

TARABOT MEETING ASSESSMENT

COMPONENT:	Civil Services Reform <input checked="" type="checkbox"/>	National Policy Management <input type="checkbox"/>	Administration Decentralization <input type="checkbox"/>
DATE OF THE MEETING:	03-mar-13		
PERSON RESPONSIBLE + CONTACT:	Ali Al-Mehdawi (Tarabot Administration)		
LOCATION:	Ministry of Education		
CITY:	Baghdad		
PROVINCE:	Baghdad		
REGION:	Iraq		
VENUE:	Head Quarters - Ministry of Education (Financial Affairs General Directorate)		
DURATION (HOURS):	3:00 Plus Hours		
# ATTENDEES (excluding Tarabot Staff) :	M	0	F 2
TOTAL:	2		
Attendee Organization(s):	Ministry of Education		
Attendee Titles:	Mrs. Hana Zuhairi (MOE, Financial Affairs Director General), Mrs. Faiza Ahmed (MOE Budget Department, Manager); Araz Younus (USAID/PFM); Miraq Abudalfattah (USAID/PFM); Ali Al-Mehdawi (USAID/Admin)		

Type of Meeting	Introductory <input type="checkbox"/>	Assessment <input checked="" type="checkbox"/>	Action Plan <input type="checkbox"/>	Technical <input type="checkbox"/>	Regular Meeting <input type="checkbox"/>
PURPOSE/AIM OF MEETING:	Conduct a 'hands-on' Technical Assessment of the ministry's capacity for public budget formulation and budget execution.				
ISSUES DISCUSSED:	Ministry's Budget Formulation and Execution Process, Internal and External Financial Reporting				
ISSUES RESOLVED:	PFM will conduct two day workshop with MoE on MTBF and Program Budgeting in mid-March				
NEXT STEPS/GOALS:	Two day workshop to be presented on March 24 and 25, 2013.				
DATE OF NEXT MEETING:	Follow-up meeting on March 5, 2013 to complete survey. To be followed by two day workshop on March 24/25,				

MEETING SUMMARY:

<ul style="list-style-type: none"> • What was the meeting objective? <ul style="list-style-type: none"> o Were you successful in meeting the objective? o Why or why not? • What questions did attendees pose? <ul style="list-style-type: none"> o Were some questions unanswered? o Which ones and why? • Elaborate on all topics: <ul style="list-style-type: none"> o What was discussed? o What was the significance? o Are there any additional findings? • Next steps <ul style="list-style-type: none"> o What are the target activities? o What is the Target Time? o Who is responsible? 	<p>This meeting was designed as a hands-on technical survey to explore all aspects of the Public Financial Management budget circle. Several pages of questions were developed by the PFM unit. These questions were largely obtained from Public Expenditure Financial Assessment, OECD, and the World Bank's PREM Survey work. Mrs Hana (DG Financial Affairs) provided a detailed description of her experience with MOE and the current reforms that they are engaged. The DG was keen to adopt various practices that the PFM Reform Team mentioned, including but not limited to: Development of a Medium Term Budget Framework (MTBF); Results Based Management, Performance Budgeting. At present, like all ministries in Iraq, MOE develops a bifurcated (separate) budget structure with Operations and Maintenance (recurrent) spending and Capital (Investment) spending developed independently. There are inadequate linkages that capture the relationship between the two budget structures. Hence, MOE does not appear to fully capture future financing gaps. Mrs. Hana asked about Tarabot's relationship with the various special committees (COMSEC, other, etc). PFM advisors informed Mrs. Hana that Tarabot was working with COMSEC Budget Reform Committee on expanding these PFM reforms. The results of the survey will be provided by PFM advisors by mid-March 2013.</p>
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Attendance Sheet with List of Participants attached to this Assessment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Agenda attached to this assesment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

TARABOT MEETING ASSESSMENT

COMPONENT:	Civil Services Reform <input checked="" type="checkbox"/>	National Policy Management <input type="checkbox"/>	Administration Decentralization <input type="checkbox"/>
DATE OF THE MEETING:	05-mar-13		
PERSON RESPONSIBLE + CONTACT:	Ali Al-Mehdawi (Tarabot Administration)		
LOCATION:	Ministry of Education		
CITY:	Baghdad		
PROVINCE:	Baghdad		
REGION:	Iraq		
VENUE:	Head Quarters - Ministry of Education (Financial Affairs General Directorate)		
DURATION (HOURS):	4:30 Plus Hours		
# ATTENDEES (excluding Tarabot Staff) :	M	3	F 6
TOTAL:	9		
Attendee Organization(s):	Ministry of Education		
Attendee Titles:	Mrs. Hana Zuhairi (MOE, Financial Affairs Director General), Mrs. Faiza Ahmed (MOE Budget Department, Manager); Ms. Sajida Jasim Jaber (Manager Expenditure Accounts Department); Ms. Sahar Amir (Organization Department); Mr. Abd-Al-Majeed Muslin (Deputy Program Unit-IT); Mr. Humzaa (Program Assistant - IT); Ms. Akluis Eisaa (Engineer); and, Dr. Basima Alwan (Head of Investment Budget Directorate); Araz Younus (USAID/PFM); Miraq Abudalfattah (USAID/PFM);		

Type of Meeting	Introductory <input type="checkbox"/>	Assessment <input checked="" type="checkbox"/>	Action Plan <input type="checkbox"/>	Technical <input type="checkbox"/>	Reguler Meeting <input type="checkbox"/>
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MEETING SUMMARY:	
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Agenda attached to this assesment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Ministry Evaluation Scoring Matrix

Issue \ Ministry	Ministry of Oil (1)	Ministry of Electricity (MoE) (2)	Ministry of Municipalities and Public Works (MoMPW) (3)	Ministry of Transportation (MoTR) (4)	Ministry of Education (5)	Ministry of Construction and Housing (MoCH) (6)	Ministry of Health (MoH) (7)	Ministry of Higher Education (MoHED) (8)	Ministry of Agriculture (9)	Ministry of Industry and Minerals (MoIM) (10)	Ministry of Communications (MoC) (11)
I. Laws and Rules											
Rules that require ex ante controls on expenditure											
Sanctions for overspending and poor program and project performance?											
II. Budget Coverage, Structure, Planning and Preparation											
Multi-year forecasts and functional allocation											
Attempt made to calculate (future) recurrent cost implications of investments and results are incorporated in the annual and forward budgets	N/a	Yes	Yes	N/a	N/a	Yes	No	No	N/a	N/a	N/a
Policy and planning process is tightly linked to the annual budget	N/a	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	Inadequate linkage between the medium term planning process and medium term/annual budget process	N/a	Inadequate linkage between the medium term planning process and medium term/annual budget process	N/a
Budget preparation cycle has logical sequence and timing	N/a	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	N/a	Yes current calendar has logical sequence, but timing is too short, budget calendar should be extended to include medium term budget considerations	N/a
Budget ceilings are determined for sector ministries/ceilings	N/a	No	N/a	No	N/a						

Issue \ Ministry	Ministry of Oil (1)	Ministry of Electricity (MoEl) (2)	Ministry of Municipalities and Public Works (MoMPW) (3)	Ministry of Transportation (MoTR) (4)	Ministry of Education (5)	Ministry of Construction and Housing (MoCH) (6)	Ministry of Health (MoH) (7)	Ministry of Higher Education (MoHED) (8)	Ministry of Agriculture (9)	Ministry of Industry and Minerals (MoIM) (10)	Ministry of Communications (MoC) (11)
are not / are subject to substantial reductions											
Budgeted costs reflect realistic O&M	N/a	No	No	No	No	No	No	No	N/a	No	N/a
Sector ministries consulted before budget finalization	N/a	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	MoF provides final budget ceiling after ongoing discussions	N/a	MoF provides final budget ceiling after ongoing discussions	N/a
There is a well- defined process for considering new policy proposals	N/a	Yes	Yes	Unclear	Unclear	Unclear	Unclear	Unclear	N/a	Unclear	N/a
Annual cash requirements for each agency are forecast and monitored	N/a	Yes	Yes	No Inadequate cash flow forecasting	No Inadequate cash flow forecasting	Unclear	No Inadequate cash flow forecasting	Unclear	N/a	Unclear	N/a
Frequency and transparency of adjustments (virements) to budget allocations (which are decided above level of management of spending agencies)	N/a	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	Controls at Minor Economic Objective Level	N/a	Controls at Minor Economic Objective Level	
III. Budget Execution and Practices											
Decentralized payments do not undermine expenditure control	N/a	Centralized Control Structure	Centralized Control Structure	Centralized Control Structure	Centralized Control Structure	Centralized Control Structure	Centralized Control Structure	Centralized Control Structure	N/a	Centralized Control Structure	N/a
Information on actual expenditure is available on time for monitoring tasks	N/a	Monthly Trial Balance; Inadequate cash flow analysis; Use of Foxpro database; no integrated FMIS	Monthly Trial Balance; Inadequate cash flow analysis; Use of excel; no integrated FMIS	Monthly Trial Balance; Inadequate cash flow analysis; Use of Foxpro database; no integrated FMIS	Unclear	Monthly Trial Balance; Inadequate cash flow analysis; Use of Fox-pro; no IFMIS	Monthly Trial Balance; Inadequate cash flow analysis; Use of Excel Spreadsheets no integrated FMIS	Monthly Trial Balance; Inadequate cash flow analysis	N/a	Monthly Trial Balance; Inadequate cash flow analysis	N/a
Effectiveness of payroll controls <ul style="list-style-type: none"> ▪ Degree of reconciliation between personnel records and payroll data 	N/a	Unclear	Lags in Personnel records and reconciliation with	Unclear	Unclear	Unclear	Unclear	Unclear	N/a	Lags in Personnel records and reconciliation with	N/a

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<ul style="list-style-type: none"> ▪ Timely changes to personnel records and the payroll ▪ Internal controls of changes to personnel records and the payroll ▪ Existence of payroll audits to identify / control weaknesses (and/or ghost workers) 			payroll control							payroll control	
<p>Effectiveness of internal controls for non-salary payments</p> <ul style="list-style-type: none"> ▪ Effectiveness of expenditure commitment controls ▪ Comprehensiveness, relevance and understand of other internal control rules and procedures ▪ Degree of compliance with rules for processing and recording transactions 	N/a	Unclear; compliance audits undertaken	Control rules and procedures not well documented; compliance review on sample of expenditures	Control rules and procedures not well documented; compliance review on sample of expenditures	N/a	Control rules and procedures not well documented; compliance review on sample of expenditures	Control rules and procedures not well documented	Unclear	N/a	Control rules and procedures not well documented	N/a
Arrears are not significant as a proportion of total expenditure											
Availability of data for monitoring the stock of expenditure payment arrears											
Payment system is centralized and payments are made on time		Payments are made on time									
IV. Accounting Subsystem											
Accounting and budget classification are fully integrated into a single common classification	N/a	Follow current budget coding structure; Not in complete compliance with GFS/2001	Follow current budget coding structure; Not in complete compliance with GFS/2001	Follow current budget coding structure; Not in complete compliance with GFS/2001	Follow current budget coding structure; Not in complete compliance with GFS/2001	Follow current budget coding structure; Not in complete compliance with GFS/2001	Follow current budget coding structure; Not in complete compliance with GFS/2001	Unclear	N/a	Follow current budget coding structure; Not in complete compliance with GFS/2001	N/a
There are manuals establishing	N/a	Unclear	Follow rules	Follow rules	N/a	Follow rules	Follow rules	Unclear	N/a	Follow rules	N/a

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the procedures and regulations for the accounting system			established by CRA 95; General rules, regulations and procedures for accounting system are not well documented	established by CRA 95; General rules, regulations and procedures for accounting system are not well documented		established by CRA 95; General rules, regulations and procedures for accounting system are not well documented	established by CRA 95; General rules, regulations and procedures for accounting system are not well documented			established by CRA 95; General rules, regulations and procedures for accounting system are not well documented	
Budget execution date (revenue and expenditure) are classified normally (in the same manner as all other transactions, not segregated into a separate data subsystem)											
Timeliness and regularity of accounts reconciliation	N/a										
Annual expenditure statements are produced and appear shortly after the end of the FY	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.	Law requires that expenditure statements to be produced within 3 months of end of budget year.
V. Auditing System											
There are standards in carrying out audits – there is a manual setting out the standards that are applied.	N/a	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	Follow the standing auditing procedures laid out by the inspector/auditor general	N/a	Follow the standing auditing procedures laid out by the inspector/auditor general	N/a
Inspector general/Auditor general has capacity to do systems audit	N/a		There is no integrated financial management system, the	There is no integrated financial management system, the	There is no integrated financial management system, the	There is no integrated financial management system, the	There is no integrated financial management system, the	There is no integrated financial management system, the	N/a	There is no integrated financial management system, the	N/a

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			current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	current system does not have an audit trail/control function; Inspector general does not undertake system audit and review		current system does not have an audit trail/control function; Inspector general does not undertake system audit and review	
There are requirements for internal audit within line ministries.	N/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/a	Yes	N/a