

VII. BUDGET PRACTICES AND PROCEDURES

18. Budget disclosures

Publicly available, comprehensive budget documentation can make it easier for the public to understand fiscal policies and government priorities. Budget disclosures can contribute to fiscal discipline, the effective allocation of resources and operational efficiency. They can enable governments to be held accountable for producing realistic and sustainable budgets, and for the social and economic impact of planned policy measures. Because the availability of information within the budget document does not necessarily assure its accuracy, citizens and legislators must use the information to hold the government accountable for achieving better budget outcomes.

A key aspect of transparency is the extent to which the executive's budget provides information on the budget framework and the government's policies and priorities. Countries vary in the amount and types of information provided. While macroeconomic assumptions and policy priorities are common in the budgets of all OECD member countries, only two-thirds include clearly defined appropriations for legislature vote and a medium-term perspective on total revenue and expenditure. Moreover, half or fewer of all OECD member countries include non-financial performance targets or the text of proposed legislation or policies in the budget and supporting documentation. Arguably, there is no single factor more responsible for derailing budget outcomes and projections of deficits or surpluses than the use of weak macroeconomic assumptions. Over half of all OECD member countries make the methodology underlying their macroeconomic assumptions publicly available, either directly or upon request.

The existence of independent government entities to audit and comment on the budget is also a key factor in holding the legislature and executive accountable. All OECD member countries have a supreme audit institution to audit government accounts. While all

Methodology and definitions

The indicators are derived from the OECD Best Practices for Budget Transparency, and include: the availability of certain elements within the budget documentation submitted to the legislature, the availability of the methodology underlying the economic assumptions used in the budget, and the number of months after year-end that audited accounts are publicly disclosed by the supreme audit institution. The indicators draw upon the OECD International Budget Practices and Procedures Database collected during the first half of 2007 and refer to budget practices in the central government. Survey respondents were senior budget officials. Responses represent the countries' own assessments of current practices and procedures. In addition, the indicators refer to the availability of information but do not measure its quality.

countries ultimately make the audited accounts available to the public, there is considerable variation in the time it takes to do so. Fewer than half of OECD member countries release the accounts within six months after the fiscal year ends, as is suggested by OECD Best Practices for Budget Transparency.

Further reading

OECD (2002), "OECD Best Practices for Budget Transparency", *OECD Journal on Budgeting*, Vol.1, No. 3, OECD, Paris, pp. 7-14.

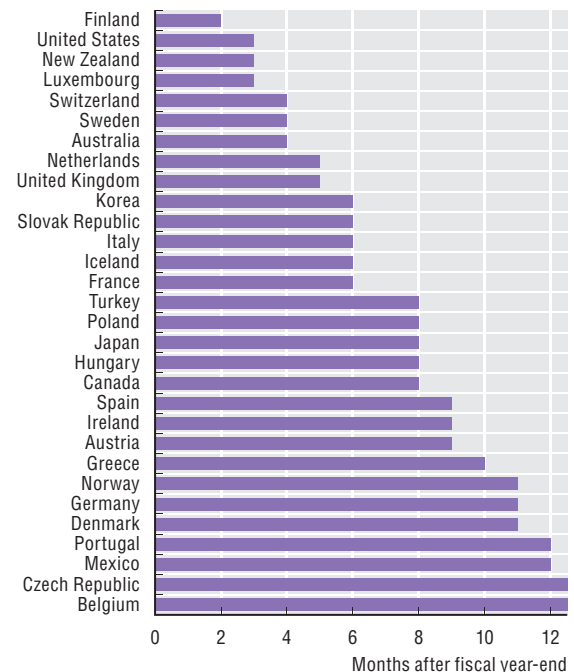
OECD (Forthcoming), *Budgeting Practices and Procedures in OECD Countries*, OECD, Paris.

Notes

18.1: Based on Q.70 "When are the accounts audited by the Supreme Audit Institution publicly available?". Belgium and the Czech Republic release audited accounts more than 12 months after the fiscal year-end.

18.2: Based on Q.35 "In the presentation of Central Government budget documents to the Legislature, which of the following elements are included?" and Q.7 "Is the methodology used for establishing the economic assumption of the budget publicly available?". In Germany, Greece, Iceland, Ireland, New Zealand, Poland and the Slovak Republic, the methodology used to establish economic assumptions is available on request.

18.1 Number of months after fiscal year-end that audited accounts are publicly disclosed by the supreme audit institution (2007)



Source: OECD (2007), OECD International Budget Practices and Procedures Database, www.oecd.org/gov/budget/database.


StatLink <http://dx.doi.org/10.1787/723840438383>

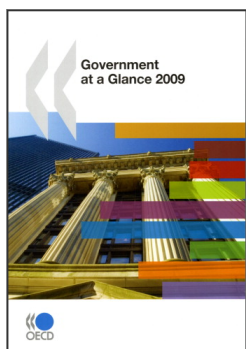
18.2 Elements included in budget documents presented to the legislature at the central level of government (2007)

	Macroeconomic assumptions	Budget priorities	Medium-term fiscal policy objectives	Linkage of appropriations to administrative units	Clearly defined appropriations for legislature vote	Medium-term perspective on total revenue and expenditure	Non-financial performance targets	Text of legislation of policies proposed in budget	Is the methodology used for establishing the economic assumptions of the budget publicly available?
Australia	●	●	●	●	●	●	●	○	○
Austria	●	●	●	●	●	○	○	○	●
Belgium	●	●	●	●	●	●	○	○	●
Canada	●	●	●	●	●	○	○	○	●
Czech Republic	●	●	●	●	○	●	○	○	○
Denmark	●	●	○	○	●	●	○	○	●
Finland	●	●	●	●	●	○	●	●	●
France	●	●	●	○	●	●	●	○	○
Germany	●	●	●	●	●	●	○	○	●
Greece	●	●	●	●	●	○	●	○	●
Hungary	●	●	●	○	○	●	○	○	○
Iceland	●	●	●	●	●	●	○	○	●
Ireland	●	●	●	●	●	●	●	○	●
Italy	●	●	●	○	●	●	○	○	●
Japan	●	○	○	●	○	○	○	○	○
Korea	●	●	●	●	●	●	●	○	○
Luxembourg	●	●	●	○	○	○	○	●	●
Mexico	●	●	●	●	○	●	●	●	○
Netherlands	●	●	●	●	○	●	●	○	●
New Zealand	●	●	●	●	●	●	●	○	●
Norway	●	●	●	●	●	●	●	●	●
Poland	●	●	○	○	○	●	●	○	●
Portugal	●	●	●	●	○	●	○	●	○
Slovak Republic	●	●	●	●	●	●	●	○	●
Spain	●	●	●	●	●	○	●	○	○
Sweden	●	●	●	●	●	●	●	●	●
Switzerland	●	●	●	●	●	●	●	○	●
Turkey	●	●	●	●	●	●	○	●	○
United Kingdom	●	○	○	●	●	○	○	○	●
United States	●	●	●	●	●	●	●	●	○
Total	30	28	26	24	22	22	16	8	19

● Yes.

○ No.

Source: OECD (2007), OECD International Budget Practices and Procedures Database, www.oecd.org/gov/budget/database.StatLink  <http://dx.doi.org/10.1787/723840438383>



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