

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
Mongolia, September 2009

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International Budget Partnership OPEN BUDGET QUESTIONNAIRE

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Section One: The Availability of Budget Documents

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

| Budget Documents Used in Completing the Questionnaire | |
|--|------------------|
| | Budget Year Used |
| Pre-Budget Statement | 2010 |
| Budget Summary | 2009 |
| Executive's Budget Proposal | 2009-2011 |
| Supporting Budget Documents | 2009 |
| Citizens Budget | Not Available |
| Enacted Budget | 2009 |
| In-Year Reports | 2009 |
| Mid-Year Report | Not Available |
| Year-End Report | 2008 |
| Audit Report | 2008 |

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

| Budget Document | Full Title, Date, and Internet Link |
|---|---|
| Pre-Budget Statement | Budget Framework Statement of Mongolia for 2010 and Budget Projections for 2011-2012 http://www.parliament.mn/uploads/law/projects/TXM%202010%20(zorilt&taniltsuulga).doc Published 19 May 2009 |
| Budget Summary | Executive's Budget Speech to Legislature, http://www.parliament.mn/content/category/view/mid/3/itemid/164/id/2027 Published November 2008 |
| Executive's Budget Proposal | State Executive's Budget Proposal of Mongolia for 2009-2011 http://www.mof.gov.mn/Mofwebfiles/Budget/Budget%202009-2011.pdf Published 24 October 2008 |
| Budget Document One in Support of the Executive's Budget Proposal | Main Directives for Economic and Social Development of Mongolia in 2009, Publicly available, but not on the internet (approved version is on http://www.legalinfo.mn) |
| Budget Document Two in Support of the Executive's Budget Proposal | Not Produced |
| Budget Document Three in Support of the Executive's Budget Proposal | Not Produced |
| Citizens Budget | Not Produced |
| Enacted Budget | Law of Mongolia on State Budget for 2009, http://www.iltod.gov.mn/finance.php todotgoston tusuv www.mongolianlaws.com/pdf/tusviin_tusul_2009.pdf tusviin huuli, www.legalinfo.mn Published 10 February 2009 |
| In-Year Reports | Monthly Performance of Mongolia's General Budget for 2009, http://www.mof.gov.mn/m_Actuals.aspx Published 7 August 2009 (for July report) |
| Mid-Year Review | Produced but not available to the public |

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|-----------------------------------|---|
| Year-End Report | Performance of the Budget Policy of Mongolia for 2008, available at the website Ministry of Finance, http://www.mof.gov.mn/Mofwebfiles/Budget/introduction%202008-%20report-3-20-convert.pdf |
| Audit Report | 2008 General Budget Performance Audit Report, Publicly Available, but Not on the Internet. In theory, available at the website of National Audit Organization, http://www.mnao.pmis.gov.mn/welcome_mnao/export/sites/default/inter/mndwnloads/2008/tosbiin_gyitsetgel-2008-negdsen_tailan.pdf [This website is currently not working] |
| Other Documents | |
| Relevant Ministries & Departments | Ministry of Finance www.mof.gov.mn , www.iltod.gov.mn Government of Mongolia www.open-government.mn National Development and Innovation Committee http://www.ndic.gov.mn Mongolian National Audit Committee http://www.mnao.pmis.gov.mn |

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

| DISTRIBUTION OF BUDGET DOCUMENTS | | | | | | |
|---|------------|------------------------------------|-----------------|-----------------------|-----------------------|-----------------|
| | 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 | | | | | | Yes |
| B. Produced for internal purposes, but not available to the public | | | | | | |
| C. Produced and available to the public, but only on request | | | | Yes | | |
| D. Produced and distributed to the public (for example, in libraries, posted on the Internet.) | 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?</i> | | | | | | |
| | Pre-budget | Executive's Budget Proposal | | | | Citizens budget |
| | | Main document | Budget summary* | Supporting Document 1 | Supporting Document 2 | |
| 1. The release date is known at least one month in advance | Yes | No | No | No | NA | NA |
| 2. Advance notification of release is sent to users, media | No | No | No | No | NA | NA |
| 3. Released to public same day as official release to media | No | No | No | No | NA | NA |
| 4. Available on the Internet free of charge | Yes | Yes | Yes | No | NA | NA |
| 5. Free print copies available, limited distribution | YES | Yes | YES | YES | NA | NA |
| 6. Free print copies available, mass distribution | No | No | No | No | NA | NA |
| 7. Readily available outside capital and/or big cities [†] | No | No | No | No | NA | NA |
| 8. Written in more than one language | No | No | No | No | NA | NA |
| 9. News conference is held to discuss release | No | No | No | No | NA | NA |

*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 | | | | | |
|---|----------------|-----------------|-----------------|-----------------|--------------|
| | 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 | | | Yes | | |
| C. Produced and available to the public, but only on request | | | | | Yes |
| D. Produced and distributed to the public (for example, in libraries, posted on the Internet.) | 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?</i> | | | | | |
| | Enacted budget | In-year reports | Mid-year review | Year-end report | Audit report |
| 1. The release date is known at least one month in advance | Yes | No | NA | No | No |
| 2. Advance notification of release sent to users, media | No | No | NA | No | No |
| 3. Released to public same day as official release to media | No | No | NA | No | No |
| 4. Available on the Internet free of charge | Yes | Yes | NA | Yes | No |
| 5. Free print copies available, limited distribution | Yes | No | NA | Yes | No |
| 6. Free print copies available, mass distribution | No | No | NA | No | No |
| 7. Readily available outside capital/big cities ⁺ | No | No | NA | No | No |
| 8. Written in more than one language | No | No | NA | No | No |
| 9. News conference is held to discuss release | No | No | NA | 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 Executive's Budget Proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

| 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> <ul style="list-style-type: none"> a. All expenditures are classified by administrative unit. b. Expenditures are classified by administrative unit, but some small units are not shown separately. c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 360-366, Executive's Budget Proposal</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> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function. d. No expenditures classified by function are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 368-405, Executive's Budget Proposal</p> <p><u>Comment:</u> The Executive's Budget Proposal for 2009 for the first time includes breakdown by functional (program) classification of all budgets, marking an improvement over the previous proposals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <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> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 369-405, Executive’s Budget Proposal</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |
| <p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <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> pp. 162-360, Executive’s Budget Proposal</p> <p><u>Comment:</u> The Executive’s Budget Proposal for 2009 for the first time includes breakdown and narrative by individual programs covering the entire budget, marking an improvement over the previous proposals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> p. 341, Executive’s Budget Proposal</p> <p><u>Comment:</u> A detailed breakdown by economic and administrative classification for 2 year estimates was presented in this proposal.</p> <p><u>Peer Reviewer One Comment:</u> The multi-year estimates of the aggregate expenditure are presented on pages 338-356 in the Executive’s Budget Proposal.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> other tables on pages 338-356 deal with different classification of the budgets and also include tables on revenue. I can accept this comment by PR.</p> | a |
| <p>6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> pp. 161-319, Executive’s Budget Proposal</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> The multi-year expenditure estimates are presented for all individual programs on pages 161-320, and for expenditure classified by economic classification on pages 341-350, as well as classified by administrative units on pages 360-366 in the Executive’s Budget Proposal.</p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <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> p. 340, Executive’s Budget Proposal</p> <p><u>Comment:</u> Under "Other taxes," less than 1 percent of tax income is not described in detail for the general government budget.</p> <p><u>Peer Reviewer One Comment:</u> All sources of tax revenue are identified and explained individually on pages 102-107, and consolidated budget revenue by all sources of tax revenue are presented on page 340, and central government budget revenue on page 351, as well as local government budget revenue on page 356 in the executive's budget document.</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> pp.107-109, 340, Executive’s Budget Proposal</p> <p><u>Comment:</u> Under category "Other Revenue" about 4.5 percent of non-tax revenues, including non tax current revenues, foreign aid revenues and capital revenues, is not specified.</p> <p><u>Researcher Response to this Question was “b”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “a.” In the executive's budget proposal the different sources of non-tax revenue are identified under the three items of budget revenue such as non-tax revenue, property income and foreign aids (p340, 351 and 356), whereas non-tax revenue is consisted from dividends, interests and fines, current revenue of the budget entities, rents, navigation income, income of oil,</p> | b |

Mongolbank's income and other income. Intergovernmental transfers or grants are estimated in separate sheet (p. 355) in the Executive's Budget Proposal.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

Comments: All sources of non-tax revenue are specified correctly as follows:

Page 107-109

| | |
|--------------------------------|-----------------|
| Non-tax revenue | 379.8B of which |
| Dividends | 102.4B |
| Income from Oil exploration | 54.6B |
| Rent of Government Flags | 0.4B |
| Allocation of Treasury Funds | 5.0B |
| Profit of the Bank of Mongolia | 5.0B |

Besides the non-tax revenue, there are 2 following line items of Revenue:

| | |
|---------------------|--------------------------------------|
| Foreign Grants | 18.0B |
| Japanese Government | 8.0B |
| ADB grant | 10.0B |
| Property Income | 2.4B (income from the privatization) |

Regarding the Other Revenue of 4.5 percent of non-tax, please refer to pages 353-354, where all source of other revenues are identified by Government Agencies by source.

Researcher Response: I chose my answer because even the administrative classification of revenue sources has many items labeled "other revenue." For instance, on pages 353-354, 4313.8 billion MNT under Mineral Resources Authority is labeled as "other revenue." But this cannot be traced back to tax or non tax revenue.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

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| <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> p. 338, Executive’s Budget Proposal</p> <p><u>Comment:</u> A detailed breakdown by economic and administrative classification for 2 year estimates was presented in this proposal.</p> <p><u>Peer Reviewer One Comment:</u> The executive's budget proposal presented the estimation of the aggregate level of revenue for two years beyond the budget year on pages 340, 351-354, and 356.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I agree with Peer Reviewer One, there are other presentations based on other types of classification.</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> pp. 337, 340</p> <p><u>Comment:</u> A detailed breakdown by economic and administrative classification for 2 year estimates was presented in this proposal.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <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> <ul style="list-style-type: none"> 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). b. Yes, the data reflect the outstanding debt at the end of the budget year. c. Yes, the data reflect the outstanding debt at the start of the budget year. d. No, data on the outstanding debt are not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The document includes data on the current budget year's net borrowing requirements, but does not give the overall balance of government debt in the beginning and end of the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |
| <p>12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <ul style="list-style-type: none"> a. Yes, interest payments on the debt are presented. b. No, interest payments on the debt are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> pp. 141-150, Executive’s Budget Proposal</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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|---|----------|
| <p>13. Does the executive’s budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> pp. 141-150, Executive’s Budget Proposal</p> <p><u>Comment:</u> The budget year foreign debt requirements, their origin (either domestic or foreign, in the latter case, some of the funding countries or agencies), and target sectors are described in detail, but information on interest rates, maturity or currency denomination is not provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
| <p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <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.</p> <p>b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.</p> <p>c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.</p> <p>d. No, information related to the macroeconomic forecast is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> pp. 32-34, 72-83</p> <p><u>Comment:</u> Some important macroeconomic indicators, such as unemployment rate, are left out.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |

15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?
- 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:

Comment:

One of the major determinants for the budget revenue and expenditures is the price of copper, the major export commodity for Mongolia. The government explains what level of copper prices they assumed in estimating budget revenues, but does not explain what would happen if the prices will be different from what was used. The same goes for other macroeconomic indicators such as inflation.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The major determinant of the budget revenue and expenditure estimates is economic growth rate and the executive's budget show the impact of the export and import level, the price of the minerals such as copper (p.37) and gold (p.41) as well as inflation (p.43) on the budget revenue.

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

Refer to p72-84.

Chapter IV.1 - Macroeconomic problems

Chapter IV.2 - Inflation growth and impact of expansion of budget expenditure

Chapter IV.3 - Measures against Inflation, and it's expected results

Chapter IV.4 - Budget contraction policy

Chapter IV.5 - Principles and methodologies of Budget Policy

These chapters provide information on major macroeconomic assumptions used in the budget development, including very descriptive explanation and quantitative estimates. But, it lacks analysis related to debt information.

On pages 99-100, there is sensitivity analysis of price of minerals (price of copper and gold) used in the Budget development. There are 4 tables showing projections of copper and gold prices; surveys of copper and gold prices on the World market.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "d." In response to Peer Reviewer One: these are all discussions on the budget for 2008, not 2009, on the present situation of the budget, and not for the Executive's Budget Proposal year, which is 2009. In response to Peer Reviewer Two: Chapter IV.5: these are all macroeconomic policy and fiscal policy trends discussions. There is no analysis of impact of these on the budget per se.

d

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| <p>Projections of copper and gold prices: these are just projections of the prices, and the reasons for choosing a specific price for copper and gold in developing the Executive’s Budget Proposal. But there is no sensitivity analysis as to what would happen to the budget if the price was lower or higher than the estimate.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p> | |
| <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> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 79-90</p> <p><u>Comment:</u> Some discussion of ongoing fiscal policies and policy reforms is presented, but it does not present the impact of such policies on expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</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?

- a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the impact of policy proposals on revenues is not presented.
- e. Not applicable/other (please comment).

Citation:
pp. 79-90

Comment:
Some discussion of ongoing fiscal policies and policy reforms is presented, but it does not present the impact of such policies on expenditures.

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

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

Comments: refer to pages 79 – 84

Chapter IV.4 - Budget contraction policy

Chapter IV.5 - Principles and methodologies of Budget Policy

The Budget contraction policy provides what kind of policy proposals and policy changes are used in current budget development distinguishing changes of policies related to taxation, expenditure, investment, foreign aid and grants, borrowing.

The next chapter shows impact of price of minerals on world market (mainly price of copper and gold) to GDP and budget and further mid-term principles using "Structured Budget Balance" methodology. Also it explains how to link the budget policy with the Tight-Monetary policy.

On page 99-100, there is sensitivity analysis of price of minerals (price of copper and gold) used in the Budget development. There are 4 tables showing projections of copper and gold prices; surveys of copper and gold prices on the World market.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "c." This is all about intended policies, but no discussion on the impact on revenues. This is a discussion of the methodology, and past impact of economic growth on budget. No impact assessment for the budget year revenues.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

| Estimates for Years Prior to the Budget Year | |
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| <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> <ul style="list-style-type: none"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 360-366</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> |

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?
- a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
 - b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
 - c. Some, but not all, expenditures are classified by function for BY-1.
 - d. No expenditures classified by function are presented for BY-1.
 - e. Not applicable/other (please comment).

Citation:

Comment:

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

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

As a result of the World-bank funded project of "Strengthening Medium and Short Term Budget Planning (MTBP)" project, the Ministry of Finance has prepared and submitted the pre-budget of only 4 (four) Portfolio ministers to the Parliament classifying expenditures as by functional as well by administrative units. In addition to internet, this document was printed and distributed to all Portfolio Ministers, Administrative units with the MTBP/MTBF Manuals.

Researcher Response: This is more a "program based" classification, so if one considers this classification as functional, I agree with Peer Reviewer Two.

IBP Comment: Based on a review of comments, IBP editors chose answer "c."

C

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| <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> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 341-345</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>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> <ul style="list-style-type: none"> a. Program-level expenditure data are presented for all expenditures for BY-1. b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. d. No program-level expenditure data are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.” Comments: As a result of the World-bank funded project of “Strengthening Medium and Short Term Budget Planning (MTBP)” project, budget of 4 (four) Portfolio ministers were prepared the program-based budget and submitted to the Parliament. This document was printed and distributed to all Portfolio Ministers, Administrative units with the MTBP/MTBF Manuals.</p> <p><u>Researcher Response:</u> The document mentioned by Peer Reviewer Two is for budget year (-1), not the budget year. The Executive’s Budget Proposal does not have functional or program level details for any governor for budget year - 1.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p> | <p>d</p> |
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| <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> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> pp. 360-366</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> <ul style="list-style-type: none"> a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> pp.341-345</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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| <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> <ul style="list-style-type: none"> a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Such estimates are presented for administrative and economic expenditure classification, but not for individual programs.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |
| <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> <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 expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> p. 339</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> |

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?

- a. Yes, prior-year data are always adjusted to be comparable to the budget year data.
- b. Yes, in most cases, prior-year data are adjusted to be comparable.
- c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
- d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
- e. Not applicable/other (please comment).

Citation:

pp.338-340, Executive's Budget Proposal

Comment:

Prior year data are not adjusted for inflation, but they are shown as a share of GDP for economic classification, covering the entire budget. The Executive's Budget Proposal has improved over the previous years in this regard.

Researcher Response to this Question was "b"

a

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

Each year, in April-May, the Parliament approves the Medium-term Budget Framework (MTBF), which includes all expenditure estimates for the coming 3 years. During the Budget hearings in public and the Parliament every year, not only in terms of classification and presentation, in all aspects of the budget expenditures all prior-year data are always fully adjusted and being approved again by the Parliament. These changes are usually based on the changes of macro-economic policy/indicators of the Government, achievements of the previous year budget and etc. Any amendment in prior year data must be discussed and approved by the Parliament in compliance with the General Budget Law of Mongolia.

Researcher Response: Here Peer Reviewer Two seems to define 'adjustment' as amended and actual outturns. I understand comparability as inflation adjustment, real number comparison etc.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

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| <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> <ul style="list-style-type: none"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> p. 340, Executive’s Budget Proposal</p> <p><u>Comment:</u> A small portion of tax revenues is classified as "Other revenue" - 0.006% (of tax revenues).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>a</p> |
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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)?

- a. All non-tax revenues are identified individually for BY-1.
- b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.
- c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.
- d. No non-tax revenues are identified individually for BY-1.
- e. Not applicable/other (please comment).

Citation:

p. 340, Executive's Budget Proposal

Comment:

About 6 percent of non-tax revenue is classified under "Other expenses."

b

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "a." In the executive's budget the different sources of non-tax revenue identified under the three items of budget revenue such as non-tax revenue, property income and foreign aids. All these sources are identified individually for BY-1 in the Executive's Budget Proposal (pp. 340, 351-354).

Peer Reviewer Two Comment:

Researcher Response: See comment on Q8.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

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| <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> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive’s Budget Proposal is prepared and submitted to the parliament by October 1, so in most cases the data include information at least through August.</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> <ul style="list-style-type: none"> 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><u>Citation:</u> p. 340, Executive’s Budget Proposal</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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| <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> <ul style="list-style-type: none"> 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><u>Citation:</u> p. 340, Executive's Budget Proposal</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> p. 338, Executive's Budget Proposal</p> <p><u>Comment:</u> The proposal includes actual outcomes for 2005-2007, the last of which is two years prior to the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <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></p> <p><u>Comment:</u> Information on government debt is only for the budget year, and no information on the year preceding the budget year is presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |
| <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></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |

| Comprehensiveness | |
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| <p>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information about public companies is not presented in the Executive’s Budget Proposal.</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” Comments: Chapter VI - Budget of the Social Insurance Fund for 2009. The chapter includes as narrative discussion as well quantitative estimates of the Social Insurance Fund, including the health insurance fund. The chapter VII - budget includes “Budget of the Development fund of Mongolia for 2009 and projections for 2010-2012,” which supplements the budget documentations. This chapter provides only narrative descriptions and some quantitative figures. List of construction projects and other projects to be financed by the Development fund of Mongolia is presented at page 335. The budget of the Development fund for 2009 document is on the Parliament website: http://www.parliament.mn/law/index/index/tid/1/title/хөгжүүлэх сан</p> <p><u>Researcher Response:</u> Here again the issue of definition, I guess. The general budget consists of state budget, local budget, social insurance fund, and fund for development of Mongolia. Since the budgets of social insurance and development fund undergo the same budget approval scrutiny and process as the state budget, I would not classify them as extra-budgetary funds. But if the definition is different, I agree with Peer Reviewer Two.</p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p> | b |

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| <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> pp.355-356, Executive’s Budget Proposal</p> <p><u>Comment:</u> Aggregate estimates of intergovernmental transfers and local government revenue and expenditures are presented, but there are no detailed expenditure categories presented.</p> <p><u>Researcher Response to this Question was “c”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b.” The transfers from central to local and from local to central government as well as VAT revenue transfers to local government are presented in the Executive’s Budget Proposal (p.355).</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” See pages 337-338 and 355. Table - Intergovernmental transfer of local budget for 2009-2011. The Table shows following information by administrative units or local budgets: (i) Expenditure (ii) Revenue (iii) transfer of re-allocated amount of VAT from the State budget to local budget (iv) transfer from the State budget to local budget-subsidy (v) Revenue from privatization and (vi) transfer to the State Budget.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer “b.”</p> | <p>b</p> |
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37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

- 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).

Citation:

Comment:

No information on public corporations is presented in the Executive's Budget Proposal.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The transfers to the public corporations which provide energy, heating and media as well as transportation services are presented in the Executive's Budget Proposal (pp.341-350).

Peer Reviewer Two Comment:

Researcher Response: Although transfers for energy, heating, losses, public transport and few others are identified, they do not say clearly whether it is to the public corporations or direct subsidies to consumers or any other detail.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

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:

Comment:

No information on quasi-fiscal activities is presented in the Executive's Budget Proposal.

Researcher Initial Response to this Question was "d"

Peer Reviewer One Comment:

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

See pages 68, 96, 101-108.

The Budget includes very scarce information on quasi-fiscal activities like two-step-loan, income from Budget Entities (SOE's), allocation of Treasury Funds within commercial banks to get extra revenue, profit of the Bank of Mongolia (the Central bank of Mongolia) and etc. But the quasi-fiscal activity is not encouraged by the Government of Mongolia.

Researcher Response: Except for two step loan (relending) and bank of Mongolia profit, there is no clear discussion. Again, definition issue, I guess. I will be fine changing the answer as Peer Reviewer Two proposes.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

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| <p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> p. 150, Executive's Budget Proposal</p> <p><u>Comment:</u> Information on government bonds issued is presented briefly.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
| <p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></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>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></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |
| <p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <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></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |

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| <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> p. 157</p> <p><u>Comment:</u> Some information on potential risks in relation to the financial liability of the government to the social security fund is presented, but does not have any estimates.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See pages153-158. Chapter VI.1.2 - Shifting to Personal Pension Account and Chapter VI.1.5 - Long-term liabilities of Social Funds presents information on future liabilities, but some details are excluded. pp. 357-359 Details of all Social funds are presented.</p> | <p>b</p> |
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44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- 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).

Citation:

Executive's Budget Proposal, pp. 141-150

Comment:

Donor grant funds are not registered at the Ministry of Finance or elsewhere in the government, so this answer is true only for the loans. The size of grant funds is unknown, and grant funds go directly to target groups via non-government entities or projects. The presentation by the Government improved compared to the previous years

b

Researcher Response to this Question was "a"

Peer Reviewer One Comment: There are no official statistics on the financial and in-kind donor assistances. The Executive's Budget Proposal presents only projects financed by donor loans (pp. 141-150).

Peer Reviewer Two Comment:

Researcher Response: my initial comment was holding for loans and not grants. There are some donor funds that do pass through the central governments, but are not reported.

IBP Comment: IBP editors chose answer "b" in light of researcher comment.

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| <p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There is some information about tax expenditures in the past years, but no information for the given budget year is presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>d</p> |
| <p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> a. All earmarked revenues are identified individually. b. At least two-thirds of, but not all, earmarked revenues are identified individually. c. Less than two-thirds of earmarked revenues are identified individually. d. No earmarked revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> p. 103</p> <p><u>Comment:</u> Some discussion on Windfall profit tax revenue which is earmarked for Fund for Development of Mongolia and social security payments which would go to social insurance fund is presented. They probably represent at least two thirds of earmarked revenues.</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>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ul style="list-style-type: none"> a. One percent or less of expenditure is dedicated to secret items. b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> National security related funds amount to 8 billion MNT which is less than 1 percent of the total spending. Ministry of Defense budget is given in great detail, although some specific purchases and spending are not identified, therefore, it is not taken as secret. The program level details that are presented in this year's Executive's Budget Proposal allow for such analysis, and make the difference from the previous year's assessment.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>a</p> |
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| The Budget Narrative & Performance Monitoring | |
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| <p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the link between the budget and the government’s stated policy goals is not presented. Not applicable/other (please comment). <p><u>Citation:</u> pp. 95-109, 338, Executive’s Budget Proposal</p> <p><u>Comment:</u> Budget estimates are presented against Budget framework statement, the main policy guide, for major macroeconomic indicators and some types of revenues, but not for expenditures, and no administrative or functional category comparison is provided.</p> <p><u>Researcher Response to this Question was “c”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> This is a result of the last year pilot implementation of program-based budgeting at 4 Portfolio Ministers. For the year 2010 both the Central Government' and local budgets are prepared using program-based budgeting methods. The program-based budgeting is purely based on policy goals categorizing Government's stated policy objectives linked to programs and at the same time all economic classifications and administrative units are used as previous years for the purpose of comparison. In order to give clear understanding of programs and how programs linked to policy objectives, the Ministry of Finance got a project from the World bank and developed very useful manuals and guidelines for Portfolio Ministers and Governors of Aimags (administrative units).</p> <p><u>IBP Comment:</u> IBP editors chose answer “b,” based on the comments above, to maintain consistency of assumptions across countries.</p> | b |

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| <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></p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The Central Government and local budgets for 2009-2011 are prepared using program-based budgeting methods, which uses Government's stated policy objectives linked to programs. For the purpose of comparison all economic classifications and administrative units are used as previous years as additional classifications.</p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency of assumptions in selecting answers across countries.</p> | <p>b</p> |
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50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

- a. Non-financial data are presented for all programs.
- b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
- c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
- d. No non-financial data are presented.
- e. Not applicable/other (please comment).

Citation:

Comment:

No information on the number of beneficiaries is presented. The presentation is similar to that in the previous period, but researcher reassessment has led to a change in response.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." Non-financial data are presented for the programs of the functions such as public order and safety, education and culture, food and agriculture, social security and care, the supreme court and election committee in the executive's budget (pp. 161-320). The most part of non-financial data were presented as performance indicators of the programs such as number of schools and kinder gardens financed from the budget, school enrollment, number of beneficiaries received social aid, number of new wells etc.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

The Central Government as well local budget are based on number of beneficiaries. Pages 345 and 350 show total number budget entities and their total number of employees classifying as managerial, executive, service and contractual positions respectively for Central Government' and Local budgets.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer One to "c."

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

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| <p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some information like number of beneficiaries is not included. The presentation [or practice] is similar to that in the previous period, but researcher reassessment has led to a change in response.</p> <p><u>Peer Reviewer One Comment:</u> Non-financial data, identified for the programs of the above mentioned sectors, are presented as performance indicators for the specific programs in the executive's budget proposal (pp. 161-320). Therefore these non-financial data can be somewhat useful for the assessing program performance.</p> <p><u>Peer Reviewer Two Comment:</u> Non-financial data are somewhat useful. The budget didn't provide number of beneficiaries per program.</p> | <p>C</p> |
| <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> pp. 162-320, Executive's Budget Proposal</p> <p><u>Comment:</u> There is extensive information on indicators and their targets such as school attendance level or number of cases solved for judiciary etc. but no information on the number of beneficiaries is presented. This is an improvement over the previous Executive's Budget Proposals made possible due to presentation of program classification budgets.</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>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some performance indicators, such as attendance level of pre-schools and general education schools are quantified; some others, such as foreign residents registration under Ministry of Justice budget, does have information on indicators for previous years, but not for the actual budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
| <p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation:</u> Socio-Economic Development Guidelines for 2009</p> <p><u>Comment:</u> The guidelines contain targets and indicators under all budget governors.</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>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> <ul style="list-style-type: none"> 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><u>Citation:</u></p> <p><u>Comment:</u> The Main Directives for Socio-Economic Development in 2009 describe some activities that are related to poverty reduction policies, but the information is not very detailed.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
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| <p>Additional Key Information for Budget Analysis & Monitoring</p> | |
| <p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's Budget Proposal or supporting documents, but may be found in other documents issued by the executive.</i></p> | |
| <p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some information like production sharing agreements in the oil sector is not publicly available, but the government made public tax schedules for major mining projects. This can be considered an improvement compared to previous practice.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |
| <p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></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>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The government presented its agreement with IMF that certain macroeconomic targets must be met, but the agreement itself was not made public in full.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | C |
| <p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with donor country assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The government has signed a conditional grant agreement with IMF, and some major conditions were made public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | C |

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| <p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ul style="list-style-type: none"> 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><u>Citation:</u></p> <p><u>Comment:</u> Budget Speech is presented by the PM to the parliament during the first discussion of the Executive’s Budget Proposal at the parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | C |
| <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> <ul style="list-style-type: none"> 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><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> | d |
| <p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><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> | d |

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| <p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ul style="list-style-type: none"> a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information. c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information. d. No, the right to access government information has not been codified into law, or this right does not include access to budget information. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No Freedom of information law is adopted. In practice the government bodies can make any document "organizational secret" under the Organizational Secrets Law.</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>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></p> <p><u>Comment:</u> Most of the organizations would not supply detailed information to average citizens. On the other hand, some reputable organizations can officially (through letters) approach the entity to request detailed information, and receive answers.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
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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?

- 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.
- 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.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Comment:

Not all citizens can get access to such information, but visible NGOs, for example, can get information from some entities.

C

Researcher Response to this Question was "c"

Peer Reviewer Two Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

There are 3 agencies responsible for this kind of non-financial information. (i) National Statistical Committee, which prepares and prints each year Statistical Year Book where everybody can find number of beneficiaries or free to request such information from the Committee. (ii) Government Service Council, which is responsible publishing statistical data on Civil servants. Also, the Council provides some detailed information at request. (iii) Ministry of Finance.

Researcher Response: General numbers of civil servants are provided. Other information, I believe, is not available in more detail than that in the Executive's Budget Proposal for more than 2/3 of expenditures. I choose to keep my answer "c."

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

Section Three: The Budget Process

| The Budget Process | |
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| Executive's Formulation of the Budget | |
| <p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The government does not announce the release date, and the budget release takes time even if approved by the parliament on a specified date, due to technical and editing process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |
| <p>67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?</p> <ol style="list-style-type: none"> Yes, a detailed timetable is released to the public. Yes, a timetable is released, but some details are excluded. Yes, a timetable is released, but it lacks important details. No, a timetable is not issued to the public. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> This is regulated by a Government regulation, which is public.</p> <p><u>Peer Reviewer One Comment:</u> Article 25 of the Law on Public Sector Finance and Management defines timetable for the preparation of the Executive's Budget Proposal.</p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ul style="list-style-type: none"> 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><u>Citation:</u></p> <p><u>Comment:</u> Key deadlines like submitting the proposal to the Parliament are usually met, but some others such as submission from local governments to budget governors and Ministry of Finance sometimes fail to meet deadlines.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | b |
| <p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul 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></p> <p><u>Comment:</u> This answer is based on interview with parliament and government staff. Also, the budget priorities are approved by the parliament in pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | b |

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| <p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ul 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></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>71. When does the executive release a pre-budget statement to the public?</p> <ul style="list-style-type: none"> a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year. b. 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. c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. d. The executive does not release a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Pre-budget statement is approved as a parliament resolution, and is made public because all such resolutions are published in State Bulletin.</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>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Pre-budget statement sets targets for such major economic indicators as GDP growth level, inflation level, budget revenues and expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>a</p> |
| <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> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Attachment 2 to pre-budget statement includes specific targets and priorities for the next year's budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |

| Legislative Approval of the Budget | |
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| <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></p> <p><u>Comment:</u> By law, the executive submits its proposal for the next year by October 1 of each year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |
| <p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The parliament and committees can request additional information and explanation on budgets from all government agencies during the parliamentary debate.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | c |

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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> <ul 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></p> <p><u>Comment:</u> Parliamentary standing committees overseeing corresponding ministries and agencies hold meetings at which the executive can defend their Executive's Budget Proposals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |
| <p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <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> |

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| <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></p> <p><u>Comment:</u> Minutes of committee meetings are usually available on the parliament website, but some minutes are missing.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
| <p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <ul style="list-style-type: none"> a. 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. b. 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. c. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Members of legislature can sign a special no disclosure agreement and receive relevant secret information that is necessary for the MP to fulfill his/her duties.</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>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ul style="list-style-type: none"> a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. d. No, the legislature does not have any authority <i>in law</i> to amend the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There are some earmarked revenues which the parliament members have no power to change during the budget process, but in principle they can change the laws that require such earmarked revenues. The assessment of the researcher has changed compared to the previous year.</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>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> a. The approved budget includes program-level detail. b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). c. The approved budget includes only departmental totals. d. The approved budget includes less information than departmental totals or the approved budget is not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Approved budget includes departmental totals, but also provides project-by-project list for investment projects (capital expenditures).</p> <p><u>Researcher Response to this Question was "b"</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 "a." Starting from the current budget year the approved budget includes program-level details. In addition, the budget includes details by economic classification and administrative units.</p> <p><u>Researcher Response:</u> The document cited by Peer Reviewer Two is not a public document. Program level details are available in the Executive's Budget Proposal, not in the approved budget.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p> | <p>b</p> |
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| Executive's Implementation of the Budget | |
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| <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> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</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> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</p> <p><u>Comment:</u> Expenditures are presented by economic classification in aggregate form.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

84. What is the most detail provided in the in-year reports on actual expenditures organized by *administrative unit*?

- a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail.
- b. 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).
- c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.
- d. 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.
- e. Not applicable/other (please comment).

Citation:

Comment:

In year reports provide only aggregate economic classification information. The government now includes a narrative explaining whether the revenues and expenditures are on target. No administrative unit classification is presented.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." The year-in-reports include aggregate economic classification information and by administrative units (by Aimags). Please see the 3rd page of the reports.

Researcher Response: I stick to my initial comment for in-year reports 2009.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

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| <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></p> <p><u>Comment:</u> Comparisons with the same period of the previous year, and the actual numbers against the plans for the given budget year, are given, but in aggregate (economic classification) form.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <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> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |
| <p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <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> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</p> <p><u>Comment:</u> Comparisons against last year's same period, budget year's plan, and plan to the date are presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

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| <p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> a. Yes, in-year reports on actual borrowing are released at least every month. b. Yes, in-year reports on actual borrowing are released at least every quarter. c. Yes, in-year reports on actual borrowing are released at least semi-annually. d. No, in-year reports on actual borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Borrowing (both domestic and foreign) to cover deficits are presented in the reports, and the narrative report also specifies the level of borrowing.</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> <ul style="list-style-type: none"> 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, or such in-year reports on borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |

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| <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> <ul style="list-style-type: none"> a. Reports are released 1 month or less after the end of the period. b. Reports are released 2 months or less (but more than 1 month) after the end of the period. c. Reports are released more than 2 months after the end of the period. d. In-year reports are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Ministry of Finance - www.mof.gov.mn National Statistical Committee -www.nso.mn.</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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92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?

- a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
- b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
- c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
- d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation:

Comment:

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Each year, the Parliament amends the budget and the amended budget is released to the public. There is no fixed date for amendments and the budget is usually amended 1 or 2 times during a year in any time (usually through March to December). The amended budget is released to public only after approval by the Parliament. The amended budgets are at the Ministry of Finance website.

Researcher Response: I chose to keep my answer "d" because the amendments mentioned by Peer Reviewer Two are irrelevant to the mid-year review.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

d

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?

- a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.
- b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.
- c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.
- d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation:

Comment:

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Each year, the Parliament amends the budget and the amended budget is released to the public. There is no fixed date for amendments and the budget is usually amended 1 or 2 times during a year in any time (usually through March to December). The amended budget is released to public only after approval by the Parliament. The amended budgets are at the Ministry of Finance website.

Researcher Response: See comment for Q.92.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

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| <p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There is no mid-year review.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c." The mid-year review includes only departmental totals.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the <i>Guide to the Open Budget Questionnaire</i>.</p> | <p>d</p> |
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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?

- 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).

Citation:

Comment:

There is no mid-year review.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Each year, the Parliament amends the budget and the amended budget is released to the public. There is no fixed date for amendments and the budget is usually amended 1 or 2 times during a year in any time (usually through March to December). The amended budget is released to public only after approval by the Parliament. The amended budgets are at the Ministry of Finance website.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

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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></p> <p><u>Comment:</u> Public sector management and financing law prohibits transfer of budgets between administrative units. Such shifts can be made only through the supplemental budget process.</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>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ol style="list-style-type: none"> 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> Reports included, for instance, breaking down of the tender so that the minimum threshold for announcing tenders was avoided, for example, in school textbook publishing tender.</p> <p><u>Peer Reviewer One Comment:</u> There are many reports about the abuse of the procurement law and uncompetitive bidding process in newspapers and internet sites (some of them are cited here below). For instance, the audit report on "Procurement for the English language training on information and technology program ZZ-2007-01" stated that the bidding violated the procurement law and selection was fraudulent or uncompetitive way... (http://www.mnao.pmis.gov.mn/welcome_mnao/export/sites/default/inter/mn/downloads/2008/AXH-tailan.pdf). The information about discloser: "Ministry of Healthcare announced 66 bidding and the result was disclosed only 13 of them..." (http://www.galgolomt.com/index.php?option=com_content&view=article&id=81:2009-11-17-03-11-55&catid=72:2009-10-31-18-08-40&Itemid=66).</p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</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></p> <p><u>Comment:</u> Public sector management and financing law prohibits transfer of budgets between administrative units. Such shifts can be made only through the supplemental budget process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |
| <p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ul style="list-style-type: none"> a. Supplemental budgets are generally equal to 2 percent or less of the original budget. b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> In recent two years, the supplemental budget reduced the initial budget by about 2 and 11 percent respectively.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | 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:

Comment:

Contingency funds such as Government reserve fund are approved as a lump sum before they are expended; the actual purpose of spending is not approved by the parliament.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: Article 13.2 of the Consolidated Budget Law defined that the contingency fund can constitute about 1% of the annual GDP. The contingency fund should be a part of the budget and authorized by Government with permission of legislature. The special funds management should be regulated by the Law on Government Special Funds.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Contingency funds must be approved together with the Budget by the Parliament with delegation of authority to Portfolio Ministers to approve expenditures. But, expenditures should be approved by the Portfolio Minister, for example by the Prime Minister or Minister of Finance before funds are expended.

Researcher Response: But prior approval is not needed from the legislature. Delegation of authority is very general, but if this can be accepted as approval by legislature, I will agree with Peer Reviewer Two.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries. The comments left by the researcher and the two peer reviewers indicate that the contingency funds are approved by the legislature together with the budget, but there no requirement of a second approval just before the disbursement of funds, once the contingency takes place.

d

| Executive’s Year-end Report and the Supreme Audit Institution | |
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| <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></p> <p><u>Comment:</u> The year-end report became available to the public (i.e. posted on the Internet) some time before September 15, 2009. The exact date of posting is not available, but it was possible to access it through the website of the MoF before the cutoff date required by the OBI methodology. Answer “b” is appropriate.</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.” Comprehensive year-end report for the budget year 2008 is produced in 2009 and available on the website of Ministry of Finance (http://www.mof.gov.mn/Mofwebfiles/Budget/introduction%202008-%20report-3-20-convert.pdf). The report covered all of the major items were presented in the executive's budget such as expenditure, revenue, borrowing and macroeconomic assumption and provided explanation of the difference between original estimates and actual outcomes.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” The year-end report is released usually just before the submission of the next year budget to the legislature, which is due by October 1.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer “b.”</p> | <p>b</p> |

102. In the year-end report have the data on the actual outcomes been audited?

- 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).

Citation:

Comment:

The main document of the year-end report, as posted on the website, does not contain information on the expenditures part of the budget, only revenue part. The expenditures part, however, is explained in the appendix, "Brief introduction to the budget 2008 performance" [still part of the report package], and aggregate numbers and detailed numbers are given, but it does not specify that the report actually was audited completely. Answer "a" could be appropriate.

a

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "a." The year-end report for 2008 covers all of the major items that were presented in the executive's budget such as expenditure, revenue, borrowing and macroeconomic assumption and provided explanation of the difference between original estimates and actual outcomes.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

In compliance with article 38.1 of the Public Sector Management and Finance Law of Mongolia the Year-end report must be submitted to the National Audit Office before March 20 and the Audit Office out to complete the audit within 1 month from the date of submission. All budget entities should submit their year-end reports by February 15 to the Audit office (Article 38.2 of the Law). The Ministry of Finance submits the Audited Year-end report to the Parliament.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

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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></p> <p><u>Comment:</u> Answer "a" is appropriate.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "b." The year-end report provided an explanation of the difference between enacted and actual figures by line ministries. The report can be seen from Ministry of Finance website (http://www.mof.gov.mn/Mofwebfiles/Budget/introduction%202008-%20report-3-20-convert.pdf).</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." The Year-end report provides not only the difference between the enacted levels and the actual outcomes, it shows performance of previous 3 years and all outcomes compared in share of GDP. The report includes very extensive explanation of the differences with descriptive discussion and quantitative analysis. Please see the Year-end report of 2008 at the website of the Ministry of Finance.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer "a."</p> | <p>a</p> |
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| <p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ol style="list-style-type: none"> The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). No explanation of the differences is provided, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p>Peer Reviewer One Comment: The year-end report provides explanation on the difference between enacted and actual expenditures by line ministries and some departmental totals on pp. 19-53 (http://www.mof.gov.mn/Mofwebfiles/Budget/introduction%202008-%20report-3-20-convert.pdf).</p> <p>Peer Reviewer Two Comment: For the year-end report of 2008 budget, program-based budgeting was not used. The explanation focused on Portfolio Minister' totals only.</p> | b |
| <p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ol style="list-style-type: none"> 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></p> <p><u>Comment:</u></p> <p>Peer Reviewer One Comment: The year-end report provides quantitative difference between enacted and actual outcome for revenues and gives explanation for these differences (pp. 14-18).</p> <p>Peer Reviewer Two Comment: Chapter 3 of the Year-end report provides not only the difference between the enacted levels and the actual outcome for revenue, it shows performance of previous 3 years and all outcomes compared in share of GDP. The report includes very extensive explanation of the differences with descriptive discussion and quantitative analysis. Please see the Year-end report of 2008 on the website of the Ministry of Finance.</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></p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "c." The year-end report provides explanation of the macroeconomic fundamentals and their difference in comparison with previous year but not with forecast for the fiscal year (pp. 7-13).</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b." The Year-end report doesn't explain difference between the original macroeconomic forecast for the fiscal year end the actual outcome. But there is fairly informative explanation on actual outcome.</p> <p><u>IBP Comment:</u> IBP editors chose answer "c" in light of both peer reviewers' comments. The information provided is not sufficient to assign a "b" answer, given that the question is explicitly asking about a comparison between the original forecasts and the actuals.</p> | <p>C</p> |
| <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></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>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |
| <p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | d |

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| <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></p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c." See pages 12-13. The report presents very little information on Social Insurance funds, but it lacks important details.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer "c."</p> | <p>C</p> |
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| The Independence and Performance of the Supreme Audit Institution | |
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| <p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> 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></p> <p><u>Comment:</u> Final audited reports are available only on request, and not to all citizens; the audit reports are in principle should be posted on the website, but the website of the supreme audit office has not worked for almost 2 years.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "b." The year-end report of the 2008 budget is audited and posted on the website of National Audit Office. The audit report was dated as 14 April, 2009 (http://www.mnao.pmis.gov.mn/welcome_mnao/export/sites/default/inter/mn/downloads/2008/tosbiin_gyitsetgel-2008-negdsen_tailan.pdf).</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." The final audited report was released by the end of April and put in the National Audit Office' website. In accordance with the Public Sector Management and Finance Law, the Audit Office should complete the Audit Report by 20 April.</p> <p><u>Researcher Response:</u> The audit report was not made public at the time of the research. The website was down at the moment of completing the research and was restored only after the cutoff date of September 15, 2009. However, the report was available on request.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p> | <p>b</p> |

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

- a. All expenditures have been audited and the reports released to the public.
- b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
- c. Expenditure representing less than two-thirds of expenditure have been audited.
- d. 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.
- e. Not applicable/other (please comment).

Citation:

Comment:

Reports are available on request only.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The aggregate expenditure by economic and functional classification has been audited and provided narratives by making comparisons with previous year, as well as planned figures (pp. 16-25).

Peer Reviewer Two Comment: In accordance with the Public Sector Management and Finance Law, all expenditures has been audited and released to the public. Please find the report on the Mongolian National Audit Office' website.

Researcher Response: The audit report was not made public at the time of the research. The website was down at the moment of completing the research and was restored only after the cutoff date of September 15, 2009. However, the report was available on request.

IBP Comment: Based on the researcher's response, IBP editors chose answer "a."

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| <p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. The annual audit report(s) includes one or more executive summaries summarizing the report's content. b. 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. c. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The report includes a letter from the general auditor summarizing main findings and conclusions.</p> <p><u>Researcher Response to this Question was "b"</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 "a." The official letter of the General Auditor of Mongolia was attached to the Report. The letter serves as the Summary.</p> <p><u>Researcher Response:</u> The audit report was not made public at the time of the research. The website was down at the moment of completing the research and was restored only after the cutoff date of September 15, 2009. However, the report was available on request. In response to Peer Reviewer Two's comment, see my initial comment above.</p> <p><u>IBP Comment:</u> IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries. Although it is not a summary <i>per se</i>, the letter does summarize the content of the report; therefore an "a" answer was deemed appropriate.</p> | a |
| <p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <ul style="list-style-type: none"> 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. b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. c. Not applicable/other (please comment). <p><u>Citation:</u> State audit law</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | a |

115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

- 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).

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Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The National Audit Office released the audit report for reserve and contingency funds in 2003-2005, and audit report for the employment support fund in 2006, as well as audit report for social insurance fund in 2005. All these audit reports are posted in the National Audit Office's website.

Peer Reviewer Two Comment:

Researcher Response: The audit report was not made public at the time of the research. The website was down at the moment of completing the research and was restored only after the cutoff date of September 15, 2009.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

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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> State Audit Law</p> <p><u>Comment:</u> The law has not changed. The SAI has a right to initiate the audits, and also approves the plan for audits. The limitations might include financing, or requests from other entities such as the parliament for other audits which take resources for the planned or SAI initiated audits.</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></p> <p><u>Comment:</u> Interview with an auditor indicates that the budget is very limited forcing the department to not always respond to all audit needs and requests.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | c |

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| <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"> The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Designated staff only performs audits of the security sector, but the overall funding of the audit office limits the number of such staff.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |
| <p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. No, the SAI does not maintain any formal mechanisms of communication with the public. Not applicable. <p><u>Citation:</u></p> <p><u>Comment:</u> Interview with an auditor.</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>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The government's Year-End Report is especially scrutinized by parliament standing committees and subcommittees, and the actual budget spending is approved as a parliament resolution.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>C</p> |
| <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></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>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></p> <p><u>Comment:</u> The audit report might include comments on recommendations from the previous years and whether these recommendations were fulfilled, but it is of an ad hoc nature.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>d</p> |
| <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></p> <p><u>Comment:</u> Ordinary members of legislature have to sign confidentiality letter to access secret items.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> | <p>b</p> |