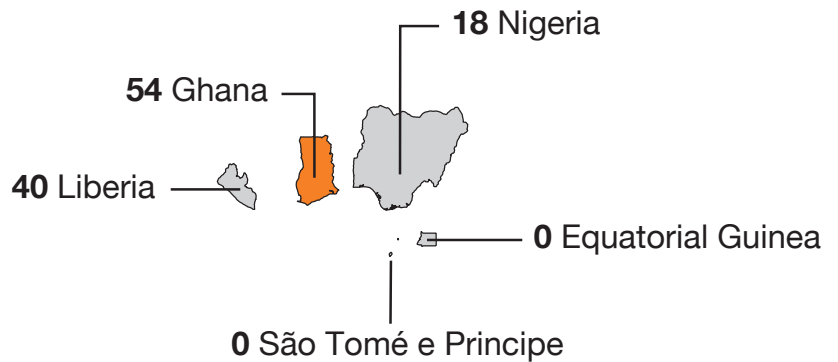
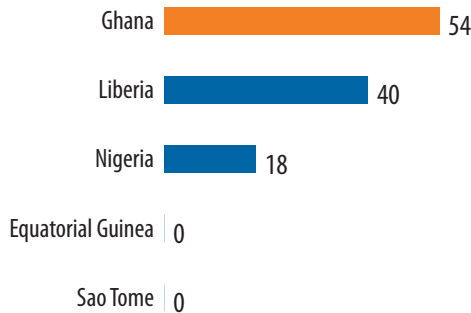




Overall score: **54** (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Ghana Compare to Its Neighbors?

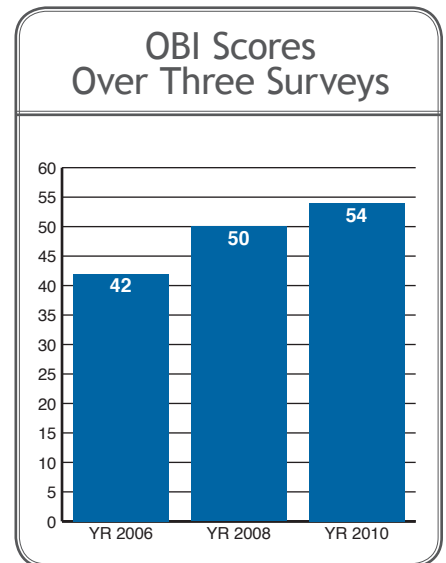


Key Findings

The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country's budget process. These scores constitute the Open Budget Index (OBI).

Ghana's OBI 2010 score of 54 is higher than the score of any other country surveyed in West Africa and is higher than the worldwide average of 42. Ghana's score increased from 42 to 54 from 2006 to 2010 largely because the government now publishes a Mid-Year Review, a Year-End Report, and an Audit Report.

Ghana's score, however, shows that the government still provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.



Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Not Produced
Executive's Budget Proposal	B	Published
Enacted Budget	B	Published
Citizens Budget	E	Produced, Not Published
In-Year Reports	E	Not Produced
Mid-Year Review	A	Published
Year-End Report	D	Published
Audit Report	B	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Ghana the Executive's Budget Proposal consists of the Detailed 2009 Appropriation Bill, Budget Statement and Economic Policy, Appendices for 2009 Budget Statement and Economic Policy, and the Summary of Allocation of Expenditure in Advance of Appropriation at MDA Level – 2009. It is fairly comprehensive, but major gaps in information in the budget proposal are found in the following areas:

- It lacks a proper sensitivity analysis, and it is not very clear how new policies, as distinct from existing ones, affect revenues.
- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on financial and other assets held by the government and information on tax expenditures. In addition, the budget has insufficient information on transfers to public corporations, expenditure arrears, and contingent and future liabilities and quasi fiscal activities.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Ghana does not produce a Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Ghana publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Although Ghana published its Citizens Budget in 2008, in 2009 this document was produced but was not made public.

OPEN BUDGET SURVEY 2010

Ghana

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

Yakubu Zakaria
 Integrated Social Development
 Centre (ISODEC)
 P. O. Box MP 2989
 Mamprobi – Accra, Ghana
 zayakubu@yahoo.com

In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus facilitate adjustments. During the period covered by the Open Budget Survey, Ghana produced In-Year Reports only sporadically, which did not comply with the good practice of releasing such reports on a monthly or quarterly basis. However, according to the OBI researcher, a new In-Year Review process commenced in July 2010, and since then, a multi-stakeholder review of the Medium Term Macroeconomic Framework revealed significant discrepancies in fiscal management, including overspending. For instance, some sectors exhibited overspending by more than 300 %. This has compelled the government to curb further expenditures.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Ghana publishes a comprehensive Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. A Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating modifications for upcoming budget years. Ghana publishes a Year-End Report, but it is far from comprehensive. It does not, for example, include explanations for the difference between the original macroeconomic forecast and the actual outcome.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Ghana publishes a fairly comprehensive Audit Report, but it is released more than six months after the end of the reporting period, which is later than is desirable.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Ghana's budget process could be made more open. These include ensuring the existence of a strong legislature and (SAI) that provide effective budget oversight, as well as providing greater opportunities for the public to participate in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Ghana's legislature is inadequate because it does not:

1. have sufficient time to discuss and amend the budget proposal presented to it at the start of the year before the budget is enacted (the legislature receives the budget less than six weeks before the start of the budget year); and
2. hold public hearings to discuss the macroeconomic and fiscal framework. (It does hold open budget discussions on the individual budgets of central government administrative units, but reports on such hearings are not released.)

According to the Open Budget Survey, budget oversight provided by Ghana's SAI is inadequate because:

1. it does not have sufficient resources to meaningfully exercise its mandate; and
2. it does not issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Ghana should:

- improve the comprehensiveness of the Year-End Report and the Executive's Budget Proposal;
- publish timely and regular In-Year Reports;
- publish a Citizens Budget;
- produce and publish a Pre-Budget Statement;
- provide opportunities for the public to testify at legislative hearings on the budget for the individual administrative units; and
- enable the legislature and SAI to provide more effective oversight of the budget.