

Area 6: Public Financial Management

| Principle 5 | Transparent budget reporting and scrutiny are ensured. | | |
|---|---|--------|---|
| Principle approach | The monitoring approach to this principle focuses on segments of transparency and accessibility of the budget documentation and data: ease of access to reports on budget realisation, and availability of budgetary information in the format that allows for easier understanding and scrutiny by external stakeholders (citizens, research organisations etc.). | | |
| INDICATOR 1 | Transparency and accessibility of budgetary documents | | |
| Indicator focus and general methodological remarks | <p>Elements of this indicator cover the key budgetary documents: annual budget, and budget execution reports – monthly, mid-year, and year-end. First three elements focus on ease of access of documents on official websites of responsible institutions. Remaining elements look into transparency and quality of data from these documents, in relation to citizen-friendliness, performance information and open data.</p> <p>For all elements of this indicator analysis of available budgetary information and documents from the website of ministries responsible for finances is performed, unless specified otherwise.</p> | | |
| INDICATOR ELEMENTS | | | |
| Element # | Element formulation | Weight | Element data source |
| E.1 | Enacted annual budget is easily accessible online | 2 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance |
| | <p>Element methodology</p> <p>Enacted annual budget is the budgetary document that on an annual basis provides information on planned revenues and expenditures of the state. It is prepared by the government, and enacted by the legislature, usually in the form of laws on state budget.</p> <p>Easily accessible will be interpreted to mean not more than three clicks away from the homepage of the responsible ministry.</p> <p>The annual budget documents for the current and previous fiscal years will be taken into consideration.</p> | | <p>Point allocation</p> <p>0 If both documents are more than three clicks away from the homepage</p> <p>1 if one annual budget document is three clicks away or less from the homepage</p> <p>2 if two annual budget documents are three clicks away or less from the homepage</p> <p>Maximum points: 4</p> |

| Element # | Element formulation | Weight | Element data source |
|-----------|---|--------|--|
| E.2 | In-year budget execution reports are easily accessible online | 2 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance |
| | Element methodology | | Point allocation |
| | <p>In-year budget execution reports are reports on realisation of state revenues and expenditures published either monthly or quarterly (for the period of three months), containing data on budget execution on a monthly basis.</p> <p>Easily accessible will be interpreted to mean not more than three clicks away from the homepage of the responsible ministry.</p> <p>In-year budget execution reports for the last six months will be taken into consideration (does not have to be within the same fiscal year).</p> | | <p>0 if less than three reports are more than three clicks away from the homepage in case monthly reports are published OR if data for less than three months is three clicks away in case quarterly reports are published</p> <p>1 if minimum three reports are three clicks away or less from the homepage in case monthly reports are published OR minimum one report in case quarterly reports are published</p> <p>2 if all six reports are three clicks away from the homepage in case monthly reports are published, OR two in case quarterly reports are published</p> <p>Maximum points: 4</p> |
| Element # | Element formulation | Weight | Element data source |
| E.3 | Mid-year budget execution reports are easily accessible online | 2 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance |
| | Element methodology | | Point allocation |
| | <p>Mid-year budget execution reports are reports on realisation of state revenues and expenditures for a period of six months (half a year).</p> <p>Easily accessible will be interpreted to mean not more than three clicks away from the homepage of the responsible ministry.</p> <p>If the measurement is performed after the legal deadline for publishing of the mid-year budget execution report, reports for the current and last fiscal year are considered. If the measurement is performed before this deadline, reports for the last two fiscal years are considered.</p> | | <p>0 if both documents are more than three clicks away from the homepage</p> <p>1 if one mid-year budget execution report is three clicks away or less from the homepage</p> <p>2 if two mid-year budget execution reports are three clicks away or less from the homepage</p> |

| | | | Maximum points: 4 |
|--|---|---|--|
| Element # | Element formulation | Weight | Element data source |
| E.4 | Budget execution reports (in-year, mid-year, year-end) contain data on budget spending in terms of functional, organization and economic classification | 2 | <ul style="list-style-type: none"> Budget execution reports from the website of the ministry responsible for finances |
| Element methodology | | Point allocation | |
| <p>In-year and mid-year reports were defined in the previous elements. Year-end budget execution report represents a final report on the budget realisation and financial performance for a fiscal year in question.</p> <p>It is examined whether three types of budget execution reports contain data on expenditure according to following classifications:</p> <ul style="list-style-type: none"> <i>Organisational</i>: per budget users (e.g. ministries, agencies, social security organisations, etc.); <i>Economic</i>: type of expenditures (e.g. social protection, salaries, capital investments, transfer to local levels, donations, subventions etc.) <i>Functional</i>: purpose/sectors of expenditures (e.g. education, housing, health care etc.). <p>Last available of each of report categories (in-year, mid-year, year-end) are considered for point allocation, three reports in total.</p> <p>To award points for this element, all budget reporting documents need to consist budgetary data according to at least two different classifications.</p> | | <p>0 if each budget report analysed contains data on less than two expenditure classifications</p> <p>1 if each budget report analysed contains data on minimum two expenditure classifications</p> <p>2 if each budget report analysed contains data all expenditure classifications</p> <p>Maximum points: 4</p> | |
| Element # | Element formulation | Weight | Element data source |
| E.5 | Annual year-end report contains non-financial information about the performance of the Government | 1 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance |
| Element methodology | | Point allocation | |
| <p>Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy and used to analyse the expenditures.</p> <p>They can be related to outputs (e.g. the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program), or outcomes (e.g. an increase in literacy rates among children under ten, or a reduction in maternal mortality rates).</p> <p>Latest available year-end budget report is used to determine the existence of nonfinancial performance data.</p> | | <p>0 if no nonfinancial performance information is available</p> <p>1 if nonfinancial performance information is available in a summarised form for all budget users or policies, or unevenly presented across budget users or policies</p> <p>2 if nonfinancial performance information is available for each</p> | |

| | | | budget user or individual policies | | | |
|------------------------------|---|----------|--|----------|----------|----------|
| | | | Maximum points: 2 | | | |
| Element # | Element formulation | Weight | Element data source | | | |
| E.6 | Official reader-friendly presentation of the annual budget (Citizen Budget) is regularly published online | 2 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance Official website of the Government | | | |
| | Element methodology | | Point allocation | | | |
| | Reader-friendly presentation of the annual budget considers a document that in a simplified manner communicates the purpose and main elements of the annual budget to the wider public, usually in the form of so-called citizen budget, budget guidance for citizens etc. | | 0 if not published online 1 if published for one fiscal year 2 if published for two fiscal years | | | |
| | Official website of responsible ministry, and website of the Government, will be searched to determine whether reader friendly presentation of annual budgets is published for the current and previous fiscal year . | | Maximum points: 4 | | | |
| Element # | Element formulation | Weight | Element data source | | | |
| E.7 | Budgetary data is published in open data format | 1 | <ul style="list-style-type: none"> Official website of the ministry responsible for finance Government/national open data portal | | | |
| | Element methodology | | Point allocation | | | |
| | Publishing budgetary data in an open format is interpreted to mean availability of dataset(s) that is/are: <ul style="list-style-type: none"> Machine readable (CSV, XLS, XML, JSON, RDF, TXT, etc.); Downloadable by different users and multiple times; Free of charge; For this element, budgetary data is understood as data on annual state budget (either on enacted budget OR year-end report/executed budget). If datasets are published in an open format, but do not cover any of the last two fiscal years, element is automatically 0. | | 0 if no annual data on budget is published 1 if dataset(s) published cover one fiscal year 2 if dataset(s) published cover more than one fiscal year | | | |
| | | | Maximum points: 2 | | | |
| TOTAL POINTS | 0-4 | 5-8 | 9-12 | 13-16 | 17-20 | 21-24 |
| FINAL INDICATOR VALUE | 0 | 1 | 2 | 3 | 4 | 5 |

