

Annex 1. Macro Assessment Checklist

General Overview of Macro Assessment

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.)	

A risk consideration checklist is provided in Annex 2.

Annex 2. Risk consideration checklist

No.	Indicator	Risk Consideration				Indicator risk level	Comment
		High risk	Significant risk	Moderate risk	Low risk		
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 over-ridden 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.		

No.	Indicator	Risk Consideration				Indicator risk level	Comment
		High risk	Significant risk	Moderate risk	Low risk		
		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 <i>*For decentralized governments, consider consolidated audit coverage, if available.</i>	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 international audit standard.		

No.	Indicator	Risk Consideration				Indicator risk level	Comment
		High risk	Significant risk	Moderate risk	Low risk		
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 it is 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.		

No.	Indicator	Risk Consideration				Indicator risk level	Comment
		High risk	Significant risk	Moderate risk	Low risk		
		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> <i>Examples: Inflation, reliability of statistics bureau, parliamentary control, unemployment rate, transparency of information collection</i>						