



Main Content of FY2020 Settlement of Accounts Review

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Progress of the National Assembly Review of the FY2020 Settlement of Accounts

▪ Progress of the FY2020 Settlement of Accounts Review

- On May 31, 2021, the government submitted the FY2020 National Statement of Accounts Report to the National Assembly.
- After examinations on the FY2020 settlement of accounts by the Standing Committees and the Special Committee on Budget and Accounts (SCBA), the National Assembly decided on the original bill at the December 2, 2021 plenary session.
 - ※ The National Assembly also reviewed the approval of the FY2020 disbursement of the reserve fund, along with the FY2020 settlement of accounts. For convenience, "settlement of accounts" in this report includes the review of the disbursement approval of reserve funds.

[Table 1] Timeline of Deliberation on the FY2020 Settlement of Accounts by the National Assembly

Procedures	Dates
Settlement of accounts submitted by the government to the National Assembly	• May 31, 2021
Referred to the Standing Committees and the SCBA	• Standing Committees: June 1, 2021 • SCBA: September 6, 2021
Submitted to the Standing Committees and the SCBA	• Standing Committees: August 17 - September 13, 2021 • SCBA: September 6, 2021
Resolution on the settlement of accounts	• Standing Committees: August 19 - September 17, 2021 • SCBA: December 2, 2021 • Plenary session: December 2, 2021

Note: Each Standing committee of the National Assembly, the SCBA, and the plenary session reviewed the "approval of the disbursement of reserve funds in FY2020," along with the "FY2020 settlement of accounts."

Source: National Assembly Bill Information System

Correction Demanded by the Committees

▪ A total of 1,881 corrections were demanded.

- The National Assembly agreed on 1,846 corrections in the FY2020 settlement of accounts review.
 - Corrections comprised 1,175 system improvements, 512 warnings, 220 corrective actions, and 2 disciplinary actions.
 - Top 5 standing committees with the most demands are the Environment and Labor (189 cases), Agriculture, Food, Rural Affairs, Ocean and Fisheries (181), National Policy (163), Land, Infrastructure and Transport (156), and Strategy and Finance (152).
- The National Assembly agreed on 35 corrections in the approval review of FY2020 disbursement of reserve funds.
 - Corrections comprised 22 system improvements and 13 warnings.



[Table 2] Types of Correction Demanded by Standing Committee at the Deliberation

(unit: case)

Standing Committees		Type of Correction						Sum
		Com-pen-sation	Disci-plinary	Cor-rective action	Warning	System improve-ment	(Over-lapping)	
On account settlement	House Steering	-	-	1	21	27	1	48
	Legislation and Judiciary	-	-	21	51	76	7	141
	National Policy	-	-	12	59	99	7	163
	Strategy and Finance	-	1	5	45	102	1	152
	Education	-	-	6	4	24	1	33
	Science, ICT, Broadcasting, and Communications	-	-	13	16	49	4	74
	Foreign Affairs and Unification	-	-	8	23	56	1	86
	National Defense	-	-	36	27	42	6	99
	Public Administration and Security	-	1	6	39	112	7	151
	Culture, Sports, and Tourism	-	-	35	15	23	4	69
	Agriculture, Food, Rural Affairs, Oceans, and Fisheries	-	-	6	52	125	2	181
	Trade, Industry, Energy, SMEs, and Startups	-	-	6	24	100	3	127
	Health and Welfare	-	-	4	20	108	1	131
	Environment and Labor	-	-	7	66	133	17	189
	Land, Infrastructure, and Transport	-	-	53	51	61	9	156
	Gender Equality and Family	-	-	1	8	37	1	45
	Common	-	-	-	-	1	-	1
	Sum	-	2	220	521	1,175	72	1,846
On the approval of disbursement of reserve funds		-	-	-	13	22	-	35

Note: 1. An "Overlapping case" comprises two or more types of corrections (e.g., corrective action and system improvement).

2. Corrections demanded by Intelligence Committee (17 cases) not included in the table.

Source: Deliberation Report on FY2020 Settlement of Accounts and Deliberation Report on the Approval of the Disbursement of Reserve Funds in FY2020

[Table 3] Major Corrections Demanded by Standing Committees at the Deliberation

Standing Committees	Correction Demanded	Type
House Steering	The National Human Rights Commission of Korea shall improve military human rights education (e.g., regularizing the Military Human Rights Education Council) and actively inspect its state.	System improvement
Legislation and Judiciary	The Ministry of Justice shall endeavor to solve overcrowding in correctional facilities by building new or expanding/remodeling existing spaces.	System improvement
National Policy	The Office for Government Policy Coordination shall ensure processing of tax appeals within the statutory deadline and adequately inform claimants when the 90-day treatment deadline passes or arrives.	System improvement
Strategy and Finance	The Ministry of Economy and Finance shall prepare a mid- to long-term plan to maintain or improve fiscal soundness after the pandemic.	System improvement
Education	The Ministry of Education shall devise a method for calculating appropriate local education subsidies, given the decrease in the school-age population and surplus from the special account for education expenses of metropolitan and provincial offices of education.	Corrective action
Science, ICT, Broadcasting, and Communications	The Ministry of Science and ICT shall continuously manage the technology transfer to domestic companies to be seamless the next-generation mid-sized satellite development project.	Corrective action
Foreign Affairs and Unification	The Ministry of Foreign Affairs shall proactively establish countermeasures for COVID-19-related ODA projects to give clear grounds for selection of country recipient and amount of aid, and discuss this at the Grand-Aid Development Cooperation Strategy Meeting.	Warning
National Defense	The Ministry of National Defense shall closely review its army non-commissioned officer management plan to ensure no budget shortage.	Warning
Public Administration and Security	The Ministry of the Interior and Safety shall devise plans to apply spatial information by standardizing disaster-related data in systems integrated into the National Disaster Management System and strengthen disaster response capabilities through a disaster information sharing system.	System improvement
Culture, Sports, and Tourism	The Ministry of Culture, Sports, and Tourism shall devise a plan to strengthen support for those lacking adequate access to information and cultural activities, such as the low-income class, the elderly, the disabled, and multi-child families, when running the discount coupon project.	System improvement
Agriculture, Food, Rural Affairs, Oceans, and Fisheries	The Ministry of Agriculture, Food, and Rural Affairs shall reorganize and enhance customized agricultural and forestry business information services so that farmers can easily identify businesses they can apply for.	System improvement
Trade, Industry, Energy, SMEs, and Startups	The Ministry of Trade, Industry, and Energy shall provide information on R&D support for key strategic items and make it accessible to facilitate National Assembly's deliberations.	System improvement
Health and Welfare	The Ministry of Health and Welfare shall allocate appropriate human resources to address welfare blind spots. The Social Security Information Service shall improve accuracy and appropriateness of information on households in critical situations.	System improvement
Environment and Labor	The Ministry of Employment and Labor shall devise a plan to maintain stability of the employment insurance fund, for instance, by restructuring expenditures (e.g., reducing job-seeking benefits for recurring recipients and transferring some fund businesses to other accounts).	Warning
Land, Infrastructure, and Transport	The Ministry of Land, Infrastructure, and Transport shall thoroughly manage national subsidy programs. For example, it should identify causes of delays and check implementation of administrative pre-procedures of the smart city expansion project, and provide subsidies by taking account of local governments' ability to bear and settle expenses.	Corrective action
Gender Equality and Family	The Ministry of Gender Equality and Family shall consult with relevant ministries and reexamine the gender-sensitive budget performance management system to reflect the aims of key gender equality promotion projects. It shall conduct program analyses to improve policy and reflect it in the gender-sensitive budget of the year after next.	System improvement

Source: Deliberation Report on FY2020 Settlement of Accounts and Deliberation Report on the Approval of the Disbursement of Reserve Funds in FY2020

Requests for Review

▪ Four Requests for Audits

- The appropriateness of the National Tax Service and four other organizations purchasing and supplying masks.
- The expenses of six committees, including the Presidential Committee on Aging Society and Population Policy, on business promotion and policy research.
- The special housing supply to employees of relocated organizations in Sejong City.
- The collection of international technology transfer royalty of the Korea Drug Development Fund.

Major Incidental Opinions

▪ 21 Incidental Opinions

- The National Assembly presented 21 opinions to the government, which includes strengthening the management of correction results reported as “in progress,” requesting an analysis and evaluation of government-funded employment programs from the KDI, and reinforcing the management of the local education subsidy.

[Table 4] Major Incidental Opinions on the Deliberation on the FY2020 Account Settlement

#	Incidental opinion
1	Government reports on correction results to the National Assembly shall include specific action plans (e.g., future measures and deadlines) for matters reported as “in progress.”
2	The government shall review future losses, BIS ratio, guarantee multiple, etc. to ensure appropriate investment in and contribution to state financial institutions, such as the Korea Development Bank (for a financial market stabilization project).
4	The government shall request the KDI to evaluate the overall status, performance, effects, and improvements of government-funded employment programs and report results to the National Assembly before deliberation on the FY2021 account settlement.
5	The Board of Audit and Inspection shall review why tax and administrative adjudication fail to comply with the statutory deadlines during regular institutional audits of related institutions, such as the Anti-Corruption and Civil Rights Commission. According to audit results, related institutions shall note possible disadvantages in budget.
10	The Ministry of Economy and Finance shall prepare reasonable standards for changing the fund management plan, including the acceptable range of mutual changes across expense items.
12	The Ministry of Education shall thoroughly manage local education subsidies so that those can be utilized to increase students' academic ability and improve educational conditions.
13	The Ministry of Science and ICT shall promote the digital competency enhancement program, while ensuring it does not overlap with existing projects run by local governments.

Note: “#” refers to the order in the Deliberation Report on FY2020 Settlement of Accounts

Source: Deliberation Report on FY2020 Settlement of Accounts and Deliberation Report on the Approval of the Disbursement of Reserve Funds in FY2020