

Annex A

Glossary

Note: The asterisk () in some of the definitions refers to a term included in this glossary.*

Administrative employment: all employment in general government (in the sense of the national accounts) except service delivery employment*.

Agency: unit of a ministry with a separate financial administration.

Arm’s-length agency: agency* for which the minister is responsible as far as (executive) policy is concerned (not necessarily for the handling of individual cases). The minister also remains responsible for operational management.

Central ministry: Prime Minister’s Office, Ministry of Finance and ministry where the most important tasks in the area of standard setting* for operational management* are located.

Central support unit: division* providing support services to all or some line divisions* of the ministry.

Civil service: all employees of central government whose labour conditions are ruled by public law.

Core ministry: the part of the ministry that is not organised in agencies*.

De-central support unit: unit of a core ministry or agency that provides support services to a single (sub-)division of a core ministry or agency.

Division of a ministry: unit of a core ministry led by an official who reports directly to the minister or deputy minister or to the highest non-political official of the ministry. National titles of officials leading ministerial divisions may be director-general, director, assistant secretary.

Economic (or “market”) supervision/regulation: supervision and regulation of entry to or exit from a market, the prices at which goods and services can be sold or the quantities of goods that can be sold aimed at the promotion of competition. Economic regulation also includes regulation requiring the provision of access to infrastructure owned by other parties. Economic regulations can take the form of orders or sanctions in individual cases and of rules for entire branches of economic activity.

Executive policy: policy (guidelines) concerning policy execution.

Financial audit: assessment of the compliance of financial transactions or the registration of financial transactions with the applicable legislation. This includes the assessment of the administrative organisation in place to safeguard the compliance with applicable legislation (operational audit).

Forecasting bureau: unit of the government that provides forecasts on economic, social, financial and environmental developments and scenario studies on impacts of government policies on those developments. A forecasting bureau may in addition provide other forms of policy analysis.

Independent agency: agency* for which the minister is not responsible, neither for executive policy* nor for the handling of individual cases (the minister remains responsible for policy and operational management*).

Internal audit: financial audit* or performance audit* of transactions or activities of a ministry carried out by a unit of a core ministry* or an arm’s-length agency*.

Line division: division* of a core ministry that has tasks in the areas of policy development, policy execution and supervisory/regulatory activities.

Line-item estimate: estimate of the expenditures on the basis of current policy of the most detailed expenditure group distinguished in the budget law.

Line minister: minister who is not responsible for standard setting for operational management (or who is acting in another capacity than standard setting).

Market structure: conditions of the market that determine its competitiveness or other features of perfection. A market can be imperfect because of small numbers of buyers or sellers (monopoly, oligopoly), information asymmetry, or external effects. Monopoly

or oligopoly can be legal (legal entry barriers) or natural (decreasing marginal costs, for instance in network services).

Multi-annual line-item estimates: estimates of the future expenditures in the two, three or four years following the budget year, on the basis of current policy of the most detailed expenditure group distinguished in the budget law.

Operational expenditures: expenditures for compensation of employment, intermediate production and consumption of fixed capital (in the sense of the national accounts).

Operational management: decision making on the use of operational means*. For instance: financial management, human resource management, procurement management.

Operational means: communication, human resources and organisation, internal audit, procurement, information and ICT, finance (budgeting and accounting), and accommodation, real estate and facilities (office equipment, reproduction, cars, catering, security).

Operational (or technical) efficiency: relative productivity of a production process compared to the optimal production process with the same output.

Out-year: each year of the multi-annual estimates after the (upcoming) budget year.

Performance audit: assessment of the effectiveness or efficiency of government activities, given the policies (targets and instruments) in place.

Permanent advisory council or committee: a committee established by law or governmental or ministerial decree for an indefinite term or a term longer than a few years, with the task of advising the government or the minister about policy development or execution.

Policy evaluation: assessment of the effectiveness and efficiency of a policy (targets and instruments).

Private corporation: institutional unit belonging to the corporate sector of the economy (in the sense of the national accounts) which is not controlled by the government.

Public corporation: institutional unit belonging to the corporate sector of the economy (in the sense of the national accounts) which is controlled by the government.

Regulatory and supervisory activities: monitoring and enforcement of compliance with specific regulations by regulatory authorities*.

Regulatory authority: organisation(s) mandated to monitor and enforce compliance with specific regulations, as distinct from general legal enforcement agencies (*i.e.* the police and prosecuting authorities).

Regulatory capture: undue influence of regulated market parties or governmental organisations over regulatory authorities*.

Senior civil service: top layer of the civil service*.

Service delivery employment: all employment in the military, the police, the penitentiary institutions, units providing other collective services in kind (for instance, construction or management of transport infrastructure: roads, tunnels, bridges, waterways, harbours, rail networks, airports, pipelines, etc., or ICT infrastructure), non-profit institutions classified inside general government in the national accounts, educational institutions, health providers and units providing other individual services in kind (cultural institutions, institutions providing social services, etc.).

Shared process unit: government unit that carries out tasks that belong to the primary process of more than a single ministry of central government or more than a single government (for instance, a ministry and a municipality).

Shared service centre: government unit that provides support services to more than a single ministry of central government or to more than a single government (for instance, a ministry and a municipality).

Social (or “protective”) regulation: regulates the quality of goods and services that are sold on markets or that are provided by government outside markets (against “insignificant prices” in the sense of the national accounts). This includes, for example, regulation of environmental quality, food safety, labour conditions, health care quality, and quality of education.

Social supervision/regulation: supervision and regulation of the corporate and non-profit sector outside general government and of executive units, subnational governments and non-profit institutions inside the general government sector aimed at the protection of citizens and businesses other than through the promotion of competition. Social regulation usually takes the form of orders or sanctions in individual cases.

Standard setting: making rules on operational management*.

Strategic policy unit: unit of a ministry established for the purpose of advising about medium-term or long-term policy development.

Support services: services to support operational management*.

Supreme audit institution: independent high college of state mandated by the constitution to audit the activities of the state (financial audits* and usually also performance audits*).



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