Module 2/ Session 2: Budget process

Albania Budget process (correct sequence)
for fiscal year 2001

TIME	ACTION
PHASE I I	PREPARATION AND PLANNING OF THE STATE BUDGET
Step 1	**Proposal for the fiscal policy for the coming fiscal year**
April-May 2000	Ministry of Finance prepares the report on the macroeconomic and fiscal situation of the current fiscal year, proposes the objectives in relation to fiscal policy and makes estimates for the main group of revenues and expenditures for the current budget year.
June 2000	Ministry of Finance presents the report to the Council of Minister for approval.
Step 2	**Guidelines for the preparation of the budget proposal**
By 10 July	Ministry of Finance forecasts expenditures for the next year and delivers to line ministries the 'Guideline for the preparation of budget proposal for 2001' which includes the projections for the level of revenues and expenditures for the coming year and the way in which the budget submissions should be presented.
By 1 Sept 2000	Budgetary institutions hand in their submissions to the Ministry of Finance.
Step 3	**Negotiations and adjustments to the budget submissions**
Sept-Oct 2000	Ministry of Finance analyses the budget submissions presented by budgetary institutions. Institutions and Ministry of Finance negotiate and make the necessary adjustments.
By October 2000	Ministry of Finance prepares the draft budget and sends it for review and approval to the Council of Ministers.
PHASE II	PROPOSAL AND APPROVAL OF THE STATE BUDGET
Step 4	**Parliamentary and budget approval**
By 20 Nov 2000	Council of Minister reviews the draft budget and sends it for approval to the Parliament.
Upto 30 Dec 2000	Parliamentary debate and approval of the State Budget.
PHASE III	EXECUTION OF THE STATE BUDGET
Step 5	**Implementation of the State Budget**
1 Jan-31 Dec 2001	Budgetary institutions receive and spend the budgetary sources in line with the plan and report to the Ministry of Finance following the standards and deadline advised in the Budget Guideline.
July 2001	Ministry of Finance reports to the Council of Ministers on the status of the State Budget implementation. Later this report is sent to Parliament.
Step 6	**Execution of the Budget and closure of budget accounts.**
Before the end of fiscal year	Ministry of Finance issues a Guideline on the closure of revenue and expenditure accounts of all budgetary institutions.
Step 7	**Preparation of final balance sheet**
By 31 March 2002	Budgetary institutions prepare their balance sheet of revenue and expenditures for the year 2001 and present it to the Ministry of Finance.

By 15 May 2002	Ministry of Finance prepares the balance sheet of revenues and expenditures of the 2001 State Budget
By June 2002	The balance sheet is presented to the Council of Ministers and is sent for approval to Parliament. The report of the State Supreme Audit then becomes a public document.

Adapted from Institute for Women and Development Alternatives, 'Budgeting Process Assessment', May 2003, Tirana Albania.