types and operational models of audits, including IT solutions (Audit in Practice Working Group).
- **Public internal control** - the role of central harmonization units and internal auditors (Internal Control Working Group)
- **Central harmonization units** - challenges and functions at different stages of reform. Their role in public sector reform coordination.
- **Synergy of integrity management and anticorruption with public internal control.**
- **IACOP knowledge products -further development of IACOP knowledge products**

“It was very helpful and inspiring. I confirmed my understanding, broadened my knowledge, and got ideas for further research in this area.”

— IACOP Working Group meeting, Sochi

**IACOP members continued their proactive engagement in activities throughout FY20.** The IACOP had three virtual events and two face-to-face meetings. IACOP members adapted to the new context related to the COVID-19 restrictions, and activities of the COP were moved to virtual modality, which is expected to continue for the near future. The pandemic impacted the work of internal auditors in many different ways, including the need to quickly adopt lean and agile ways of working and reporting to speed up the delivery of audits of emergency responses by the public sector; changes to be made to internal audit plans and work programs, etc. IACOP reacted quickly through virtual events and knowledge products to guide the internal auditors in those difficult times. Overall, it was a challenging year for internal auditors, but also was an opportunity to gain experience.

<sup>18</sup> IACOP strategic and action plans can be found at:

### **Meetings of the Audit in Practice Working Group and Internal Control Working Group**

(see below) in Sochi, Russian Federation, allowed participants to learn from the Russian experience and benefitted from financial and in-kind high-level support from the hosts.

### **The IACOP contributed suggestions and comments on the Institute of Internal Auditors draft exposure document on the Three Lines of Defense Model.**

IACOP members, Executive Committee members, working group leaders, World Bank experts, representatives from the Ministry of Finance of the Netherlands, and the IACOP lead and resource team met by videoconference in September 2019 to discuss the draft exposure document. Comments and suggestions were then incorporated in a formal IACOP letter to the Institute of Internal Auditors Working Group on the draft.

### **The IACOP quickly convened a smart interactive talk to advise members on internal audit during the COVID-19 pandemic in April 2020.**

More than 70 key internal audit officials from 26 countries met by videoconference along with representatives of partner organizations including the European Commission, the Institute of Internal Auditors, the Ministry of Finance of the Netherlands, and the National Council for Internal Control of Brazil to assess the impact of COVID-19 on internal audit activity. Representatives of four countries, the Netherlands, Ukraine, the Republic of South Africa, and the United Kingdom, gave presentations followed by a question & answer session. Participants discussed good practices to ensure that internal audit activity continued to be effective during the pandemic. These were then developed into a new knowledge product, created as a guide for public sector internal auditors.

### **The IACOP hosted a smart interactive talk on key performance indicators for internal audit activity in June 2020.**

This videoconference convened over 70 internal audit officials from 26 countries to discuss collecting and analyzing qualitative and quantitative data, the requirements of international standards, and indicators relevant for inclusion on a balanced scorecard. The meeting addressed the four main areas for consideration in the use of key performance indicators and the role of the central harmonization unit in supporting their development. Representatives from Austria, the United Kingdom, and the European Commission gave presentations and joined a question and answer session with IACOP members. The conclusions were captured in a new knowledge product aimed at supporting public internal auditors to improve the value and impact of internal audit activity.

### **A knowledge product, *PEMPAL Guidance for Internal Auditors on Assessing the Effectiveness of Internal Control*, was developed and published by the IACOP in FY20.**

This seeks to help internal auditors better understand the main features of effective internal control and how to assess its maturity and effectiveness. The guidance outlines the main features of internal control as promoted by COSO; explains the purpose of each of the five components of internal control and the underlying 17 principles of internal control that need to be met for internal control to be effective; identifies criteria for assessing the extent to which each of the principles has been met; promotes a model for a four-level assessment of the maturity of internal control; and presents a detailed framework for assessing the maturity of internal controls at these four levels drawing on the assessment criteria developed by PEMPAL.

# 3.3.1.

## IACOP Working Groups

**IACOP has several working/thematic groups.** These offer additional opportunities for member countries to address issues of priority interest.

### Working Group on Internal Control

- Established in 2016
- Comprises 23 IACOP member countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, the Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

### Audit in Practice Working Group

- Established in 2015
- Comprises 23 IACOP member countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, the Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

### Working Group on Internal Control

**The Working Group on Internal Control continued its work in FY20 towards implementing risk management and control activities in the public sector.**

The Working Group met in-person in October 2019 in Sochi, Russian Federation. Members discussed how effective audits of internal control require a structured

approach using different tools and techniques. They agreed that maturity models can be a useful way of presenting the results of audits to management; and that, in general, risk management is likely to be better developed at a central (state) level than at a local level. The outcomes for Working Group members in FY20 included improved understandings of how to implement risk management activities and how internal audit can act as an educator by helping to translate risk management policies and standards into a language that managers understand. The Working Group finalized and published a glossary of terms relating to internal control in FY20. Primarily for use by central harmonization units and internal auditors, it seeks to help promote consistent understanding of key internal control terms. The glossary focuses exclusively on internal control (rather than internal audit) terms and reflects an extensive collaborative process, including among practitioners and policymakers in PEMPAL member countries.

### Audit in Practice Working Group

**The Audit in Practice Working Group further progressed its work in FY20 in understanding how to add value and increase the impact of internal audit activity.**

The Working Group met in October 2019 in Sochi, Russian Federation. Discussions included the required qualities of audit reports and the role of internal audit in tackling fraud and corruption. Outcomes for the Working Group in FY20 included recognition of the increasing expectations of internal audit: auditors are now expected to provide more advisory engagements, fraud risk assessment, recognition of fraud opportunities, etc., and agreement to continue to work together to meet these expectations.

# 3.3.2.

## IACOP Knowledge Products

**In FY20, the IACOP finalized the following knowledge products:**

### **PEMPAL Glossary of Key Internal Control Terms**

Compiled by the Working Group on Internal Control for use by central harmonization units and internal auditors to help promote consistent understanding of key internal control terms.

### **The Impact of COVID-19 on the Role and Activities of Internal Audit**

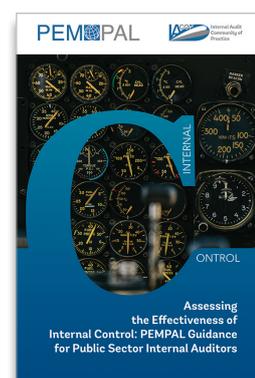
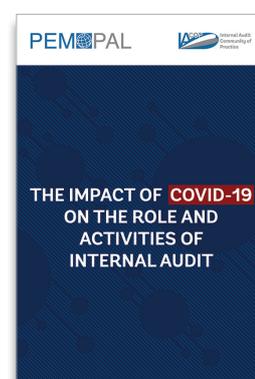
Based on materials and discussions from the IACOP smart interactive talk in April 2020 on the impact of the COVID-19 pandemic on internal audit work.

### **Key Performance Indicators for Internal Audit Function**

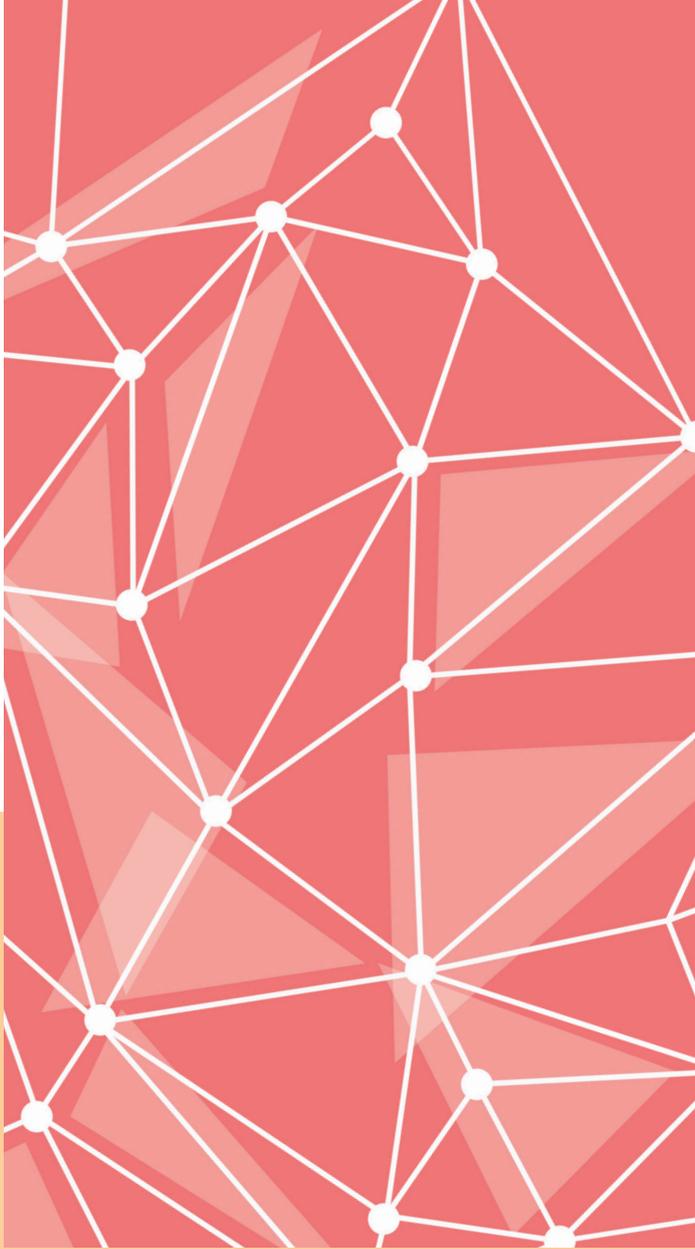
Based on materials and discussions from the June 2020 IACOP smart interactive talk on identifying good practice for heads of internal audit units on the use of key performance indicators.

### **PEMPAL Guidance for Internal Auditors on Assessing the Effectiveness of Internal Control**

Developed by the Internal Audit Community of Practice to help internal auditors better understand the main features of effective internal control and how best to assess its maturity and effectiveness (published in FY21).







4

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

High quality PEMPAL products and services, established during the past strategy period, are being maintained. *PEMPAL in 2012–17* provided solid evidence of high and growing levels of member satisfaction with the quality of resources and services provided by the network during the past strategy period. The challenge is to sustain these high overall standards and further improve the quality of materials while continuing to encourage stronger participation of members in producing knowledge resources and gradually reducing the input from resource teams. The COVID-19 pandemic in FY20 posed a wholly new and unprecedented set of challenges to PEMPAL – the inability to meet in person limited opportunities

for knowledge sharing and discussions; technological/ connection challenges impacted the move to virtual events; and increased work pressures reduced the time available for key members to participate in events. While PEMPAL spirit and determination helped to address all these challenges successfully so far, as evidenced by the data presented in this section, one needs to remember that having all events online is a good short term emergency solution rather than a long term one. The best learning results are achieved through the optimum mix of online and face-to-face events, which could be possible to achieve when the pandemic restrictions are lifted globally.

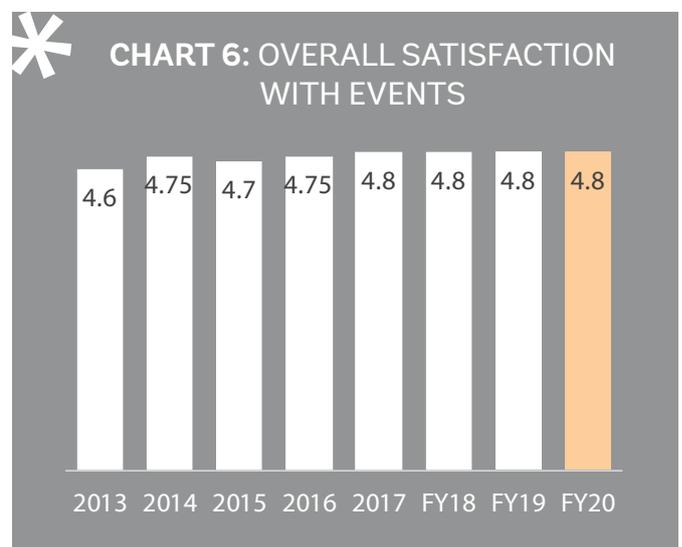


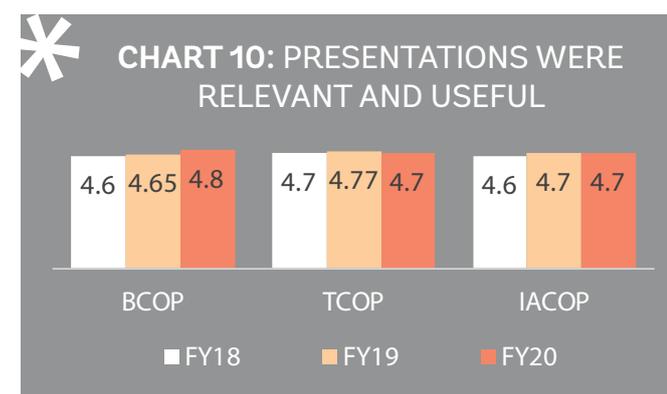
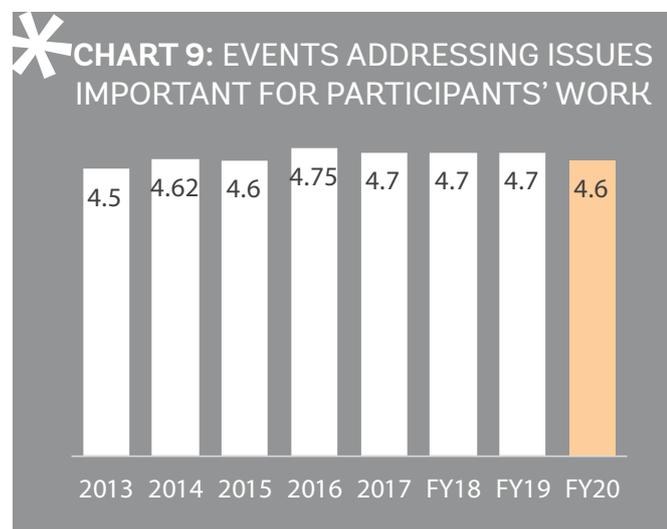
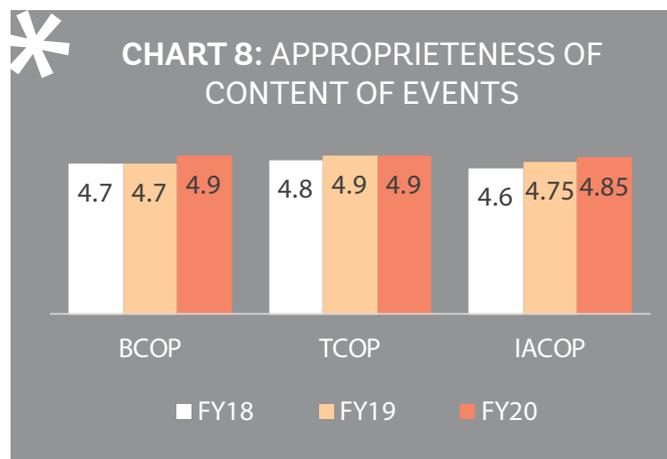
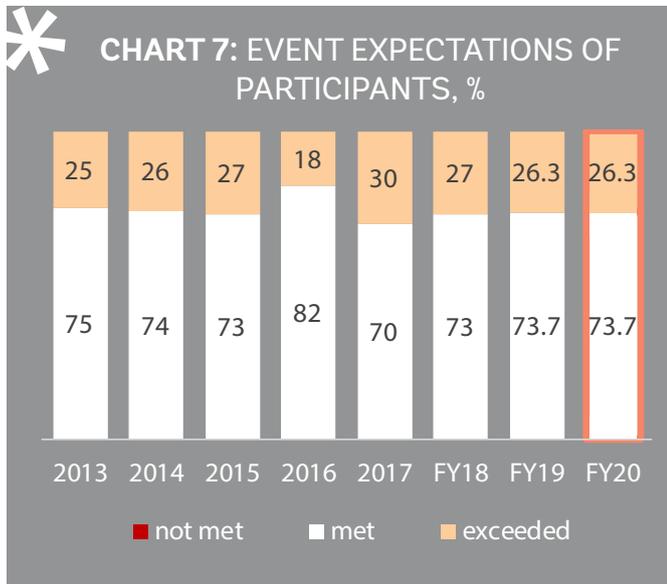
# 4.1.

## Quality and Relevance of Events and Materials

**A key service provided by PEMPAL is organization of thematic events focusing on issues of priority interest for members.** Participant event evaluation surveys again rated the quality of PEMPAL events as high in FY20. The survey data shows that average satisfaction ratings remained at a high level (**Chart 6**) and that events met expectations for a majority of participants and exceeded expectations for a significant number of them (**Chart 7**). Participants rated the appropriateness of event content higher than usual (**Chart 8**), but rated the relevance of issues important to their work addressed in the events slightly lower than in previous years (**Chart 9**). **Attachment 4** provides data on other indicators of PEMPAL quality monitored through event evaluation surveys. The surveys also provide a rich set of written feedback from participants on PEMPAL events,

including practical suggestions for further improvements (see **Attachment 1**).





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

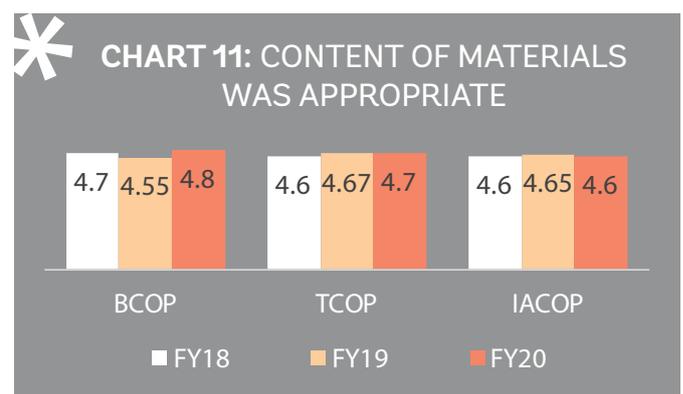
FY20 survey data shows that participants value the resources provided by PEMPAL and find them relevant, appropriate, and useful. In particular, the surveys show high ratings for the appropriateness of the content of presentations, handouts, and other materials used at the events, as well as for the relevance and usefulness of presentations, see **Charts 10** and **11**.

**The number of PEMPAL knowledge products has been increasing over recent years and these are another important service provided by the network.**

Most have been generated by IACOP working groups although both TCOP and BCOP have intensified their work on knowledge products in recent years. Knowledge products include the results of benchmarking surveys on reform progress in countries within and outside the PEMPAL region, document elements of good practices, and/or share reform challenges and solutions. Positive feedback on the usefulness of knowledge products was received, for example, from BCOP members during its November 2019 meeting and from written questionnaires circulated electronically. 14 countries provided feedback on the quality of the *Performance Budgeting and Spending Reviews: Current Practices and Recommendations* knowledge product completed in late FY20 and the specific ways in which it will be used to inform considerations within reforms in their countries.

**PEMPAL continued to share relevant PFM-related documents to support discussions during FY20.**

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



# 4.2.

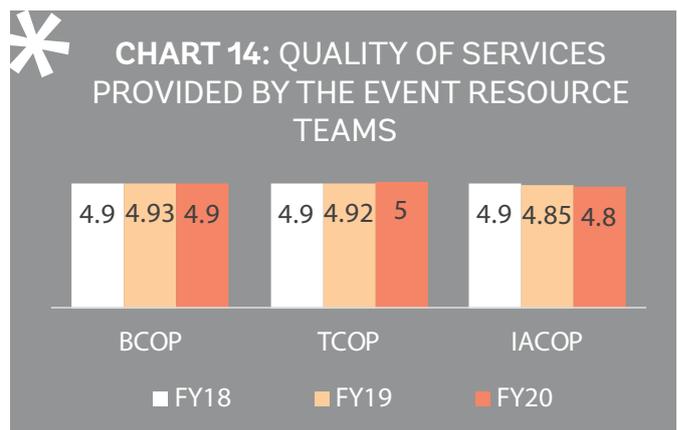
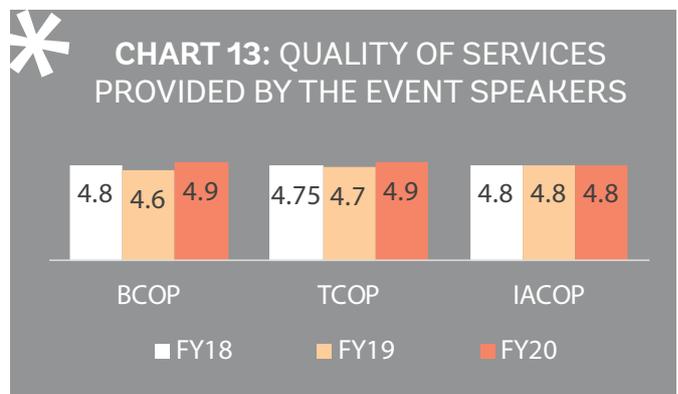
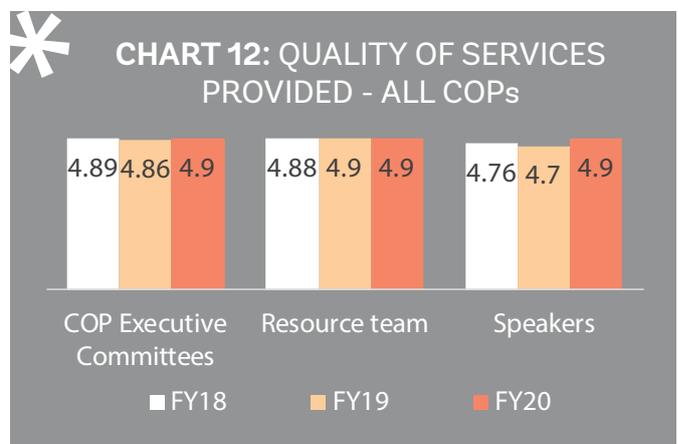
## Quality of Content Support by the COP Resource Teams

**Resource teams are key to providing support on the technical content required to address the identified PFM priorities and to ensure the network meets the expectations of its members and donors.**

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

**The quality of services provided to the COPs was highly rated by event participants.** Since FY18, event evaluation surveys ask about the quality of services provided by Executive Committees, resource teams, and event speakers. These show very high ratings across all three COPs, as shown in **Charts 12, 13, and 14.**

The core resource teams provided by the World Bank in FY20 included Elena Nikulina (TCOP Lead Coordinator), Yelena Slizhevskaya (TCOP Resource Person), Galina Kuznetsova (TCOP Resource Person), Iryna Shcherbyna (BCOP Lead Coordinator), Naida Čaršimamović Vukotić (BCOP Resource Person), Deanna Aubrey (BCOP Resource Person), Arman Vatyanyan (PEMPAL Task Team Leader/IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP Resource Person), Lusine Grigoryan (IACOP Resource Person). Nina Duduchava continued to provide support for implementation of the program surveys. The experts



mobilized by the World Bank included Mark Silins and Mike Williams for TCOP; and Jean-Pierre Garitte and Richard Maggs for IACOP. The Ministry of Finance of the Netherlands, through its National Academy for Finance and Economics, kindly provided the expertise of Manfred van Kesteren and Ruslana Rudnitska.

**Reliance on paid-for external expertise is expected to further decline as member involvement in the development and delivery of activities increases, in line with the trends envisaged under the current strategy.**

Table 2 provides data on the number of external experts involved in PEMPAL events. Budget restraint saw a

decrease in paid external expertise in recent years. In FY20 in-kind experts contributed significantly to IACOP and BCOP events. Self-funded experts, including from the OECD, the Global Initiative for Fiscal Transparency, the International Budget Partnership, the Netherlands, France, Ireland, Italy, UK, Canada, Hungary, Belgium, Switzerland, and the Republic of South Africa, joined and gave presentations at PEMPAL events, provided inputs to knowledge products, and shared much demanded knowledge and practical experience in exchange for learning from PEMPAL countries. Additionally, SECO collaborated on a series of videoconference meetings in June and July 2020 for all three COPs to learn from Swiss PFM counterparts.

**TABLE 2: EXTERNAL EXPERTS AT PEMPAL EVENTS<sup>19</sup>**

	2012	2013	2014	2015	2016	2017	FY18	FY19	FY20
<b>Events</b>	15	27	29	28	18	15	20	17	19
<b>Participants from PEMPAL countries</b>	505	600	831	612	613	527	590	500	576
<b>Resource Teams and International Experts</b>	125	241	160	124	118	83	95	105	109



<sup>19</sup> All figures in the table are by agenda.



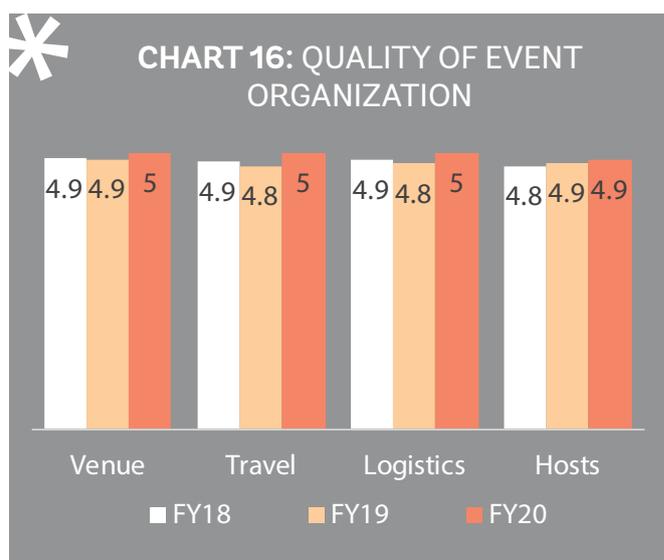
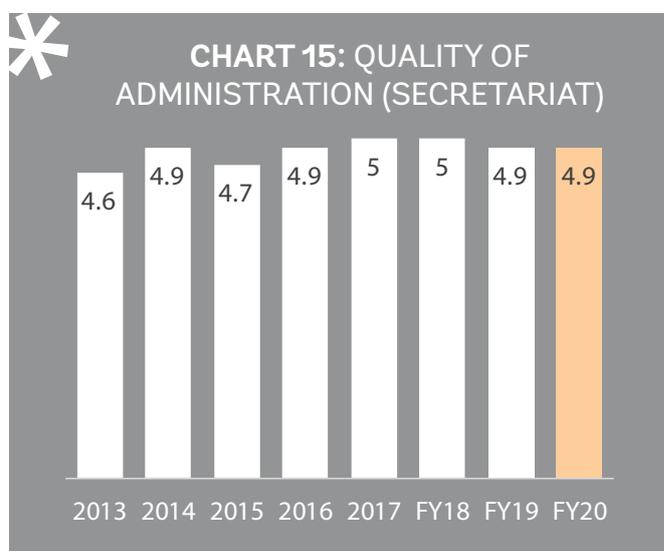
# 4.3.

## Quality of Logistical and Administrative Support – Secretariat

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

Secretariat functions include: organizing face-to-face events e.g. coordinating event invitations, arranging flights, accommodation, visas, translations, contracting venues and supplies, and document distribution; providing background materials for PEMPAL Steering Committee discussions, e.g. amendments to internal regulation, updates on the COPs’ budgets; monitoring performance based on a comprehensive set of indicators; preparing progress and annual reports; maintaining and editing the PEMPAL website and newsletter; maintaining records of PEMPAL events and the virtual library; and organizing on-line meetings. As part of the Secretariat’s role, it administers and coordinates online-resource materials and communication, such as the PEMPAL website, and virtual meetings. In March 2020, through a competitive selection process, the Secretariat chose the platform KUDO, which enables online events with the simultaneous translation into the PEMPAL languages. This platform was used for all CoP events requiring simultaneous interpretation starting from April 2020. The Secretariat also facilitated the work of the external evaluator, including organization and logistical support to interview members, translation of materials, etc.

**Secretariat services continue to be ranked highly by members.**<sup>20</sup> Data from event evaluation surveys indicates that the quality



<sup>20</sup> The Secretariat continues to be located in the World Bank Moscow office. The Secretariat includes Galina S. Kuznetsova (Lead coordinator), Ksenia Malafeeva (BCOP Coordinator), Ekaterina Zaleeva (TCOP Coordinator), and Kristina Zaituna (IACOP Coordinator).

“Quality of preparation, administration of the event, the contribution of the secretariat and other organizational issues were at a high level. Thanks!”

— TCOP working group meeting, Moscow

of services provided by the Secretariat remained at a high level in FY20 (see **Chart 15**). The standard event evaluation questionnaire was updated in FY18 to request information on specific aspects of event organization, which all received very high ratings as shown on **Chart 16**.

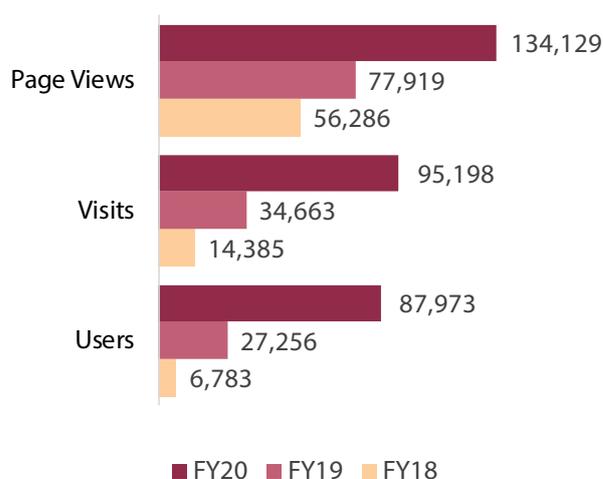
**One of the Secretariat’s responsibilities is to maintain the PEMPAL website, which is the main storage platform for information on all program activities.**

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

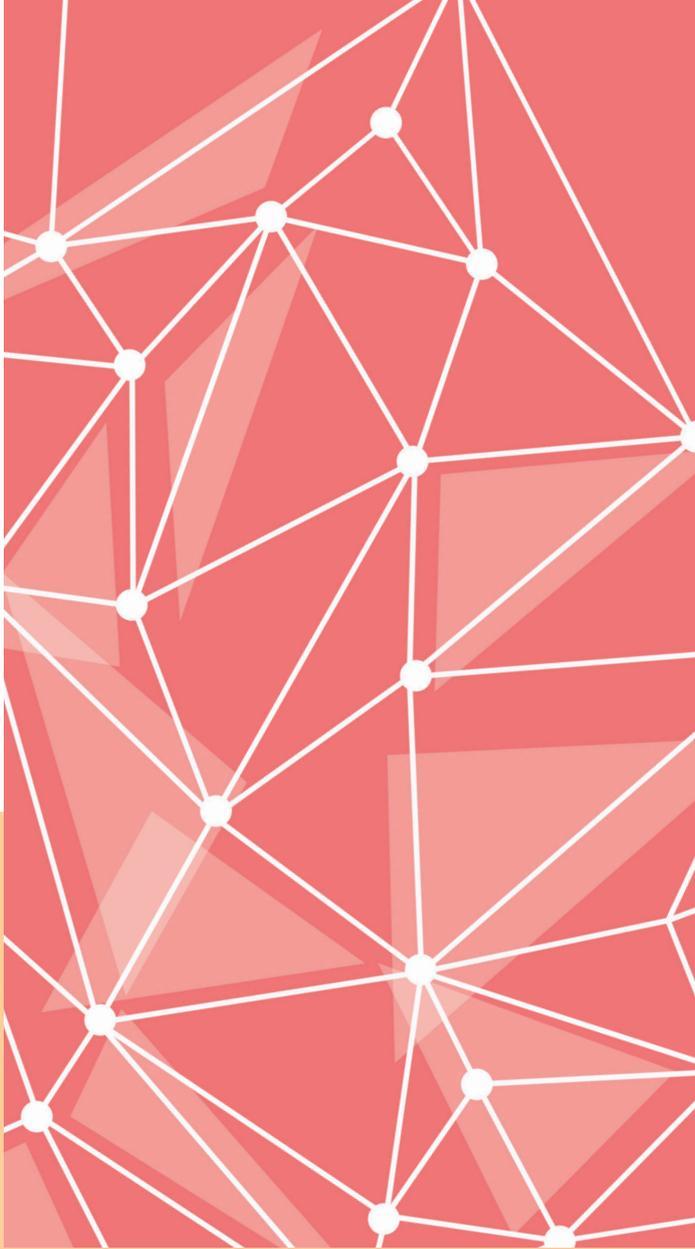
**Data on web traffic shows a huge increase in all the dimensions (users, visits, and page views).** The monitoring tool, based on google statistics, demonstrates significantly increased traffic in FY20 (see **Chart 17**) following the switch to the fully online mode. It comes on top of efforts in previous years to consolidate all documents and knowledge products on the PEMPAL website, including event announcements, event materials, and translated presentations, added by some COPs before events as requested by members.

**Real-time conferencing through World Bank supported videoconferencing facilities and on-line communication tools (e.g., Skype, WebEx, SurveyMonkey, KUDO) are widely used.** They have been successfully used for COP Executive Committee meetings and Steering Committee meetings, and also by COPs especially since April 2020. The SurveyMonkey instrument is also used to administer electronic surveys for post-event survey feedback and event registration. Use of the KUDO platform since April 2020 for events requiring simultaneous translation has proven to be effective and efficient, enabling quick and easy-to-organize knowledge exchange and allowing PEMPAL to continue its work despite the most stringent limitations on meetings and travel in all member countries.

**CHART 17: PEMPAL WEBSITE TRAFFIC**







5

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

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

and financial contributions to the program by member countries. Excellent donor partnerships have ensured a positive financial situation for the program during the period, although some delays in approvals and availability of funding caused COPs to have to implement early cost saving measures.



# 5.1.

## Committed Membership and Leadership

**The network continued to benefit from the strong support of member countries and individual members in FY20** through different channels, despite the severe limitations caused by the pandemic.

**COP Executive Committees, the driving force of the network, include volunteers from member countries. Committee members invest significant time in network activities.** Most have served on the respective committees for several years. As many concurrently hold senior positions in their home institutions, such dedication indicates strong commitment to the PEMPAL network. Four out of nine members of the TCOP Executive Committee in FY20,<sup>21</sup> for example, were senior managers of member countries' national treasuries (State Secretary of the Ministry of Finance of Moldova, Executive Secretary of Ministry of Finance of Kazakhstan, and Deputy Heads of the

Treasuries of Belarus and the Russian Federation). The Head of the Sector for State Accounting of the State Treasury of the Ministry of Finance of Croatia served as a Deputy Chair of the BCOP Executive Committee, and the Assistant Minister for Budget of the Federal Ministry of Finance of Bosnia and Herzegovina continued to serve as a member of the BCOP Executive Committee.

**The Executive Committees are responsible for the formulation and implementation of all COP activity plans.** The chairs and deputy chairs of the COPs are also members of the PEMPAL Steering Committee and have a responsibility to provide updates on the progress of COP activities to the Steering Committee meetings. COP Executive Committees met three times in FY20. The BCOP and TCOP Executive Committees had formal minutes taken<sup>22</sup> while the IACOP Executive Committee had minutes stored in the COP's internal shared web resource, available on request.

<sup>21</sup> One position was vacant during the time.

<sup>22</sup> All minutes available at

**In FY20, 14 of the 23 member countries were represented on at least one of the COP Executive Committees.** Composition of the committees is limited by the program operational guidelines to nine country representatives. Each of the COPs has its own internal process for identification of the candidates for membership in the Executive Committee and electing the leadership but is required under the operational guidelines to hold annual elections of the chair (see **Attachment 2** for lists of Executive Committee members).

**Strong member country commitment is also evident from their willingness to host PEMPAL events and invest significant resources into their organization.** As previously mentioned, three of the four face-to-face events in FY20 took place in PEMPAL member countries (Minsk, Belarus; Moscow, Russian Federation; and Sochi, Russian Federation.). Host institutions used the opportunity of PEMPAL events to share with colleagues their experience in the reform areas being discussed, mobilizing multiple speakers and preparing significant parts of the event agendas. Contributions to the content of the event agendas were supplemented by significant in-kind or financial contributions provided by the host countries in various forms, including direct financing of social events, meals, and other types of expenses. The similar commitment was demonstrated by Uzbekistan and Kazakhstan in planning for two of the three plenary meetings scheduled for late March (IACOP) and early June 2020 (TCOP), which had to be postponed to FY21. While the switch to a remote mode of operation in the second half of FY20 limited interaction between members, they nevertheless demonstrated a continued keen interest in PEMPAL events despite having to cope with increased workloads.

**FY20 events attracted high-level involvement from member countries. Meetings hosted by member countries were opened at a senior level and attended by high-level officials.** The Assistant Minister for Budget of the Federal Ministry of Finance of Bosnia and Herzegovina and Head of the Sector for State Accounting of the State Treasury of the Ministry of Finance of Croatia actively participated in several BCOP

“Organization of the event, increased attention to the participants by the host country, the relevance of the workshop topics (cost analysis, performance-based budgeting, capital budget accounting, budget risk management), opportunity for general discussion of the topics discussed and the friendly attitude of the meeting participants.”

— **BCOP attendee at OECD network exchange meeting, Minsk**

events during the year. The Deputy Head of the Federal Treasury of the Russian Federation opened the IACOP event in Sochi and an Assistant Minister from Bosnia and Herzegovina participated in the event. Two Deputy Heads of the Federal Treasury of the Russian Federation presented during the TCOP thematic group meeting in Moscow with another Deputy Head welcoming the participants. The State Secretary of the Ministry of Finance of Moldova and the Executive Secretary of the Ministry of Finance of Kazakhstan as well as the Deputy Head of the Treasury of the Republic of Belarus and the Deputy Head of the State Treasury Agency from Azerbaijan also participated in this event. Overall, 13 senior officials<sup>23</sup> from member countries attended four PEMPAL face-to-face events in FY20 (3 from BCOP, 8 from TCOP, and 2 from IACOP). Some member countries also self-funded additional participants at events (a total of 32 in FY20, 9 from TCOP and 23 from IACOP).<sup>24</sup>

**The active engagement of members in the preparation and delivery of COP events is an important success factor of PEMPAL activities.** Member country representatives actively developed and delivered the event agendas in the first half of FY20 and prepared for the plenaries scheduled for the second half of FY20. According to data collected by the PEMPAL Secretariat, at FY20 events COP members prepared and delivered 35 presentations, 19 of which were substantive presentations of the level typically expected from invited speakers and consultants.<sup>25</sup> The level of participation remained high during the lockdown phase. COP members also actively contributed to the work on knowledge products; from FY21, the Secretariat will capture this information with the help of the resource teams.

<sup>23</sup> Senior officials are Ministers/Deputy Ministers of Finance and Heads and Deputy Heads of Treasury.

<sup>24</sup> IACOP regularly places limits on the number of self-paid participants, as the demand is high, which may affect the flow of the events, and logistical arrangements required.

<sup>25</sup> The remaining presentations were smaller e.g. reform news, small group discussion summaries, live system demonstrations.

## PEMPAL keeps stakeholders informed of activities to help maintain strong support for the program.

Quarterly newsletters and the Annual Report are distributed to stakeholders. Members actively promote the value of PEMPAL in their countries, some examples are provided in **Box 1** below.

### BOX 1: EXAMPLES OF PEMPAL PROMOTION ACTIVITIES BY MEMBERS IN FY20

There is often a lot of publicity generated in member countries around hosting events. During FY20, Ministries of Finance and Treasuries posted press releases related to PEMPAL events on their websites. Some examples are provided below. Information has continued to be shared despite the reduction in face-to-face meetings in the second half of FY20, increasingly through Facebook and other social media platforms.

#### Russia

Federal Treasury about TCOP Moscow, October 23-25, 2019:

[roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402918/](https://roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402918/)

[roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402802/](https://roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402802/)

[roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402771/](https://roskazna.gov.ru/novosti-i-soobshheniya/novosti/1402771/)

[gov-news.ru/news/1002340](https://gov-news.ru/news/1002340)

Federal Treasury about IACOP Sochi, October 28-31, 2019:

[roskazna.gov.ru/novosti-i-soobshheniya/novosti/1403268/](https://roskazna.gov.ru/novosti-i-soobshheniya/novosti/1403268/)

[gov-news.ru/news/1006120](https://gov-news.ru/news/1006120)

Other sources about IACOP Sochi, October 28-31, 2019:

[finexpertiza.ru/news/zasedan-rab-grup-audit-na-praktike/](https://finexpertiza.ru/news/zasedan-rab-grup-audit-na-praktike/)

[telegram.me/s/govfn?before=6550](https://telegram.me/s/govfn?before=6550)

An interview with Mr. Arman Vatyanyan, PEMPAL Task Team Leader/IACOP Lead Coordinator, was published in the leading Russian magazine "Audit" in December 2019, including the cover:

[auditrf.ru](https://auditrf.ru)

#### Croatia

"We share information on PEMPAL activities in our Bulletin, which is published semi-annually. In the December 2019 Bulletin we also published an article on the study visit of internal auditors from Batumi, Georgia, which had been organized through PEMPAL contacts."

— Croatia

Ministry of Finance:

[mfin.gov.hr/UserDocsImages//dokumenti/sredisnja-harmonizacija/PFIC/bilten//Bilten%20br.%2026%20prosinac%202019.pdf](https://mfin.gov.hr/UserDocsImages//dokumenti/sredisnja-harmonizacija/PFIC/bilten//Bilten%20br.%2026%20prosinac%202019.pdf)

[mfin.gov.hr/UserDocsImages//dokumenti/sredisnja-harmonizacija/PFIC/bilten//Bilten%20br.%2027%20lipanj%202020.pdf](https://mfin.gov.hr/UserDocsImages//dokumenti/sredisnja-harmonizacija/PFIC/bilten//Bilten%20br.%2027%20lipanj%202020.pdf)

#### Kazakhstan

Posted its participation in PEMPAL TCOP Moscow event on the news on the Treasury website:

[www.gov.kz/memleket/entities/kazyna/press/news/details/predsedatel-komiteta-kaznacheystva-mf-rk-a-ashuev-prezentoval-v-moskve-dostizheniya-kazahstana-v-sovershenstvovaniibuhgalterskogo-ucheta-i-otchetnosti?lang=kk](https://www.gov.kz/memleket/entities/kazyna/press/news/details/predsedatel-komiteta-kaznacheystva-mf-rk-a-ashuev-prezentoval-v-moskve-dostizheniya-kazahstana-v-sovershenstvovaniibuhgalterskogo-ucheta-i-otchetnosti?lang=kk)

#### Belarus

Published an article in the magazine "Finance, accounting, audit" following the Minsk network event with OECD:

[www.minfin.gov.by/journal/stuff/archive/2019/55753b965f8444af.html/](https://www.minfin.gov.by/journal/stuff/archive/2019/55753b965f8444af.html/)



# 5.2.

## Strong Donor Support and Oversight

### **PEMPAL donors play a critical role in sustaining the benefits of the network for member countries.**

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

### **The main source of program funding in FY20 came from long-standing development partners SECO and the Ministry of Finance of the Russian Federation through the PEMPAL MDTF.**

An Administrative Agreement between the World Bank and SECO for a new financial contribution to support implementation of the PEMPAL Strategy 2017–22 was signed in December 2017. The Ministry of Finance of the Russian Federation also approved a new financial contribution to support this strategy and provided the first two tranches in FY20. Successful discussions with a new donor, the European Commission, started in FY19 and were completed in FY20. Current donors are represented on the PEMPAL Steering Committee, which is chaired on an informal rotating basis between them and the World Bank.<sup>26</sup>

### **The World Bank continued its support for PEMPAL in FY20**

through overall program management and administration of the PEMPAL MDTF;

administrative and logistical services provided by the Secretariat team based at the World Bank office in Moscow; and content support for COP activities through the resource teams.

### **The COPs benefited from significant contributions provided by traditional development partners, individual members, and other parties during FY20.**

Cooperation with these organizations and individuals is an important source of content for the COPs' work and it allows PEMPAL countries to share and benchmark their progress and challenges with countries from other networks/regions on a regular basis and to learn about and discuss the latest trends and analytical reports of international organizations in relevant areas. The BCOP continued its close cooperation with international partners including the OECD, Global Initiative for Fiscal Transparency, and the International Budget Partnership, and was grateful for valuable input from the Ministries of Finance of Belarus, France, Italy, Ireland, and Canada. Cooperation with the OECD in FY20 included BCOP participation in OECD network meetings, content contribution to BCOP events and facilitating sourcing of expert speakers, and peer review of the BCOP knowledge product. The TCOP enjoyed cooperation with the Federal Treasury of the Russian Federation, the Ministry of Finance of the Russian Federation, the State Treasury of Hungary, the Debt Management Agency of Hungary, and the Swiss Federal Treasury. Valued cooperation with the IACOP included representatives of the National Academy for Finance and Economics of

<sup>26</sup> Anna Valkova, the representative from the Ministry of Finance of the Russian Federation, was chair throughout FY20.

the Netherlands, the European Commission, Ministries of Finance of France, Austria, and the Russian Federation, the National Treasury of South Africa, the UK Government

Internal Audit Service, the Brazilian National Council of Internal Control, the Federal Treasury of the Russian Federation, and the Russian Institute of Internal Auditors.

## BOX 2: PEMPAL STEERING COMMITTEE ACTIVITIES IN FY20

**The PEMPAL Steering Committee, as PEMPAL's oversight body, held 3 regular meetings and two supplementary meetings<sup>27</sup> in FY20, all by videoconference.** The Steering Committee monitored implementation of the PEMPAL Strategy and the 2017-22 Activity Plan, including management of the impact of COVID-19. COPs FY20 action plans and draft FY21 action plans were revised reflecting adjustments due to COVID-19. The terms of reference for the external evaluation of the implementation progress of the new strategy were approved; progress of the external evaluation was reviewed at meetings in January and April; and the plan for the mid-term review was approved, with a potential extension of the deadline due to the impact of COVID-19. The execution of current year budgets was reviewed at each regular meeting. Chairs and Deputy Chairs of COP Executive Committees on the Steering Committee provided regular updates on COP activities. COPs reported on the development of induction kits for new members and the introduction of questions to collect information on the use of knowledge products

within COP surveys. The Secretariat presented an internal paper which examined financial sustainability aspects of other similar networks.

There had been good progress in planning a cross-COP leadership team meeting, before it was postponed due to COVID-19. Fortunately, SECO was able to facilitate virtual meetings of the PEMPAL COPs with their Swiss peers.

Annual thank you letters to the Ministers of Finance of member countries, support countries, and the management of beneficiary institutions were distributed electronically under the signature of the Steering Committee Chair together with the "PEMPAL FY19 Annual Report".

The composition of the PEMPAL Steering Committee as of end-June 2020 is provided in **Attachment 3**.

Minutes of all PEMPAL Steering Committee meetings are publicly available at

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



<sup>27</sup> To discuss preparations for the cross-COP leadership meeting planned for July 2020 in Bern (postponed to July 2021 due to COVID-19).



# 5.3.

## Ensuring a Financially Viable Network – Key Indicators

**PEMPAL continued active dialogue in FY20 with current and prospective donors to secure the longer-term financial future of PEMPAL.** Both long-standing partners, SECO and the Ministry of Finance of the Russian Federation, have committed to financially support the new strategy period and will be joined by a new donor, the European Commission, in late calendar year 2020.

**The PEMPAL MDTF administered by the World Bank remained the main source of program funding in FY20.**

Actual spending from the MDTF in FY20 was USD 1,182,100. This was USD 523,900 below the amount projected in the PEMPAL Strategy 2017-22 for this year (see Table 3), mostly owing to the absence of any face-to-face events in the second half of the year, including the postponement of all three plenary meetings to later dates in FY21.

**The COVID-19 related cancellation/postponement of face-to-face events, including all three plenary meetings, resulted in a sharp decline of non-MDTF contributions (both financial and in-kind) this FY.**

The *PEMPAL Strategy 2017-22* set a target of 12% for FY20 member contributions, however only 6.2% was achieved (primarily because planned in-country events which would have included significant host contributions were postponed and all activities were moved online). Data collected by the Secretariat (Chart 18) shows that member countries provided financial contributions to PEMPAL worth an estimated USD 50,800 (around 3.9% of total program spending). This included direct financing by the host countries of meals, social events, and other types of expenses, as well as financing by member countries of additional event participants (self-payers). The main contributions came from the Federal Treasury and Ministry of Finance of

**TABLE 3: PEMPAL EXPENSES, FY20**

Expenses	Projected under PEMPAL Strategy 2017-22		Actual	
	USD	% of total	USD	% of total
<b>Total expenses</b>	2,110,000	100.0	1,301,700 <sup>28</sup>	100.0
<b>Expenses financed from PEMPAL MDTF</b>	1,706,000	80.9	1,182,100	90.8

<sup>28</sup> This figure includes financial and in-kind contributions from member countries and third parties of USD 119,600.

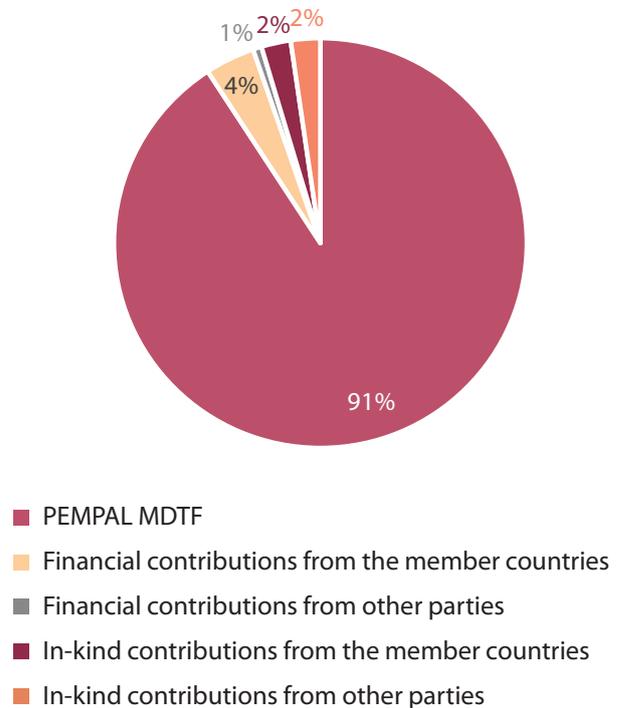
the Russian Federation for the TCOP and IACOP events, followed by the Ministry of Finance of the Republic of Belarus for the BCOP event. About 2.3% of total program spending was estimated as in-kind contributions from member countries through providing speakers for events and input to event agendas. The governments of Uzbekistan and Kazakhstan committed to provide notable contributions to the IACOP and TCOP plenary meetings, but those meetings have been postponed to FY21.

**About 3% of total program spending was covered by in-kind and financial contributions from other parties.** These were non-PEMPAL or COP members who attended/presented at events and self-financed travel costs and accommodation. The BCOP event in Paris and IACOP event in Sochi, for example, had self-paid presenters and participants from the USA, Canada, Italy, Brazil, and others.

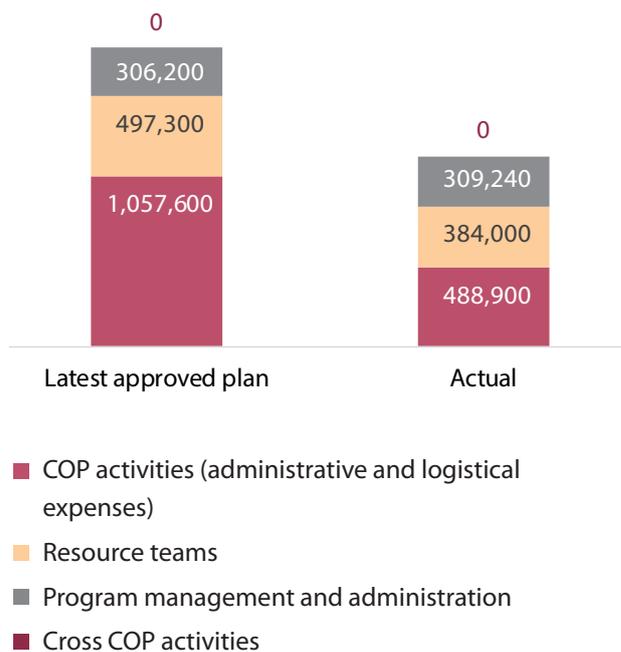
**The unexpected decrease in the number of planned face-to-face meetings resulted in a significant drop in expenditure on COP activities and lower resource team expenditure** (as shown in Chart 19). The savings achieved by the COPs in executing their FY20 budgets were approved at the Steering Committee meeting in April 2020 for use in FY21, but the ability of COPs to utilize these savings will depend heavily upon the possibilities for face-to-face meetings in FY21. It is still not clear at this stage when the COPs will be able to resume such meetings.

**In the first half of FY20, the teams continued the practice of organizing back-to back COP meetings as one of the cost saving measures.** This involved holding different COP face-to-face meetings, with individual agendas and objectives for each meeting, consecutively at one location. The result was improved cost-effectiveness of expenditure, e.g. reducing travel and accommodation costs and administrative overheads. This approach was used for IACOP meetings held in the Russian Federation and BCOP meetings in Paris. Further back-to-back events were planned for the second half of FY20 but had to be postponed.

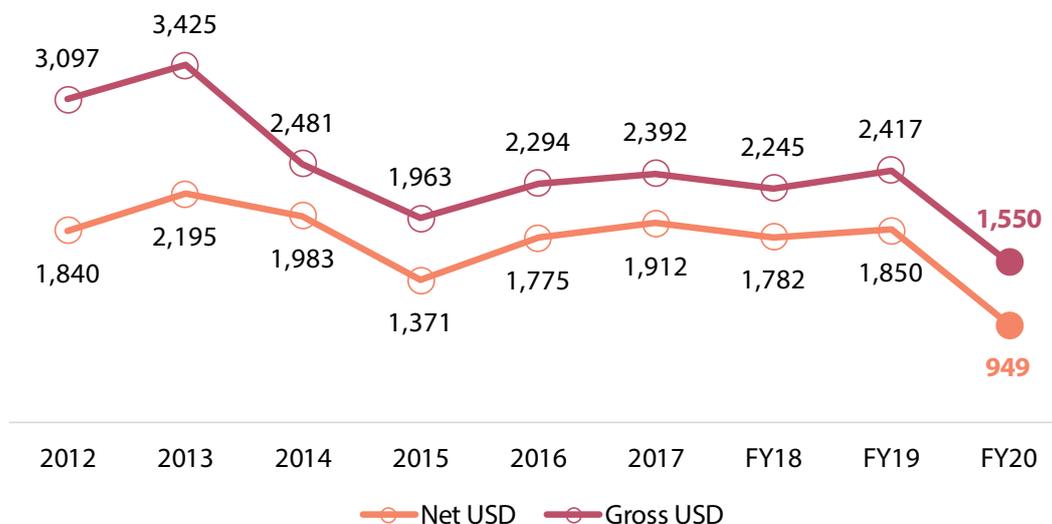
**CHART 18: PEMPAL SOURCES OF FUNDING, % SHARE FY20**



**CHART 19: EXPENSES FINANCED FROM PEMPAL MDTFS (FY20 ACTUAL VS PLAN, USD)**



**CHART 20: AVERAGE ADMINISTRATIVE AND LOGISTICAL EXPENSES (USD PER PARTICIPANT, BY EVENT LOCATION, INCLUDING VCS)**



**Event expenses, always the biggest spending category for PEMPAL, decreased dramatically in FY20 as costs for online events are only a fraction of those for the face-to-face meetings, while the number of participants remained roughly the same.** Chart 20 shows two of the indicators used to monitor event expenses – average administrative and logistical expenses per participant<sup>29</sup> in net and gross<sup>30</sup> terms. Both indicators show the sharp decline as activities became virtual.

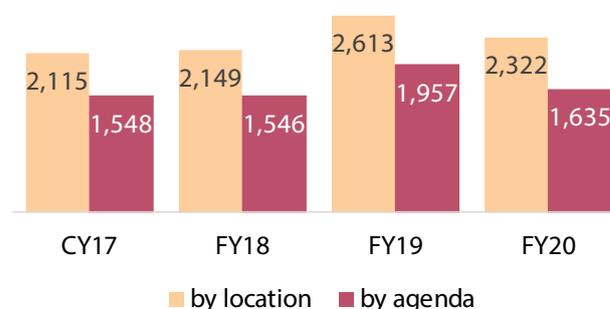
**Average expenses for face-to-face events are provided in Chart 21.** They

decreased in FY20 compared to FY19, both if calculated by event location and by agenda, reflecting less expensive locations of the COP events held during the year and contributions provided by the hosting countries.

**The structure of face-to-face event expenses is presented in Chart 22.**

While they follow a similar pattern to previous years, since only four face-to-face events took place in FY20 the figures may not be fully comparable. Data on the costs of individual events is provided in **Attachment 5**.

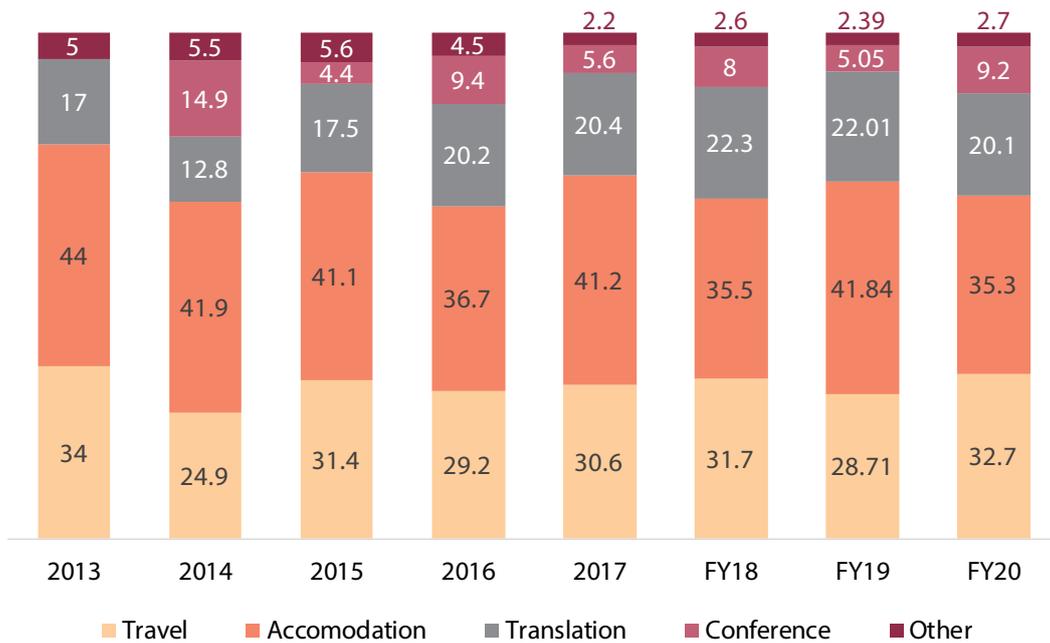
**CHART 21: AVERAGE EXPENSES FOR FACE-TO-FACE EVENTS (USD, PER PARTICIPANT)**



<sup>29</sup> Calculations made on member country participants by location including videoconferences.

<sup>30</sup> Administrative expenses in gross terms include Secretariat costs and other administrative expenses not attributable to individual events.

**CHART 22: STRUCTURE OF EVENT EXPENSES, %**



FY20 was a year when PEMPAL members and countries around the world faced the unprecedented challenges caused by the COVID-19 pandemic. But the network proved to be resilient, PEMPAL managed to adapt quickly to the new online only mode of operation. The events organized in April, May, and June helped members address emerging issues through learning from each other and from global experts thus highlighting the importance and relevance of the topics supported by PEMPAL. Overall, FY20 demonstrated a strong performance of the network, including increased

ownership of COP knowledge products. Despite all the challenges, the activities go on, COPs continue to engage the members, and the pipeline of events is strong. The external evaluation of the program and the mid-term review of the current strategy implementation launched in FY20 and to be completed in FY21 will help to come up with a long term solution towards achieving the optimal learning mix through the online and face-to-face events to allow PEMPAL to look forward to another year with confidence.



## **ATTACHMENT 1**

# **IMPACT OF PEMPAL PFM PRACTICES AND PROFESSIONAL CAPACITY OF PFM SPECIALISTS**



# Budget Community of Practice: Examples of Impact in FY20

We have learned useful things about citizen engagement and how to ensure the involvement of all stakeholders, especially at the national level. In addition, experiences of New Zealand and Canada in terms of welfare and citizen-oriented budget were very interesting

— **BCOP meeting, Paris, November**

We will make an addition to the work plan for the next year and to the roadmaps of PFM reform.

— **BCOP meeting, Paris, November**

I have learned experience from other countries and compared their practices to our practice in my country to come up with the potential new approaches that we can implement in the future.

— **BCOP meeting, Paris, November**

I will propose raising the level of budget planning in order to achieve greater flexibility and thus focus on strategic matters.

— **BCOP videoconference, June**

Since this was my first video conference of this type, I had the privilege of hearing the experiences of fellow representatives of the Ministries of Finance of their countries. At the moment when in the Federation of BiH Program Budgeting is in the phase of full implementation, I believe that I will be able to present some experiences, ways, effects, measures of effects in more detail, more concretely and with more measurable results.

— **BCOP videoconference, June**

The Swiss experience is different from that currently available in my country. So, it is not possible to apply it directly. However, some points, for example, on the choice of the number of performance indicators, will be used in our work.

— **BCOP videoconference, June**

I will apply the acquired knowledge in preparing the new organic budget legislation and in planned activities in my department.

— **BCOP meeting, Paris, November**

I will apply the knowledge gained when developing new program documents, during the implementation of the strategy for PFM reforms.

— **BCOP meeting, Paris, November**

Since I work in the State Budget Execution Sector, the acquired knowledge will be useful in analyzing the expenditures of budget users when preparing various execution reports.

— **BCOP meeting, Paris, November**



## Treasury Community of Practice: Examples of Impact in FY20

The important point was that for the presented version of one of the countries, there were various options from representatives of the other countries and this made it possible to discuss and choose the most suitable option.

— **TCOP meeting, Moscow, October**

COVID-19 pandemic is an extraordinary event and collecting information about countries' reactions are very important.

— **TCOP videoconference, April**

I appreciate the Swiss Federal Treasury's presentation prepared by Mr. Adrian Martinez. It was comprehensive, semantic, structural, useful, helpful especially the slide 19 "Daily report on liquidity", because the generation (from SAP-IT system of Treasury) of this specific dashboard every morning is a necessary tool for every cash manager. Also, the information about Treasury funding instruments in Credit market using internal deposits of institutions employees.

— **TCOP videoconference, June**

I will tell colleagues about working conditions in the other countries during the pandemic period and about solutions of their governments to support the population and small and medium business.

— **TCOP videoconference, April**

I will apply the acquired knowledge in development and refinement of treasury measures related to the current epidemiological situation.

— **TCOP videoconference, April**

I will apply the knowledge gained in the process of developing the methodology of accounting and reporting in the public sector, in the decision-making process, in the process of developing accounting standards.

— **TCOP meeting, Moscow, October**



# Internal Audit Community of Practice: Examples of Impact in FY20

## **Croatia:**

- Knowledge products are used in our daily work, to improve risk assessment guide, quality assessment guide, to update the methodology.
- Experience from other internal audit units, i.e. experience of European Commission internal audit unit was used to revise and improve audit planning.
- Experience and extensive knowledge was gained from the virtual events, particularly: Internal Audit Activity during the COVID-19 pandemic, and Key Performance Indicators.
- Experience in organizing on-line events was very useful, on-line training was organized.
- Constantly exchanging experience with colleagues from other PEMPAL countries and beyond.
- Professionals become more experienced, more professional with each new PEMPAL event.

## **Moldova:**

- After the smart interactive talk dedicated to internal audit activity during COVID-19 pandemic, the practical guideline for internal auditors was produced on overcoming COVID-19 related matters and limitations.
- Methodology and practice manuals (norms in internal audit, quality assessment of internal audit, reporting of internal audit, internal audit practice manual, assessment and reporting of internal control, internal control manual) were revised and improved.
- Amendments were proposed on expanding the provisions of the Public Internal Financial Control Law to State-Owned Enterprises, Joint Ventures, and Other Bodies with State Control Shared Package.

- Draft Government decree on proper sizing of internal audit units across public sector was prepared.
- Completely new approach to elaboration and collection of reports on internal audit and internal control, and further development of the annual public internal financial control consolidated report (including the concept of use of IT systems),
- Whole new approach on training, certification and continuous professional development of internal auditors, including a new training program and curriculum.
- Continuous professional development of internal auditors and central harmonization unit/Ministry of Finance staff was improved.
- Online training was launched, with the use of various IT tools.

## **Georgia:**

- Started to implement internal audit external quality assessment.
- Drafting national questionnaire for assessing internal control system based on respective PEMPAL knowledge products.

## **Kazakhstan:**

- Approved amendments to the legislation targeting to strengthen the periodical reporting of internal audit units to the central harmonization unit and expand the functional area of internal audit function.

## **Russian Federation:**

- Drafted the concept note for transition from financial audit to internal audit for the budgetary organizations in the public sector.

## Republic of North Macedonia:

- Drafted new law on financial internal control in the public sector and target to expand it to state-owned enterprises to strengthen the accountability, to regulate the size of internal audit units, training and certification program targeting to improve the efficiency of internal audit function.

Looking ahead to topics for IACOP events to be organized in FY21, below are some of the specific examples of planned impact:

- **Russian Federation:** "We will use the knowledge when training civil servants, when developing standards for internal audit."
- **Albania:** "As a trainer in the training program for public sector internal auditors I will use the material about key performance indicators for internal audit activity."
- **Georgia:** "For many years we were trying to assess the added value provided by internal audit unit, and despite our efforts we cannot manage it yet. For the next year we have decided to draft the methodology on measuring the added value of internal audit and we will use the PEMPAL guideline. In our opinion, the said knowledge product, like other knowledge products of IACOP, will be very useful.

In the field of internal audit, we will specifically incorporate in the Rulebook on the methodology of internal audit work and through continuous training of internal auditors, etc.;

Updating and/or implementing key performance indicators;

Preparing a balanced score card for internal audit unit."

## Selected feedback on impact from IACOP post-event surveys in FY20

- "I received answers to a number of professional questions related to audit, a lot of interesting communication."
- "I learned that there is artificial intelligence that can be used in audit, if there is a database, we can work with it, manage and identify risks; that we can present audit reports in the form of charts, graphical drawings of varying complexity, tables for a concise, accessible and useful report, conclusions for management; that internal audit evolves by introducing various types of reporting, etc."
- "I have learned from other participants such as: the structure of central harmonization unit in different countries, some knowledge for performance questioners, etc."
- "PEMPAL is a wonderful scene for professional communication!"



# General Feedback on PEMPAL from post-event surveys in FY20

## Content and Format

We have learned useful things about citizen engagement and how to ensure the involvement of all stakeholders, especially at the national level. In addition, experiences of New Zealand and Canada in terms of welfare and citizen-oriented budget were very interesting.

— **BCOP meeting, Paris, November**

This was a first experience of a 'just-in-time' discussion on the topic that is crucial for everyone right now.

— **TCOP videoconference on Specifics of the Treasury Operations in the COVID-19 Environment, April**

It was particularly useful to learn about different practices for developing performance indicators based on citizens' satisfaction, perception, and participation in the context of performance indicators for budget planning.

— **BCOP meeting, Paris, November**

Participants of the videoconference were very active in asking questions, so we learned a lot of important additional information from the follow up discussions. Collecting questions through messages also worked well.

— **TCOP videoconference on Functions of the Swiss Federal Treasury, June**

I really liked the format for the presentation of the new accounting and reporting model at the federal level. Opportunity was given to express the pros and cons on both sides independently. The Federal Treasury honestly revealed all the possible positive and negative sides of the new model and shared them with the event

participants. Understanding of the possibility of using a single chart of accounts has expanded, taking into account the formation of reporting for various purposes, as statistical, financial, managerial, taking into account industry nuances.

— **TCOP meeting, Moscow, October**

I liked best about the event the variety of approaches in using key performance indicators for internal audit. A good way of addressing such a topic via KUDO to stay connected with the IACOP network.

— **IACOP videoconference on Key Performance Indicators for Internal Audit Activity: Collecting and Analyzing Qualitative and Quantitative Data, June**

## Host Support

The organization of the event was held at the proper level. Everything was preplanned, defined. Everything was decided promptly, in a timely manner. No questions. There were no problems with the equipment. All of us were provided with Wi-Fi, a room with sea views. Many thanks to the organizers and the host for such hospitality.

— **IACOP meeting, Sochi**

Everything was at a high professional level. Special thanks to the host party.

— **TCOP meeting, Moscow, October**

Great effort and enthusiasm from the hosts in organizing the event. Choice of places and hotels. Suitable topics.

— **IACOP meeting, Sochi**

## Technical Support

The resource team, as always, provided excellent experts and sessions.

— **BCOP meeting, Paris, November**

I think the speakers coped with their tasks. Concrete answers were given to all questions from the audience. It would be great to have more such discussions. Especially good practice helps us to avoid making the wrong decisions and gives us confidence in the right direction.

— **IACOP meeting, Sochi**

The speaker was very well prepared; delivered the presentation well and answered all questions from the participants.

— **TCOP videoconference on Functions of the Swiss Federal Treasury, June**

The design of event's content was perfect.

— **IACOP videoconference on Key Performance Indicators for Internal Audit Activity: Collecting and Analyzing Qualitative and Quantitative Data, June**

The speakers were excellent, the topics were relevant, we received answers to all the questions asked.

— **BCOP meeting, Paris, November**

The speakers know their topic very well, moreover, they stood at the origins of development, implementation, operation, each according to their own theme. The topics were very interesting and relevant for all participants. The discussions were very lively.

— **TCOP meeting, Moscow, October**

The event was held according to the established goals and objectives, the program and at a specific time. Well-coordinated work of the moderator and assistant team. Lack of technical failures. The ability to communicate (to ask questions on the topics and get answers).

— **IACOP videoconference on Key Performance Indicators for Internal Audit Activity: Collecting and Analyzing Qualitative and Quantitative Data, June**

The presentation was perfect and very interesting, especially the Swiss cash management structure, the cash flow, principles of liquidity management.

— **TCOP videoconference on Functions of the Swiss Federal Treasury, June**

All of the sessions were good, but the Irish presentation on spending reviews was particularly good

— **BCOP meeting, Paris, November**

## Logistical and Administrative Support

Organization of the event was at a very high level, there were no problems with the invitation, the exchange of information, or transfer from the airport and back. A high level of technical equipment, simultaneous translation, the possibility of holding the event online. High level of event moderators directing discussions in the right direction. Everything was thought out to the smallest detail, while all participants are involved.

— **TCOP meeting, Moscow, October**

I'd like to note the high professionalism of the interpreters.

— **BCOP network exchange meeting, Minsk, July**

Everything was very well prepared. It went clearly without a glitch. Great interpretation.

— **IACOP videoconference on Key Performance Indicators for Internal Audit Activity: Collecting and Analyzing Qualitative and Quantitative Data, June**

Translators helped us to understand all speakers without any problems.

— **BCOP meeting, Paris, November**

The secretariat prepares every event so well we had no issues.

— **BCOP meeting, Paris, November**

## Suggestions for Improvement

Have more discussion of specific situations, possible solutions of specific problems, taking into account the diversity of organizational and legal features in different countries.

— **IACOP Working Group meeting, Sochi**

I really liked the opportunity to get information about other communities operating in the field of accounting and reporting in the public sector, since this area is very specific, and therefore there is very little information and

practical experience in it. I believe that it is necessary to practice the participation of members of other communities in PEMPAL in TCOP events.

— **TCOP Working Group meeting, Moscow, October**

For this time the subject proposed was very high and with direct link of the maturity of internal audit function in our countries. In most of the participant countries the internal audit function is not so developed and in my opinion, for some of us, all the information was just at the theoretical level.

— **IACOP videoconference on Key Performance Indicators for Internal Audit Activity: Collecting and Analyzing Qualitative and Quantitative Data, June**

There were technical issues which detracted from the quality of the exchange, but these are probably teething issues with new technology.

— **TCOP videoconference on Specifics of the Treasury Operations in the COVID-19 Environment, April**

In general, everything was well organized. The speeches corresponded to the event theme and were at a sufficiently high quality level. There was a feeling that not enough time was allotted for group discussions.

— **TCOP Working Group meeting, Moscow, October**





## **ATTACHMENT 2**

# **COMPOSITION OF PEMPAL COP EXECUTIVE COMMITTEES DURING FY20**

## Composition of PEMPAL Executive Committees

### BCOP

**Marina Tikhonovich** Belarus

Deputy Head, Budget Process Methodology Department, Ministry of Finance (Deputy Chair until March 2020 and Chair from April 2020)

**Mladenka Karačić** Croatia

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

**Nikolay Begchin** Russia

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

**Anna Belenchuk** Russia

Head of Budget Analysis and Development Unit, Department of Budget Methodology and Public Sector Financial Reporting, Ministry of Finance (Chair until March 2020)

**Ruzanna Gabrielyan** Armenia

Deputy Head, Budgetary Management Department, Ministry of Finance

**Alija Alijović** Bosnia and Herzegovina

Assistant to the Minister, Federal Ministry of Finance

**Emil Nurgaliev** Bulgaria

Senior Expert, Budget Methodology Division of Budget Directorate, Ministry of Finance

**Vasile Botica** Moldova

Head, Sector Budget Policies Department, Ministry of Finance

### TCOP

**Angela Voronin** Moldova

The Late Head of State Treasury, Ministry of Finance

**Liudmila Gurianova** Belarus

Deputy Head of State Treasury, Ministry of Finance

**Ilyas Tufan** Turkey

Deputy Director General, Directorate General of Debt Office, Ministry of Treasury and Finance

**Mimoza Pilkati** Albania

Director of Treasury Operations Department, General Directorate of Treasury, Ministry of Finance

**Nazim Gasimzade** Azerbaijan

Chief of Information Technology Department, State Treasury Agency, Ministry of Finance

**Levan Todua** Georgia

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

**Aidyn Ashuev** Kazakhstan

Executive Secretary, Ministry of Finance (from March 2020)

**Alexander Demidov** Russia

Deputy Head of the Federal Treasury

### IACOP

**Ljerka Crnković** Croatia

Senior advisor-specialist in Central Harmonization Unit, Ministry of Finance (Deputy Chair until June 2020 and Chair from June 2020)

**Petru Babuci** Moldova

Senior Consultant, Public Internal Financial Control Policy Division, Ministry of Finance

**Arman Bekturova** Kazakhstan

Department of Methodology of Financial Accounting and Audit, Director, Ministry of Finance

**Edit Nemeth** Hungary

Head of Central Harmonization Unit, Ministry of Finance (Chair until June 2020)

**Edgar Mkrtchyan** Armenia

Deputy Head of Public Finance Management Methodology Department, Head of Financial Management and Control Methodology Division, Ministry of Finance (Deputy Chair until October 2019)

**Amela Muftić** Bosnia and Herzegovina

Assistant Minister, Head of Central Unit for Internal Audit of Bosnia and Herzegovina Institutions, Ministry of Finance

**Giuli Chkuaseli** Georgia

Head of the Public Internal Control Department, Ministry of Finance

**Tatjana Trajkovska** North Macedonia

Assistant to the Head of the Financial Inspection Department in the Public Sector and Coordination for Combating Fraud Against EU Funds - Deputy Chief Inspector, Cabinet of the Minister, Ministry of Finance (member since February 2020)

**Mioara Diaconescu** Romania

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

**Stanislav Bychkov** Russia

Deputy Director, Department of Budget Methodology, Ministry of Finance

**Irma Gelantia-Akhvlediani** Georgia

Deputy Head of the Public Internal Control Department, Ministry of Finance of Georgia

**Lyudmila Muromtseva** Russia

Head of Audit Oversight Department, Treasury of Russia

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Legend

Chair

Deputy Chair

Member

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



## **ATTACHMENT 3**

# **PEMPAL STEERING COMMITTEE MEMBERS, FY20**

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

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

**TABLE 4: PEMPAL STEERING COMMITTEE MEMBERS, FY20**

Name	Organization	Country	Role	Position
<b>Anna Valkova</b>	MoF	Russian Federation	Donor	Chair of the Steering Committee
<b>Thomas Stauffer</b>	SECO	Switzerland	Donor	Member
<b>Daniel Boyce</b>	WB		Practice Manager	Member
<b>Arman Vatyan</b>	WB		PEMPAL Team Leader / IACOP Resource Team (Lead)	Member
<b>Anna Belenchuk</b>	MoF	Russian Federation	Former Chair of PEMPAL BCOP	Member
<b>Marina Tikhonovich</b>	MoF	Republic of Belarus	Chair of PEMPAL BCOP (since April 2020)	Member
<b>Mladenka Karacic</b>	MoF	Croatia	BCOP Deputy Chair	Member
<b>Edit Nemeth</b>	MoF	Hungary	Chair of PEMPAL IACOP	Member
<b>Arman Bekturova</b>	MoF	Kazakhstan	IACOP Deputy Chair	Member
<b>Petru Babuci</b>	MoF	Moldova	IACOP Deputy Chair	Member
<b>The Late Angela Voronin</b>	MoF	Moldova	Chair of PEMPAL TCOP	Member
<b>Liudmila Gurianova</b>	MoF	Belarus	TCOP Deputy Chair	Member
<b>Ilyas Tufan</b>	MoTF	Turkey	TCOP Deputy Chair	Member
<b>Naida Carsimamovic Vukotic</b>	WB		BCOP Resource Team	Permanent observer
<b>Iryna Shcherbyna</b>	WB		BCOP Resource Team (Lead)	Permanent observer
<b>Deanna Aubrey</b>	WB		Strategic Advisor, BCOP Resource Team	Permanent observer
<b>Elena Nikulina</b>	WB		TCOP Resource Team (Lead)	Permanent observer
<b>Galina Kuznetsova</b>	WB		Secretariat Supervisor, TCOP Resource Team	Permanent observer
<b>Yelena Slizhevskaya</b>	WB		TCOP Resource Team	Permanent observer
<b>Ekaterina Zaleeva</b>	WB		PEMPAL Secretariat (TCOP)	Permanent observer
<b>Ksenia Malafeeva</b>	WB		PEMPAL Secretariat (BCOP)	Permanent observer
<b>Kristina Zaituna</b>	WB		PEMPAL Secretariat (IACOP)	Permanent observer



## **ATTACHMENT 4**

# **SUMMARY OF RESPONSES TO PEMPAL EVENT EVALUATION SURVEYS**

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

Data from eight such surveys is available for FY20. It includes all four face-to-face events and four videoconferences. Post event surveys were not previously issued after videoconference meetings, but in the new environment of online meetings only the

COPs introduced post event surveys for virtual meetings. Exceptions were made for working meetings associated with the development/discussion of COP knowledge products.

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

The responses highlighted in bold related only to face-to-face meetings, those highlighted in italic only to videoconferences.

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

Question	FY19 average response rating	FY20 average response rating
Was this your first participation in a PEMPAL event? (Yes, %)	29.4	23.6
How do you rate your participation in this event? (Active, %)	57.0	45.0
How do you rate the event duration overall? (About right, %)	82.9	89.3
<b>The level of the event was appropriate for a person with my experience and knowledge</b>	4.7	<b>4.7</b>
<b>I learned from the experience of other participants in the event</b>	4.6	<b>4.7</b>
Participants had about equal level of prior expertise relevant to the event topics	3.9	4.0
Content of presentations, hand-outs and other materials were appropriate for a person with my level of knowledge	4.7	4.7
The event agenda was properly planned	4.8	4.8
The content of the event was properly prepared	4.8	4.9
The event addressed issues important to my work	4.7	4.7
The event covered a right number of topics for the amount of time available	4.5	4.7
The topics for the group discussions were relevant	4.7	4.7
Enough time was reserved for group discussions	4.5	4.6
Presentations made during the event were relevant and useful	4.3	4.8
Enough time was reserved for questions to speakers	4.5	4.7
Objectives of the event achieved	4.6	4.7
<b>Quality of services by COP Executive Committee</b>	4.9	<b>4.9</b>
Quality of services by resource team	4.9	4.9

Question	FY19 average response rating	FY20 average response rating
Quality of services by event speakers	4.7	4.9
Quality of organization and administration		
• venue	4.9	<b>5.0</b>
• travel	4.8	<b>5.0</b>
• logistics	4.8	<b>5.0</b>
• hosts	4.9	<b>4.9</b>
Secretariat	4.9	4.95
• written communication	4.9	4.9
• registration	4.9	4.9
<b>Paperless approach affect ability to understand / absorb information during the event (No, %)</b>	71.9	-
<b>Accessed event presentations on the website in preparation for the event (Yes, %)</b>	86.9	<b>69.6</b>
<b>Practice of posting presentations on the website before the event helpful</b>	96.3	<b>82.6</b>
<i>Was the guidance provided in the event announcement message sufficient for you to prepare for the event? (Yes, %)</i>		100.0
<i>Were the guidance materials on the new videoconference tool (KUDO) sufficiently clear? (Yes, %)</i>		99.4
<i>Did you experience any problems with using the new videoconference tool (KUDO)? (No, %)</i>		68.7
<b>Did you receive the agenda and event information in sufficient time before the event for them to be useful? (Yes, %)</b>	98.8	<b>97.8</b>
<b>Did you receive practical information (about the accommodation and other facilities, etc.) prior to the event? (Yes, %)</b>	98.8	<b>99.0</b>
Are you satisfied with the quality of simultaneous <sup>31</sup> interpretation provided during the event?	4.7	4.8
<b>Are you satisfied with the quality of written translation of event materials?</b>	4.7	<b>4.8</b>
Did the event disappoint, meet, or exceed your expectations? (Exceed, %)	26.3	30.6
I will be able to apply the knowledge acquired at this event to my work	4.5	4.4
Do you plan to brief your colleagues on this event? (Yes, %)	98.9	96.3
Overall, my satisfaction with the event was...	4.8	4.8

31 Or consecutive interpretation for some events.





## **ATTACHMENT 5**

# **PEMPAL EVENT EXPENSES**

**TABLE 6: PEMPAL EVENT EXPENSES<sup>32</sup> (USD)**

	Travel		Accommodation	Meals	Translation/moderation	Conference facilities	Other	Total event expenses
	Flights and transfers	Resourse team flights						
BCOP, Minsk, July	7,305.0	2,090.0	6,050.0	492.0	10,974.0	482.0	936.0	<b>28,329.0</b>
TCOP, Moscow, October	12,245.0	10,077.5	17,681.1	13,249.0	20,615.0	10,000.0	1,628.0	<b>85,495.5</b>
IACOP, Sochi, October	25,497.0	14,335.0	25,000.0	14,145.0	19,704.0	12,767.0	1,383.0	<b>112,831.0</b>
BCOP, Paris, November	33,196.0	5,273.0	36,488.0	5,887.0	16,409.0	7,850.0	4,969.0	<b>110,072.0</b>
<b>TOTAL</b>	<b>78,243.0</b>	<b>31,775.5</b>	<b>85,219.1</b>	<b>33,773.0</b>	<b>67,702.0</b>	<b>31,099.0</b>	<b>8,916.0</b>	<b>336,727.5</b>

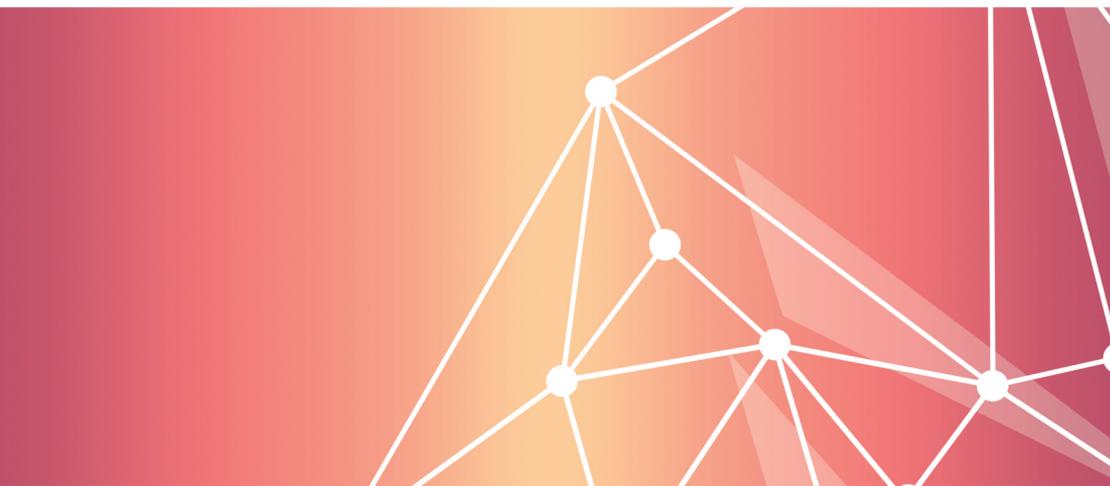
**TABLE 7: PEMPAL EVENT EXPENSES<sup>32</sup> (%)**

	Travel		Accommodation	Meals	Translation/moderation	Conference facilities	Other	Total event expenses
	Flights and transfers	Resourse team flights						
BCOP, Minsk, July	25.8	7.4	21.4	1.7	38.7	1.7	3.3	<b>100</b>
TCOP, Moscow, October	14.3	11.8	20.7	15.5	24.1	11.7	1.9	<b>100</b>
IACOP, Sochi, October	22.6	12.7	22.2	12.5	17.5	11.3	1.2	<b>100</b>
BCOP, Paris, November	30.2	4.8	33.1	5.3	14.9	7.1	4.5	<b>100</b>
<b>TOTAL</b>	<b>23.24</b>	<b>9.44</b>	<b>25.31</b>	<b>10.03</b>	<b>20.11</b>	<b>9.24</b>	<b>2.65</b>	<b>100</b>

<sup>32</sup> Costs related to events held back-to-back in one location, have been presented together.







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