



MONITORING REPORT ON THE TRANSPARENCY AND ACCOUNTABILITY OF THE BUDGET USERS

**CENTER FOR ECONOMIC ANALYSES (CEA)
INSTITUTE FOR DEMOCRACY “SOCIETAS CIVILIS” SKOPJE (IDSCS)**
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CENTER FOR ECONOMIC ANALYSES (CEA)
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It is your tax, which pays for public spending. The government have no money of their own. There is only taxpayers' money.

Margaret Thatcher 12/10/1979

I believe that a guarantee of public access to government information is indispensable in the long run in any democratic society.... If officials make public only what they want citizens to know, then publicity becomes a sham and accountability meaningless.

Sissela Bok, philosopher, 1982

Dear readers,

We begin this note to you with two citations that reflect our understanding of what public money and public spending is, and why in a democratic society it is necessary the information available to the state to be made public. We believe that in Macedonia there is almost no understanding, that the budget available to the Government and other state and public institutions are not their financial means, but as the former British Prime Minister Margaret Thatcher stated, it is the taxpayers' money, because governments do not have their own money.

Therefore, we believe and we emphasize that the state and the public officials must be aware that they have to constantly inform and be accountable to the citizens for the amount of public money available, how the public money is spent and what are the results achieved by spending of the public money.

Thus, we conducted a monitoring of the degree of transparency and publicity of the budget users' public money and a research on how the budget users evaluate the effects and the results of their work. The information in a digitally developed 21st century provides easy and simple opportunities for the state and the public function holders to achieve transparency and accountability for the spending of public money. By monitoring the websites of 60 public institutions, we found out that an overwhelming small number of institutions use their websites to be accountable to the public. Through the second part of the research with similar findings, we found that in most of the institutions, the creation of the budget does not include a methodological evaluation of the budget proposals.

This report is one of a series of activities we take to appeal to the Government, the state institutions and to the public that "their" budgets are subject to transparency, publicity, accountability and results from spending public money.

With respect,

Introduction

Transparency and accountability, as two basic principles of good governance, are crucial in providing information and insight to the public on how public money is collected, allocated and spent. Additionally, transparency and accountability are necessary to show the determination and the intention of the public institutions, as well as to inform and to share this information with the public.

Driven by the need for transparency, the Center for Economic Analyses (CEA) and the Institute for Democracy "Societas Civilis" - Skopje (IDSCS) conducted monitoring of the basic information on the programs and budgets that budget users share with the public. The monitoring was designed to measure and quantify the budget, i.e. the fiscal transparency and accountability of the budget users. More specifically, our goal with the implementation of the monitoring and the data analysis is to provide a clear assessment of the extent to which the state institutions publicly share how much and what for the public money is spent. In addition, there is an emphasis on the concept of **value for money**, and show whether the effects and values are taken at all into account and whether these are achieved with the costs incurred, or whether the end goal of the institutions is to only implement the activities set, without further measurement of the achieved effects. We are directly targeting the Government through the ministries and institutions, as key players in setting up of the state policies. The main challenge for this action is the year after year deterioration of the budget transparency in the country, as measured by the OBI - Open Budget Initiative, a global research program that measures the transparency of the governments around the world.

As organizations with an extensive experience in the area of transparency and public policies, CEA and IDSCS are selflessly involved in the process of improvement of budget transparency and improvement of service quality by measuring the results, and creating recommendations, guidelines and observations on the current situation. This activity is a continuation of related ongoing activities, in order to stimulate constructive public debate on the importance of transparency, accountability and openness of the institution-Government of the Republic of Macedonia on the issue of public finances.

The initial activity for achievement of the above listed goals was the monitoring of the budget users in the country. The monitoring was conducted during the months of May and June 2014 and it summarizes the situation recorded in that period, thus we would like to point out that there is a possibility that in the meantime there have been changes in the content shared with the public by some institutions. The

transparency and the accountability of the institutions are analyzed from two reference points:

- 1) Information on the budget, programs and expenditures that budget users publish on their websites, as well as the information on the results and expenditures of the budget programs; and
- 2) Accountability procedures for the spent budget resources, applied at a budget user level

The information on the budget, the programs and the expenditures that the budget users share with the public, refer to the information the budget users share on their websites. The websites are considered as a reference point for transparency and accountability measurement due to several reasons. Namely, each institution uses different methods for informing the public for their work. These are press conferences, journalist briefings, media announcements, interviews, information campaign and information sharing on the websites of the institutions.

Compared with other types of information, the websites are the only medium which can ensure permanent information platform which is easily approachable to the broad audience.

All information published by an institution is mostly published on the website, which has the capacity to serve as an archive of news and information. The site is owned by the budget user, and there are increasing legal obligations to publish various reports through their websites.

The second reference point was the institution's internal procedures for planning, transparency, accountability, and budget results of the budget spending. Moreover, this reference point serves to be able to perform basic analysis of the current capacity of the institutions to initiate performance budgeting.

Based on these reference points the monitoring report is comprised of two separate parts:

- 1) Public money transparency – publicly shared information on the programs and budget of the budget user
- 2) Accountability of results – procedures for accountability and performance measurement, i.e. Performance of the budget user.

1) PUBLIC MONEY TRANSPARENCY

Monitoring methodology

In this section of the report, out of the total 92 budget users reported in the Budget of Republic of Macedonia, 60 were monitored, i.e. 66%. The questionnaire used for the monitoring of the Internet transparency of the institutions was comprised of 32 questions out of which 17 were taken from the OBI Open budget questionnaire and adjusted to the Macedonian context.¹ The answers of the questions were scored with 0 to 2 points, except for the last question which was scored with 0 to 5 points, and the maximum total points of the questionnaire are 67.

The budget transparency was monitored from 8 aspects: minimum budget transparency, current budget transparency, additional budget transparency, transparency of the strategic plans, programs and annual reports, transparency of the financial statements, transparency of the audit, budget program overview and transparency of the results of the implemented budget: indicators of outputs and outcomes. This particular section of the report will present the results obtained on each of these aspects.

Minimum budget transparency

Minimum budget transparency of the institution (questions 1 to 4) implies that the institution publishes the current budget, past budgets, as well as the last annual financial statements and the financial statement of past years. More specifically the monitoring covered whether the institution publishes the current year budget on their website; are the previous budgets of the institution available and, if available, for what period, whether for all past years, for the last 5 years, for the last 3 years, or not available at all. Abiding by the same principle, the availability of the current final annual financial statements and the past years final annual financial statements availability was monitored as well.

The monitoring indicated that only 1 out of the 60 monitored institutions publish their current annual budget on their web site, which represents 2% of the monitored institutions. Only the Ministry of Health publishes the current year budget. Furthermore, the number of institutions that are publishing the past years' budgets

¹ Open budget questionnaire, International Budget Partnership, June 2011, www.internationalbudget.org

is minimal, i.e. 7,92% of the monitored institutions are publishing some past years' budgets.

Merely 6 institutions are publishing the last year's final annual statements (10%). These 6 institutions are the Ministry of Finance, Agency of Community Rights Exercise, Commission for Protection Against Discrimination, Commission for the Protection of the Right for Free Access to Public Information, Pension and Disability Insurance Fund of Macedonia, Health Insurance Fund of Macedonia. Often the final annual financial statements for previous years can be found as part of the annual report. Fifteen institutions (19,17%) are publishing the final annual statements of some previous year. More specifically, 13 institutions publish the annual statements for the last five years and in the case of the Commission for Protection Against Discrimination these are available for each year since their founding.

Current budget transparency

Each budget user is required to prepare monthly and semi-annual reports, thus it was monitored whether the reports are published on the website of the budget user, how regularly are those published, whether they compare current expenditures with expenditures from the same period last year and the estimates for these expenditures; and whether the published semi-annual reports include discussion of changes in the economic projections since the budget's passing (questions 14 to 16).

Merely one of the 60 monitored institutions, the Health Insurance fund of Macedonia (HIFM), publishes monthly reports of the implemented budget. HIFM is unique in the sense that it has published the monthly reports each month since 2006, thus receives 2 points. HIFM is unique in terms of the following indicators as well, as the published monthly reports are comparing the expenditures of the current year with the projections of the budget for the same period or the same period in the previous year, thus receiving additional 2 points. The degree of the transparency for the monthly reports, measured by these two questions is 1,67%. Again, the HIFM is the only institution that publishes a semi-annual report, which includes discussion of the economy, however, some details are omitted, and thus it scores with 1,5 points. The degree of transparency of the semi-annual reports is 1,25%.

The only positive example of transparency of the monthly budget statement is the Health Insurance Fund of Macedonia

www.fzo.org.mk/default.asp?ItemID=9A358208C6BD144FAC0949883CC94096

The screenshot shows the website of the Health Insurance Fund of Macedonia (FZOМ). The header includes the logo and the text 'ФОНД ЗА ЗДРАВСТВЕНО ОСИГУРУВАЊЕ НА МАКЕДОНИЈА'. Below the header is a navigation menu with items like 'почетна', 'за фондот', 'за осигурени лица', 'извештаи, анализи и прегледи', 'даватели на здравствени услуги', 'законска регулатива', and 'договори со здравствени установи'. The main content area is titled 'Месечен извештај за реализација на средствата од Буџетот на Фондот и на буџетите на ЈЗУ'. It lists monthly reports for 2014 and 2013, with links to each report (e.g., 'мај 2014 година (презент)', 'април 2014 година (презент)', etc.).

Additional budget transparency

Besides the minimal budget transparency, it was also investigated whether the institution takes some additional steps to transparency. That is, if the budget is published in a simplified visual form so that it can be understood by the regular citizen who has no expertise to read the budget documents, budget documents and are whether the data are published as Open Data (questions 31 and 32).

No institution has taken the extra effort to introduce and inform the citizens about their budget in a simplified visual form (0%). Out of the 5 levels of open data formats that the budget documents may be published, the institutions apply only PDF format. No institution publishes budget documents with a higher level of open data (excel, free software, URL, metadata). Thus the level of budget transparency for open data is 11%.

Transparency of the strategic plans, programs and annual reports

The strategic goals of an institution, the programs implemented for their achievement, and the results of these programs are the key determinants of the public money spending. Therefore, it was researched whether an institution publishes its current and former fiscal period strategic plans, current and past annual programs, last and previous years' semi-annual and annual reports. It was

also investigated whether an institution published the timeline for adoption of the strategic plan and work program (questions 13 and questions 24 to 30).

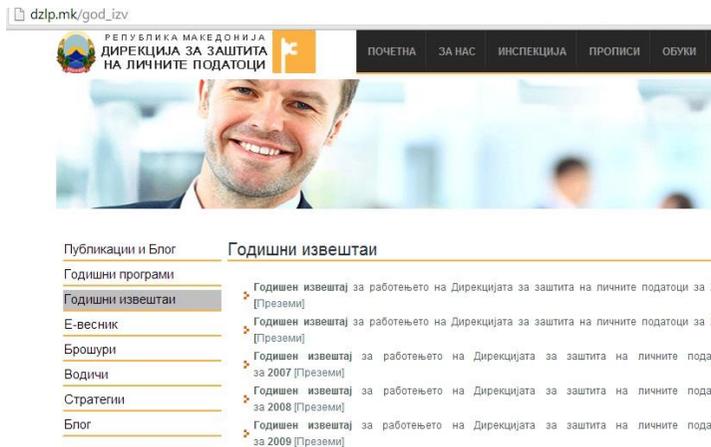
None of the monitored institutions published their timelines for adopting the strategic plan and work program on their website. Thus, the degree of transparency on this issue is zero.

Only 14 institutions publish annual or semi-annual reports on the budget program implementation for the last fiscal year. The institutions do not publish semiannual reports. The degree of transparency with respect to these reports is 13,33%.

In terms of whether the semi-annual or annual report on the implementation of previous programs are published, the level of transparency is higher and amounts to 13,33%. The monitoring showed that 16 institutions publish semi-annual or annual report on the program implementation in the previous year. The Commission for Fact Verification (CFV) is the only institution that publishes the semi-annual report, for which it is specifically bound by law.

On the other hand, a more extensive retrospective on the transparency for the semi-annual or annual report of the previous years' program implementation is higher i.e. 24,17%. Nineteen institutions publish annual work reports for some of the past years. Nevertheless, the younger institutions established in the last 10 years, have a greater tendency for publishing annual reports. Almost none of the institution publishes semi-annual reports on their work, or as in the previous question, semi-annual reports are only published by CFV.

Directorate for personal data protection is the only positive example of an institution publishes annual reports since its establishment



Out of the 60 monitored institutions 17 have published their current period Strategic Plans, resulting in transparency level of 28,33%. Seventeen institutions also published strategic plans for several former fiscal periods as well.

The degree of transparency of the current year work programs is 22%, i.e. only 13 institutions have published the institution's work programs.

The degree of transparency of the previous period work programs is slightly lower amounting to 18,75%, i.e. 17 institutions publish the work programs for previous years.

Transparency of the annual financial statement

The final annual financial statements of the institutions were especially considered. The questions covered the issues of whether the budget users publish the final annual financial statement; how long after the publishing of the of the Annual Budget Accounts of R. Macedonia does the institution publish their annual financial statements; whether the annual financial statements contain explanations of the differences between the projected revenue and the collected revenues; the differences between the projected expenditures and actual expenditures; explanations of the differences between the original macroeconomic forecasts for the fiscal year and specific outcome for that year; the differences between the

original estimates of the output indicators and the actual outcome for that particular year; and the differences between the original estimates of outcome indicators and the specific outcomes for that year (questions 17 to 22).

Only 4 institutions publish the annual financial statements, thus resulting with an overall transparency degree of 5,83%.

Considering that almost none of the institutions do not publish the annual financial statements, the following questions related to the final financial statement were analyzed through an overview of the final annual budget statements of the enacted Budget of R. Macedonia.

The conclusion regarding the question of whether the annual financial statements explain the difference between the projected expenditures and the realized expenses, resulted in a score that the degree of transparency is 39,17%. In most of the cases there is some type of explanation for the expenditure differences, however the key details or any details are missing.

The question of whether the final annual statements explain the differences between the projected revenues and the collected revenues, the transparency degree of the explanation of the differences is 37,92%.

The degree of transparency of the explanations of the differences between the macroeconomic projections for the fiscal year and the actual outcome for the same year is 2,92%.

Considering that the two questions for the financial statements regarding the explanations within the annual financial statements for differences between the original projections of the output indicators and the actual outcome for the same year and whether the financial statements explain the differences between the original projections of the outcome indicators, and the actual outcome for the given year, do not give output and outcome indicators, the transparency degree is zero.

Audit transparency

As is in the Open Budget questionnaire, an attention has been given on whether the audit report for the final budget expenditures of the institution is published by the budget user after it has been published by the State Audit Office (question 23).

With the exception of the State Audit Office (SAO), which has published the Peer Review of the State Audit Office of the Republic of Macedonia prepared by the Court

of Audit of the Federal Republic of Germany, no other institution has published the results of the audit of the final budget expenditures as they will be published by the State Audit Office of the Republic of Macedonia.

The degree of transparency of the final budget expenditures of the institution is minimal, i.e. 1,25%.

The only positive example for transparency of the audit results is the State Audit Office itself



Program overview of the budget

The monitors considered the manner in which the budget is presented, including the issues of whether the institution's budget expenditures are divided by program classification, the structure of the program expenditures are presented as percentage of the total expenditures, the budget of the institution besides the current expenditures presents the expenditures of past years and whether the institution's budget contains a comparison of the planned revenue of the current year with the collected revenues of years (questions 5 to 8).

The overview of the Budget of Macedonia for 2013 indicated that the extent of the budget transparency regarding program overview is 43%. The monitoring determined that 20 institutions present only some expenses by program classification, and 16 institutions present all their expenses by program classification.

None of the budget users' budgets presented the expenditure program structure as a percentage of the total cost. Thus the degree of transparency on this issue is zero.

The highest degree of overall transparency of 50,83% has been awarded based on the question of whether the institution's budget despite the current expenditures is presenting the expenditures of past years. 57 of the monitored institutions besides the current expenditures present the past year's expenditures and not for the years prior that.

Transparency through presentation of the comparison of the institution's budget current year projected revenue and past years' revenues is 29,17% and in most cases it covers the comparison of current with past year's revenues.

Transparency of the results of the budget implementation: output and outcome indicators

Finally, a special emphasis has been given on whether and how the achieved results of the public money spending are presented. The questions 9 to 12, cover the issues of whether the budget includes expenditure program output indicators and if yes then what portion of the expenditures are presented with these indicators; whether the output indicators are useful to evaluate the performance of the expenditure program, whether the output indicators have been successfully designed towards achieving the goal and whether the output indicators are presented and used together with outcome indicators. (Questions 9 to 12).

The monitoring has shown that, none of the 60 monitored institutions, does not present output indicators for their expenditure programs. The degree of transparency for output indicators of the expenditure programs is 0. Taking this into account, it cannot be assessed whether the output indicators would be useful to evaluate the budget performance of the expenditure programs and whether the expenditure program output indicators have been successfully designed as it might assess whether there is progress towards achieving the given goal of the institution-budget user. Thus, the score for both questions is 0.

In addition, the presentation of the budget output indicators was also monitored and whether these are presented together with outcome indicators. However, it was determined that none of the 60 budget users' budget does not present outcome results. Thus, the transparency of the outcome indicators is zero.

Budget transparency per institution

The analysis of the results per institution showed that none of the 60 monitored state or public institutions cannot be evaluated as being budget transparent. Namely, none of the institutions scored positive for at least half of the indicators.

If we compare the obtained results, the most budget transparent institutions are the Agency of Community Rights Exercise with an overall transparency degree is 38%, followed by the Health Insurance fund of Macedonia with a budget transparency of 34% and the Commission for Protection of the Right for Free Access to Information Public Information with a degree of budget transparency of 30%. These are the only institutions with a score of over 30 percentage points.

The monitoring scored total of 8 institutions with a budget transparency score of over 20%, i.e. the Pension and Disability Insurance Fund of Macedonia with 28%, State Commission for Prevention of Corruption with 26%, Ministry of Health 25%, Ministry of Information Society and Administration and State Statistical Office with 24%, State Audit Office with 22%, and the Ministry of Economy with 21%.

The State Attorney of Republic of Macedonia, Ministry of Internal Affairs and the State Commission for Public Procurement Appeals have scored 19% budgetary transparency, the Commission for protection against discrimination with 18%, Employment Agency and the agency for Administration 17%, Ministry of Transport and Communication, the Ministry of Labour and Social Policy and the Ministry of Finance 16%, Agency for Financial Support in Agriculture and Rural Development 14%, Commission for protection of Competition and the Secretariat for European Affairs 13%, Agency of seized property management and the State office of industrial property with 12%, Ministry of Environment and Physical Planning and the Ministry of Culture, Ombudsman, Directorate for Personal Data Protection and the Commission for Fact Verification with 10%.

With a budget transparency score below 10% are the Bureau for education development, Directorate for Technological Industrial Development Zones, Ministry of External Affairs, Bureau for Regional Development, and the Secretariat for legislation with a score of 9%. The State Election commission, Commission for Relations with Religious Communities, Macedonian Academy of Sciences and Arts and the Assembly of R. Macedonia with budget transparency score of 8%.

The degree of budget transparency of the Protection and Rescue Directorate, Commodity Reserve Agency, Food and Veterinary Agency, Secretariat for Implementation of Ohrid Framework, Ministry of Justice, Ministry of Local Self Governance and the Ministry of Education and Science is 7%.

The degree of the budget transparency of the Government of Republic of Macedonia, the Public Prosecutor of Republic of Macedonia, the Directorate for mandatory reserves, Agency for Foreign Investments and Export Promotion of the Republic of Macedonia, Agency for promotion and development of tourism, Public Revenue Office, Emigration Agency, Agency for Youth and Sport, State Archive of R. Macedonia is 6%.

The Ministry of Defense, Ministry of Agriculture, Forestry and Water Economy, National agency for European educational programs and mobility, Regulatory Commission of Housing, and the Center for Crisis Management have a transparency level of only 4%.

The least budget transparent institution is the President of the Republic of Macedonia, where the degree of transparency is merely 1%.

2) ACCOUNTABILITY OF OUTCOMES, PERFORMANCE OF THE BUDGET USER

Monitoring Methodology

In order to obtain more consistent results and answers to more specific questions about the applied procedures for accountability and transparency, the monitoring process covered direct interviews with responsible parties for the preparation of the budgets in each of the 60 monitored budget users. Since during the monitoring process most of the institutions did not respond positively to direct interview meeting, the questions in the form of a questionnaire, were sent by e-mail or by post. Out of 60 monitored budget users the response rate for direct meetings or completing the questionnaire by e-mail or post was received from 32 institutions, or 53% of the planned number of institutions.

The questionnaire used for monitoring of the applied budget user accountability procedure consisted of 27 questions. Out of these, 23 questions were multiple choice questions and 4 were open ended questions. The answers were scored with points from 0 to 2, and the possible maximum score of the questionnaire was 46 score points.

Four possible aspects of the budget accountability were observed: Strategic priorities and strategic goals, planning and budget preparation, budget evaluation and awareness of the performance based budget. This particular part of the report will present the results which were obtained on each of these aspects.

Knowledge and planning based on strategic priorities and strategic objectives

The questions of whether the budget users are acquainted with the strategic priorities of the Government of Republic of Macedonia, whether the strategic plan and strategic goals of the institution are based along the strategic priorities and goals of the Government, the difficulties the budget users face in the process of linking the budget plan with the goals and the strategic plans were provided by the questionnaire (questions 1, 2 and 15). 93,8% of the interviewed officers answered that they know the strategic priorities of the Government of Republic of Macedonia. Twenty one institutions base their strategic plans and strategic goals with the strategic plans and goals of the Government of R. Macedonia (65,6%), and 8

institutions answered that these are in accordance with those of the Government however with certain modification (25%).

The questionnaire included an open question where the interviewees had to provide own answer. The question referred to their opinion (read: official) of how could the link between strategic planning and the budget process be strengthened (Question 24). Those responsible for preparing the budgets of the institutions responded that the relationship between strategic planning and the budget process can be strengthened by: establishment of a work group which will draw up strategic objectives and priorities based on projects, activities and conventions and they will translated into needs for budget funds in the form of the draft budget of the institution to be approved by the Government or the General Secretariat and the Ministry of Finance; and by setting specific and specific quantified indicators, activities and results.

Planning and preparation of the budget of the budget user

This section of the questionnaire was designed to find out more about the manner of the planning and preparation of the budget of the institution (questions 3-5, 10, 12-14, 16-18, 20, 21 and 27). The interviewed officials responsible for preparing the institution's budget, the Budget Circular is timely submitted by the Ministry of Finance. As for the time it takes for submitting Applications for approval of funds based on the Budget Circular, 23 officers or 71,9% of the respondents answered that the time for submission of applications is enough, and 8 officers responded that the time is enough, but it is desirable to take longer. Only 3,1% responded that the time is not enough. In terms of whether an institution's budget plan is grounded on the strategic plan and the strategic goals of the institution, 78,1% of institutions plan their budget based on their own strategic plan and strategic aims. Many of the institutions (84,4%) adhere to the timetable for the preparation and publication of the budget, and the rest responded that adhere to the most important dates in the timeline.

As to whether there is a deficiency of human resources to take part in the formulation of the institution's budget, 28,1% responded that there is the lack of human resources while the remaining responded that there is an anticipated growth in human resources (40,6%) or that there is sufficient human resources for budget preparation (31,3%).

71,9% of the interviewed responded that the institution does not have a program for continuous training of the administrative personnel who is participating in the preparation of the budget and 9,4% responded that the trainings organized and not adequately organized. In terms of whether institutions have a training program for administrative staff regarding new ways of budget presentation, 90,6% responded that there is no such programs, and only a few responded that such training exists but it is not properly implemented.

Regarding the manner of funds allocation, out of all interviewed institutions 84,4% responded that they conduct the funds allocation based on previous analysis of the needs, and the remaining 15,6% are based on historical costs. With regards to the method for preparation of the budget, 71,9% responded that the budgets are based on the current needs and on the needs of the past years, 21,9% responded that the budgets are prepared based on the resources needed for program implementation and the remaining 6,3% responded that the allocation is based on the past years' budgets.

46,9% of the institutions do not link the final annual budget statements with output indicators and outcome indicators with adequate programs, 18,8% of the budget users completed this partially, and the remaining 34,3% have linked the annual budget statements with output and outcome indicators.

Asked if there are quarterly and monthly deadlines for meeting the objectives of the programs, 78,1% of respondents answered that there are such deadlines, and the remaining 21,9% responded that they have no deadlines for realization of program goals. In terms of whether there are appropriate measures in cases when unforeseen budget expenses arise, 81,3% answered that they exist, and 18,8% responded that such measures do not exist.

In case when the expenditures approved by the Parliament significantly differ from the expected expenditures, 62,5% responded that they make appropriate changes in programs, 28,1% responded that partial alterations are made, and 9,4% do not make appropriate program alterations.

This part of the questionnaire also included one open-ended question for gathering information on the opinion of the public officers on what could improve the budget calendar in R. Macedonia. According to the interviewees, the budget calendar could be improved by: ensuring a sufficient timeframe for budget users to prepare their budgets; change the classification of revenues and expenditures; with early initiation of the process of budget planning in the current year.

Evaluation of the budget within the budget user

Only 25% of institutions use prescribed methodology for evaluation of the budget proposals, 56,3% partially use a prescribed methodology, and 18,8% do not use prescribed methodology. In absolute numbers this means that only 8 of the 32 institutions surveyed use the methodology for evaluating budget proposals. The same happens with the evaluation of the achieved outputs of the programs, i.e. only 21,9% of institutions use the prescribed evaluation methodology, or 7 out of 32 institutions. The rest do not use the prescribed evaluation methodology. Asked whether there is an annual evaluation of the strategic plan, most of the institutions affirmatively answered the question, however some institutions responded that there is not enough attention paid to the strategic plan thus the evaluation is done periodically.

In terms of whether there is a methodology for evaluation of the objectives and outcome set in the strategic plan of the institution, only a quarter of the surveyed

institutions (25%) have a methodology/by-law for the assessment of the achievement of objectives and outcomes set out in the strategic plan of the institution. As far as the existence of a methodology for evaluating the objectives and outcome set out in the work program of the institution, only 40,6% of institutions have and use this methodology.

Only 18,8% of institutions or 6 out of 32 monitored institutions answered positively that they are analyzing the changing needs of users of the institution's work program. The remaining 56,3% answered that there is a partial analysis of the needs, and 25% answered that there is no analysis for this purpose.

A total of 87,5% of the institutions that responded, possess managerial procedures to monitor the financial execution of the budget, while the remaining 12,5% did not have adequate managerial procedures on following and evaluating the trends of execution of the revenues and expenditures, development of monthly and/or quarterly plans for expenditures and reporting.

Level of awareness of performance based budget

The purpose of the questions of this part was to find out whether the interviewees in the institutions know and are familiar with some new ways of presenting budgets.

Asked whether they have heard about performance based budgeting, only 18,8% knew exactly what performance based budgeting is, i.e. only 6 interviewees. Half (50%) of respondents have heard, but do not exactly know what it is, and 31,3% or 10 interviewees have not heard about performance based budgeting.

Those who were interviewed and who responded that they know what is performance based budget is, answered that it implies the preparation, programming and implementation of budget based on criteria, activities and programs based on the results related to the strategic objectives of the organization.

Accountability of performance, performance by institution

The performance analysis per institutions showed that none of the 32 state institutions that were interviewed cannot be assessed as fully accountable, since none of them has received the maximum number of score points.

The comparison between the obtained scores, the institution with highest budget accountability score is the Ministry of Information Society and Administration with a total score of 8 points or 83%. The State Commission for Public Procurement, and the Secretariat for European Affairs and the Secretariat to implement the Ohrid Agreement have 37 points or 80%. With budget accountability scores of 78% are the Agency for Youth and Sports, 76% Health Insurance Fund of Macedonia, 72% National Agency for European Educational Programs, 71% State Election Commission. With scores of 70% are the Macedonian Academy of Sciences and Arts and the Ministry of Culture. These are followed by the budget accountability scores of the State Attorney and the Ministry of Environment and Physical Planning with 31,5 points or 68%;

The Ministry of Agriculture, Forestry and Water Economy of the Republic of Macedonia according to the answers, scored 31 points or 67% of the total number of points that could be received for its budget accountability and performance. The Ministry of Local Self-Governance has 66%, Public Revenues Office, the Ministry of Foreign Affairs and the Bureau for Regional Development scored 65%, while the Agency for Foreign Investments and Export Promotion scored with 64% for budget accountability and performance. The Ministry of Transport and Communications, AFSARD and the Fund for Pension and Disability Insurance have 63%, while the Ministry for Internal Affairs, the Employment Agency and Agency of Community Right Exercise with 61%.

The Agency for Promotion and Support of Tourism has 27 points or 59% for its accountability and performance. The Secretariat for Legislation, and the Agency of seized property management with 57% and the Directorate for Protection and Rescue has 54% of the maximum possible score points and the Ombudsman with 50% points.

The institutions that scored with less than fifty percentage points for their budget accountability and performance are the Ministry of Labor and Social Policy with 49%, the Commission for Protection Against Discrimination with 42% and the lowest scored the Commission for Fact Verification with 14 score points which is 30% of the maximum possible score for its budget accountability and performance.

KEY FINDINGS OF THE CONDUCTED MONITORING

- The monitoring was designed with the aim to measure and quantify the budget, i.e. fiscal transparency and accountability of the budget users.
- More specifically, our goal in implementing the monitoring and analysis of the data is to provide a clear assessment of the level the state institutions share the information on how much and how they spend the public money, with the public.
- In addition, the emphasis was given on the concept value for money and to show whether the effects and values achieved through the expenditures incurred are taken into consideration, or if the final goal of the institutions is to implement the activities set without further measurement of the effects.
- **Transparency of public money:**
- Out of 91 budget users listed in the Budget of the Republic of Macedonia, 60 budget users, i.e. 66% were monitored.
- The only positive example for transparency of the monthly budget reports is the Health Insurance Fund.
- The monthly reports of the Health insurance Fund are making a comparison the current year with estimates made for the same period in the budget or with the same period of the last year.
- No institution has taken the extra effort to introduce and inform the citizens about their budget in a visually simplified manner (preparation of Citizen's budget)
- The Directorate for Personal Data Protection is a positive example of an institution that has published all annual reports starting from its establishment.
- The only positive example for transparency of audit results is the State Audit Office itself.
- The least budget transparent institution budget is the President of the Republic of Macedonia, with a degree of transparency of only 1%.
- **Performance accountability by user:**

- This part of the monitoring included direct interviews with individuals who are responsible for the preparation of the budgets for each of the 60 budget users.
- The responses to the questions Recommendations for strengthening the link between strategic planning and budget process were: the existence of a working group which will draw up strategic objectives and priorities based on projects, activities and conventions and then will respond with a need for financial funds in the form of a draft budget of the institution to be approved by the Government of R.M or the General Secretariat and the Ministry of Finance; and by setting specific quantified indicators, activities and results.
- The suggestions received for improved budget calendar are: sufficient time frame for budget users to prepare their budgets; alteration of the budget revenue and expenditure classification; early initiation of the process of budget planning in the current year.
- **Specific monitoring results:**
- Only 2% of the state institutions monitored have published the current budget on its internet site;
- 90% of the institutions do not publish their final annual budget statements;
- None of the institutions do not include output indicators for their expenditure budget programs;
- None of the institution does not disclose the timelines for development of the strategic plan and work program;
- Only 13,3% of institutions publish annual or semi-annual reports on the execution of budget programs;
- 39,17% of the institutions do not publish any explanation for the difference between the projected and implemented expenditures;
- 71,67% of the institutions do not publish the strategic plan, and 78% do not publish the work program for the current year;
- None of the institutions that publish the budget does not prepare a budget in a simplified form, intelligible to citizens;
- 3,1% of the interviewed officers do not know what are the strategic priorities of the Government and as many are partly aware of them;

- Only 21,9% of institutions use prescribed methodology for evaluation of the achieved program outputs,
- Only 34,4% of institutions have linked their annual final budget statements with output and outcome indicators of relevant programs;
- Out of the total interviewed officials, 28,1% believe that there is a shortage of human resources for the preparation of budgets;
- A total of 90,6% answered that they do not have an employee training program for new ways of the budget presentation;
- Only 31,3% of the officers have not heard of performance based budgeting, while 50% have heard about it but do not know exactly what it is.

Annex 1: Questionnaire for Monitoring of the Institutions' Budget transparency

Project: Enhancing transparency and accountability through performance budgeting of the Center for Economic Analyses and Institute for Democracy "Societas Civilis" Skopje			
a) Transparency – publicly shared information on the programs and the budget of the budget user			
Date:	Questions for monitoring of the institution's website		
	Name of the interviewed institutions:		
	Name and position of the interviewed officer:		
	Name of the monitor:		
Check		Score value	Score received
1	Is the current annual budget available?		
1 (a)	Yes	2	
1 (b)	No	0	
2	Are the past years' annual budgets of the institution available?		
2 (a)	Yes, all budgets starting from the year of establishment of the institution are available	2	
2 (b)	Yes, there are available budgets for the last 5 years	1,5	
2 (c)	Yes, there are available budgets for the last 3 years	1	
2 (d)	No, the budgets are not available (to be filled if the only available budget is for the current year)	0	
3	Is the annual financial statement for the previous year available?		
3 (a)	Yes	2	
3 (b)	No	0	
4	Are the final annual financial statements of the institution for the past years available?		
4 (a)	Yes, all financial statements from the year of establishment of the institution are available	2	
4 (b)	Yes, there are available financial statements for the last 5 years	1,5	
4 (c)	Yes, there are available financial statements for the last 3 years	1	
4 (d)	No, the financial statements are not available (to be filled if the only available financial statements is for the previous year)	0	

5	Are the budget expenditures categorized by program classification?		
5 (a)	All expenditures are categorized by program classification	2	
5 (b)	Some expenditures are categorized by program classification	1	
5 (c)	The expenditures are not categorized by program classification	0	
6	Are the expenditures classified by program shown as percentage of the total expenditures?		
6 (a)	Yes	2	
6 (b)	No	0	
7 (OBI)	Is the current year budget presenting the expenditures of past years?		
7 (a)	Yes, the expenditures of several past years are presented	2	
7 (b)	Yes, the expenditures only of the last year are presented	1	
7 (b)	No, the expenditures of past years are not presented	0	
8 (OBI)	Does the institution's budget compare the projected revenues for the current year with actual revenues from past years?		
8 (a)	Yes, there is comparison with the actual revenues of several past years	2	
8 (b)	Yes, there is comparison with the actual revenues of the last year only	1	
8 (c)	No, there is no comparison with the actual revenues of past years	0	
9 (OBI)	Does the budget contain output indicators for the expenditure programs?		
9 (a)	Yes, the output indicators are presented for all expenditure programs	2	
9 (b)	Output indicators are presented for expenditure programs which are covering at least 2/3 of the expenditures	1,5	
9 (c)	Output indicators are presented for expenditure programs which are covering less than 2/3 of the expenditures	1	
9 (d)	No there are no output indicators presented	0	
10 (OBI)	Are the output indicators useful for evaluations the execution/performances of the expenditure programs?		

10 (a)	Output indicators are useful for evaluation of the execution/performance of the program	2	
10 (b)	Output indicators are partially useful for evaluation of the execution/performance of the program	1	
10 (c)	Output indicators are not useful for evaluation of the execution/performance of the program	0	
10 (d)	There are no output indicators presented	0	
11 (OBI)	Are the output indicator adequately designed to assess the progress towards achievement of certain objective?		
11 (a)	All output indicators are adequately designed	2	
11 (b)	Most of the output indicators are adequately designed	1,5	
11 (c)	Some of the output indicators are adequately designed	1	
11 (d)	The programs do not have output indicators designed, or these are not adequately designed	0	
12 (OBI)	Are the presented budget output indicators used together with outcome indicators?		
12 (a)	All output indicators are used in combination with outcome indicators	2	
12 (b)	Most of the output indicators are used in combination with outcome indicators	1,5	
12 (c)	Some of the output indicators are used in combination with outcome indicators	1	
12 (d)	There are no output indicators used in combinations with outcome indicators	0	
13 (OBI)	Is the institution publishing the timelines for adopting the strategic plan and work program?		
13 (a)	Yes, a detailed timeframe is published	2	
13 (b)	Yes, a detailed timeframe is published, however, some data is missing	1,5	
13 (c)	Yes, a detailed timeframe is published, however important data are missing	1	
13 (d)	No, a timeframe is not published	0	
14 (OBI)	How often does the institution publish monthly reports on expenditures?		
14 (a)	Monthly reports on the expenditures are published each month	2	

14 (b)	Monthly reports on the expenditures are published each quarter	1,5	
14 (c)	Monthly reports on the expenditures are published semi-annually	1	
14 (d)	Monthly reports on the expenditures are not published	0	
15 (OBI)	Are the monthly reports comparing the expenditures of the current year with the projections for the period or with the same period from part year?		
15 (a)	Yes, the expenditures of the current year are compared with the budget projections for the same period and with the expenditures for the same period last year	2	
15 (b)	Yes, the expenditures of the current year are compared with the budget projections for the same period	1,5	
15 (c)	No, there is no comparison/there are no monthly reports	0	
16 (OBI)	Is the institution publishing half-year budget year covering the economy related changes from the adaptation of the budget?		
16 (a)	Yes, the half-year report includes comprehensive discussion on the economy and covers revised projection for the fiscal year and its effect on the budget	2	
16 (b)	Yes, the half-year report includes discussion on the economy, however some details are missing	1,5	
16 (c)	Yes, the half-year report includes discussion on the economy, however important details are missing	1	
16 (d)	No, the half-year report does not include discussion on the economy /there is no half-year report	0	
17 (OBI)	How long after the Final Annual Budget Statement of RM is being published by the Minister of Finance does the institution publish the final annual statement of the institution?		
17 (a)	The final annual financial statement is published within 6 months after the end of the fiscal year	2	
17 (b)	The final annual financial statement is published within 6 to 12 months after the end of the fiscal year	1,5	
17 (c)	The final annual financial statement is published later than 12 months after the end of the fiscal year	1	
17 (d)	The final annual financial statement is not published	0	
18 (OBI)	Is the Final annual financial statement providing an explanation for the differences between the projected expenditures and the actual expenditures?		

18 (a)	Yes, there is a comprehensive explanation of the differences between the expenditures, including narrative discussions and quantitative projections	2	
18 (b)	Yes, there is an explanation of the differences between the expenditures, with emphasis on the key differences, however some details are missing	1,5	
18 (c)	Yes, there is an explanation, however key differences are missing	1	
18 (d)	No, there is no such explanation	0	
19 (OBI)	Is the Final annual financial statement explaining the difference between the projected revenues and the actual revenues?		
19 (a)	Yes, there is a comprehensive explanation of the differences between the revenues, including narrative discussions and quantitative projections	2	
19 (b)	Yes, there is an explanation of the differences between the revenues, with emphasis on the key differences, however some details are missing	1,5	
19 (c)	Yes, there is an explanation, however key differences are missing	1	
19 (d)	No, there is no such explanation	0	
20 (OBI)	Does the Final annual financial statement explain the difference between the original macroeconomic projections for the fiscal year and the actual outcome for the same year?		
20 (a)	Yes, there is a comprehensive explanation of the differences, including narrative discussions and quantitative projections	2	
20 (b)	Yes, there is an explanation of the differences with emphasis on the key differences, however some details are missing	1,5	
20 (c)	Yes, there is an explanation, however key differences are missing	1	
20 (d)	No, there is no such explanation	0	
21 (OBI)	Does the Final annual financial statement explain the difference between the original output indicator projections and the actual outcome for the same year?		
21 (a)	Yes, there is a comprehensive explanation of the differences, including narrative discussions and quantitative projections	2	

21 (b)	Yes, there is an explanation of the differences with emphasis on the key differences, however some details are missing	1,5	
21 (c)	Yes, there is an explanation, however key differences are missing	1	
21 (d)	No, there is no such explanation	0	
22 (OBI)	Does the Final annual financial statement explain the difference between the original outcome indicator projections and the actual outcome for the same year?		
22 (a)	Yes, there is a comprehensive explanation of the differences, including narrative discussions and quantitative projections	2	
22 (b)	Yes, there is an explanation of the differences with emphasis on the key differences, however some details are missing	1,5	
22 (c)	Yes, there is an explanation, however key differences are missing	1	
22 (d)	No, there is no such explanation	0	
23 (OBI)	Are the results of the Audit of the final budget expenditures of the institutions published after the Audit report has been published by the State Audit Office of Republic of Macedonia?		
23 (a)	The final revised financial reports are publicly published within 6 months or less of the publication of the Audit report by the State Audit Office of RM	2	
23 (b)	The final revised financial reports are publicly published within 6 to 12 months of the publication of the Audit report by the State Audit Office of RM	1,5	
23 (c)	The final revised financial reports are publicly published within 12 to 24 months of the publication of the Audit report by the State Audit Office of RM	1	
23 (d)	The final revised financial reports are publicly published 24 months after the publication of the Audit report by the State Audit Office of RM	0	
24	Are the half-year and annual report for execution of the budget programs for the last fiscal year published?		
24 (a)	Yes, both the half-year and annual reports are published	2	
24 (b)	Only the half-year or the annual report are published	1	
24 (c)	No, they are not published	0	

25	Are the half-year or annual report for execution of the budget programs published for past years?		
25 (a)	Yes, for all previous years	2	
25 (b)	Yes, for the last 5 years	1,5	
25 (c)	Yes, for the last 3 years	1	
25 (d)	No, they are not available	0	
26	Are the half-year and annual report for execution of the budget programs for the past fiscal year published?		
26 (a)	Yes, both the half-year and annual reports for the previous year are published	2	
26 (b)	Only the half-year or the annual report for the previous year are published	1	
26 (c)	No, they are not published	0	
27	Is the institution publishing the strategic plan for the current period?		
27 (a)	Yes	2	
27 (b)	No	0	
28	Is the institution publishing the strategic plan for the current period?		
28 (a)	Yes, the strategic plans are available for the last 5 fiscal years	2	
28 (b)	Yes, the strategic plans are available for the last 3 fiscal years	1,5	
28 (c)	Yes, the strategic plans are available for the last fiscal period	1	
28 (d)	No, the strategic plans are not available	0	
29	Does the institution publish the current year program?		
29 (a)	Yes	2	
29 (b)	No	0	
30	Does the institution publish the past years' programs?		
30 (a)	Yes, for the last 5 years	2	
30 (b)	Yes, for the last e years	1,5	
30 (c)	Yes, only for the last year	1	
30 (d)	Not available	0	
31	Does the institution publish the budget in a simplified visual form?		

31 (a)	Yes, the budget is published in a simplified visual form	2	
31 (b)	Yes, the budget is published in a simplified visual form, however still not comprehensive enough	1	
31 (c)	No	0	
32	Are the published budget documents open source data?		
32 (a)	Yes, to all 5 levels (pdf, excel, csf, txd, ods)	5	
32 (b)	Yes, to 4 levels (pdf, excel, csf, txd)	4	
32 (c)	Yes, to 3 levels (pdf, excel, csf)	3	
32 (d)	Yes, to 2 levels (pdf, excel)	2	
32 (e)	Yes, to 1 level (pdf)	1	
32 (f)	The Budget documents are not published	0	
		Total possible points	Total received points
		67	
	Degree of budget transparency		

Annex 2: Questionnaire on the procedures for accountability on a budget user level

b) Accountability procedures used by a budget user			
Date:	Questions for institution interviews		
	Name of the interviewed institutions:		
	Name and position of the interviewed officer:		
Name of the monitor:			
Check		Score value	Score received
1	Do you know the strategic priorities of the Government of Republic of Macedonia?		
1(a)	Yes	2	
1(b)	Partially	1	
1(c)	No	0	
2	Is the strategic plan and strategic objectives of the institutions based on the strategic priorities and priority objectives of the Government of Republic of Macedonia?		
2(a)	Yes	2	
2(b)	Yes, with certain modification	1	
2(c)	No	0	
3	Is the Budget Circular timely delivered by the Ministry of Finance?		
3(a)	Yes	2	
3(b)	No, there are delays	0	
4	Is the available time for submitting Applications for funds approval through the Budget Circular enough?		
4(a)	Yes	2	
4(b)	Enough, however desirable to be longer	1	
4(c)	Not enough	0	
5	Is the institution's budget planned based on the strategic plan and strategic objectives of the institution?		
5(a)	Yes	2	
5(b)	Partially	1	

5(c)	No	0	
6	Do you use prescribed methodology for evaluation of the budget suggestions?		
6(a)	Yes	2	
6(b)	Partially	1	
6(c)	No	0	
7	Do you use prescribed methodology for evaluation of the archived outputs of the programs?		
7(a)	Yes	2	
7(b)	Partially	1	
7(c)	No	0	
8	Is there regulation and/or methodology to evaluate the extent to which the objectives and outcomes of the institutions set in the strategic plan have been achieved in the past year?		
8(a)	Yes	2	
8(b)	Partially	1	
8(c)	No	0	
9	Is there regulation and/or methodology to evaluate the extent to which the objectives and outcomes of the institutions set in the work program have been achieved in the past year?		
9(a)	Yes, for both the objectives and programs	2	
9(b)	Yes, only for the objectives	1	
9(c)	Yes, only for the programs	1	
9(d)	No	0	
10	Is there enough human resources for budget preparation?		
10(a)	Yes	2	
10(b)	There is a plan for human resources growth however has not been realized yet	1	
10(c)	No	0	
11	Are you conducting analysis of the needs change of the users of the institution's work program?		
11(a)	Yes	2	
11(b)	Partially	1	
11(c)	No	0	

12	Are there quarterly and monthly deadlines for achievement of the objectives of the program?		
12(a)	Yes, there are quarterly and monthly deadlines	2	
12(b)	Yes, there are only quarterly or only monthly deadlines	1	
12(c)	There are no quarterly neither monthly deadlines	0	
13	Is there a continuous training program for the administrative staff of the institutions who are participating the budget preparation?		
13(a)	Yes, there are trainings	2	
13(b)	Yes, there are trainings however are not implemented appropriately	1	
13(c)	No there aren't	0	
14	Is there a continuous training program for the administrative staff of the institutions regarding new methods for presenting the budget?		
14(a)	Yes, for preparation of budgets with output indicators, and outcome indicators	2	
14(b)	Yes, but are not implemented adequately	1	
14(c)	No, there are not no trainings for budget presentation	0	
15	Are you facing difficulties in the process of linking the budget plan with the goals and the strategic plans?		
15(a)	No difficulties, the budget plan is sufficient	2	
15(b)	There are not enough funds allocated for achievement of the objectives	1	
15(c)	The strategic plan objectives are not clear enough	0	
16	Are the budget final financial statement expenditures linked with the output and outcome indicators of the appropriate programs?		
16(a)	Yes, they are linked with outcome indicators and/or output indicators	2	
16(b)	Partially, they are linked only with output indicators	1	
16(c)	No	0	

17	Is the funds allocation based on previously conducted needs assessment analysis or it is based on historic costs or past years?		
17(a)	Based on a conducted needs assessment analysis	2	
17(b)	Based on historic costs	1	
18	Are there appropriate measures foreseen in cases when there are unpredictable budget expenditures within the budget?		
18(a)	Yes	2	
18(b)	No	0	
19	Are there adequate managerial procedures (monitoring and evaluation of trends for implementation of revenues and expenditures, development of monthly and/or quarterly expenditures plans, reports and/or similar) for monitoring the financial part of the budget execution?		
19(a)	Yes	2	
19(b)	Only part of the listed procedures	1	
19(c)	No	0	
20	In the case when the expenditures approved by the Assembly of Republic of Macedonia significantly differ than the expected expenditures, do you make adequate alterations of the programs?		
20(a)	Yes	2	
20(b)	Partially	1	
20(c)	No	0	
21	Are the budgets prepared based on the resources which are needed for program fulfilments or based on the past years budgets?		
21(a)	Based on both	2	
21(b)	Based on the resources needed for fulfilments of the program, on an operation plan basis	1,5	
21(c)	Based on the past years budgets	1	
<i>Additional Questions – descriptive answers, no points</i>			
22	Have you heard of a performance based budget?		

22(a)	Yes, I know very well what performance based budget is	2	
22(b)	Yes, however I don't know enough	1	
22(c)	No, I don't know and have not heard of it	0	
23	To your understanding what is performance based budget?		
24	According to your opinion what could strengthen the link between strategic planning and the budget process?		
25	How could the budget calendar of R. Macedonia be improved?		
26	Do you conduct strategic plan evaluation each year?		
27 (OBI)	Does your institution respect the timeline for preparation and publication of the budget?		
27 (a)	The institution respects the timeline	2	
27 (b)	The institutions mostly respects the timeline's important dates	1,5	
27 (c)	The institutions has difficulties in respecting most of the timeline's important dates	1	
27 (d)	The institution does not respect the deadlines of the timeline, or does not publish the timeline publicly	0	
		Total possible points	Total received points
		46	0
Degree of budget transparency			
	Are you interested in participating in a workshop and study visit in a EU member state for implementation of Performance Based Budgeting?		
	Contact details of the interviewed officer		
	Telephone		

GLOSSARY OF USED TERMS

Budget of Republic of Macedonia is an annual plan of revenues and other inflows and approved resources which includes the Central Budget and the Budgets of the budgetary funds.

Central budget is an annual plan of revenues and other inflows and approved resources and it concerns the budget users of the central authority and includes the Base budget, Budget of donations, Budget of loans and the Budget of self-financing activities.

Expenditures are all budget payments (outflows) for the approved allocation other than the repayment of the principal on loans.

Revenues are taxes and other mandatory payments stipulated by law, inflows arising from asset ownership (interest, dividends, rent, etc.), fees for provided goods or services, gifts, donations, subsidies and transfers.

Budget deficit is the negative difference between the projected and the collected revenue and the approved allocations and the incurred expenditures.

Budget surplus is the positive difference between the projected and the collected revenue and the approved allocations and the incurred expenditures.

Budget users are first line users of the legislative, executive and judicial power, the budgetary funds, users of the Municipal budgets and users established by law that are interested to render public authority.

Budgetary Funds: the Fund for Pension and Disability Insurance of the Republic Macedonia, the Health Insurance Fund of the Republic Macedonia, the Roads Funds and the Employment Agency of the Republic Macedonia.

Budget classification is a hierarchical presentation of the codes intended to classify the functions, organizational units, activities and economic transactions in a unique and consistent manner.

Program is a set of related activities and projects aiming towards achievement of a common goal or objectives.

Final Annual Financial Statement: Financial statement made at the end of the fiscal year.

Budget Circular serves for drafting of the budget of the Republic of Macedonia and has the following elements: a projection of macroeconomic aggregates contained in Fiscal strategy; strategic priorities of the Government of Republic of Macedonia with proposal of the current programs and subprograms of the Government of Republic of Macedonia; maximum amounts of expenditures determined by the Government; guidelines and instructions for preparation of the draft budget requests, plan for development programs and the plan for systemized and filled job positions; and other necessary information.

Output indicators show that the project or activity are successfully completed and that the preconditions for achievement of the objective are in place.

Outcome indicators: are measurable criteria that need to be met in order for a program to achieve the results.