

Indicator	Description	Procurement Issues
PI-4 Stock and monitoring of expenditure payment arrears	<p>(i) Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock.</p> <p>(ii) Availability of data for monitoring the stock of expenditure payment arrears.</p>	<ul style="list-style-type: none"> • Arrears might be generated by weak contract approval/signature processes. • Existence of arrears may lead to increased price of contracts, as vendors build-in anticipated late payment. • Reports should indicate where available any information on impact of arrears on procurement prices and processes.
PI-10 Public access to key fiscal information	<p>(i) Annual budget documentation</p> <p>(ii) In-year budget execution reports</p> <p>(iii) Year-end financial statements</p> <p>(iv) External audit reports</p> <p>(v) Contract awards: Award of all contracts with value above approx. USD 100,000 equiv. are published at least quarterly through appropriate means.</p> <p>(vi) Resources available to primary service units</p>	Timely availability of contract awards is an important dimension of procurement system accountability and anti-corruption

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<p>PI-12 Multi-year perspective in fiscal planning, expenditure policy and budgeting</p>	<p>(i) Preparation of multi -year fiscal forecasts and functional allocations;</p> <p>(ii) Scope and frequency of debt sustainability analysis</p> <p>(iii) Existence of sector strategies with multi-year costing of recurrent and investment expenditure;</p> <p>(iv) Linkages between investment budgets and forward expenditure estimates.</p>	<ul style="list-style-type: none"> • Developing multi-year procurement plans tied to budgets • Reflect future year contract costs • Investments typically contracted
<p>PI-20 Effectiveness of internal controls for non-salary expenditure</p>	<p>(i) Effectiveness of expenditure commitment controls.</p> <p>(ii) Comprehensiveness, relevance and understanding of other internal control rules/ procedures.</p> <p>(iii) Degree of compliance with rules for processing and recording transactions.</p>	<ul style="list-style-type: none"> •Aside from personnel, most commitments are contracts •Good controls over contracting essential for avoiding arrears, enabling efficiency

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PI-21 Effectiveness of internal audit	(i) Coverage and quality of the internal audit function. (ii) Frequency and distribution of reports. (iii) Extent of management response to internal audit findings.	<ul style="list-style-type: none"> • Internal audit must include checking on procurement processes, outcomes • Frequently internal auditors lack expertise, need to pair with procurement officers/experts
PI-24. Quality and timeliness of in-year budget reports	(i) Scope of reports in terms of coverage and compatibility with budget estimates (ii) Timeliness of the issue of reports (iii) Quality of information	<ul style="list-style-type: none"> • Timely expenditure info by commitment and cash important for monitoring contract execution • Should be related with physical progress and verification of receipt of goods/service (internal controls)
PI-26 Scope, nature and follow-up of external audit	(i) Scope/nature of audit performed (incl. adherence to auditing standards). (ii) Timeliness of submission of audit reports to legislature. (iii) Evidence of follow up on audit recommendations.	<ul style="list-style-type: none"> • External audit critical dimension of over-all procurement system integrity • Especially for large contracts, irregularities cost a lot of money, and risk of corruption is high • As with IA, EA frequently lack expertise in procurement, need training, support

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PI-28 Legislative scrutiny of external audit reports	<ul style="list-style-type: none"> (i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years). (ii) Extent of hearings on key findings undertaken by the legislature. (iii) Issuance of recommended actions by the legislature and implementation by the executive. 	<ul style="list-style-type: none"> • Legislative oversight of adequacy of procurement system, key results, especially on large contracts, essential element to encourage executive corrective measures • Hearings might be useful tool, as well as legislative instructions to executive to take corrective measures