The Government of South Korea provides the public with substantial budget information.

Out of 100

The Government of South Korea provides the public with adequate opportunities to engage in the budget process.

Out of 100

Budget oversight by the legislature in South Korea is adequate.

Out of 100

Budget oversight by the supreme audit institution in South Korea is limited.

Out of 100

Each country is given a score out of 100 which determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

South Korea’s score of 65 out of 100 is substantially higher than the global average score of 45.
The Availability of Budget Documents Over Time

South Korea’s score of 65 on the 2015 Open Budget Index is lower than its score in 2012.

South Korea’s 10 point decline in its OBI score since 2012 appears to be primarily due to the refinements made to the 2015 questionnaire, which includes new and improved questions that aim to better measure budget transparency (see the Technical Note for details). Without these refinements, South Korea’s 2015 score for budget transparency would have remained largely unchanged from 2012.

The Government of South Korea has failed to make progress in the following ways:

- Not producing a Mid-Year Review.

### Regional Comparison

South Korea’s score of 83 out of 100 indicates that the public is provided with adequate opportunities to engage in budget processes. This is higher than the global average score of 25.

Evidence suggests that transparency alone is insufficient for improving governance, and that public participation in budgeting can maximize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

### Elements of Public Participation

- **Executive**: Adequate
- **Legislative**: Adequate
- **Supreme Audit Institution**: Adequate

South Korea’s score of 83 out of 100 indicates that the public is provided with adequate opportunities to engage in budget processes. This is higher than the global average score of 25.
The Open Budget Survey examines the extent to which legislatures and supreme audit institutions are able to provide effective oversight of the budget. These institutions play a critical role – often enshrined in national constitutions – in planning budgets and overseeing their implementation.

**Oversight by the Legislature**

The legislature provides **adequate** oversight during the planning stage of the budget cycle and **adequate** oversight during the implementation stage of the budget cycle. However, the Executive’s Budget Proposal is not approved by legislators at least one month before the start of the budget year, and in both law and practice, the legislature is not consulted prior to spending contingency funds that were not identified in the Enacted Budget.

**Oversight by the Supreme Audit Institution**

The supreme audit institution provides **limited** budget oversight. Under the law, it has full discretion to undertake audits as it sees fit. Moreover, the supreme audit institution is provided with sufficient resources to fulfill its mandate but has a weak quality assurance system in place. Finally, the head of the supreme audit institution can be removed without legislative or judicial approval, which undermines its independence.

**RECOMMENDATIONS**

**Improving Transparency**

South Korea should prioritize the following actions to improve budget transparency:

- Produce and publish a Mid-Year Review.
- Increase the comprehensiveness of the Executive’s Budget Proposal by, for example, presenting more details on the classification of expenditures for future years and the classification of revenues for prior years.
- Increase the comprehensiveness of the Pre-Budget Statement.

**Improving Participation**

South Korea should prioritize the following actions to improve budget participation:

- Hold legislative hearings to review and scrutinize Audit Reports.

**Improving Oversight**

South Korea should prioritize the following actions to strengthen budget oversight:

- Ensure the Executive’s Budget Proposal is approved by legislators at least one month before the start of the budget year.
- In both law and practice, ensure the legislature is consulted prior to the spending of contingency funds that were not identified in the Enacted Budget.
- Require legislative or judicial approval to remove the head of the supreme audit institution.
The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the International Organisation of Supreme Audit Institutions (INTOSAI). It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between March 2014 and September 2015 and involved about 300 experts in 102 countries. The Survey was revised somewhat from the 2012 version to reflect emerging developments in accepted good practice and to strengthen individual questions. A full discussion of these changes can be found in a technical note on the comparability of the Open Budget Index over time (see below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable party.

The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country’s questionnaire is then independently reviewed by an anonymous expert who also has no association to government. In addition, IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the Government of South Korea.

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Further Information
Visit www.openbudgetsurvey.org for more information, including:
- The Open Budget Survey 2015: Global Report
- Individual datasets for each of the 102 countries surveyed.
- A technical note on the comparability of the Open Budget Index over time.