**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* |  |  |  |  |  |  |