



---

# **PEFA KEY FINDINGS CARIBBEAN COUNTRIES**

July 2010

A decorative graphic on the left side of the slide, consisting of two overlapping curved shapes: a dark teal one in front and a light teal one behind it.

## PEFA: THE STANDARD SET OF HIGH-LEVEL INDICATORS

---

### **A. CREDIBILITY OF THE BUDGET: PFM OUT-TURNS**

- 1. Aggregate expenditure out-turn compared to the original approved budget**
- 2. Composition of expenditure out-turn compared to the original approved budget**
- 3. Aggregate revenue out-turn compared to the original approved budget**
- 4. Stock and monitoring of expenditure payment arrears**

# PEFA Results

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
<b>PI-1</b>	D	A	B	B	D	D	C	B	B	A	D		
<b>PI-2</b>	C	B	C	A	A	A	A	C	A	C	C		
<b>PI-3</b>	B	A	A	A	A	A	A	A	A	B	C		
<b>PI-4</b>	C+	B+	NR	C+	B+	A	A	B+	D	D+	D+		

Two overlapping curved shapes, one dark teal and one light teal, are positioned on the left side of the slide.

# Analysis

---

**Performed relatively well overall with challenges in some areas:**

- Poor revenue out-turns due to high arrears and weaknesses in recording and reporting commitments
- Heavy reliance on special warrants
- Lack of clear processes for budget rebalances

Two overlapping curved shapes on the left side of the slide, one in a darker teal and the other in a lighter teal color.

## Analysis (cont'd)

---

### **Despite large investments in FMISs:**

- Inability to monitor budget performance – lateness of reports
- Revenues are not properly accounted for –which affects cash management, forecasting and reporting
- Poor recording and management of arrears

On the left side of the slide, there are two overlapping curved shapes. The top one is a dark teal color, and the bottom one is a lighter teal color. They are positioned vertically, with the lighter one partially overlapping the bottom of the darker one.

## **PEFA: STANDARD SET OF INDICATORS**

---

### **B. COMPREHENSIVENESS AND TRANSPARENCY**

- 5. Classification of the budget**
- 6. Comprehensiveness of information included in budget documentation**
- 7. Extent of unreported government operations**
- 8. Transparency of Inter-Governmental Fiscal Relations**
- 9. Oversight of aggregate fiscal risk from other public sector entities**
- 10. Public access to key fiscal information**

# PEFA Results

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
<b>PI-5</b>	<b>C</b>	<b>C</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>B</b>	<b>C</b>		
<b>PI-6</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>A</b>	<b>C</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>A</b>	<b>C</b>		
<b>PI-7</b>	<b>A</b>	<b>D+</b>	<b>B+</b>	<b>D</b>	<b>A</b>	<b>D+</b>	<b>B+</b>	<b>A</b>	<b>D+</b>	<b>C+</b>	<b>D+</b>		
<b>PI-8</b>		<b>NA</b>	<b>NR</b>	<b>C+</b>	<b>B</b>	<b>NA</b>	<b>B</b>	<b>B+</b>	<b>D</b>	<b>-</b>	<b>D+</b>		
<b>PI-9</b>	<b>C</b>	<b>D</b>	<b>C+</b>	<b>D</b>	<b>D+</b>	<b>C</b>	<b>C</b>	<b>A</b>	<b>D</b>	<b>C</b>	<b>D+</b>		
<b>PI-10</b>	<b>B</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>B</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>C</b>	<b>A</b>	<b>C</b>		

On the left side of the slide, there are two overlapping curved shapes. The top one is a dark teal semi-circle, and the bottom one is a lighter teal semi-circle, both pointing towards the right.

## Analysis

---

**Scores were fairly good in the area of comprehensiveness but poor in transparency:**

- Detailed documentation provided
- Lack of consolidation of economic and financial information
- Limited info on macro frame work and fiscal risks

A decorative graphic on the left side of the slide, consisting of two overlapping curved shapes: a dark teal one in front of a light blue one.

## Analysis (cont'd)

---

- Lack of oversight of and reporting by parastatals
- CoAs /GFS
- Legislative basis for accounting standards/lack of clarity
- Lack of public access to info for internal and external scrutiny
- Below-the-line accounts –external financing

Two overlapping curved shapes, one dark teal and one light teal, are positioned on the left side of the slide.

## PEFA: STANDARD SET OF INDICATORS

---

- **C. BUDGET CYCLE**
- ***i. POLICY-BASED BUDGETING***
  - 11. Orderliness and participation in the annual budget process**
  - 12. Multi-year perspective in fiscal planning, expenditure policy and budgeting**

# PEFA Results

---

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
<b>PI – 11</b>	<b>C+</b>	<b>C</b>	<b>A</b>	<b>C+</b>	<b>B</b>	<b>C+</b>	<b>C</b>	<b>C+</b>	<b>B</b>	<b>A</b>	<b>C+</b>		
<b>PI – 12</b>	<b>C</b>	<b>C</b>	<b>C+</b>	<b>C</b>	<b>C+</b>	<b>C</b>	<b>C</b>	<b>C+</b>	<b>D+</b>	<b>C</b>	<b>C+</b>		

On the left side of the slide, there are two overlapping curved shapes. The top one is a dark teal semi-circle, and the bottom one is a lighter teal semi-circle, both partially cut off by the left edge of the frame.

## Analysis

---

- Absent or limited multi-year fiscal frameworks
- Budget calendar is either unclear or absent/ lack of adherence to calendar
- No fully costed sector strategies
- Ineffective participation by MDAs in the budget process

## PEFA: STANDARD SET OF INDICATORS

- 
- c. BUDGET CYCLE**
    - ***ii. PREDICTABILITY & CONTROL IN BUDGET EXECUTION***
      - 13. Transparency of taxpayer obligations and liabilities**
      - 14. Effectiveness of measures for taxpayer registration and tax assessment**
      - 15. Effectiveness in collection of tax payments**
      - 16. Predictability in the availability of funds for commitment of expenditures**

Two overlapping curved shapes, one dark teal and one light teal, are positioned on the left side of the slide.

## PEFA Indicators (cont'd)

---

- 15. Recording and management of cash balances, debt and guarantees.**
- 16. Effectiveness of payroll controls**
- 17. Competition, value for money and controls in procurement**
- 18. Effectiveness of internal controls for non-salary expenditure**
- 19. Effectiveness of internal audit**

# PEFA Results

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
PI-13	B+	B	B	A	B+	C+	B+	B+	C+	B	C		
PI-14	C+	D+	C	B	B	C	C	B+	C	B	D+		
PI-15	D+	D+	NR	D+	D+	D+	A	D+	D+	D+	D+		
PI-16	D+	D+	C+	C+	C	D+	C+	B+	D	B	D+		
PI-17	B	C+	C+	B+	C+	B+	A	A	C+	B+	C		
PI-18	C+	C+	C+	B+	C+	B+	A	C+	D+	C+	D+		
PI-19	C+	C+	D	D+	D	C	D+	D+	D	C	D+		
PI-20	D+	C+	D+	D+	B+	C+	B+	C+	D+	C+	D		
PI-21	C	D	C+	D	D	C+	D+	C	D	D+	D		

Two overlapping curved shapes, one dark teal and one light teal, are positioned on the left side of the slide.

## Analysis

---

### **Predictability and control in budget execution weak :**

- Tax auditing and fraud investigation is weak
- Poor record of taxation arrears collection – largely due to poor record keeping
- Cash from tax revenues is transferred quickly to the Treasury - but weaknesses exist in recording this in the ledger

Two overlapping curved shapes, one dark teal and one light teal, are positioned on the left side of the slide.

## Analysis (cont'd)

---

- Problems with allotments to MDAs and virement during the year – uncertainty for MDAs
- Poor cash management and forecasting
- Poor payroll controls over payees
- Procurement is generally weak and lacking in transparency
- Internal audit absent or weak

A decorative graphic on the left side of the slide, consisting of two overlapping curved shapes in teal and light blue.

## PEFA: STANDARD SET OF INDICATORS

---

### **c. BUDGET CYCLE**

#### **○ *iii. ACCOUNTING AND RECORDING AND REPORTING***

- 22. Timeliness and regularity of accounts reconciliation**
- 23. Availability of information on resources received by service delivery units**
- 24. Quality and timeliness of in-year budget reports**
- 25. Quality and timeliness of annual financial statements**

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top one is a dark teal color, and the bottom one is a lighter teal color.

## PEFA Indicators (cont'd)

---

- iv.* ***EXTERNAL SCRUTINY AND AUDIT***
- 26. **Scope, nature and follow-up of external audit**
- 27. **Legislative scrutiny of the annual budget law**
- 28. **Legislative scrutiny of external audit reports**

# PEFA Results

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
<b>P1 – 22</b>	<b>B</b>	<b>D</b>	<b>C+</b>	<b>D</b>	<b>C</b>	<b>B</b>	<b>D+</b>	<b>B</b>	<b>C</b>	<b>C+</b>	<b>D</b>		
<b>P1 – 23</b>	<b>D</b>	<b>A</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>A</b>		<b>D</b>	<b>D</b>	<b>B</b>	<b>D</b>		
<b>PI – 24</b>	<b>C+</b>	<b>C+</b>	<b>C+</b>	<b>C+</b>	<b>A</b>	<b>C+</b>	<b>B</b>	<b>A</b>	<b>D+</b>	<b>B+</b>	<b>D+</b>		
<b>PI - 25</b>	<b>C+</b>	<b>D+</b>	<b>C+</b>	<b>D+</b>	<b>B+</b>	<b>D+</b>	<b>C</b>	<b>C+</b>	<b>D+</b>	<b>B+</b>	<b>D</b>		

On the left side of the slide, there are two overlapping curved shapes. The top one is a dark teal color, and the bottom one is a lighter teal color, both curving towards the right.

# Analysis

---

## **Accounting Recording and Reporting is very weak:**

- Bank reconciliations – not done or performed late
- In-year reporting frequently delayed and incomplete
- Lack of adherence to accounting standards or absence of standards

# PEFA Results

<b>PFM Performance Indicator</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>GUY</b>	<b>JAM</b>
<b>PI - 26</b>	<b>B+</b>	<b>D+</b>	<b>D+</b>	<b>D+</b>	<b>D+</b>	<b>C+</b>	<b>D</b>	<b>B</b>	<b>C+</b>	<b>C+</b>	<b>D</b>		
<b>PI - 27</b>	<b>D+</b>	<b>D+</b>	<b>D+</b>	<b>C+</b>	<b>C+</b>	<b>C+</b>	<b>C+</b>	<b>D+</b>	<b>D</b>	<b>D+</b>	<b>D+</b>		
<b>PI - 28</b>	<b>D</b>	<b>D+</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D+</b>	<b>D</b>	<b>D</b>	<b>D</b>		

Two overlapping curved shapes, one in a darker teal and one in a lighter teal, are positioned on the left side of the slide.

# Analysis

---

**This is the weakest area according to the PEFA assessments:**

- External scrutiny and audit needs strengthening
- VFM Audits
  - Timely submission of financial statements
  - Follow up on external audit recommendations
- PAC is not functioning adequately

**Questions?  
Comments!**

---

