Annex 4: PEMPAL in content – event objectives and results

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

**Date:** 24 - 26 FEBRUARY 2016
**Location:** Minsk, Republic of Belarus

**Forty-nine (49) participants from 18 BCOP member countries participated in the annual meeting** of the Budget Community of Practice together with experts from the World Bank, IMF and OECD to discuss Fiscal Rules for Effective and Sustainable Budgeting.

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

**The results of the meeting** included clarification of key concepts and implementation challenges by speakers from IMF, OECD and the World Bank on Day 1. In addition, the BCOP Resource Team presented the results of a thematic member survey, undertaken prior to the plenary meeting based on the relevant parts of the OECD budget practices and procedures survey. Small group discussions between participants were then held on options and solutions to key implementation challenges, which continued into the second day. Day 2 was also dedicated to country cases with presentations from Latvia, Sweden and three PEMPAL countries (Albania, Belarus and Russia). Updates on BCOP plans and results were also shared with members, including progress of work by the Budget Literacy and Transparency Working Group, and the proposed plan of work for the new Performance and Program Budgeting Working Group. Input was also sought by members to the FY18 BCOP Action Plan. The agenda and concept of the meeting including survey results, presentations and event report are available at <http://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group>

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

**Date:** 23 FEBRUARY 2016
**Location:** Minsk, Republic of Belarus

**Twenty-seven (27) participants from ten BCOP member countries** were joined by experts from the World Bank and International Budget Partnership.

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

**The results of the meeting** included an analysis of PEMPAL member performance in the 2015 Open Budget Index (OBI) which revealed that less than half the countries from the PEMPAL region have a citizens’ budget. Therefore, the working group’s leadership recognized the importance of lessons from countries, which attempted to introduce or have successfully introduced citizens’ budget. The agenda of the workshop included presentation of the PEMPAL countries OBI survey 2015 results, delivered by the BCOP Resource Team; global lessons, presented by an International Budget Partnership representative; as well as case studies by Romania, Russia (PEMPAL OBI 2015 champions) and Kyrgyz Republic (which demonstrated significant improvements in the OBI since the last 2012 assessment and which scored the highest in ‘public participation’ in the PEMPAL region based on the 2015 Open Budget Survey results). The meeting ended by the discussion on the challenges in producing citizens’ budgets and key recommendations that should be included in PEMPAL Guidelines for Citizens’ Budgets, which the leadership of the working group aims to finalize in FY17.

The agenda, presentations and distributed background materials (including translated country and IBP guidelines) are posted on the PEMPAL website: <https://www.pempal.org/events/plenary-meeting-budget-community-and-meeting-budget-literacy-and-transparency-working-group>

# ------------------------------------------------------------------------------------------------

# TCOP: Thematic Group Meeting on Cash Management

**Date:** 16 - 18 MARCH 2016
**Location:** Ankara, Turkey

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

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

**The results of the event** included participants’ familiarization with the Turkish PFM system with particular emphasis on cash management and forecasting processes. The hosts highlighted the specific tools they have in place to optimize cash management and forecasting, including the use of ICT. Also, the links with debt including liquidity risk management, and how government interacts with the Central Bank and the bank payment systems in Turkey, were demonstrated during the 1st day of the event. At the end of the “hosts’ day” participants identified a list of the strengths and challenges of the Turkish PFM and cash management system. During the second day of the event participants were familiarized with the main findings of the thematic survey on the Treasury Single Account, cash management and forecasting issues, conducted among the TCOP countries prior the event. Day two continued with three country presentations on the TSA and cash management arrangements from Moldova, Albania and the Russian Federation. Participants also examined the issues of targeting the TSA balance and determining a cash buffer. The afternoon small group discussion session was focused on how to expand the operations of the TSA and whether countries can, and should, target the TSA balance and establish cash buffers. During this session TCOP members identified a list of problems faced by countries in extending the TSA coverage, suggesting various solutions for overcoming many of them. Also, participants identified a number of challenges in targeting the cash balance and creating a cash buffer.

Discussions on the future working plans of the thematic group were held on day 3. A list of the key topics was identified for further discussions, including the role of the treasury in cash management, risk management as part of cash management, use of financial instruments for cash management, etc.

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

 <https://www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management>

# ------------------------------------------------------------------------------------------------

# IACOP: Plenary Meeting and "Internal Control - Implementation Challenges" Working Group Meeting

**Date:** 21 - 24 MARCH 2016
**Location:** Prague (Czech Republic)

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

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

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

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

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

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

**46 participants from 24 countries** attended the meeting of the working group on Internal Control.

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

New working group on Internal Control was introduced, whereby the participants had the opportunity to express their priorities with regard to the scope of the working group. IA COP members are aiming at developing through their learning and sharing of experience a Position Paper on the role of internal audit and the CHU in the assessment and development of Public Internal Control. Members intend to identify guidance and good practices, which could be used by our countries as a reference.

Presentations, as well as the **main results of the meeting** (Communique) can be found in the event summary report, posted on the PEMPAL website: <https://www.pempal.org/events/iacop-meeting-internal-control-implementation-challenges>

# ------------------------------------------------------------------------------------------------

# Videoconference meetings:

**Steering Committee meeting**

**Date:** February 11, 2016

During the VC meeting, the Steering Committee comprised of Donor, World Bank, and COP Executive Committee representatives made the following decisions:

* The Concept of the new PEMPAL Strategy 2017-22 was approved.
* The next meeting of the PEMPAL Executive to discuss the development of the PEMPAL Strategy 2017-22 will be held in the week starting July 11, in Berne, Switzerland.
* The Committee endorsed the good progress of implementation of the COP Action Plans noting the likelihood of some savings from TCOP and BCOP by the end of the FY. The Committee advised IACOP to ensure that the remaining events are delivered on budget, given there is little flexibility within their overall budget limits for any overruns.
* The FY17 COP budget plans were presented by the COP Chairs/Deputy Chairs and approved by the Committee. It was noted that BCOP would like the opportunity to provide more details about its plan in the next meeting, given member consultation will only happen within the annual plenary meeting to be held at the end of this month. The Committee advised that all COPs should endeavor to finalize their knowledge products by the end of the June 2017, given the end of the PEMPAL Strategy 2012-17 and the need to report on results in the context of the next five-year strategy. The PEMPAL Secretariat advised the COPs that it can assist with publishing and distributing any products, and a modest separate budget was available if needed.
* The Committee noted the progress with formal establishment of the Secretariat and the transfer of the PEMPAL website to the new platform under the Bank.
* The position of Chair of the PEMPAL Steering Committee Chair will pass from Ms Valkova of the Ministry of Finance of the Russian Federation to Ms Irene Frei, from SECO, as required under PEMPAL Operational Guidelines. The Committee expressed appreciation for the valuable contribution that Ms Valkova had made with her effective execution of the role over the past two years.

Full minutes are available here: <https://www.pempal.org/events/steering-committe-meeting>

#  -----------------------------------------------------------------------------------------------