

# Insight into Public Funds (part 2)

Report | 12-09-2019

## **Towards future-proof policy budgeting**

Parliament's right to approve the central government budget would be strengthened if ministers provided more information on policy goals and achievements in their budgets and annual reports. They should also provide more information on policies that are the responsibility of more than just one minister. In an analytical report that builds on one with the same title published in July 2016, the Netherlands Court of Audit suggests initiatives to modernise the central government budget.

## **Suggestions to improve quality and information value**

The Court of Audit has reviewed the government's method of budget presentation, which is known under the name Accountable Budgeting. Its report makes suggestions on how the House of Representatives and the government could improve the quality and information value of the budget with the aid of modern digital resources.

## **Large budget articles compromise the House's right to approve the budget**

Our audit looked at how improvements have constantly been sought in the main structure of the ministers' budgets and accounts of policy implementation over the past 20 years. The report looks at such problems as the limited number of budget articles, poor accounts of government priorities and the weak insight into social results. Relatively large budget articles compromise parliament's right to approve the budget as ministers can simply transfer funds within the article without seeking parliament's approval. Despite the agreements made between the government and the House of Representatives, policy evaluations have not yet lived up to expectations. The House has a poor insight into what part of the central government budget is freely disposable. Digitisation and data portals, however, are offering more opportunities to provide better policy information. The House of Representatives' call for an annual Wellbeing Monitor is indicative of the need to take a wider look and not concentrate solely on the financial results of policy. With inspirational examples from home (such as the municipalities) and abroad, the Court of Audit presents options to improve ministerial budgets in the report. The Court believes it is important that the government and parliament debate the options.

## **Challenges for the future**

The publication describes problems with policy budgets. The analysis identifies challenges that all concerned will face in the future. Such aspects as policy theory, the key data necessary to provide an insight into the progress of government policy, digital policy accountability and a strengthening of the selection function in the budget are all considered.

## **Why did we audit budget presentation?**

It is still difficult for parliament to gain an insight into the results of government policy from the budget and accounts, despite the many improvements that have been attempted over the years. Society as a whole therefore does not have a good understanding of what government measures achieve. These stubborn problems should be addressed. The government could modernise its policy accountability with the aid of technical (digital) advances.

## **Current status**

The audit report was published and submitted to parliament and all ministers on 12 September 2019.