**Annex 1. Macro Assessment Checklist**

**General Overview of Macro Assessment**

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|  **Country being macro assessed**  |   |
| **Agencies utilizing HACT framework in country**  |   |
| **Agency contact person(s)**  |   |
| **Start/end date of macro assessment (dd/mm/yyyy – dd/mm/yyyy)**  |   |
| **Has a macro assessment been performed for this country previously (by any organization)?**  |   |
| **Member(s) of the macro assessment team** **(Name, designation, section/organization)**  |   |
| **Sources of information used in assessment (title, date published, source, etc.)**  |   |

**Annex 2. Risk consideration checklist**

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|  |  | **Risk Consideration**  |  |  |
| **No.**  | **Indicator**  | **High risk**  | **Significant risk**  | **Moderate risk**  | **Low risk**  | **Indicator risk level**  | **Comment**  |
| **1**  | **The annual budget** **contains all significant** **government expenditures, including relevant donor contributions**  | No  |   |   | Yes  |   |   |
| **2**  | **Budget and performance**  | Budget decisions are only nominally debated. Little consideration of previous performance is taken into account when setting future budgets.  |   |   | Budget decisions are fully debated with assistance from expert committees. Full consideration of previous performance is taken into account when setting future budgets.  |   |   |
| **3**  | **Budget execution**  | Government historically does not execute budgets as planned.  | Government historically executes budgets as planned, but there are significant exceptions.  | Government historically executes budgets as planned with limited exceptions.  | Government historically executes budgets as planned without exceptions.  |   |   |
| **4**  | **To what extent are internal controls and financial procedures adhered to?**  | Procedures are frequently overridden or ignored. Emergency procedures are routinely used.  | Procedures are generally followed, but there are significant exceptions. Doubt exists as to whether or not the internal control system can be relied upon.  | Procedures are generally followed. While exceptions exist, they are not frequent enough to prevent reliance on the internal control system.  | Always.  |   |   |
| **5**  | **Bank reconciliations**  | Many accounts are not reconciled monthly. Reconciliations are  | A number of significant accounts are not reconciled  | Generally banks are properly reconciled each month.  | Performed to a high standard for all bank accounts at least once a month.  |   |   |

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|  |  | **Risk Consideration**  |  |  |
| **No.**  | **Indicator**  | **High risk**  | **Significant risk**  | **Moderate risk**  | **Low risk**  | **Indicator risk level**  | **Comment**  |
|  |  | often poorly performed.  | monthly. Quality is sometimes poor.  | Exceptions exist but appropriate follow-up action is taken in all cases.  |  |  |  |
| **6**  | **Transfer of cash resources**  | Cash transfers from central/regional levels to project level take more than one month.  | Cash transfers from central/regional levels to project level take two to four weeks.  | Cash transfers from central/regional levels to project level take one to two weeks.  | Cash transfers from central/regional levels to project level take a week or less.  |   |   |
| **7**  | **Reporting of cash and asset position to government**  | Analysis of cash and asset position made to government contains significant omissions.  |   |   | Full analysis of cash and asset position is made to government.  |   |   |
| **8**  | **Financial audit / SAI auditor general** *\*For decentralized governments, consider consolidated audit coverage, if available.*  | External audit covers less than 80% of central government expenditures.  | External audit covers 80% to 90% of central government expenditures  | External audit covers 90% of central government expenditures.  | External audit covers all central government expenditures.  |   |   |
| **9**  | **SAI independence**  | SAI reports to government agency.  |   |   | SAI reports to legislature (or equivalent justice system).  |   |   |
| **10**  | **Audit standards applied by the SAI**  | SAI applies national audit standards, which are significantly inconsistent with international standards.  |   | SAI applies national audit standards, which comply with international standards.  | SAI applies international audit standard.  |   |   |

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|  |  | **Risk Consideration**  |  |  |
| **No.**  | **Indicator**  | **High risk**  | **Significant risk**  | **Moderate risk**  | **Low risk**  | **Indicator risk level**  | **Comment**  |
| **11**  | **Follow-up action to audit reports**  | Points raised by external audit are infrequently followed up.  | Points raised by external audit are usually but not always followed up. A significant number of points recur in following years.  | Points raised by external audit are always followed up. In a few cases points recur in following years.  | Points raised by external audit are always properly followed up. Points generally do not recur in following years.  |   |   |
| **12**  | **Country has a national procurement framework**  | No  |   |   | Yes  |   |   |
| **13**  | **Transparency of audit process**  | Statutory external audit reports are infrequently published. They are rarely debated in the media, even when of public interest.  | Most statutory external audit reports are published. They are sometimes debated in the media when of public interest.  | All statutory external audit reports are published. They are usually debated in the media when of public interest.  | All statutory external audit reports are published. They are debated in the media when of public interest.  |   |   |
| **14**  | **Staff qualifications and skills**  | It is often unclear whether staff have the skills and qualifications necessary to discharge their duties.  | In some cases it is unclear whether staff have the skills and qualifications necessary to discharge their duties.  | In only some isolated cases is it unclear whether staff have the skills and qualifications necessary to discharge their duties.  | It is always clear that all staff have the skills and qualifications necessary to discharge their duties.  |   |   |
| **15**  | **Financial systems**  | Financial systems only capture and report on the most basic financial data, and this is frequently unreliable. System maintenance and  | Financial systems only capture and report on the most basic financial data. While there are system maintenance and performance  | Financial systems are adequate for most but not all data capture and reporting needs. They are reliable  | Financial systems are adequate for data capture and reporting needs. They are reliable and properly maintained.  |   |   |

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|  |  | **Risk Consideration**  |  |  |
| **No.**  | **Indicator**  | **High risk**  | **Significant risk**  | **Moderate risk**  | **Low risk**  | **Indicator risk level**  | **Comment**  |
|  |  | performance is generally poor.  | problems, generally the system is stable.  | and properly maintained.  |  |  |  |
| **16**  | **Environmental conditions**  | Natural disasters or significant events regularly occur that displace citizens and resources.  |   |   | Natural disasters or significant events that displace citizens and resources rarely or never occur.  |   |   |
| **17**  | **Exchange rate volatility**  | Foreign exchange rates fluctuate significantly on a daily basis.  | Foreign exchange rates fluctuate significantly on a weekly or monthly basis.  | Foreign exchange rates have remained relatively consistent, with the exception of significant one-off fluctuations.  | Foreign exchange rates do not fluctuate significantly.  |   |   |
| **18**  | **Existence of a black market**  | Black market is prevalent and influential in the country.  | Black market exists and has significant influence in the country.  | Black market exists in the country, but effective actions are being taken to eliminate or limit its influence in the country.  | Black market may exist but does not have an influence in the country.  |   |   |
| **19**  | **<Any other specific items identified by** **agency>** *Examples: Inflation,* *reliability of statistics* *bureau, parliamentarian control, unemployment rate, transparency of information collection*  |   |   |   |   |   |   |