

TERM OF REFERENCE FOR PFM TWG

1.0. Introduction

The strengthening of Public Financing Management (PFM) is a priority both within the health sector and in Government as whole, as evidenced by the PFM Reform Programme. The group will bring together government and partner representatives to coordinate work on planning, budgeting and resource tracking.

2. Scope of Work

For purposes of enhancing transparency and Accountability in the health sector, the TWG will develop an action plan for improvement of Public Financial Management in line with the national reform programme in areas including:

- 2.1 Supporting Planning and budgeting
- 2.2 Budget monitoring, including expenditure tracking
- 2.3. Financial reporting
- 2.4 Internal and external audit
- 2.5 Procurement monitoring
- 2.6 Capacity building in PFM-related aspects

3. Specific Tasks /Functions

Support Planning and Budgeting

- Advise on strengthening the health sector budgetary process in terms of planning and management of resources at all levels of the sector (priority setting; absorption capacity; fiscal space).
- Review the draft MTEF in advance of presentation to the HSTC meeting in March.
- Analyze the allocation of resources across the sector, and ensure consistency with priorities as defined in HSSP IV.

- Advocate for additional resources in identified areas as needed, through proposing inputs to the meetings with Parliamentary Social Services Committee and Local Government Committees.
- Review approved budget and feed into Rapid Budget Analysis
- Create capacity building programmes for planners and implementers on Public Financial Management

Budget Monitoring and Expenditure tracking

- Monitor budget performance and flow of funds within year, i.e. estimates, release and expenditures, including for PE allocations; analyse and explore explanations for deviation.
- Review budget execution reports from MOHCDGE&C, MOF, PO-RALG and Regions/LGAs on quarterly basis – for consistency, and to feed into others such as Basket Finance Committee.
- Agree TOR for NHA, and receive reports on data collection and analysis, review draft report.
- Agree TOR for annual Public Expenditure Review (PER), receive reports on data collection and analysis, receive and reviews draft report.
- Coordinate with sector Rapid Budget Analysis process under PER Macro.

Financial reporting

- Receive, analyze and review expenditure reports from Regions, LGAs, and MOHCDGEC/PO-RALG HQ; compare with MOF data; feed into PER and NHA processes.
- Identify and explore the use of IT systems for improved accounting and reporting.
- Identify fiduciary risk and actions to mitigate it.
- Assess the suitability and sustainability of infrastructure in relation to quality of the financial reporting.

- Reviewing budget management in line with financial reporting, to ensure consistency and accuracy

Internal and External Auditing

- Monitor the planning and performance of audits in the sector (internal or external) to ensure full compliance with respective TORs and quality reporting.
- Receive and review annual and periodic audits in the sector (internal or external) to ensure full compliance with respective TORs and quality reporting.
- Receive and review annual and periodic audit reports (following review by internal MOHCDGEC/PO-RALG bodies) for routine sector audits:
 - MOHCDGEC Vote 52
 - PO-RALG Vote 56 (Health-related)
 - NHIF
 - Donor-funded projects
 - Regions, LGAs
- Feed into TORs for additional sector audits as required.
- Monitor the level of implementation of audit findings and recommendations as per agreed Action Plans.

Procurement

- Analyze and provide an opinion on the MOHCDGE&C and other related procurement plans.
- Follow up the implementation of the procurement plan and analyze respective regular report.

PFM Capacity Building:

- Identify and suggest training/capacity development needs related to PFM.

- Coordinate Technical Assistance in the area of PFM, including regular feedback of projects with PFM component (eg. PS3, others?).
- Propose ways forward for the sector to build internal capacity in other to improve regular coordination mechanisms, and ensure better monitoring of the implementation of the PFM including clarification of institutional responsibilities.
- To propose ways of strengthening central payment system to enable accurate and timely provision of quality reporting.

4. Institutional Framework:

There shall be a secretariat which will maintain regular coordination and communication within the team and to the top management of the MoHCDGEC, PORALG and MoFP. The Secretariat will have a composition of members from;

- The government – MoHCDGEC, PORALG and MoFP
- Development Partners
- Research and Academic Institutions
- Civil Society Organizations

Roles and responsibilities of the PFM TWG Secretariat

- Arrangement and organization for all meetings including production and distribution of required documents early enough before the meeting
- Documentation of meeting proceedings and production of minutes before the following meeting.
- Facilitate and guarantee the use of office space and communications systems and designated staff to facilitate the work and activities of the working group
- Maintain regular communication with the top management of the MOHCDGEC on important PFM issues and initiatives
- Collect, organize and disseminate required information to identified groups and Undertake any additional assignments from time to time be allocated
- Produce a regular intervals progress reports on important PFM TWG activities.

5. Members

- Chair: MOHCDGEC- DPP (ADB); (CO-Chair; MOFP-Assistant Commissioner, PORALG, CA have to alternate

- Chief Internal Auditor
- Director Procurement
- Director LGF-PORALG
- Coordinator- Health Basket Fund
- DPs
- WB