

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

CROATIA

September 28, 2007

International Budget Partnership
Center on Budget and Policy Priorities
820 First Street, NE
Suite 510
Washington, DC 20002
www.internationalbudget.org
www.openbudgetindex.org

This questionnaire was completed by:

Name:	Ivica Urban and Marijana Bađun
Organization:	Institute of Public Finance
Address:	Katanciceva 5, 10000 Zagreb, Croatia
Telephone:	+385 1 4886 454
E-mail:	ivica@ijf.hr; marijana@ijf.hr

International Budget Partnership OPEN BUDGET QUESTIONNAIRE CROATIA

Section One: The Availability of Budget Documents	4
Table 1. Budget Year of Documents Used in Completing the Questionnaire	5
Table 2. Key Budget Documents Used: Full Titles and Internet Links.....	6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal.....	9
Table 4. Distribution of the Enacted Budget and Other Reports	10
Section Two: The Executive’s Budget Proposal	11
Estimates for the Budget Year and Beyond.....	12
Estimates for Years Prior to the Budget Year.....	22
Comprehensiveness.....	31
The Budget Narrative & Performance Monitoring.....	39
Additional Key Information for Budget Analysis & Monitoring	43
Section Three: The Budget Process	53
Executive’s Formulation of the Budget	54
Legislative Approval of the Budget.....	59
Executive’s Implementation of the Budget.....	63
Year-end Report and the Supreme Audit Institution	75

Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."

Budget Documents Used in Completing the Questionnaire	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	2007
Budget Summary	2007
Executive's Budget Proposal	2007
Supporting Budget Documents	2007
Citizens Budget	2007
Enacted Budget	2007
In-Year Reports	2006(2007)
Mid-Year Report	Not Available
Year-End Report	2006
Audit Report	2005

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.

If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Smjernice ekonomske i fiskalne politike za razdoblje 2007.-2009. godine, 03.08.2006., (http://www.vlada.hr/hr/content/download/14734/170729/file/179_3_2.pdf)
Budget Summary	News report: "Vlada Saboru uputila prijedlog proračuna za 2007.," 14.11.2006., (http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2006/studeni/vlada_saboru_uputila_prijedlog_proracuna_za_2007)
Executive's Budget Proposal	Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, 14.11.2006 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske ; also available on: http://www.sabor.hr/Default.aspx?art=9030)
Budget Document One in Support of the Executive's Budget Proposal	Obrazloženje državnog proračuna i financijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, 14.11.2006. (http://www.mfin.hr/download.php?id=1108)
Budget Document Two in Support of the Executive's Budget Proposal	Nacrti prijedloga financijskih planova za 2007. godinu, s Nacrtom prijedloga projekcija za 2008. i 2009.: <ol style="list-style-type: none"> 1. Hrvatskih voda 2. Hrvatskih autocesta 3. Hrvatskih cesta 4. Državne agencije za osiguranje štednih uloga i sanaciju banaka 5. Hrvatskog fonda za privatizaciju 6. Fonda za zaštitu okoliša i energetske učinkovitost, 14.11.2006. (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske)

Budget Document Three in Support of the Executive's Budget Proposal	
Citizens Budget	<p>Proračun 2007. godine: Za ravnomjerniji razvoj Hrvatske, 01.12.2006., (http://www.vlada.hr/hr/content/download/12653/139901/file/Proracun2007.pdf)</p> <p>Izvršenje proračuna za 2006. godinu, 24.05.2007. (http://www.mfin.hr/download.php?id=1154)</p>
Enacted Budget	<p>Državni proračun Republike Hrvatske za 2007. godinu, 07.12.2006. (http://www.mfin.hr/download.php?id=1080 http://www.mfin.hr/download.php?id=1108)</p>
In-Year Reports	<p>Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine, 03.08.2006. (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf)</p> <p>Mjesečni statistički prikaz Ministarstva financija, 30.04.2007. (http://www.mfin.hr/download.php?id=1137)</p>
Mid-Year Review	Not Produced

Year-End Report	Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, 25.05.2007. (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf)
Audit Report	Izvešće o obavljenim revizijama, 21.02.2007. (http://www.revizija.hr/hr/izvjesce/)
Other Documents	Pretpristupni ekonomski program 2007.-2009, November, 2006. (http://www.mfin.hr/download.php?id=1045)
Relevant Ministries & Departments	<p>Vlada Republike Hrvatske [government] (http://www.vlada.hr/)</p> <p>Hrvatski sabor [parliament] (http://www.sabor.hr/)</p> <p>Ministarstvo financija Republike Hrvatske [ministry of finance] (http://www.mfin.hr/)</p> <p>Državni ured za reviziju [audit office] (http://www.revizija.hr/)</p> <p>Porezna uprava [tax administration] (http://www.pu.mfin.hr/)</p>

Table 3. Distribution of Documents Related to the Executive's Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place "Yes" in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes		Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>						
	Pre-budget	Executive's Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes		No
2. Advance notification of release is sent to users, media	Yes	Yes	Yes	Yes		Yes
3. Released to public same day as official release to media	No	Yes	Yes	Yes		Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes		Yes
5. Free print copies available, limited distribution	No	No	No	No		Yes
6. Free print copies available, mass distribution	No	No	No	No		No
7. Readily available outside capital and/or big cities [†]	Yes	Yes	Yes	Yes		Yes
8. Written in more than one language	No	No	No	No		No
9. News conference is held to discuss release	No	Yes	Yes	Yes		No

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

[†]Mark "Yes" if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes		Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	Yes	Yes	NA	Yes	Yes
2. Advance notification of release sent to users, media	Yes	Yes	NA	Yes	No
3. Released to public same day as official release to media	Yes	Yes	NA	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	NA	No	Yes
5. Free print copies available, limited distribution	No	Yes	NA	No	No
6. Free print copies available, mass distribution	No	No	NA	No	No
7. Readily available outside capital/big cities ⁺	Yes	Yes	NA	Yes	Yes
8. Written in more than one language	No	No	NA	No	No
9. News conference is held to discuss release	Yes	No	NA	Yes	No

⁺Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification, and the categorization is compatible with international standards. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function. No expenditures classified by function are presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ol style="list-style-type: none"> All expenditures are classified by economic classification, and the categorization is compatible with international standards. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by economic classification. No expenditures classified by economic classification are presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ol style="list-style-type: none"> Program-level data are presented for all expenditures. Program-level data are presented for at least two-thirds of, but not all, expenditures. Program-level data are presented, but for less than two-thirds of expenditures. No program-level data are presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>5. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ol style="list-style-type: none"> All sources of tax revenue are identified individually. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. No sources of tax revenue are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ol style="list-style-type: none"> All sources of non-tax revenue are identified individually. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. No sources of non-tax revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>10. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, multi-year estimates are presented, but only for some individual sources of revenue. d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.29 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.7, Head 34: Financijski rashodi (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.29 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u> The following information is given: (a) the ratio between domestic and external debt, (b) the structure according to level of government (central, local, extrabudgetary funds), (c) the ratio of loan guarantees in total debt. The practice is only slightly better than in the previous period. A change in response is led by the researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>
--	----------

<p>14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ol style="list-style-type: none"> Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. No, information related to the macroeconomic forecast is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.3-9 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ol style="list-style-type: none"> Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of different macroeconomic assumptions on the budget is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?
- Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the impact of policy proposals on expenditures is not presented.
 - Not applicable/other (please comment).

Citation:

Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.18-21 (<http://www.mfin.hr/download.php?id=1108>).

Comment:

There is no information that shows how policy proposals in the budget affect expenditures. However, a lot of information on new policies and their effects on expenditures are presented in the citizen's budget (Proračun 2007. godine: Za ravnomjerniji razvoj Hrvatske).

Researcher's Response to this Question was "d."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Brief comments are sufficient for understanding key expenditures also generated from pre-budget and supporting documents

Researcher Response: I still hold that that the information shown is rudimentary and cannot be described as explanation of policy proposals. The executive should consider inclusion of the content present in the citizen's budget into the main budget document.

IBP Comment: IBP editors chose answer, "d" to maintain consistency with criteria used for selecting answers across countries.

d

<p>17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <p>a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on the impact of policy proposals on revenues is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.10-17 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u> No changes in the tax system were planned for 2007. Expected changes in revenues are therefore explained only in context of macroeconomic developments. However, comprehensiveness of this report is similar to the one from 2004. This suggests that, if changes in revenue system did occur, the response would be (c). In that case, a researcher would make a reassessment. [Note that the answer to the same question in the 2006 round was "d."]</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e
---	---

Estimates for Years Prior to the Budget Year	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function for BY-1. No expenditures classified by function are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ol style="list-style-type: none"> All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by economic classification for BY-1. No expenditures classified by economic classification are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> Program-level expenditure data are presented for all expenditures for BY-1. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. No program-level expenditure data are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?
- All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.
 - All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.
 - Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
 - The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
 - Not applicable/other (please comment).

Citation:

(A) Revised budget: Prijedlog izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, together with: Obrazloženje izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.1, Table A, row "Rashodi poslovanja," column "Novi plan za 2006."
(<http://www.sabor.hr/Default.aspx?art=8735>).

(B) Executive budget proposal: Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske), p.1, Table A, row "Rashodi poslovanja," column "Plan za 2006."

Comment:

The BY-1 (2006) expenditure figures in the executive budget closely correspond to the figures from the Revised budget, released on 29.06.2006. Figures in the Revised budget reflected January-May 2006 expenditures; see document (A), p.1, Table A, column "Izvršenje od 1.1.-31.5.06." See also the comment for question 29. The performance has improved since the 2006 round of research.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

b

<p>23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.6-8 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all expenditures are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ol style="list-style-type: none"> Yes, prior-year data are always adjusted to be comparable to the budget year data. Yes, in most cases, prior-year data are adjusted to be comparable. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.1-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research, when no prior-year estimates were presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> a. All non-tax revenues are identified individually for BY-1. b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. d. No non-tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

29. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?

- a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
- b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
- c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
- d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
- e. Not applicable/other (please comment).

Citation:

(A) Revised budget: Prijedlog izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, together with: Obrazloženje izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.1, Table A, row "Prihodi poslovanja," column "Novi plan za 2006."
(<http://www.sabor.hr/Default.aspx?art=8735>).

(B) Executive budget proposal: Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske), p.1, Table A, row "Prihodi poslovanja," column "Plan za 2006."

Comment:

The BY-1 (2006) revenue figures in the executive budget fully correspond to the figures from the Revised budget, released on 29.06.2006. Figures in the Revised budget reflected January-May 2006 revenue collections; see document (A), p.1, Table A, column "Izvršenje od 1.1.-31.5.06."

The performance has deteriorated since the 2006 round of research.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

b

<p>30. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all revenues are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. Yes, but only information on the level of debt is presented. No, information related to the government debt for BY-1 is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje državnog proračuna i financijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.29 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for government debt are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.29 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
Comprehensiveness	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u> See the documents listed in Table 2, field: Budget Document Two in Support of the Executive budget proposal.</p> <p><u>Comment:</u> Only quantitative estimates are shown, in economic classification.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on intergovernmental transfers is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> All transfers are shown, only quantitative estimates by programs, with no narrative discussion. See all items under Head 361. The performance has not changed since the 2006 round of research. A change in response is led by researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
--	----------

<p>37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ol style="list-style-type: none"> Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on transfers to public corporations is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> All transfers are shown, only quantitative estimates by programs, with no narrative discussion. See all items under Head 351. The performance has not changed since the 2006 round of research. A change in response is led by researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ol style="list-style-type: none"> Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on quasi-fiscal activities is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ol style="list-style-type: none"> Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on expenditure arrears is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.325 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented. However, some information on expenditure arrears is presented in the year-end report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on contingent liabilities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.265-284 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented. However, extensive information on loan guarantees is presented in the year-end report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>43. Does the executive's budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ol style="list-style-type: none"> Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key future liabilities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on future liabilities is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ol style="list-style-type: none"> All sources of donor assistance are identified individually. At least two-thirds of, but not all, sources of donor assistance, are identified individually. Less than two-thirds of sources of donor assistance are identified individually. No sources of donor assistance are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.3 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> According to our review of related documents, this information is not presented. Only the aggregated amounts of donor assistance are included.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> All earmarked revenues are identified individually. At least two-thirds of, but not all, earmarked revenues are identified individually. Less than two-thirds of earmarked revenues are identified individually. No earmarked revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> (A) Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.2-5 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p>(B) Okružnica o predaji financijskih izvještaja za proračune i proračunske korisnike za razdoblje od 01. siječnja do 30. lipnja 2006.g, p.3, section IV. a. (http://www.mfin.hr/download.php?id=937).</p> <p><u>Comment:</u> Earmarked revenues of departments are the following: grants and transfers, revenues obtained from own activities and receipts intended for special purposes (see document A). The performance has not changed since the 2006 round of research. A change in response is led by researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> a. One percent or less of expenditure is dedicated to secret items. b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Nacrt prijedloga državnog proračuna Republike Hrvatske za 2007. godinu, s Nacrtom prijedloga projekcije za 2008. i 2009. godinu, p.15-333 (http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2006/197_sjednica_vlade_republike_hrvatske).</p> <p><u>Comment:</u> The expenditure of the agency "RH Sigurnosno-obavještajna agencija" is planned at 300 million kuna in 2007, while total budget expenditure is 117 billion kuna.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
--	----------

The Budget Narrative & Performance Monitoring	
<p>48. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the link between the budget and the government's stated policy goals is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje državnog proračuna i financijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.18-22 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u> Full coordination of strategic planning and budgeting is not supported. There is also a lack of monitoring of performance results. The performance has not changed since the 2006 round of research. A change in response is led by researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>

<p>49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government's stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the major policy goals, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government's stated policy goals over a multi-year period is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje državnog proračuna i finansijskih planova izvanproračunskih korisnika za 2007. i projekcije za 2008. i 2009. godinu, p.22 (http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u> The performance has improved very slightly since the 2006 round of research; however not enough to allow for change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ol style="list-style-type: none"> a. Non-financial data are presented for all programs. b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. c. Non-financial data are presented for programs representing less than two-thirds of expenditure. d. No non-financial data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?</p> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on policies intended to alleviate poverty is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>Additional Key Information for Budget Analysis & Monitoring</p>	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive’s budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <p>a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.pu.mfin.hr/.</p> <p><u>Comment:</u> The Tax Administration maintains a website that provides updated information on changes in the tax system to the public as well as the documents required by taxpayers to fulfill their obligations. A change in response from the OBI 2006 is led by the researcher's reassessment.</p> <p><u>Researcher's Response to this Question was "a."</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "b." There is a lack of information regarding involvement of private sector in different projects.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> We agree with the Peer Reviewer about a lack of such information. Example: fees and prices of concessions and franchises, and their overview. A more appropriate answer would be "b."</p>	<p>b</p>
--	----------

<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of related documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
---	----------

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Ministry of Finance web page: http://www.mfin.hr/str/110/; http://www.mfin.hr/str/103/; http://www.mfin.hr/str/113/; http://www.mfin.hr/str/124/; http://www.mfin.hr/?arhiv=0&siteid=1&str=91; Narodne novine, various issues (http://www.nn.hr/sluzbeni-list/mugovori/index.asp).</p> <p><u>Comment:</u> Available documents on Ministry of Finance web page are: Letter of Intent, Country Assistance Strategy, EBRD Strategy, collection of international financial contracts (EBRD, European Investment Bank, IMF, IBRD, Council of Europe Development Bank). However, specific details (e.g. on World Bank's Programmatic Adjustment Loan or on projects assisted by the World Bank in Croatia), are not available on that web site, although they can be found on World Bank's web page. All international contracts are available in Narodne novine. When it comes to discussion of conditions, Ministry of Finance publishes on their web page news regarding financial help from IFIs, which includes comments on the fulfillment of conditions. However, further work needs to be done to link available information with macroeconomic conditionality and project specific conditionality. The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
---	----------

59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?
- Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
 - Yes, information is presented, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on conditions associated with donor country assistance is not presented.
 - Not applicable/other (please comment).

Citation:

Ministry of Foreign Affairs and European Integration web page, Programs of Technical Assistance (<http://www.mvpei.hr/ei/default.asp?ru=173&sid=&akcija=&jezik=1>). Narodne novine, various issues (e.g. International Agreements, No. 2/06, <http://www.nn.hr/clanci/medjunarodni/2006/018.htm>).

Comment:

Based on Article 109 of the Stabilisation and Accession Agreement, Croatia has to form a database on all financial aid received from foreign sources. A special working group was founded in 2004, but the database is not yet available. However, the executive publishes all international agreements in the Narodne novine. The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.

b

Researcher's Response to this Question was "b."

Peer Reviewer One Comment: A more appropriate response to this question would be "c."

Peer Reviewer Two Comment:

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "b."

Some details are excluded, but not important ones. There is some progress on information availability.

IBP Comment: IBP editors chose answer, "b" to maintain consistency with the criteria used for selecting answers across countries.

<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <p>a. Yes, it provides a summary that is very informative. b. Yes, it provides a summary that is somewhat informative. c. Yes, but the summary is not very informative. d. No, it does not provide a summary. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> News report: "Vlada Saboru uputila prijedlog proračuna za 2007." (http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2006/studeni/vlada_saboru_uputila_prijedlog_proracuna_za_2007).</p> <p><u>Comment:</u> The performance has not changed since the 2006 round of research. A change in response is led by researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
---	-----------------

<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Proračun 2007. godine: Za ravnomjerniji razvoj Hrvatske (http://www.vlada.hr/hr/content/download/12653/139901/file/Proracun2007.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Researcher’s Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.”</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “a.” We think the publication contains most of the relevant information needed from perspective of an ordinary citizen; everything is presented in simple language while the relevant data are not lacking.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	a
<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <p>a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget law - Narodne novine No. 96/03 (http://www.nn.hr/clanci/sluzbeno/2003/1216.htm).</p> <p><u>Comment:</u> Definitions of budget terms are provided in the Budget law; paragraph 3. these definitions could be re-written in a more public-friendly manner and presented in a stand-alone document, for example, as an appendix to the citizen’s budget. A change in response from the OBI 2006 is led by the researcher’s reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ol style="list-style-type: none"> a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information. c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information. d. No, the right to access government information has not been codified into law, or this right does not include access to budget information. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget law - Narodne novine No. 96/03; Right to Access Information law - Narodne novine No. 172/03 (both are available online: http://www.nn.hr/clanci/sluzbeno/2003/1216.htm http://www.nn.hr/clanci/sluzbeno/2003/2491.htm); Transparency International Croatia web page, News Archive (http://www.transparency.hr/index.php?id=122).</p> <p><u>Comment:</u> Citizens have the right by the Budget law and the Right to Access Information law to access governmental and budgetary information. However, according to a survey done by Transparency International Croatia in 2005, where they have sent different queries to governmental bodies, half of the requested information could not be obtained.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
--	----------

64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it (for example, from a ministry or agency)?

- a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Comment:

The researcher queried several colleagues from inside and outside the Institute, including members of Transparency International Croatia, regarding their views related to the appropriate answer to this question, and the answer that prevailed was "c." The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.

c

Researcher's Response to this Question was "c."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Statistical Monthly Review of Ministry of finance plus Review of Croatian National Bank and available pre-budget documents.

Researcher Response:

I suggest the answer should remain as I indicated in the questionnaire, "c." CNB data and Ministry of Finance data, mentioned by Peer Reviewer two, are not highly disaggregated. The downgrade is based on responses of people whom I have interviewed.

IBP Comment: IBP editors chose answer, "c" to maintain consistency with the criteria used for selecting answers across countries.

<p>65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?</p> <p>a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated non-financial expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The researcher queried several colleagues from and outside the Institute, including members of Transparency International Croatia, regarding their views related to the appropriate answer to this question, and the answer that prevailed was "d."</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
--	----------

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> Budget law -- Narodne novine No. 96/03, Article No. 32 (http://www.nn.hr/clanci/sluzbeno/2003/1216.htm).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?</p> <ol style="list-style-type: none"> Yes, a detailed timetable is released to the public. Yes, a timetable is released, but some details are excluded. Yes, a timetable is released, but it lacks important details. No, a timetable is not issued to the public. Not applicable/other (please comment). <p><u>Citation:</u> Ministry of Finance web page, Instructions for budget preparation 2007-2009, (http://www.mfin.hr/str/10/).</p> <p><u>Comment:</u> The selected answer shows an improvement in performance from the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ol style="list-style-type: none"> The executive adheres to the dates in its timetable. The executive adheres to most of the key dates in its timetable. The executive has difficulty adhering to most of the dates in its timetable. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. Not applicable/other (please comment). <p><u>Citation:</u> Article from magazine Banka on budget proposal for 2007 (http://www.bankamagazine.hr/dnevnevijesti/vlada-saboru-uputila-prijedlog-proracuna-za-2007); Instructions of the Minister of Finance to other government entities (http://www.mfin.hr/str/10/ - issued on 3 August 2007); Instructions for budget preparation 2007-2009 (http://www.mfin.hr/str/10/).</p> <p><u>Comment:</u> The article from Banka proves that the legislature got the budget proposal exactly when it was supposed to be delivered. The second cited document shows that instructions for making budget proposal were also issued in time, in accordance with the instructions for budget preparation 2007-2009.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of legislators. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. Yes, the executive holds very limited consultations, involving only a few members of the legislature. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to Vjekoslav Bratić, researcher from the Institute of Public Finance, who wrote his masters thesis on the role of parliament in the budgetary process, the most appropriate answer would be "d."</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of constituencies. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. Yes, the executive holds very limited consultations, involving only a few constituencies. No, the executive does not typically consult with the public as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of the Ministry of Finance's web page (including their News Archive), and of related articles from the press, the executive does not typically consult with the public as part of the budget preparation process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> The executive releases a pre-budget statement at least four months in advance of the start of the budget year. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. The executive does not release a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> Smjernice ekonomske i fiskalne politike za razdoblje 2007.-2009. godine (http://www.vlada.hr/hr/content/download/14734/170729/file/179_3_2.pdf).</p> <p><u>Comment:</u> It was released on 3 August 2006 (see Table 2, Pre-Budget Statement).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Smjernice ekonomske i fiskalne politike za razdoblje 2007.-2009. godine, p.4-18 (http://www.vlada.hr/hr/content/download/14734/170729/file/179_3_2.pdf).</p> <p><u>Comment:</u> Macroeconomic framework: p.4-13, Fiscal framework: p.14-18 The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
--	---

<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> Smjernice ekonomske i fiskalne politike za razdoblje 2007.-2009. godine, p.19-22 (http://www.vlada.hr/hr/content/download/14734/170729/file/179_3_2.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Researcher’s Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire, “a.” Improvement since the 2004 pre-budget statement (used in 2006 round of research) is the mid-term (multi-year) perspective. Explanations in this document are thorough, sometimes more so than in the main budget document itself.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	a
--	---

Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> The legislature receives the budget at least three months before the start of the budget year. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. The legislature receives the budget less than six weeks before the start of the budget year. The legislature does not receive the budget before the start of the budget year. Not applicable/other (please comment). <p><u>Citation:</u> Citation: Budget law - Narodne novine No. 96/03, Article No. 30 (http://www.nn.hr/clanci/sluzbeno/2003/1216.htm); Article from magazine Banka on budget proposal for 2007 (http://www.bankamagazine.hr/dnevneviesti/vlada-saboru-uputila-prijedlog-proracuna-za-2007).</p> <p><u>Comment:</u> Legislature has to receive the budget before 15 November and this rule is respected in practice. The article from Banka proves that the legislature got the budget proposal exactly when it was supposed to be delivered. The parliament adjourns in two periods per year, and the second period is between 15 September and 15 December. This means that the legislature in practice has only one month to review the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. Not applicable/other (please comment). <p><u>Citation:</u> Croatian Parliament web page, Report of Finance and Budget Committee on Budget Proposal for 2007, Minutes of 61st Meeting (http://www.sabor.hr/Default.aspx?art=9060).</p>	c

<p><u>Comment:</u> Minutes of the meeting do not show testimony from the public. Only representatives of the executive and members of the Finance and Budget Committee take part in the discussion.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	
<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ol style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> Croatian Parliament web page, Report of Finance and Budget Committee on Budget Proposal for 2007, Minutes of 61st Meeting (http://www.sabor.hr/Default.aspx?art=9060).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>

<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation:</u> Croatian Parliament web page, Report of Finance and Budget Committee on Budget Proposal for 2007, Minutes of 61st Meeting (http://www.sabor.hr/Default.aspx?art=9060); Minutes of 77th meeting (http://www.sabor.hr/Default.aspx?art=14626).</p> <p><u>Comment:</u> The response to this question is different from the one of the 2006 round of research. Researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ol style="list-style-type: none"> Yes, the committees release very informative reports, which include all written testimony presented at the hearings. Yes, the committees release reports, but some details are excluded. Yes, the committees release reports, but they are not very informative. No, the committees do not release reports or do not hold public hearings. Not applicable/other (please comment). <p><u>Citation:</u> Croatian Parliament web page, Minutes of Meetings held by Finance and Budget Committee (http://www.sabor.hr/Default.aspx?sec=130).</p> <p><u>Comment:</u> The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The response to this question was obtained from Mr. Pero Kovačević and Mr. Srećko Ferenčak. Both of them were members of the Internal Affairs and National Security Committee in the Croatian Parliament, and belonged to opposition parties when our query was made.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ol style="list-style-type: none"> Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. No, the legislature does not have any authority <i>in law</i> to amend the budget. Not applicable/other (please comment). <p><u>Citation:</u> Budget law - Narodne novine No. 96/03, Article No. 31 (http://www.nn.hr/clanci/sluzbeno/2003/1216.htm).</p> <p><u>Comment:</u> Limitations are described in Article No. 31 of the Budget law. All amendments have to be aligned with the established size of the budget deficit. If the goal of an amendment is to increase budget expenditures above an amount stated in the budget proposal, then a decrease of expenditures for another budget item should be proposed at the same time. Proposals which seek an increase in expenditures must not require additional indebtedness.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Državni proračun Republike Hrvatske za 2007. godinu (http://www.mfin.hr/download.php?id=1080; http://www.mfin.hr/download.php?id=1108).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf)</p> <p><u>Comment:</u> This in-year report provides data on expenditures for the first six months of the year. A change in response from the OBI 2006 is led by the researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> Yes, in-year reports cover all expenditures. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. Yes, in-year reports cover less than two-thirds of expenditures. No in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf)</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> The in-year reports on actual expenditures organized by administrative unit contain program-level detail. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine, p.40-322 (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <p>a. Yes, comparisons are made for all expenditures. b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. c. Yes, but comparisons are made for less than two-thirds of expenditures. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine, p.40-322 (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf).</p> <p><u>Comment:</u> There is no comparison made because the enacted budget does not show separate estimates for the first half of the year. However, there is a comparison made with expenditure estimates for the whole budget year. A change in response from the OBI 2006 is led by the researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <p>a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> Ministry of Finance web page (http://www.mfin.hr/str/7/). Web page contains a list of links to all releases of monthly statistical report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> In-year reports cover the actual revenue collections of all sources of revenue. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. In-year reports on actual revenue collections are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Mjesečni statistički prikaz Ministarstva financija 136, p.13 (http://www.mfin.hr/download.php?id=1137).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> Yes, comparisons are made for all revenue sources. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. Yes, but comparisons are made for less than two-thirds of revenue sources. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Mjesečni statistički prikaz Ministarstva financija 136, p.13 (http://www.mfin.hr/download.php?id=1137).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> Yes, in-year reports on actual borrowing are released at least every month. Yes, in-year reports on actual borrowing are released at least every quarter. Yes, in-year reports on actual borrowing are released at least semi-annually. No, in-year reports on actual borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Mjesečni statistički prikaz Ministarstva financija 136, p.17 (http://www.mfin.hr/download.php?id=1137).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information related to the composition of government debt is presented. Yes, key additional information is presented, but some details are excluded. Yes, some additional information is presented, but it lacks important details. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Mjesečni statistički prikaz Ministarstva financija 136, p.17,18,30 (http://www.mfin.hr/download.php?id=1137).</p> <p><u>Comment:</u> The in-year reports present a lot of information on debt, but omit data about interest rates on the foreign debt, maturity profile of the foreign debt, and currency denomination of the debt.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ol style="list-style-type: none"> Reports are released 1 month or less after the end of the period. Reports are released 2 months or less (but more than 1 month) after the end of the period. Reports are released more than 2 months after the end of the period. In-year reports are not released. Not applicable/other (please comment). <p><u>Citation:</u> Mjesečni statistički prikaz Ministarstva financija 136 (http://www.mfin.hr/download.php?id=1137).</p> <p><u>Comment:</u> Number 136 was made for January 2006 and was released on April 30, i.e. 3 months after the end of the reporting period.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>
--	-----------------

92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?
- a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
 - b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
 - c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
 - d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
 - e. Not applicable/other (please comment).

Citation:

(A) Prijedlog izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, together with: Obrazloženje izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu (<http://www.sabor.hr/Default.aspx?art=8735>).

(B) Prijedlog izvještaja o izvršenju Državnog proračuna Republike Hrvatske za 2006. godinu, za prvo polugodište 2006. godine (http://www.vlada.hr/hr/content/download/14734/170729/file/179_2.pdf).

Comment:

The document (B) is an in-year report that presents, in great detail, expenditures and revenues for the first half of the year. It contains a description of macroeconomic and fiscal developments during the year for the central budget and extra budgetary funds. It does not contain "updated revenue and expenditure estimates."

When changes in macroeconomic and other assumptions occur, the document (A), Revised Budget, is published. The revisions of budget happen almost every year, typically in the middle of the year. This document, besides other important elements, does explain why changes occur, and also contains updated revenue and expenditure estimates, in great detail.

The document (A) is already used above as an in-year report, and the document (B) is a revised budget, and it cannot be treated as a mid-year review. Therefore, the response to this and the following three questions is "d."

The performance has not changed since the 2006 round of research.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

d

<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See the comment to the question 92.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See the comment to the question 92.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See the comment to the question 92.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
--	----------

<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> Budget law - Narodne novine No. 96/03, Article 38 (http://www.nn.hr/clanci/sluzbeno/2003/1216.htm).</p> <p><u>Comment:</u> The executive has to seek input by law and this is observed in practice. The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
---	----------

<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ol style="list-style-type: none"> There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities. No, the procurement process was not open and competitive in practice. Not applicable/other (please comment). <p><u>Citation:</u> State Commission for Public Procurement Control web page, Registry (http://www.dkom.hr/upisnik.php).</p> <p><u>Comment:</u> In 2006 there were around 700 filed complaints. The response to this question is different than the one from the 2006 round of research. Researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). Not applicable/other (please comment). <p><u>Citation:</u> Minutes from the 21st Meeting of the Croatian Parliament, p.41 (http://www.sabor.hr/fgs.axd?id=715).</p> <p><u>Comment:</u> The 2006 revision of the budget was approved by the Croatian Parliament during the meeting held in June-July 2006. The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> Supplemental budgets are generally equal to 2 percent or less of the original budget. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets. Not applicable/other (please comment). <p><u>Citation:</u> Obrazloženje izmjena i dopuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.8.</p> <p><u>Comment:</u> In 2006, the executive's request for a supplemental budget represented only 0.37% of total outlays (expenditure and borrowing).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. Expenditures are approved after the funds are expended, but before the end of the fiscal year. Expenditures are approved after the end of the fiscal year, for example in the next budget. Such expenditure takes place without legislative approval. Not applicable/other (please comment). <p><u>Citation:</u> Ministry of Finance web page, Budget of Republic of Croatia for 2007, p. 7 (http://www.mfin.hr/str/10/).</p> <p><u>Comment:</u> Expenditures are approved before the funds are expended.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> The report is released six months or less after the end of the fiscal year. The report is released 12 months or less (but more than six months) after the end of the fiscal year. The report is released more than 12 months after the end of the fiscal year. The executive does not release a year-end report. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> Cited document was released on 25 May 2007.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> Yes, all data on actual outcomes have been audited. At least two-thirds, but not all, of the data on actual outcomes have been audited. Less than two-thirds of the data on actual outcomes have been audited. None of the data on actual outcomes has been audited, or a year-end report is not released. Not applicable/other (please comment). <p><u>Citation:</u> (A) http://www.sabor.hr/Default.aspx?art=8607 (B) http://www.sabor.hr/Default.aspx?art=9516</p> <p><u>Comment:</u> None of the data on actual outcomes have been audited. The 2005 year-end report was released on 17 May 2006 (citation A), while the audit report for 2005 was submitted to the Parliament on 6 December 2006 (citation B). A change in response from the OBI 2006 is led by the researcher's reassessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.317-322 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ol style="list-style-type: none"> The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). No explanation of the differences is provided, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.317-324 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ol style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.311-316 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Researcher’s Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.” Brief comments, no more details generated from supporting documents of the departments and government bodies.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire “a.” Explanations of the changes that occurred between actual outcomes in comparison with enacted levels are given for all major revenue items.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
---	----------

106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.302-309
(<http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf>).

Comment:

Researcher's Response to this Question was "d."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Same as item 105.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "d."

Macroeconomic overview is satisfyingly presented, but I could not find a comparison between the two forecasts: original and actual.

IBP Comment: IBP editors chose answer, "d" to maintain consistency with criteria used for selecting answers across countries.

d

<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.321, title “Rashodi za nabavu nefinancijske imovine” (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u></p> <p><u>Researcher’s Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” See the previous items 104 and 105.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire “d.” Very scarce information is provided, and no explanation of the discrepancy between planned and actual values.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>d</p>
--	----------

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> According to our review of relevant documents, this information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key issues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented on extra-budgetary funds, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Prijedlog godišnjeg obračuna Državnog proračuna Republike Hrvatske za 2006. godinu, p.328-404 (http://www.vlada.hr/hr/content/download/18072/215615/file/02.pdf).</p> <p><u>Comment:</u> The performance has improved since the 2006 round of research.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<i>The Independence and Performance of the Supreme Audit Institution</i>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> Final audited accounts are released to the public six months or less after the end of the fiscal year. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> State Audit Office web page - Audit Reports for 2005 (http://www.revizija.hr/hr/izvjesce/).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ol style="list-style-type: none"> All expenditures have been audited and the reports released to the public. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. Expenditure representing less than two-thirds of expenditure have been audited. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u> State Audit Office web page - Audit Report 2005 (http://www.revizija.hr/izvjesca/2007-rr/2-izvjesce-o-obavljenim-revizijama/1-drzavni-proracun-i-korisnici-drzavnog-proracuna/01-drzavni-proracun.pdf).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ol style="list-style-type: none"> The annual audit report(s) includes one or more executive summaries summarizing the report's content. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u> State Audit Office web page - Audit Report 2005 (http://www.revizija.hr/izvjesca/2007-rr/2-izvjesce-o-obavljenim-revizijama/1-drzavni-proracun-i-korisnici-drzavnog-proracuna/01-drzavni-proracun.pdf).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <p>a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Auditing law - Narodne novine No. 49/03, Article No. 10 (http://www.nn.hr/clanci/sluzbeno/2003/0627.htm).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <p>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</p> <p>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</p> <p>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</p> <p>d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> State Audit Office webpage, Reports (http://www.revizija.hr/hr/izvjesce/).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ol style="list-style-type: none"> The SAI has full discretion to decide which audits it wishes to undertake. The SAI has significant discretion, but faces some limitations. The SAI has some discretion, but faces considerable limitations. The SAI has no discretion to decide which audits it wishes to undertake. Not applicable/other (please comment). <p><u>Citation:</u> Auditing law - Narodne novine No. 49/03, Article No. 3 (http://www.nn.hr/clanci/sluzbeno/2003/0627.htm).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol style="list-style-type: none"> The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Not applicable/other (please comment). <p><u>Citation:</u> Auditing law - Narodne novine No. 49/03, Article No. 15 (http://www.nn.hr/clanci/sluzbeno/2003/0627.htm).</p> <p><u>Comment:</u> The budget is determined by the legislature. According to Mrs. Čoh Mikulec who works as an assistant to the first Auditor General, funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ul style="list-style-type: none">a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.e. Not applicable/other (please comment). <p><u>Citation:</u> Response to this question was given by Mrs. Čoh Mikulec who works as an assistant to the first Auditor General.</p> <p><u>Comment:</u> The State Audit Office does not employ designated staff for auditing of the security sector.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
--	----------

<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. No, the SAI does not maintain any formal mechanisms of communication with the public. Not applicable. <p><u>Citation:</u> State Audit Office web page - State Audit Office Information Catalogue (http://www.revizija.hr/hr/dokumenti/odluka-o-ustrojavanju-kataloga-informacija-drzavnog-ureda-za-reviziju/).</p> <p><u>Comment:</u> In 2006 there were only 8 communications from the public. Information was provided by Mrs Čoh Mikulec who works as an assistant to the first Auditor General.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ol style="list-style-type: none"> Yes, all audit reports are scrutinized. Yes, most audit reports are scrutinized. Yes, some audit reports are scrutinized. No, audit reports are not scrutinized. Not applicable/other (please comment). <p><u>Citation:</u> Croatian Parliament web page, Finance and Budget Committee, Description of Duties (http://www.sabor.hr/Default.aspx?sec=130).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

- a. Yes, the executive reports publicly on what steps it has taken to address audit findings.
- b. Yes, the executive reports publicly on most audit findings.
- c. Yes, the executive reports publicly on some audit findings.
- d. No, the executive does not report on steps it has taken to address audit findings.
- e. Not applicable/other (please comment).

Citation:

Comment:

According to our review of related web sites and documents, the executive does not report on steps it has taken to address audit findings.

Researcher's Response to this Question was "d."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Another source of information (riznica-prilog R. and F. – treasury – appendix of R and F magazine).

Researcher Response:

I suggest the answer should remain as I indicated in the questionnaire "d."
I chose my answer because I could not find the executive report in their official documents. Peer Reviewer mentions supplement "Riznica" to the magazine "Računovodstvo i financije" but not a specific issue. It is published monthly by Croatian Community of Accountants and Financial Employees (Hrvatska zajednica računovođa i financijskih djelatnika), not by a government body.

IBP Comment: IBP editors chose answer, "d" to maintain consistency with the criteria used for selecting answers across countries.

d

<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations. b. Yes, a report is released, covering key audit recommendations, but some details are excluded. c. Yes, a report is released, but it lacks important details. d. No, a report is not produced or it is prepared for internal purposes only (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> State Audit Office web page - State Audit Office Report for 2006, p. 101-102 (http://www.revizija.hr/izvjesca/2007-rr/1-izvjesce-o-radu-za-2006/izvjesce-o-radu-za-2006.pdf).</p> <p><u>Comment:</u> Report only gives numbers and percentage points of recommendations that were or were not followed.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
---	-----------------

123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

Citation:

The response to this question was obtained from Mr. Pero Kovačević and Mr. Srećko Ferenčak. Both of them were members of the Internal Affairs and National Security Committee in Croatian Parliament, and belonged to opposition parties when our query was made.

Comment:

Mr. Ferenčak thought the appropriate answer was "c," and Mr. Kovačević chose "b."

Researcher's Response to this Question was "c."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Special report separated from regular audit report classified and generated from closed session of the government and related services.

Researcher Response: I chose answer "c" because even if one of the two Committee members interviewed believes that important details are missing, then there is room for strong improvement. I could barely get answers from two Committee members, the other members did not reply at all.

IBP Comment: IBP editors chose answer, "c" to maintain consistency with criteria used for selecting answers across countries.

C