

Audit Report 5/2022

Independent Fiscal Institutions: Institutional set up and operation Weaknesses detected by the Hellenic Court of Audit

EXECUTIVE SUMMARY

The audit assessed the effectiveness of the Parliament's State Budget Office and the Hellenic Fiscal Council in strengthening fiscal discipline, ensuring greater fiscal transparency and accountability improving the quality of public discussion on financial policy. This report highlighted the role of both fiscal bodies within the country's public financial system.

The audit conclusions are the following:

I. The legislation governing the Parliament's State Budget Office does not provide for the non-political affiliation of its leadership. Nor is the selection of candidates representing both sexes mandatory for the competent committee, as far as the Hellenic Fiscal Council is concerned. The short timeline set in the calls for expression of interest for the selection of the Board of Directors' members at the Hellenic Fiscal Council is not sufficiently justified.

II. The Hellenic Fiscal Council is understaffed. The scientific staff's salaries are not proportionate to their particularly demanding work; therefore, unattractive to highly qualified potential personnel. Its staff is selected by a third entity, not by the leadership of the Council itself.

III. Overlaps and gaps in the responsibilities of the two fiscal bodies are detected. The overlaps do not appear to be intentional and derive from the different nature of the two Institutions and their inclusion in different branches of the state power.

IV. The Hellenic Fiscal Council has not developed strong bonds with the Parliament, while parliamentarians make little use of the tools the Parliament's State Budget Office provides them. Both fiscal bodies have close relations with counterpart foreign institutions.

V. The Hellenic Fiscal Council's communication policy is at an early stage with limited media coverage of its work. The Parliament's State Budget Office has a perception of the communication policy that it can exercise.

VI. The information required to carry out the mission of the Parliament's State Budget Office and the Hellenic Fiscal Council is not provided in a timely manner and is not complete.

VII. No external evaluation of the work of the Hellenic Fiscal Council and the Parliament's State Budget Office has been carried out.