



# RATIONALISING GOVERNMENT FISCAL REPORTING

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# Introduction

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- **Four case studies:** Australia, Canada, France and the United Kingdom.
- **Four stakeholders surveyed:** parliament, finance ministry, parliamentary budget office and audit office.
- **Scope of the study:** budget documents (forward looking) and financial reports (backward looking) that are tabled and published as part of the annual budget cycle.



# Drivers for Change in Fiscal Reporting

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## **1. Wider audience**

- Parliament
- Civil society/lobby groups
- International and regional organisations
- Economists
- Investors
- Journalists

## **2. More guidance and standards**

- Transparency (e.g. OECD, IMF, GIFT)
- Statistics (e.g. GFSM)
- Accounting (e.g. IPSASs)

## **3. Advanced IT technology**

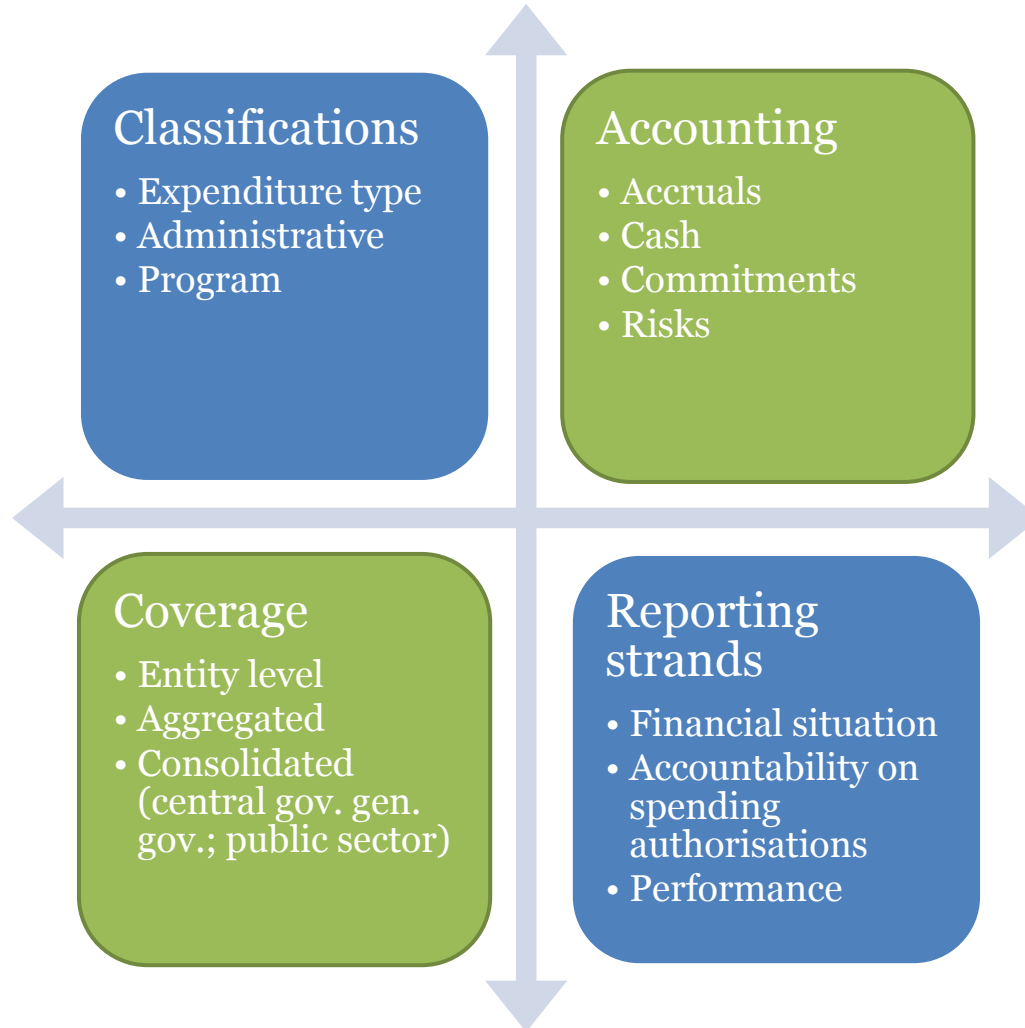


# Architecture of Fiscal Reporting

		Forward-looking	Backward-looking	
			In Year	Year-end
Annual	Aggregated	<ul style="list-style-type: none"><li>▪ Pre-budget statement</li><li>▪ Initial budget [and estimates]</li><li>▪ Supplementary budgets [and estimates]</li><li>▪ Debt management statement [or report]</li><li>▪ Tax expenditure statement [or report]</li></ul>	<ul style="list-style-type: none"><li>▪ Monthly report</li><li>▪ Quarterly reports</li></ul>	<ul style="list-style-type: none"><li>▪ Budget execution report</li><li>▪ Accrual-basis financial statements</li><li>▪ Fiscal statistics</li></ul>
	Entity level	<ul style="list-style-type: none"><li>▪ Departments/Ministries budgets forecasts and performance plans</li></ul>	<ul style="list-style-type: none"><li>▪ Monthly or Quarterly reports</li></ul>	<ul style="list-style-type: none"><li>▪ Financial and performance reports</li></ul>
Multiannual	<ul style="list-style-type: none"><li>▪ Medium-term projections</li><li>▪ Fiscal sustainability assessments</li><li>▪ Fiscal risk statement</li></ul>			
		Open Data		



# Fiscal Reporting in Practice





# Rationalising Fiscal Reporting (1/6)

## Consistency

- Fiscal forecasts, budgets, and accounts are aligned or include bridging tables to allow for comparability and accountability.
- Fiscal data presented in a multi-faceted and connected way (consolidated/aggregated format and entity-level format; classification by type, administration or programme).
- *Examples: Clear line of Sight project (UK); Management Commentary Bridge Tables (France).*



## Rationalising Fiscal Reporting (2/6)

### **Timeliness**

- Budget documents are not only timely but appropriately sequenced.
- Appropriate mix of timely in-year provisional reports and comprehensive audited year-end reports.
- *Examples: codified budget calendar (Australia and France); “fast closure” projects (all countries).*



# Rationalising Fiscal Reporting (3/6)

## Clarity

- Simple and accessible summaries of fiscal reports for citizens and parliamentarians.
- Bringing financial and non-financial performance information into a simple and unified report.
- *Examples: financial statements' simplification (Australia); "integrated" departmental annual report and accounts (UK).*





# Rationalising Fiscal Reporting (4/6)

## Accessibility

- Using IT to allow parliamentarians and citizens to delve into the detail of fiscal reports and structure their own queries rather than have to only read data the way governments want them to.
- *Examples: TBS Infobase (Canada).*

## Usefulness

- Providing analysis and interpretation of complex and technical government financial information.
- *Examples: Reports on risks to public finances highlighted in WGA (UK).*



# Rationalising Fiscal Reporting (5/6)

## Quality assurance and Scrutiny

- Independent standard- setting.
- Forecasts and budgets and performance information are subject to the same degree of independent scrutiny as accounts to ensure their integrity.
- *Examples: PBO's quarterly expenditure monitor (Canada); comment on annual performance information (France).*



# Rationalising Fiscal Reporting (6/6)

## Assessment

- Regular and formal dialogue/feedback mechanisms between governments and parliaments about their reporting requirements.
- Regular and reliable measurements of costs associated with reporting requirement to inform reviews of fiscal reporting frameworks.
- *Examples: comprehensive consultation on financial statements simplification (Australia); annual survey (France).*



# Conclusion

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- Increase of the volume, sophistication and number of fiscal reports, with virtually no reports discontinued.
- Trend is to “rationalise” fiscal reports – that is improving, streamlining and simplifying their presentation and content.
- Room to bring a clearer understanding of what information fiscal reports and open data as a whole should provide and rationalise further fiscal reporting frameworks?



Thank you for your attention