

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

UNITED KINGDOM

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International Budget Partnership
Center on Budget and Policy Priorities
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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.....	40
Additional Key Information for Budget Analysis & Monitoring	45
Section Three: The Budget Process	52
Executive’s Formulation of the Budget	53
Legislative Approval of the Budget.....	57
Executive’s Implementation of the Budget.....	63
Year-end Report and the Supreme Audit Institution	76

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	2007-2008
Budget Summary	2007-2008
Executive's Budget Proposal	2007-2008
Supporting Budget Documents	2007-2008
Citizens Budget	2007-2008
Enacted Budget	2007-2008
In-Year Reports	2007-2008
Mid-Year Report	2006-2007
Year-End Report	2006-2007
Audit Report	2005-2006

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	2006 Pre-Budget Report, December 6, 2006 http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm
Budget Summary	Budget 2007 Summary, March 21, 2007 http://budget2007.treasury.gov.uk/
Executive’s Budget Proposal	Budget 2007, March 21, 2007 http://www.hm-treasury.gov.uk/budget/budget_07/report/bud_budget07_repindex.cfm
Budget Document One in Support of the Executive’s Budget Proposal	Economic and Fiscal Strategy Report (EFSR) from Budget 2007, March 21, 2007 http://www.hm-treasury.gov.uk/budget/budget_07/report/bud_budget07_repindex.cfm
Budget Document Two in Support of the Executive’s Budget Proposal	Financial Statement and Budget Report (FSBR) from Budget 2007, March 21, 2007 http://www.hm-treasury.gov.uk/budget/budget_07/report/bud_budget07_repindex.cfm
Budget Document Three in Support of the Executive’s Budget Proposal	A wide and varying range of additional documents are typically tabled. In 2007, these included: Debt and reserves management report 2007-08 Employment opportunity for all: tackling worklessness in London Modernizing tax relief for business expenditure on cars: a consultation update National Audit Office: Audit of assumptions for Budget 2007 The North Sea Fiscal Regime: a discussion paper Property Authorized Investment Funds Tackling Managed Service Companies: Summary of consultation responses Tax incentives for development of brownfield land: a consultation Budget 2007: Data sources Budget 2007: the economy - supplementary charts and tables Budget 2007: Regulatory Impact Assessments

	<p>Budget 2007: Notes on resolutions Budget 2007: Budget notes Local Employment Partnerships agreement Latest Budgetary data http://www.hm-treasury.gov.uk/budget/budget_07/documents/bud_bud07_docsindex.cfm</p> <p>Long-term Public Finance Report 2006: http://www.hm-treasury.gov.uk/media/6/0/pbr06_longtermpublicfinancereport_476.pdf</p>
Citizens Budget	<p>What the Budget Report 2007 means to your region: Regional Leaflets, March 21, 2007 http://www.hm-treasury.gov.uk/budget/budget_07/bud_bud07_regionalleaflets.cfm</p>
Enacted Budget	<p>Spending: Appropriation (No 2) Act 2007, July 2007 http://www.opsi.gov.uk/acts/acts2007/20070010.htm</p> <p>Revenues: Finance Act 2007, July 2007 http://www.opsi.gov.uk/Acts/acts2007/PDF/ukpga_20070011_en.pdf</p>
In-Year Reports	<p>Public Sector Finances July 2007, August 2007 http://www.statistics.gov.uk/pdfdir/psf0807.pdf</p>
Mid-Year Review	<p>Pre-Budget Report, December 2006 http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm</p>

Year-End Report	<p>Public Expenditure Outturn White Paper 2006-07, July 2007 (provisional outturn): http://www.hm-treasury.gov.uk/media/1/2/peowp_0607_190707.pdf</p> <p>Receipts (and broad spending aggregates): End of Year Fiscal Report 2006, December 2006 http://www.hm-treasury.gov.uk/media/7/C/pbr06_endofyearfiscal_355.pdf</p>
Audit Report	<p>General Report of the Comptroller and Auditor General 2005-06, February 2007 http://www.nao.org.uk/publications/nao_reports/06-07/0607148.pdf</p> <p>Value For Money (VFM) Reports as well as Financial Accounts and Reports on Accounts are published throughout the year and have various dates: http://www.nao.org.uk/publications/index.htm</p>
Other Documents	<p>Annual spending plans and comparative information for prior years are published in a series of documents:</p> <p>2007 Departmental Reports (published by each department, for an example see below).</p> <p>Main Supply Estimates 2007-08, 30 April 2007 http://www.hm-treasury.gov.uk/documents/public_spending_reporting/estimates/psr_estimates_main07-08.cfm</p> <p>Public Expenditure Statistical Analyses 2007, April 2007 http://www.hm-treasury.gov.uk/media/E/B/pesa07_complete.pdf</p> <p>Supplementary Budgetary Information 2007-08, April 28, 2007 http://www.hm-treasury.gov.uk/documents/public_spending_reporting/estimates/psr_pse_sbi_0708.cfm</p>
Relevant Ministries & Departments	<p>Department for International Development, Annual Report 2007, May 15, 2007 http://www.dfid.gov.uk/Pubs/files/departmental-report/2007/default.asp</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	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	No	No	No	No	No	No
2. Advance notification of release is sent to users, media	No	No	No	No	No	No
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	No	No	No	No
7. Readily available outside capital and/or big cities ⁺	Yes	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	Yes	Yes	Yes	Yes	Yes	Yes
9. News conference is held to discuss release	No	No	No	No	No	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					
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>					
	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	No	No	No	No	No
2. Advance notification of release sent to users, media	No	No	No	No	No
3. Released to public same day as official release to media	Yes	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	No
6. Free print copies available, mass distribution	No	No	No	No	No
7. Readily available outside capital/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	No	No	No	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> <p>a. All expenditures are classified by administrative unit.</p> <p>b. Expenditures are classified by administrative unit, but some small units are not shown separately.</p> <p>c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</p> <p>d. No expenditures classified by administrative unit are presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget 2007, Financial Statement and Budget Report (FSBR) Table C13, Departmental Expenditure Limits (administrative units within broad departmental groupings): http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.pdf Main Supply Estimates 2007-08 (individual administrative units are shown): http://www.hm-treasury.gov.uk./documents/public_spending_reporting/estimates/psr_estimates_main07-08.cfm</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> Budget 2007, Economic and Fiscal Strategy Report (ESFR) Chart 1.1., Government Spending by Function: http://www.hm-treasury.gov.uk./media/C/B/bud07_chapter1_314.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation chapters 4 and 5 of http://www.hm-treasury.gov.uk/media/E/B/pesa07_complete.pdf.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Yes, the Public Expenditure Statistical Analyses (PESA) contains more detailed information by function.</p>	a
<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> Budget 2007, FSBR Table C22, General Government Transactions by Economic Category: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation chapters 4 and 5 of http://www.hm-treasury.gov.uk/media/E/B/pesa07_complete.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Yes, the Public Expenditure Statistical Analyses (PESA) contains more detailed information by economic category.</p>	a

<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Main Supply Estimates contain program-level data: http://www.hm-treasury.gov.uk/documents/public_spending_reporting/estimates/psr_estimates_main07-08.cfm</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> <ul style="list-style-type: none"> 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><u>Citation:</u> Budget 2007, FSBR Table C4, Current and Capital Budgets: http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

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)?
- Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - 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.
 - No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - Not applicable/other (please comment).

Citation:

Departmental Reports that detail spending plans are tabled with the Main Estimates. The number of outer years varies, depending on when the last spending review was carried out (this is the UK's system for allocating resources over the medium-term, which takes place every 2 or 3 years). For example, the 2005 Departmental Report of the Department for International Development included figures for the budget year plus two further years (Annex 1), but the 2007 Departmental Report only had figures for the budget year, because the publication of the Comprehensive Spending Review was pending (Annex 2):
<http://www.dfid.gov.uk/pubs/files/departmental-report/2005/Annexes-bcov.pdf>
<http://www.dfid.gov.uk/Pubs/files/departmental-report/2007/DFID-AR07-Annexes.pdf>

Comment:

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

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d" as in the year in question, the Comprehensive Spending Review was published after the budget and therefore cannot be considered as supporting budget documentation. The most recently available Spending Review in budget year 2007/08 was that of 2004, which only contains a breakdown of expenditure by functional classification for fiscal years 2004/05 to 2007/08. See Annex A of Spending Review 2004: http://www.hm-treasury.gov.uk/media/0/7/sr2004_annexa.pdf

Researcher Response: I suggest the answer should be changed to "e"
 This is tricky – the UK uses fixed ceilings within a multi-year fiscal framework, the Spending Reviews. Such ceilings can be rolling (e.g. Denmark, Sweden) or periodical (e.g. UK, Netherlands). The UK's periodical approach has implications for the amount of forward information that can be included in Departmental Reports, depending on how far into the current framework the budget is tabled. In my view, "e" is too harsh, since at least in some years "a" would be the appropriate answer, as my initial comments explain. Hence, I choose "e" and let the IBP editors decide to ensure international comparability.

IBP Comment: IBP editors chose answer, "d" to maintain consistency in assumptions across countries.

d

<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> <ul style="list-style-type: none"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget 2007, FSBR Table C8, Current Receipts: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.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>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> <ul style="list-style-type: none"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget 2007, FSBR Table C8 Current Receipts contains limited data on non-tax revenue, but the Notes to the Main Supply Estimates contain a breakdown of departmental receipts: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.pdf http://www.hm-treasury.gov.uk./media/1/E/hc438_dti_32.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>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> Budget 2007, FSBR Table C9, Current Receipts as a Proportion of GDP: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.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>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> Budget 2007, FSBR Table C9, Current Receipts as a Proportion of GDP: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.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>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> Budget 2007, FSBR Table C2, Fiscal Balances Compared with Budget 2006 and the 2006 Pre-Budget Report: http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.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>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> Debt and Reserves Management Report 2007-08: http://www.hm-treasury.gov.uk/media/D/B/bud07_debt_407.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation Table C23 (entry of "Interest and dividends paid" of central government) of http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Correct, Table C23 in the Financial Statement and Budget Report provides some information as well.</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. b. Yes, key additional information is presented, but some details are excluded. c. Yes, some additional information is presented, but it lacks important details. d. No, additional information related to the composition of government debt is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Debt and Reserves Management Report 2007-08 (Chapter 2): http://www.hm-treasury.gov.uk/media/D/B/bud07_debt_407.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>14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <p>a. 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. b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. d. No, information related to the macroeconomic forecast is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget 2007, EFSR Chapter 2: http://www.hm-treasury.gov.uk/media/5/7/bud07_chapter2_334.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation Table C3 and Box C1 of http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Correct, Table C3 and Box C1 in the Financial Statement and Budget Report provide information as well</p>	a

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)?
- 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).

Citation:

Limited information on sensitivity to macroeconomic developments of public finances in the medium term is presented in the Budget (Budget 2007, EFSR Chart 2.7):
http://www.hm-treasury.gov.uk/media/5/7/bud07_chapter2_334.pdf

There is also a mechanism to ensure or strengthen the integrity of the assumptions made in the budgets. Sections 156 and 157 of the Finance Act 1998 provide for the Comptroller and Auditor General to examine and report on conventions and assumptions underlying the Treasury's fiscal projections that are submitted by the Treasury for examination. Audit of Assumptions for Budget 2007, 21 March 2007
http://www.nao.org.uk/publications/nao_reports/06-07/0607393.pdf

Comment:

Researcher's Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Only one alternative scenario of the cyclically adjusted budget surplus is presented, namely where the trend level of output is 1% lower than in the central case used. There is no attempt to look at the sensitivity of this to other assumptions underlying the forecasts, nor is there any breakdown of why the fiscal position would be worse, i.e. which taxes do not bring in as much revenue or which expenditure items increase.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "b." I agree with the comments, but in comparison to other countries, I suspect the UK information is quite good. Moreover, there is also additional sensitivity analysis in the 2006 Long-Term Public Finance Report: An Analysis of Fiscal Sustainability:
http://www.hm-treasury.gov.uk/media/6/0/pbr06_longtermpublicfinancereport_476.pdf.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the data across the countries.

b

<p>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?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u> Budget 2007 (chapter A of the FSBR) discusses budget policy decisions and gives their estimated effect on government revenues and spending: http://www.hm-treasury.gov.uk./media/D/0/bud07_chaptera_235.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>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> <ol style="list-style-type: none"> Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of policy proposals on revenues is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Budget 2007, FSBR Chapter A: http://www.hm-treasury.gov.uk./media/D/0/bud07_chaptera_235.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

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> Main Supply Estimates (individual administrative units displayed): http://www.hm-treasury.gov.uk/documents/public_spending_reporting/estimates/psr_estimates_main07-08.cfm</p> <p>Departmental Reports contain further breakdown of past spending, e.g. Department for International Development Departmental Report 2007, Annex 2: http://www.dfid.gov.uk/Pubs/files/departmental%2Dreport/2007/DFID-AR07-Annexes.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>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> Public Expenditure Statistical Analyses 2007, esp. chapters 4 and 5: http://www.hm-treasury.gov.uk/media/E/B/pesa07_complete.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>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> Public Expenditure Statistical Analyses 2007: http://www.hm-treasury.gov.uk./media/E/B/pesa07_complete.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>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> Departmental Reports present program figures several years back, e.g. Department for International Development Departmental Report 2007, Annex 2: http://www.dfid.gov.uk/Pubs/files/departmental%2Dreport/2007/DFID-AR07-Annexes.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>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)?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u> Figures for prior years are the best available estimates of the outturn and provision in those years adjusted for transfer, classification and machinery of government changes to reflect the budget year's Estimate structure (see note 1): http://www.hm-treasury.gov.uk./media/6/7/hc438_section4.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>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> <ol style="list-style-type: none"> Yes, such prior-year estimates of aggregate expenditure are presented. No, such prior-year estimates of aggregate expenditure are not presented. Not applicable/other (please comment). <p><u>Citation:</u> Public Expenditure Statistical Analyses 2007: http://www.hm-treasury.gov.uk./media/E/B/pesa07_complete.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>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> <ol style="list-style-type: none"> 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). 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. 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. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> Public Expenditure Statistical Analyses 2007: http://www.hm-treasury.gov.uk./media/E/B/pesa07_complete.pdf There is additional detail in the Departmental Reports, e.g.: http://www.dfid.gov.uk/Pubs/files/departmental%2Dreport/2007/DFID-AR07-Annexes.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>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> Main Supply Estimates: http://www.hm-treasury.gov.uk./media/6/7/hc438_section4.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>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> Figures for prior years are the best available estimates of the outturn and provision in those years adjusted for transfer, classification and machinery of government changes to reflect the budget year's Estimate structure (see note 1): http://www.hm-treasury.gov.uk./media/6/7/hc438_section4.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>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"> All tax revenues are identified individually for BY-1. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. No tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Budget 2007, FSBR Table C8, Current Receipts: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.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>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"> All non-tax revenues are identified individually for BY-1. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. No non-tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The Notes to the Main Supply Estimates contain a breakdown of departmental receipts, e.g.: http://www.hm-treasury.gov.uk/media/1/E/hc438_dti_32.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. However, I would instead use as a citation Table C8 of http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Table C8 in the FSBR focuses on the main components of public sector receipts, but not the details of different sources of non-tax revenue.</p>	a
<p>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)?</p> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<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> Historical data are available in the Public Finances Databank, sheet C1. http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pubsec_finance/psf_statistics.cfm</p> <p>Budget 2007 (FSBR Table C8) details current receipts up to BY-2 but not prior years: http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.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>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> Historical data are available in the Public Finances Databank: http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pubsec_finance/psf_statistics.cfm</p> <p>Budget 2007 (FSBR Table C8) details current receipts up to BY-2 but not prior years: http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.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>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> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all revenues are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Budget 2007, FSBR Table C8, Current Receipts: http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.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>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> <ul style="list-style-type: none"> a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. c. Yes, but only information on the level of debt is presented. d. No, information related to the government debt for BY-1 is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Debt and Reserves Management Report 2007-08: http://www.hm-treasury.gov.uk/media/D/B/bud07_debt_407.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>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> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> The Debt and Reserves Management Report 2007-08 was published in March 2007 and reflects the most recent available data, i.e. December 2006: http://www.hm-treasury.gov.uk/media/D/B/bud07_debt_407.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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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"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> There are funds that operate on the basis of enabling legislation, notably the National Insurance Fund. Its gross costs of administration are voted by the Parliament, and are then offset by appropriations in aid from the Fund. Expenditure from the Fund is subject to Treasury control. The Government Actuary reports to Parliament annually on the financial implications of changes to National Insurance contribution and benefit rates. These reports include short-term projections of the financial position of the National Insurance Fund. The Government Actuary is also required to review the operation of the Fund every five years and to examine the long-term level at which it stands in relation to likely demands for payments from it: http://www.gad.gov.uk/Services/Social_Security/uk_social_security.asp</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Annual accounts of the National Insurance Fund are presented by the Government Actuary's Department. See http://www.gad.gov.uk/Documents/Social_Security_Uprating_Order_07.pdf for that relevant to Budget year 2007/08.</p>	a

<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ul style="list-style-type: none"> a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on intergovernmental transfers is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Grants to the Welsh Consolidated Fund and the Scottish Consolidated Fund, which finance the two main devolved regional authorities in Britain, are made from central government through the Estimates of the Department for Constitutional Affairs: http://www.hm-treasury.gov.uk/media/9/7/hc438_constitutional_19.pdf Various other Departmental Estimates detail local government support as applicable. In addition, the Department for Communities and Local Government publishes The Local Government Finance Report (England) 2007/2008: http://www.local.odpm.gov.uk/finance/0708/lgfrs/lgfr.pdf There is additional information on the Local Government Finance website: http://www.local.odpm.gov.uk/</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The Department for Communities and Local Government gives details of its grant settlements to local government every year. The figures for transfers to local government in 2007/08 are to be found at http://www.local.communities.gov.uk/finance/0708/grants.xls</p>	a
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<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> <ul style="list-style-type: none"> a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on transfers to public corporations is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Any grants from Departments to public corporations are specified in the Estimates, and annual Departmental Reports provide further details including narrative discussion. E.g. items for Royal Mail are reflected in the Estimates for the Department of Trade and Industry (recently renamed Department for Business, Enterprise and Regulatory Reform): http://www.hm-treasury.gov.uk/media/1/E/hc438_dti_32.pdf Its Departmental Report contains further discussion: http://www.berr.gov.uk/files/file40578.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?

- a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
- b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on quasi-fiscal activities is not presented.
- e. Not applicable/other (please comment).

Citation:

There is no explicit discussion of quasi-fiscal activities in the documentation, but the International Monetary Fund has attested that "quasi-fiscal activities are not significant" (IMF 1999, para. 10).

<http://www.imf.org/external/np/rosc/gbr/>

Comment:

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

Peer Reviewer One Comment: A more appropriate response to this question would be "d." Since there is no explicit discussion of quasi-fiscal activities in the documentation, then the appropriate response is "d." In addition, the IMF report cited by the researcher refers to 1998, as indicated in the preface "*The report has been prepared by IMF staff with the cooperation of the U.K. authorities. Staff discussed aspects of transparency and the evolution of the government's institutional policy management framework with the authorities in late 1998.*" The claim that "quasi-fiscal activities are not significant" in 1998-1999 does not imply that this is also the case for subsequent years. But even if this is so, the fact that the budgetary documentation does not entail any information on quasi-fiscal activities, is suggestive of response "d."

Peer Reviewer Two Comment:

Researcher Response: I keep my answer "e" I accept the comment, but refer to the 2006 questionnaire and some very insightful comments from one of the peer reviewers. It seems to me that downgrading to a "d" would wrongly imply a deterioration of reporting standards, which is not appropriate.

IBP Comment: IBP editors chose answer, "d" taking into consideration comments from the peer reviewers and to maintain consistency of assumptions across countries in choosing responses.

d

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ol 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> Department of Trade and Industry: Annual Report and Accounts 2006-07, published in July 2007. http://www.berr.gov.uk/files/file40578.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>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ol 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> The National Asset Register covers fixed assets: http://www.hm-treasury.gov.uk/documents/public_spending_reporting/investment_procurement/psr_investment_nar_2007_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> This is not an issue in the UK; accounting and budgeting is on an accruals basis.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e
<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Contingent liabilities are itemized in the Notes to the Main Estimates. E.g., the Ministry of Defense lists all contingent liabilities above a threshold of £100.000, as well as unquantifiable contingent liabilities: http://www.hm-treasury.gov.uk./media/C/A/hc438_defence_27.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>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Long-term Public Finance Report 2006: http://www.hm-treasury.gov.uk./media/6/0/pbr06_longtermpublicfinancereport_476.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>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> <ul style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The UK is not a recipient of donor funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e

<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> Budget 2007 (FSBR Chapter A) costs announced policy decisions: http://www.hm-treasury.gov.uk/media/D/0/bud07_chaptera_235.pdf</p> <p>Annex B of the Pre-Budget Report costs announced policy decisions: http://www.hm-treasury.gov.uk/media/E/0/pbr06_annexb.pdf</p> <p>Budget 2007 (FSBR Chapter C) contains some information on tax credits: http://www.hm-treasury.gov.uk/media/C/8/bud07_chapterc_288.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<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></p> <p><u>Comment:</u> Earmarked taxes have proven problematic in the UK, e.g. the Road Fund was set up in 1921 and financed by earmarked taxes, but frequently raided for general revenue and closed down in 1937. Sometimes, politicians make political promises that certain revenue increases will go towards a certain expenditure, e.g. the Chancellor announced an increase in tobacco duties in Budget 2000 and linked this to increased health spending. There is no reference to earmarked revenues in Budget 2007.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e

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?
- 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).

Citation:

The 2007-08 Main Estimates authorized net resources of £1.467 billion for Security and Intelligence Services, against a net resource total of £429.937 billion:
http://www.hm-treasury.gov.uk/media/6/7/hc438_section4.pdf

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

a

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> <ul style="list-style-type: none"> a. 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. b. Yes, information is presented, highlighting the link between major policy goals and the budget, 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 is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The linkage between revenue measures, spending and government policy is documented at length in the Pre-Budget Report and the Budget Report: http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm http://www.hm-treasury.gov.uk/budget/budget_07/report/bud_budget07_repindex.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a	

<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> <ul 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> Public Service Agreements (PSAs) are published periodically alongside Spending Reviews, which provide three-year medium term frameworks for departments. PSAs document the government's objectives and associated performance measures: http://www.hm-treasury.gov.uk/Spending_Review/spend_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation the Overview of the 2007 Pre-Budget Report and Comprehensive Spending Review located at http://www.hm-treasury.gov.uk/media/6/7/pbr_csr07_chapter1_207.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<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"> Non-financial data are presented for all programs. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. Non-financial data are presented for programs representing less than two-thirds of expenditure. No non-financial data are presented. Not applicable/other (please comment). <p><u>Citation:</u> Contained in Departmental Reports that supplement the Main Estimates, e.g.: http://www.dfid.gov.uk/pubs/files/departmental-report/2007/default.asp</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. I would also add as a citation the 2006 Long Term Finance Report located at http://www.hm-treasury.gov.uk/media/6/0/pbr06_longtermpublicfinancereport_476.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> The Long-Term Public Finance Report contains information on long-term demographic changes and their implications for fiscal sustainability.</p>	a
<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> The non-financial data are very useful for assessing program performance. The non-financial data are mostly useful for assessing program performance. The non-financial data are somewhat useful for assessing program performance. No non-financial data are provided or they are not useful for assessing program performance. Not applicable/other (please comment). <p><u>Citation:</u> Autumn Performance Reports provide a detailed update of performance against Public Service Agreements (see 49 above) later in the year and complement performance information in Departmental Reports, e.g.: http://www.dfid.gov.uk/pubs/files/autumn-performance-2006.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>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> See 49 and 51.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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> There are regular reports on performance against Public Service Agreement targets, e.g. Autumn Performance Report 2006 of the UK Department for International Development: http://www.dfid.gov.uk/pubs/files/autumn-performance-2006.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>54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?</p> <p>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> <p><u>Citation:</u> The 2004 Public Service Agreement contained targets for each objective. Responding to criticism, and following a trend of reducing the number of targets imposed, the 2007 PSAs retained only a small number of centrally determined targets, and instead emphasised benchmarks and minimum standards. These PSAs were, however, published only in October 2007, beyond the cut-off point for this survey. The response is based on the 2004 PSAs: http://www.hm-treasury.gov.uk/./spending_review/spend_sr04/report/spend_sr04_repindex.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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. b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on policies intended to alleviate poverty is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Budget 2007, EFSR Chapter 5, Building a Fairer Society http://www.hm-treasury.gov.uk./media/0/6/bud07_chapter5_320.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

Additional Key Information for Budget Analysis & Monitoring	
<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>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> HM Revenue and Customs, Rates and Allowances www.hmrc.gov.uk/rates/</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <p>a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.</p> <p>c. Yes, some analysis is presented, but it lacks important details.</p> <p>d. No analysis on the distribution of the tax burden is presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> HM Revenue and Customs, Income Tax Statistics and Distribution http://www.hmrc.gov.uk/stats/income_tax/menu.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>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ul style="list-style-type: none"> a. 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. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with IFI assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The UK is not a recipient of donor funds.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e
<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ul style="list-style-type: none"> a. 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. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with donor country assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The UK is not a recipient of donor funds.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	e

<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> Budget proposals are summarized on a Budget ‘Microsite’ and a summary leaflet: http://budget2007.treasury.gov.uk/</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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> The budget proposals are summarized on a microsite: http://budget2007.treasury.gov.uk/ Also, 12 regional leaflets outline the impact of the budget at a regional level http://www.hm-treasury.gov.uk/budget/budget_07/press_notices/bud_bud07_pressregindex.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> The appropriate response to this question would be “a.” The summary of the budgets’ key points found at the micro-site represent a very good non-technical simply-written presentation of the budget appropriate for the wider population. These are further elaborated in the regional leaflets.</p> <p><u>Peer Reviewer Two Comment:</u></p>	a

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)?
- Yes, thorough definitions of budget terms are provided.
 - Yes, definitions are provided, but some details are excluded.
 - Yes, some definitions are provided, but it lacks important details.
 - No, definitions are not provided.
 - Not applicable/other (please comment).

Citation:

Budget 2007 (FSBR Chapter C, section entitled ‘Conventions Used in Presenting the Public Finances’) gives definitions but they are not well suited for a non-technical audience:

http://www.hm-treasury.gov.uk./media/C/8/bud07_chapterc_288.pdf

A brief glossary is provided in Appendix G of the Public Expenditure Statistical Analyses 2007:

http://www.hm-treasury.gov.uk./media/E/B/pesa07_complete.pdf

Comment:

Researcher’s Response to this Question was “c.”

Peer Reviewer One Comment: A more appropriate response to this question would be “b.” The material cited by the researcher does provide adequate explanation of the terms used in the budget and other budget-related documents. However, some details are excluded. See, in particular, the glossary of the second citation above.

Peer Reviewer Two Comment: A more appropriate response to this question would be “d.” This section describes the conventions used to present the state of the public finances but does not contain a non technical definition of terms used in the budget documentation, nor is there a glossary of technical terms presented anywhere else.

Researcher Response: Clearly, there is room for interpretation. “c” is in line with the 2006 response, as well as the average of the two reviewer scores. I retain my answer, “c.”

IBP Comment: IBP editors chose answer, “c” to be in consistent with the data across the countries.

C

63. Do citizens have the right *in law* to access government information, including budget information?

- 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).

Citation:

The Freedom of Information Act 2000 entered into force on 1 Jan 2005. According to the Second Annual Report on the operation of the FOI Act in Central Government 2006, published in June 2007, about four-fifths of requests are answered within 20 days:

<http://www.justice.gov.uk/docs/foi-annual-report-central-gov-2006.pdf>

Comment:

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

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Although citizens have the right to make a Freedom of Information request, they are often in practice rejected if providing the information would be excessively costly or would impede the policy making process. The Second Annual Report on the operation of the Freedom of Information Act shows that HM Treasury only granted 56% of requests for information in full.

Researcher Response: I keep my answer, "a." Compared with many other countries, the UK system probably provides a high level of access to information. "a" is also in line with the 2006 response.

IBP Comment: IBP editors chose answer, "a" to maintain consistency of assumptions across countries.

a

<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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> According to Chapter 4 of the Review of Statutory Prohibitions on Disclosure, exemptions include information related not only to national security, but also to monetary policy, personal data (e.g., census forms or criminal records), trade secrets/manufacturing processes, and others): http://www.dca.gov.uk/StatutoryBarsReport2005.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<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> According to Chapter 4 of the Review of Statutory Prohibitions on Disclosure, exemptions include information related not only to national security, but also to monetary policy, personal data (e.g., census forms or criminal records), trade secrets/manufacturing processes, and others): http://www.dca.gov.uk/StatutoryBarsReport2005.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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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"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u> There is no set schedule for the budget's release but it is at the discretion of the Government and the date is announced by the Chancellor in the House of Commons. But the date is publicized inter alia on the Treasury website.</p> <p><u>Comment:</u></p> <p><u>Researcher's Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "d." Although the budget is traditionally released in mid- to late-March, as indicated in the budget archive located at http://www.hm-treasury.gov.uk/budget/bud_index.cfm, there is no information/announcement about the release date.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I keep my answer "c." The announcement is widely reported in the press, e.g. the BBC's report "Date for Brown's Budget announced" on 16 February 2006. The date in that year was 22 March: http://news.bbc.co.uk/1/hi/uk_politics/4719624.stm</p> <p><u>IBP Comment:</u> IBP editors chose answer, "c" in light of researcher observations.</p>	c

<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> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Release dates vary.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <p>a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Release dates vary.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<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"> a. Yes, the executive holds extensive consultations with a wide range of legislators. b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. c. Yes, the executive holds very limited consultations, involving only a few members of the legislature. d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> The tabling of the Pre-Budget Report in fall provides a formal opportunity for Parliament to discuss public finance and macroeconomic issues ahead of the tabling of the budget in spring, but legislative influence is very limited.</p> <p><u>Comment:</u></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"> a. Yes, the executive holds extensive consultations with a wide range of constituencies. b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. c. Yes, the executive holds very limited consultations, involving only a few constituencies. d. No, the executive does not typically consult with the public as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> There is a number of formal consultations undertaken by HM Treasury, but these focus on very narrow and often technical issues. There is no formal consultation mechanism that would allow for input on broader budget priorities: www.hm-treasury.gov.uk/consultations_and_legislation/consult_fullindex.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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> Pre-Budget Report released 6 Dec 2006; Budget released 21 March 2007 (for the budget year = 1 April 2007 – 31 March 2008): http://www.hm-treasury.gov.uk/Budget/bud_index.cfm</p> <p><u>Comment:</u> There is no fixed date for the presentation of this report. The 1997 to 2002 Pre-Budget Reports were all tabled in November (for budget years 1998-9 to 2003-4 respectively). The 2003 to 2006 PBRs were all tabled in December (for budget years 2004-5 to 2007-8 respectively). The 2007 Pre-Budget Report and Comprehensive Spending Review (for the budget year 2008-9) was published in October, after the date relevant for this survey.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, 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> Pre-Budget Report 2006, Chapter 2 (for budget year 2007-8): http://www.hm-treasury.gov.uk/media/7/8/pbr06_chapter2.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>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> There is a detailed discussion of policy, see Pre-Budget Report 2006 (for budget year 2007-8): http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/report/prebud_pbr06_repindex.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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> Budget released 21 March 2007 (budget year = 1 April 2007 – 31 March 2008): http://www.hm-treasury.gov.uk/Budget/bud_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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"> a. 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. b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> The Treasury Select Committee considers macroeconomic and revenue issues, which has included testimony from think tanks such as the Institute for Fiscal Studies and the National Institute of Economic and Social Research.</p> <p><u>Comment:</u></p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.” The feedback from economic think tanks does not necessarily represent in my view the opinion of the general public.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I keep my answer “b.” The response category makes this clear – “some constituencies.” I don’t believe there is such a thing as “the general public.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency of responses across countries.</p>	<p>b</p>
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<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> Departmental select committees have a mandate to scrutinize departmental expenditures, but this role is not strongly developed.</p> <p><u>Comment:</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.” Selected committees do scrutinize the annual reports and accounts of their relevant departments and hold sessions in which they receive testimony from ministers and civil servants, e.g. http://www.publications.parliament.uk/pa/cm200607/cmselect/cmtrdind/1684/6102401.htm.</p> <p><u>Researcher Response:</u> Select committees are perhaps taking this role slightly more seriously now than a few years ago, I am happy to upgrade to “b.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” consistent with peer reviewer observations.</p>	<p>b</p>
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<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> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. c. Yes, a limited number of hearings are held in which testimony from the public is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings. b. Yes, the committees release reports, but some details are excluded. c. Yes, the committees release reports, but they are not very informative. d. No, the committees do not release reports or do not hold public hearings. e. Not applicable/other (please comment). <p><u>Citation:</u> Committee reports are available from the parliamentary website: http://www.publications.parliament.uk/pa/select.htm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</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?
- 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).

Citation:

Comment:

The Intelligence Services Act 1994 establishes special oversight arrangements for intelligence matters. The Intelligence and Security Committee examines the expenditure, administration and policy of the intelligence agencies. Its cross-partisan membership of nine is appointed by the Prime Minister after consultation with the Leader of the Opposition. The Committee is required to report annually to the Prime Minister on its work. These reports, after any deletions of sensitive material, are placed before Parliament and published.

<http://www.cabinetoffice.gov.uk/intelligence/>

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 "a." The Intelligence and Security Committee has access to highly classified material in preparing its reports, which presumably includes detailed descriptions of all expenditures.

Researcher Response: The answer categories are perhaps a bit ambiguous. Since the process is secretive, the disclosed level of detail cannot be ascertained. Still, the process is probably rather transparent by international standards, so I am happy to upgrade to "a."

IBP Comment: IBP editors chose answer, "a" consistent with peer reviewers observations.

a

80. Does the legislature have authority *in law* to amend the budget presented by the executive?
- Yes, the legislature has unlimited authority *in law* to amend the budget.
 - Yes, the legislature has authority *in law* to amend the budget, with some limitations.
 - Yes, the legislature has authority *in law* to amend the budget, but its authority is very limited.
 - No, the legislature does not have any authority *in law* to amend the budget.
 - Not applicable/other (please comment).

Citation:

Standing Order No. 48 of the House of Commons reserves the right to financial initiative for the Government. Parliament can cut existing items only. Formally, these are self-imposed constraints. In practice, Parliament no longer amends the budget. The last government defeat over estimates dates back to 1921. Nowadays, an amendment to the executive budget proposal would be considered a vote of no confidence and cause the fall of the government.

Comment:

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." Although the House of Commons cannot introduce new expenditure items, amendments to the Finance Bill, which gives the government authority to raise taxes, are allowed and on two occasions in the recent past, the government has been forced to amend its budget as a result of defeats on the floor of the house. In 1977, the government was forced to accept the indexation of tax allowances as a result of an amendment to the Finance Bill and in 1994 a proposal to increase VAT on fuel from 8% to 17.5% was rejected by the House of Commons. On both of these occasions, the government was able to continue in office.

Researcher Response: I keep my answer "c." I agree that there is, in practice, slightly more influence on the revenue side than on the expenditure side, but here the focus is on the formal rules. I would enter "b" here if Parliament could shift money around as long as it does not breach the aggregate spending total in the draft budget (as in e.g. Spain). The UK's "cuts only" rules are more restrictive.

IBP Comment: IBP editors chose answer, "c" to maintain consistency of assumptions across countries.

c

<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> Amounts in the Appropriation (No. 2) Act 2007 are highly aggregated: http://opsi.gov.uk/acts/acts2007/pdf/ukpga_20070010_en.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
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> A monthly bulletin on the main public sector aggregates are released by the Office for National Statistics and the Treasury, e.g. Public Sector Finances July 2007: http://www.statistics.gov.uk/pdfdir/psf0807.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>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> The Public Sector Finances release covers central and local government, as well as the public sector as a whole: http://www.statistics.gov.uk/pdfdir/psf0807.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> The Public Sector Finances release contains aggregates for the different parts of the public sector only: http://www.statistics.gov.uk/pdfdir/psf0807.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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> <ul style="list-style-type: none"> 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><u>Citation:</u> The Public Sector Finances release reports outcomes, including information for the same period in the previous year: http://www.statistics.gov.uk/pdfdir/psf0807.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The in year reports also contain actual total expenditure for the same period in the previous year.</p>	a
<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> 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><u>Citation and/or comment:</u> The Public Sector Finances release contains a breakdown of current receipts (PSF3): http://www.statistics.gov.uk/pdfdir/psf0807.pdf</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> <ul style="list-style-type: none"> a. In-year reports cover the actual revenue collections of all sources of revenue. b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. d. In-year reports on actual revenue collections are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Table PSF3 in the Public Sector Finances release contains comprehensive data on current receipts by the central government: http://www.statistics.gov.uk/pdfdir/psf0807.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> Although Table PSF3 reports central government data on revenue, Tables 11.1C, 11.1F, 11.3C, and 11.3F report revenue data for the general government on monthly basis.</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> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> The Public Sector Finances release reports outcomes, including information for the same period in the previous year: http://www.statistics.gov.uk/pdfdir/psf0807.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The in year reports contain the equivalent figures for the same period in the previous year.</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> The monthly Public Sector Finances release reports on actual borrowing: http://www.statistics.gov.uk/pfdir/psf0807.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>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> Every three months the UK Debt Management Office publishes a Quarterly Review summarising its gilt and money markets operations over the given quarter: http://www.dmo.gov.uk/index.aspx?page=publications/publication_information The monthly Financial Statistics released by the Office for National Statistics contain additional details, e.g. on foreign currency debt (Table 1.2H): http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=376&Pos=1&ColRank=1&Rank=422</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> An appropriate response to this question is “a.” These documents provide information about the interest rates, maturity profile and the currency profile of the government debt at quarterly intervals.</p>	a

<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> The Public Sector Finances release for July 2007 was published on 20 August 2007: http://www.statistics.gov.uk/pdfdir/psf0807.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>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?</p> <ol style="list-style-type: none"> 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. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. 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. Not applicable/other (please comment). <p><u>Citation:</u> The Pre-Budget Report serves this function (Annex A): http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<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> <ol style="list-style-type: none"> 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. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. 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. Not applicable/other (please comment). <p><u>Citation:</u> The Pre-Budget Report serves this function (Annex B): http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> The mid-year review includes program-level detail for expenditures. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). The mid-year review includes only departmental totals (or functional totals). 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. Not applicable/other (please comment). <p><u>Citation:</u> Pre-Budget Report 2006 (Annex B): http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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> Pre-Budget Report 2006 (Annex B), e.g. Table B10: http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/prebud_pbr06_index.cfm</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<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> <ul 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> The reserve and the regular intervals with which supplementary estimates are tabled (see question 98 below) give the executive very substantial flexibility. Moreover, HM Treasury controls transfers and uses its discretion in approving them: ‘If the proposed reallocation is thought to be of so great a departure from the original estimate, then it will be brought before Parliament by means of a supplementary estimate’ (Lienert 2004, p. 431). Approval of a supplementary estimate – as with any estimate – is routinely granted. Ian Lienert (2004), ‘The Legal Framework for Budget Systems’, OECD Journal on Budgeting Vol. 4 No. 3 (special issue).</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<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> <ul style="list-style-type: none"> a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year. b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities. c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities. d. No, the procurement process was not open and competitive in practice. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>98. When does the legislature typically approve supplemental budgets?</p> <ul style="list-style-type: none"> a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). c. Not applicable/other (please comment). <p><u>Citation:</u> There are up to three occasions for tabling Supplementary Estimates: June (summer), November (winter) and February (spring). Revised Estimates may also be presented in the summer to adjust the Main Estimates before Parliament approves them. New Estimates may also be introduced in the course of the year.</p> <p>Executive flexibility during budget execution is substantial, but there are limits. The Exchequer and Audit Departments Act of 1866 allows the Treasury to withhold funds. Treasury uses discretion in reallocating funds, but if adjustments are deemed substantial, a Supplementary Estimate is tabled. Additional spending can be made before parliamentary approval from the Contingencies Fund, which is limited by the Contingencies Fund Act of 1974 to two percent of authorized supply expenditure of the previous year. In addition, a “vote on credit” can be used to obtain parliamentary approval for a lump sum for which the purpose can only be stated in general terms.</p> <p>Refer to Ian Lienert (2004), ‘The Legal Framework for Budget Systems’, OECD Journal on Budgeting Vol. 4 No. 3 (special issue), pp. 430-1.</p> <p>Therefore, the appropriate answer appears to be somewhere between categories a and b, it really depends on what kind of in-year changes are sought and to what extent.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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99. In most years, how large are supplemental budget requests relative to the size of the original budget?
- 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).

Citation:

The total resource expenditure in the 2006–07 Main Supply Estimates was £398.7 billion (May 2006). The winter Supplementary and New Estimates presented to Parliament in November 2006 increased resources by £6.3 billion to £405.0 billion. The spring Supplementary Estimates presented to Parliament in February 2007 increased resources by £7.1 to £412.1 billion. In total, this amounts to a 3.36% increase:

http://www.hm-treasury.gov.uk/documents/public_spending_reporting/estimates/estimates_index.cfm

Comment:

Peer Reviewer One Comment: I agree with the response. The researcher, however, should have also cited more years than just 2006-07 since the question does not limit itself to one year. For some earlier years, the supplementary budget requests relative to the original budget have been as follows: 2005-06: 3.01%; 2004-05: 3.96%; 2003-04: 9.38%; 2002-03: 9.88%, 2001-02: 3.11%. Therefore, for most years the ratio lies between 3 and 5 percent.

Peer Reviewer Two Comment:

b

100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

- a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
- b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
- c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
- d. Such expenditure takes place without legislative approval.
- e. Not applicable/other (please comment).

Citation:

There is a Contingencies Fund, which may be used to finance urgent expenditure in anticipation of parliamentary approval. Total advances outstanding at any one time must not exceed 2 per cent of the previous year's total cash Supply provision. Advances are repaid when Parliament votes additional cash.

Comment:

Peer Reviewer One Comment: I agree with the response. Information on the use of the contingencies fund can be found on Section 5.B of the Supply Estimates Guidance Manual at http://www.hm-treasury.gov.uk/media/E/A/estimates_manual011007.pdf. Although paragraph 5.4 states that "no resources or cash may be utilized by a department on a service until Parliament has provided the necessary authorization," paragraph 5.7 supports response "b." by stating "Use of the Fund can only be considered where it would clearly be contrary to the public interest to delay expenditure until parliamentary approval has been obtained and where there are no reasonable grounds to doubt that Parliament is willing to approve any necessary enabling legislation, the increased net cash requirement and any associated resources." However, as paragraph 5.5 makes clear "The limit is fixed at 2 per cent of the total of authorized Supply expenditure (i.e., the total of all authorized departmental net cash requirements) in the preceding financial year."

Peer Reviewer Two Comment:

b

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"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> For the budget year 2006-7, preliminary outturn data were published in the Public Expenditure Outturn White Paper 2006-07 in July 2007: http://www.hm-treasury.gov.uk/media/1/2/peowp_0607_190707.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> This report only contains information about public expenditure. Outturn figures on taxes and debt are not released until the End of Year Fiscal Report, which is released with the PBR, more than six months after the end of the fiscal year. See http://www.hm-treasury.gov.uk/media/7/C/pbr06_endofyearfiscal_355.pdf for this document.</p> <p><u>Researcher Response:</u> Correct, the End of Year Fiscal Report is more comprehensive and produced later.</p>	b

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> In terms of the Government Resources and Accounts Act 2000, audited departmental accounts have to be submitted to Parliament by the end of January (section 6). Accounts may be tabled before the deadline, e.g. the Department for International Development published its audited Resource Accounts 2006-07 (for the year ended 31 March 2007) on 19 July 2007. These are tabled separately from the Public Expenditure Outturn White Paper and the End of Year Fiscal Report. In that sense, there is no single “year-end report” but a series of different reports.</p> <p><u>Comment:</u></p> <p><u>Researcher’s Response to this Question was “e.”</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 “d” as this document does not contain audited data.</p> <p><u>Researcher Response:</u> I choose to change my answer to “a.” There are several sets of end-of-year reports. Only the departmental accounts are audited. I think “d” is much too harsh and conveys the wrong picture, since many of the accounts are audited very rapidly, as in the example above. In fact, “a” might be the most appropriate.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a.”</p>	<p>a</p>
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<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> <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> End of Year Fiscal Report 2006, chapter 4: http://www.hm-treasury.gov.uk/media/7/C/pbr06_endofyearfiscal_355.pdf In addition, departmental accounts contain a Management Commentary with a brief statement on over- or underspending, e.g.: http://www.dfid.gov.uk/pubs/files/dfidresourceaccounts0607.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> Although the cited DFID report does not go into detail as to the difference between enacted and actual levels of expenditure, section 4 of the End of Year Fiscal Report located at http://www.hm-treasury.gov.uk/media/7/C/pbr06_endofyearfiscal_355.pdf provides such explanation.</p> <p><u>Peer Reviewer Two Comment:</u>. The End of Year Fiscal Report does break down the difference between actual and forecast expenditures between economic determinants of expenditure diverging from what was forecast, audited assumptions being wrong, fiscal forecasting differences and other differences.</p> <p><u>Researcher Response:</u> Correct, the End of Year Fiscal Report includes additional comments at a more aggregate level.</p>	<p>a</p>
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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?

- a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
- b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
- c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
- d. No explanation of the differences is provided, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

See 103 above.

Comment:

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

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." The Public Expenditure Outturn White Paper does not attempt to explain why actual spending differed from what was forecast. Such an explanation is given by the End of Year Fiscal Report but this does not break down the reasons for the difference between forecast spending and the outturn by government department.

Researcher Response: I suggest the answer should be changed to "b"

The Management Commentary in the departmental accounts includes a (brief) discussion of variances exceeding 10%. Hence, I agree with Peer Reviewer 2 that this discussion could be more detailed, but the analysis does go beyond the level suggested by answer category "c."

IBP Comment: IBP editors chose answer "b" consistent with peer reviewer and researcher comments.

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> <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> End of Year Fiscal Report 2006 (on the budgets for 2004-5 and 2005-6): http://www.hm-treasury.gov.uk./media/7/C/pbr06_endofyearfiscal_355.pdf</p> <p><u>Comment:</u> The End of Year Fiscal Report, first published alongside the 2002 Pre-Budget Report, contains retrospective reporting for the previous two budgets. Spending outturn data over a number of years are reported in much greater detail in the Public Expenditure Statistical Analyses (PESA): http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pes_publications/pespub_pesa07.cfm</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<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?</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> This is not the focus of the End of Year Fiscal Report, which comments on deviations from the fiscal projections, which may of course have macroeconomic reasons. The Budget (Chapter B of the FSBR) discusses macroeconomic developments and updates Annex A of the Pre-Budget Report. This includes some comparison with prior estimates, but not comprehensively. There is no separate document similar to the End of Fiscal Year Report to consider specifically forecast and outturn differences for various macroeconomic variables.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data 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> Departments present annual reports that discuss non-financial data, e.g.: http://www.dfid.gov.uk/Pubs/files/departmental%2Dreport/2007/DFID-AR07-Prelims.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>108. Does the year-end report explain the difference between the original performance indicators 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> Departments present annual reports that discuss non-financial data, e.g.: http://www.dfid.gov.uk/Pubs/files/departmental%2Dreport/2007/DFID-AR07-Prelims.pdf This is complemented with detailed Performance Reports in the autumn, e.g.: http://www.dfid.gov.uk/pubs/files/autumn-performance-2006.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>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> <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> Individual departmental accounts could be consulted for expenditures of interest, but such information is not bundled in a separate and dedicated document.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Trading Funds prepare accounts under section 4 of the Government Trading Funds Act 1973 and these are audited under section 4(6) of this act. The PAC has responsibility for scrutinizing the accounts. Annual reports are submitted to Parliament, e.g. Ordnance Survey Annual Report and Accounts 2006-07: http://www.ordnancesurvey.co.uk/oswebsite/aboutus/reports/annualreport/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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> <ul style="list-style-type: none">a. Final audited accounts are released to the public six months or less after the end of the fiscal year.b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.e. Not applicable/other (please comment). <p><u>Citation:</u> The finalization of accounts has been accelerated a great deal over the past years, and for the 2005-6 budget year, 47 out of 54 departments were able to table audited accounts within three months (see para. 1.45 of the cited report). However, a few took longer. The National Audit Office (NAO) publishes an annual summary of financial audit work in its General Report. The General Report for 2005-06 was published on 9 February 2007: http://www.nao.org.uk/publications/nao_reports/06-07/0607148.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<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> The Comptroller and Auditor General has a statutory responsibility to audit the financial statements of all central government departments, agencies and other public bodies, and to report the results of his examination to Parliament. In 2006-07, NAO audited 480 accounts covering more than £800 billion of income and expenditure: http://www.nao.org.uk/publications/annual07/nao_annual_report_2007.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
<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> General Report of the Comptroller and Auditor General 2005-06, 9 February 2007 http://www.nao.org.uk/publications/nao_reports/06-07/0607148.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>

<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> According to section 1(1) of the 1983 National Audit Act: "The power of Her Majesty under section 6 of the Exchequer and Audit Departments Act 1866 (appointment of Comptroller and Auditor General) shall be exercisable on an address presented by the House of Commons, and no motion shall be made for such an address except by the Prime Minister acting with the agreement of the Chairman of the Committee of Public Accounts." The Chair of the Public Accounts Committee (PAC) is by convention a member of the opposition.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, the SAI releases to the public audits of all extra-budgetary funds. b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Trading funds are a means of financing the revenue-generating operations of a government department which takes them outside the Supply process. They are not separate legal entities and remain part of a department (or are departments in their own right). Trading funds do not receive voted money and are expected to cover their costs through the income from customers. However, they are subject to audit and accountable to Parliament: http://www.hm-treasury.gov.uk./media/A/3/Guide_to_the_Establishment_and_Operation_of_Trading_Funds.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<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> <ul style="list-style-type: none"> a. The SAI has full discretion to decide which audits it wishes to undertake. b. The SAI has significant discretion, but faces some limitations. c. The SAI has some discretion, but faces considerable limitations. d. The SAI has no discretion to decide which audits it wishes to undertake. e. Not applicable/other (please comment). <p><u>Citation:</u> According to section 1(3) of the 1983 National Audit Act: "Subject to any duty imposed on him by statute, the Comptroller and Auditor General shall have complete discretion in the discharge of his functions and, in particular, in determining whether to carry out any examination under Part II of this Act and as to the manner in which any such examination is carried out; but in determining whether to carry out any such examination he shall take into account any proposals made by the Committee of Public Accounts."</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> <ul style="list-style-type: none"> a. 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. b. 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. c. 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. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> The National Audit Office (NAO) is funded directly by a parliamentary supply grant agreed by the Public Accounts Commission, a parliamentary body that is distinct from the Public Accounts Committee (PAC). http://www.parliament.uk/parliamentary_committees/public_accounts_commission.cfm</p> <p><u>Comment:</u></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> <ol 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></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> I agree with the response. An example of such audit conducted to the Ministry of Defense by the National Audit Office for 2005-06 can be found at http://www.nao.org.uk/publications/nao_reports/05-06/050630.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> Useful addition.</p>	a
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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)?

- a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.
- b. 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.
- c. 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.
- d. No, the SAI does not maintain any formal mechanisms of communication with the public.
- e. Not applicable.

Citation:

The National Audit Office (NAO) has a complete independence in determining its audit programme, which is in line with section 13.1 of INTOSAI's Lima Declaration (in practice it consults the Public Account Commission). It is in my view a very bad idea to have public consultations on the audit program, which could seriously compromise the independence of the Supreme Audit Institution. However, the Comptroller and Auditor General, the Auditor General for Wales and the C&AG for Northern Ireland are prescribed persons under the Public Interest Disclosure Act 1998, to whom external disclosures can be made relating to "the proper conduct of public business, fraud, value for money and corruption in relation to the provision of centrally-funded public services." The NAO maintains a Whistleblowers Hotline for this purpose:

<http://www.nao.org.uk/whistle.htm>

According to NAO's 2007 Annual Report, it handled "788 items of correspondence, from Members of Parliament and members of the public, some of which came through a designated whistleblower hotline":

http://www.nao.org.uk/publications/annual07/nao_annual_report_2007.pdf

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

a

120. Does a committee of the legislature view and scrutinize the audit reports?

- a. Yes, all audit reports are scrutinized.
- b. Yes, most audit reports are scrutinized.
- c. Yes, some audit reports are scrutinized.
- d. No, audit reports are not scrutinized.
- e. Not applicable/other (please comment).

Citation:

To scrutinize all audit reports would be impossible. The NAO audits about 570 accounts per year and also produces about 60 Value for Money audit reports. Each year around 40 to 50 reports – both value for money reports and reports on accounts of public bodies – are investigated further by the PAC. The committee procedure involves the questioning of relevant accounting officers in a public hearing. The UK should get the top score in this category, but the phrasing of the response categories does not permit this.

Comment:

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

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Fewer than half the audit reports are scrutinized by the PAC, although I agree that this question is badly worded as it implies that the UK could get a higher score by producing fewer audit reports.

Researcher Response: I choose to keep my answer "b."

In my view, ex post financial scrutiny is very thorough, and very few countries reach the level of scrutiny achieved by the PAC in the House of Commons. The selection of reports that get a hearing is done very carefully, taking into account factors such as risks to the public finances and past performance. To downgrade to "c" would be misleading. I suspect that quite a few countries that select "a" can only do so because audit reporting is far less comprehensive than in the UK, as Peer Reviewer 2 correctly points out.

IBP Comment: IBP editors chose answer, "b" to be consistent with the data across the countries.

b

<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> In the case of Public Accounts Committee reports, a reply is always made in the form of a Treasury Minute presented in the name of the Financial Secretary to the Treasury and published as a command Paper, e.g.: http://www.official-documents.gov.uk/document/cm70/7019/7019.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>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> There are no regular tracking reports. However, the NAO does occasionally produce stand-alone follow-up reports on particular topics.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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)?</p> <ul style="list-style-type: none">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). <p><u>Citation:</u> National Audit Office staff are cleared to see security-classified papers. Classified reports have in the past been brought to the attention of the Chairperson of the PAC in the form of memoranda. For instance, three audits relating to the intelligence services and carried out in 1992 and 1995 were submitted as memoranda. The Government later consented to their publication and they were published in 2000 (HC 236 Session 1999-2000). http://www.nao.org.uk/publications/nao_reports/9900236.pdf</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>
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