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From systems to signals: Strengthening PFM information systems for credible budgeting



Executive summary

Across the 18 countries covered by the 2025 CABRI Budget Practices and Procedures (BPP) Survey, public financial management information system (PFMIS) platforms – particularly integrated financial management information system (IFMIS) portals, e-procurement hubs and digital reporting tools – have become near-universal features of budget systems. The survey shows that 15 of the 18 countries (83%) operate a functioning IFMIS, reflecting substantial progress in digitising core budget execution processes. However, this widespread adoption masks a deeper structural issue: digital systems are far more developed for operational efficiency than for accountability and decision-making.

The evidence reveals that PFM information systems are used primarily to support transaction processing rather than to enforce internal controls, enhance transparency or inform policy decisions. Accountability-facing digital tools remain significantly underdeveloped, with e-audit systems present in 7 of 18 countries (39%), citizen engagement platforms in 5 of 18 (28%) and open fiscal data portals in 9 of 18 (50%). Governments have become increasingly capable of processing financial data internally; the extent to which digital systems are leveraged to strengthen scrutiny and accountability appears more limited, reflecting a combination of capacity, coordination and contextual factors that the survey cannot fully capture.

Importantly, where PFM information systems function well, they are associated with better expenditure management outcomes. The survey finds positive correlations between IFMIS functionality and arrears management, as well as between parliamentary oversight effectiveness and overspending control. This suggests that digital systems can play an important enabling role in improving budget execution, but only when they are integrated into institutional processes and backed by effective enforcement.

The central challenge is therefore not the adoption of digital tools, but their functional integration into budget systems. Strengthening PFM information systems requires shifting from system deployment to system utilisation, so that digital platforms support control, transparency, accountability and better public service delivery across the budget cycle.

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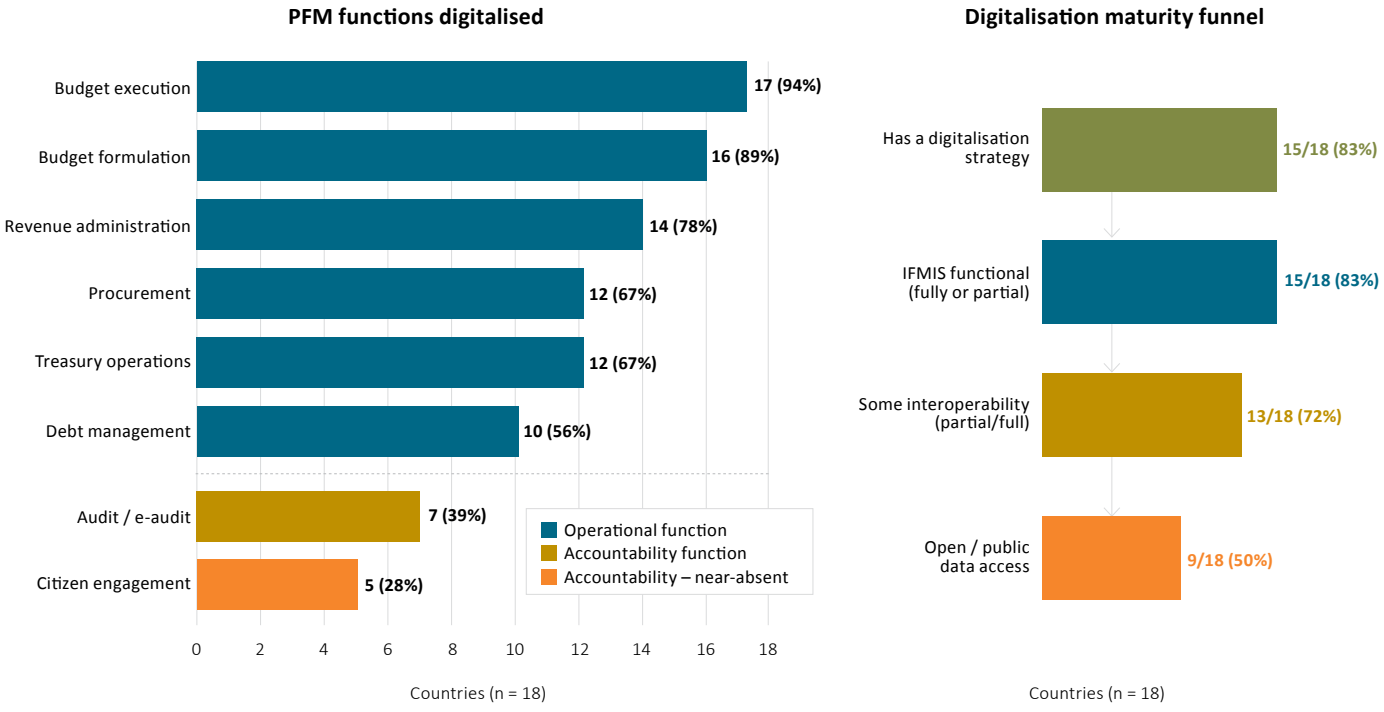
1. Context

Over the past decade, digitalisation has become a central pillar of PFM reform across Africa. Governments have invested heavily in IFMIS platforms, e-procurement systems and digital reporting tools to modernise financial management processes. These investments have been driven by a combination of factors, including donor support, the need for stronger expenditure control and transparency, and the operational demands of increasingly complex budget systems.

Evidence from the survey confirms that digital infrastructure is now embedded within the core architecture of PFM systems. IFMIS platforms support budget execution, treasury operations, payroll management and accounting functions in the majority of countries surveyed. Procurement processes are increasingly digitised, with 12 out of the 18 surveyed countries (67%) implementing some form of e-procurement. These developments represent efforts towards minimising fragmentation in financial management systems, which are often prone to delays and inconsistencies.

However, the expansion of digital systems has not been matched by equivalent progress in how those systems are used. The distinction between form (system presence) and function (system impact) is especially pronounced in the digital domain: while systems are increasingly operational, their ability to shape behaviour, enforce controls, improve transparency and support decision-making remains uneven.

Figure 1: PFM digitalisation



Source: CABRI 2025 BPP Survey.



2. Digitalisation pattern: Operations vs accountability

A central finding from the survey is the emergence of a dual-track digitalisation pattern, where progress in PFM information systems is unevenly distributed between operational efficiency and accountability functions. This pattern reflects not only differences in technical implementation, but also deeper institutional incentives that shape how digital tools are adopted and used across the budget cycle.

On the operational side, digitalisation has advanced significantly and is now embedded in the core functioning of government financial systems. Budget execution processes are largely managed through IFMIS platforms, which allow real-time recording of transactions, enforce basic expenditure controls and standardise accounting practices. Treasury operations, including cash management and payment processing, are increasingly automated, reducing delays and improving the traceability of funds. Payroll systems have also been digitised and integrated in many countries, helping to control wage bill expenditures and reduce leakages associated with manual systems. In this sense, digitalisation has successfully modernised the mechanics of public finance, making governments more capable of executing budgets at scale and with greater administrative reliability.

However, digital progress appears to have favoured internal budgeting functions more than oversight and accountability processes. Tools that support audit, transparency and citizen engagement remain underdeveloped and unevenly adopted. Only 7 of 18 countries (39%) report having e-audit systems that allow auditors to access and analyse financial data digitally, and citizen engagement platforms are present in only 5 of 18 (28%) countries. Participatory dimensions of fiscal governance therefore remain limited in digital form.

This imbalance is consistent with stronger incentives to digitise functions that improve internal efficiency, control and administrative reliability. IFMIS platforms, payroll systems and treasury automation directly support the executive's ability to manage resources and reduce operational risks and they often align closely with the legal mandate of ministries of finance.

By contrast, accountability-facing systems – such as e-audit, open data portals and citizen engagement tools – depend on a broader set of actors, capacities and institutional relationships. In some contexts, digital interfaces may also limit participation where access barriers persist or where face-to-face engagement remains more effective and tools such as e-procurement can inadvertently exclude smaller firms. Weaker adoption may therefore reflect not only political sensitivity, but also coordination challenges, capacity constraints and uneven access.

The result is a structurally unbalanced digital ecosystem. Financial data is increasingly digitised, but it is not consistently accessible, interoperable or decision-relevant. In many cases, data remains confined within systems designed for transaction processing, with limited links to decision-making and service delivery outcomes. Audit institutions may not have direct access to IFMIS data, limiting their ability to perform real-time oversight. Legislatures often rely on periodic, static reports with limited granularity, which can constrain their ability to effectively scrutinise budget performance and respond to emerging issues in a timely manner. Citizens, where access exists, are typically presented with aggregated or delayed information that may not always support meaningful engagement; although in some contexts, such formats may reflect user preferences or practical constraints.

Closing this gap requires rebalancing digital reform efforts. This means moving beyond the automation of transactions toward the integration of systems across the accountability chain, including stronger links between the IFMIS, audit systems and broader administrative data on service delivery and citizens. It also requires ensuring that fiscal data is accessible and usable for oversight and decision-making. However, digital tools alone do not guarantee accountability. Their effectiveness depends on adequate capacity, training and incentives for their consistent use within institutions.

3. IFMIS as a systemic enabler

The survey findings point to the IFMIS as a central pillar of modern PFM systems. In countries where an IFMIS is fully operational and effectively used, it is associated with better expenditure control, improved handling of arrears and stronger parliamentary oversight. The survey analysis shows positive associations between IFMIS functionality and key outcomes, including arrears management (around 0.6), overspending control (around 0.5–0.6) and parliamentary oversight effectiveness (around 0.5+). While these results should be interpreted as evidence of association rather than causation, they also suggest that an IFMIS can be an important systemic enabler when it is well integrated and actively used.

However, the presence of an IFMIS platform does not, in itself, ensure improved fiscal outcomes. In many contexts, implementation remains incomplete, key modules are not fully rolled out, system coverage excludes certain entities and linkages between components are weak. More importantly, data generated within an IFMIS is not always actively used to guide decisions or enforce compliance. Under these conditions, the system tends to function as a passive repository of financial records rather than an active tool for control. For an IFMIS to deliver its full value, four elements are critical:

1. **Broad coverage**, ensuring that all relevant government transactions and entities are captured within the system.
2. **Functional integration**, so that budgeting, commitment, payment and reporting processes are aligned within a single platform.
3. **Responsiveness to user needs**, ensuring that the system generates timely, relevant and usable information for operational, analytical and oversight purposes.
4. **Active use of system controls**, where embedded rules are enforced to prevent overspending, manage commitments and improve discipline.

Without these conditions, an IFMIS remains underleveraged – present in form but limited in its ability to shape how public funds are managed and translated into effective service delivery.

4. Fragmentation and interoperability constraints

A major constraint on the effectiveness of PFM information systems is the persistence of fragmented digital architectures, where multiple platforms operate in parallel with limited interoperability. In many countries, IFMIS platforms coexist with separate procurement systems, standalone payroll and HR databases and donor-specific aid management tools that are not fully connected to the core budget system. As a result, key financial processes – commitment, procurement, payment and reporting – are not consistently linked and data does not flow seamlessly across institutions. While 13 of 18 countries report some level of interoperability, only two (11%) have fully integrated systems, compared with 11 (61%) that have partial integration. Governments may therefore have multiple digital systems in place without a unified financial management environment.

The practical implications of this fragmentation can be significant:

- **It potentially limits the ability of governments to consolidate financial and non-financial information**, making it difficult to obtain a complete and timely picture of public expenditure. Transactions recorded in one system may not be reflected in another, leading to inconsistencies and delays in reporting.
- **It may weaken expenditure control**. For example, if procurement commitments are not fully integrated into an IFMIS platform, governments may enter into obligations that are not captured in real time, increasing the risk of arrears and overspending.
- **Fragmentation can undermine fiscal transparency**, as off-system or partially integrated expenditures (particularly those related to extra-budgetary funds, state-owned enterprises and subnational governments) remain outside the core reporting framework.

The survey results highlight two specific areas where fragmentation is most pronounced.

1. **Donor-funded projects are often managed through parallel systems**, reducing their integration into national budgets and weakening oversight.
2. **Interoperability between systems is limited**. Only two of 18 countries (11%) have fully interoperable systems, while 11 of 18 countries (61%) have partially interoperable systems.

As a result, even where digital tools are widely adopted, they may not always provide a comprehensive or timely view of government finances. In some cases, financial data remains dispersed across systems, requiring reconciliation and limiting its usefulness for decision-making and control. However, fragmentation of systems does not necessarily imply fragmentation of information. With strong data governance frameworks – such as common classification standards, interoperability protocols and coordinated reporting arrangements – governments can integrate information across platforms without full system consolidation. Addressing this challenge therefore requires not only greater system interoperability, but also stronger data governance to ensure that information is accessible, consistent and usable for decision-making, oversight and service delivery. Without this, the benefits of digitalisation will remain partial and visibility over public resources constrained.



5. Data use: From reporting to decision-making

A critical limitation of PFM information systems lies not in the availability of data, but in how that data is used. Across countries, digital systems are primarily deployed to support transaction recording, routine reporting and compliance requirements. IFMIS platforms capture large volumes of financial information, generate standard reports and ensure that basic accounting obligations are met. While this represents an important step forward from manual systems, it also reveals a ceiling: data is being produced efficiently but not systematically used to shape decisions or enforce discipline.

The gap becomes evident when examining how information feeds into core budget processes. On the planning side, the survey shows that, although 15 of 18 countries (83%) report using performance information to inform allocation between ministries, only three of 18 (Rwanda, Kenya and Lesotho) report that performance information actually drives reallocation between programmes – the most demanding stage of integration. On the oversight side, despite the extensive adoption budget transparency measures, the survey reveals comprehensive internal-audit follow-up in only 4 of 18 countries (22%), formal executive responses to the findings of supreme audit institutions in 7 of 18 (39%) and systematic public tracking of audit recommendations in just 3 of 18 (17%). In effect, data flows through the system but does not appear to meaningfully influence decisions or behaviour in some key areas.

This reflects a broader structural issue: the transition from data generation to data use requires more than technology. It depends on the presence of analytical capability within institutions, clear incentives to use information in decision-making and the integration of data into formal budget processes. Where these elements are weak, data remains underutilised. Reports are produced and dashboards developed, but the information they generate is not always sufficiently tailored or usable for decision-making in specific institutional contexts. As a result, compliance requirements are often prioritised over actionable insight, limiting the potential of digital systems to improve fiscal outcomes.

6. Implications

The current trajectory of digital PFM reform has three main implications. First, digital systems appear to have strengthened how governments process and execute spending more than how that spending is governed. Transaction processing, payroll and treasury operations are increasingly efficient and reliable, but the complementary systems needed for audit, oversight, transparency and citizen engagement remain much less developed. This limits the potential of digitalisation to strengthen overall budget credibility and accountability.

Second, persistent fragmentation and weak interoperability reduce the returns on digital investment. Fragmentation of systems does not necessarily imply fragmentation of information: where strong data governance frameworks are in place – such as common classification standards, interoperability protocols and coordinated reporting arrangements – governments can integrate information across platforms and support effective decision-making. In their absence, however, financial data remains difficult to reconcile across systems, limiting its timeliness and usefulness for monitoring, control and service delivery.

Third, the underutilisation of data constrains the transformative potential of digital systems. Although large volumes of financial information are generated through IFMIS and related platforms, this data is not consistently embedded in budget processes or used to guide decisions. Allocations are not systematically adjusted based on execution data, ceilings are not always enforced using real-time information and audit findings are not fully integrated into feedback loops. Digital systems therefore improve information availability without necessarily changing behaviour.

7. Conclusion

PFM information systems in Africa have reached a new stage of reform. Across much of the region, the foundational infrastructure is now in place, especially in IFMIS and related execution systems. The next challenge is not further rollout, but making those systems more interoperable, more actively used and more consequential for control, transparency and accountability.

The survey evidence shows that digital systems can contribute to improved fiscal outcomes, but only under specific conditions. They must be interoperable so that financial information flows across budgeting, treasury, procurement and reporting functions. They must be actively used so that data informs decisions on allocations, execution and oversight. And they must be institutionally enforced, with embedded controls applied consistently to strengthen compliance with budget rules.

The central task ahead is therefore to move from systems to signals – ensuring that PFM information systems do not simply record what governments do but actively inform how they manage public resources. Achieving this will be critical to strengthening budget credibility, improving fiscal governance and realising the full value of digital investments in public finance.

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