PEFA Indicators and Best Practice

| **Pillar** | **Indicator** | **Dimension** | **Requirement for A Score (Best Practice)** |
| --- | --- | --- | --- |
| **II. Transparency of public finances** | PI-5. Budget documentation | 5.1. Budget documentation | Budget documentation fulfils 10 elements, including every basic element (1–4). |
| **Basic elements**   1. Forecast of the fiscal deficit or surplus or accrual operating result. 2. Previous year’s budget outturn presented in the same format as the budget proposal. In this element, ‘same format as the budget proposal’ means that figures should be presented and comparable at the same aggregate level or the same level of relevant detail as in the budget proposal. 3. Current fiscal year’s budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn. 4. Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates. (Budget classification is covered in PI-4.)   **Additional elements**   1. Deficit financing, describing its anticipated composition. 2. Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate. 3. Debt stock, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard. 4. Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard. 5. Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as public-private partnership (PPP) contracts, and so on. 6. Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/ or major changes to expenditure programs. In this element, for all major revenue policy changes and/ or major new public investments, assessors may cross check references with indicators PI-15 and PI-11. 7. Documentation on the medium-term fiscal forecasts. In this element, the content of the documentation on the medium-term forecast should include as a minimum medium-term projection of expenditure, revenue, and fiscal balance.   Quantification of tax expenditures. In this element, tax expenditure refers to revenue foregone due to preferential tax treatments such as exemptions, deductions, credits, tax breaks, etc. | | | |
| **VI. Accounting and reporting** | PI-28. In-year budget reports | 28.1. Coverage and comparability of reports | Coverage and classification of data allows direct comparison to the original budget. Information includes **all** items of budget estimates. Expenditures made from transfers to de-concentrated units within central government are included in the reports. |
| **VI. Accounting and reporting** | PI-28. In-year budget reports | 28.2. Timing of in-year budget reports | Budget execution reports are prepared monthly and issued within two weeks from the end of each month. |
| **VI. Accounting and reporting** | PI-28. In-year budget reports | 28.3. Accuracy of in-year budget reports | There are no material concerns regarding data accuracy. An analysis of budget execution is provided by whatever budget classifications are in use. Information on expenditure is covered at both commitment and payment stages. |