



A Summary of the FY2022 Settlement of Accounts Review

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Progress of the FY2022 Settlement of Accounts Review by the National Assembly

■ Progress of the FY2022 Settlement of Accounts Review

- The government submitted the National Statement of Accounts Report for the FY2022 to the National Assembly on May 31, 2023.
- After examination by the standing committees and the Special Committee on Budget and Accounts (SCBA), the FY2022 settlement of accounts and the approval for the disbursement of the reserve fund were determined at the plenary session on December 20, 2023.

※ For convenience, "settlement of accounts" in this report includes the review of the disbursement approval for the reserve fund.

[Table 1] Timeline of the FY2022 Settlement of Accounts Review by the National Assembly

Procedures	Dates
The government submits the National Statement of Accounts Report to the National Assembly	May 31, 2023
The report is referred to the standing committees and the SCBA	• Standing committees: June 1, 2023 • SCBA: August 30, 2023
The report is presented to the standing committees and the SCBA	• Standing committees: August 17–September 4, 2023 • SCBA: August 30, 2023
Resolution of the settlement of accounts	• Standing committees: August 24–September 7, 2023 • SCBA: December 20, 2023 • Plenary session: December 20, 2023

Note: The National Assembly's standing committees, the SCBA, and the plenary session reviewed the "Approval of the Disbursement for the Reserve Fund in FY2022," and the "FY2022 Settlement of Accounts."

Source: National Assembly Bill Information System

Corrections Demanded by the Standing Committees

■ A total of 1,916 corrections were demanded.

- The National Assembly agreed on 1,916 corrections in the FY2022 Settlement of Accounts Review.
- A total of 1,889 corrections were demanded for the FY2022 Settlement Accounts, while 27 corrections were demanded for the Approval of the Disbursement of the Reserve Fund.
- The number of corrections demanded for FY2022 increased by 500 (35.3%) compared to FY2021.
- The number of incidental opinions (26) and audit requests (1) for FY2022 increased year-on-year.

* Not including 24 corrections and one incidental opinion by the Intelligence Committee

[Table 2] The Number of Corrections and Incidental Opinions for Account Settlements in FY2020–2022

	FY2020	FY2021	FY2022
Corrections demanded	1,881	1,416	1,916
Incidental opinions	21	21	26
Audit requests	4	0	1

Note: Corrections demanded by the Intelligence Committee are not included, while the Approval of the Disbursement of the Reserve Fund is included.

Source: The Deliberation Report on the FY2022 Settlement of Accounts and the Deliberation Report on the Approval of the Disbursement of the Reserve Fund in FY2022



- The corrections comprised 1,198 system improvements, 612 warnings, 213 corrective actions, and two disciplinary actions¹⁾ (109 overlapping).
- The account settlements included two disciplinary actions, 213 corrective actions, 594 warnings, and 1,186 system improvements (106 overlapping). Additionally, 18 warnings and 12 system improvements (three overlapping) were needed for the reserve fund disbursement approval.
- The five committees with the most demands were Environment and Labor (201 cases), Trade, Industry, Energy, SMEs, and Startups (188), Agriculture, Food, Rural Affairs, Oceans, and Fisheries (184), Land, Infrastructure, and Transport (148), and National Defense (147).

[Table 3] The Number of Corrections Demanded by Standing Committees

(Unit: cases)

Standing Committees	Types of Correction						Sum
	Compensation	Disciplinary	Corrective	Warning	System improvements	(Overlapping)	
House Steering	-	-	-	14	20	1	33
Legislation and Judiciary	-	-	6	37	102	4	141
National Policy	-	-	38	24	52	14	100
Strategy and Finance	-	-	21	36	75	6	126
Education	-	-	10	29	35	7	67
Science, ICT, Broadcasting, and Communications	-	-	12	29	67	1	107
Foreign Affairs and Unification	-	-	10	47	64	3	118
National Defense	-	-	43	56	57	9	147
Public Administration and Security	-	-	4	49	55	7	101
Culture, Sports, and Tourism	-	-	6	40	54	4	96
Agriculture, Food, Rural Affairs, Oceans, and Fisheries	-	-	3	47	138	4	184
Trade, Industry, Energy, SMEs and Startups	-	1	4	14	174	5	188
Health and Welfare	-	-	1	33	107	6	135
Environment and Labor	-	-	27	79	118	23	201
Land, Infrastructure, and Transport	-	1	25	71	66	15	148
Gender Equality and Family	-	-	3	6	9	-	18
Common	-	-	-	1	5	-	6
Sum	-	2	213	612	1,198	109	1,916

Notes: 1. An "overlapping case" involves two or more types of corrections (e.g. a corrective action and a system improvement).
2. Corrections demanded on the FY2022 account settlement by the Intelligence Committee are not included in this table (24 cases).

Source: The Deliberation Report on the FY2022 Settlement Accounts and the Deliberation Report on the Approval of the Disbursement of the Reserve Fund in FY2022

[Table 4] Key Corrections Demanded by the Standing Committees at the Deliberation

Committees	Corrections demanded	Type
House Steering	The National Human Rights Commission shall revise the relevant regulations to immediately notify the reasons for the late processing of complaints and make active efforts to ensure that the deadline is met to notify the results of the complaint.	Warning
Legislation and Judiciary	The Ministry of Justice and the Prosecutors' Office shall actively implement measures to revitalize the relief fund system, such as strengthening education and publicity so that frontline agency personnel are familiar with the system for crime reporters, including prepayments, and can actively identify and guide applicants.	System improvements
National Policy	The Financial Services Commission and the Korea Inclusive Finance Agency shall check the operational readiness and encourage the launch of the temporary special credit guarantee project for the lowest-credit borrowers to achieve the project's purpose effectively.	System improvements

1) ① The relevant person will be disciplined if their intentional or gross negligence is confirmed regarding the increase in the price of approved software in changing the task agreement for the Ministry of Trade, Industry, and Energy's home smart power platform construction project, and ② the person in charge will be disciplined through an audit for the Ministry of Land, Infrastructure, and Transport's failure to clearly check contractors' monthly progress reports on the feasibility study for the Seoul-Yangpyeong Expressway.

Committees	Corrections demanded	Type
Strategy and Finance	The Ministry of Economy and Finance shall review the system improvement plan in stages to shorten the deadline for submitting the National Statement of Accounts Report to the National Assembly and extend the budget deliberation period.	System improvements
Education	To improve the performance of public education, the Ministry of Education shall shift the focus of public education fiscal expenditures from personnel and school facility expansion costs to improving the performance of primary and secondary public education.	Warning
Science, ICT, Broadcasting, and Communications	The Ministry of Science and ICT shall strengthen post-sanction follow-ups to ensure that researchers under research sanctions do not conduct other R&D projects during the sanction period.	System improvements
Foreign Affairs and Unification	If the budget is to be executed by a diplomatic mission rather than the Korea International Cooperation Agency (KOICA), it shall be included in the Ministry of Foreign Affairs' budget. The process for executing small grants shall be revised to ensure that funds contributed to the KOICA will only be spent by the KOICA.	Corrective actions
National Defense	The Ministry of Defense shall take steps to ensure that there is a reasonable differential in pay between soldiers and lower-ranking officers and avoid sharp increases in labor costs in the defense sector.	Warning
Public Administration and Security	The Ministry of Interior and Safety shall prepare measures to improve the utilization of the Disaster and Safety Communications Network, such as reviewing the distribution range and ensuring the adequate supply of dedicated terminals, preparing measures for rapid introduction, strengthening education and training, and improving convenience.	System improvements
Culture, Sports, and Tourism	The Ministry of Culture, Sports, and Tourism shall closely review the financing methods of local governments to reduce the unused funds for autonomous local cultural regeneration projects in idle spaces such as abandoned industrial facilities and improve the system so local governments can access business consulting support to complete projects successfully.	System improvements
Agriculture, Food, Rural Affairs, Oceans, and Fisheries	The Ministry of Agriculture, Food, and Rural Affairs shall consider methods for adjusting the direct distribution price of imported soybeans and red beans to an appropriate level and increasing the number of public auctions, considering the balance between the Agricultural Marketing and Price Stabilization Funds' financial soundness and the extent of losses, and domestic products' price competitiveness and stability.	System improvements
Trade, Industry, Energy, SMEs, and Startups	The Ministry of Trade, Industry, and Energy and Korea Gas Corporation shall transparently disclose the amount of raw material trade receivables, that can be borne by the public, as well as the incurred interest expenses and calculation methods.	System improvements
Health and Welfare	The Ministry of Health and Welfare shall implement policies to identify the actual number of drug addicts, implement policies to induce treatment, and prepare measures to address the unequal distribution of drug addiction treatment and protection agencies.	System improvements
Environment and Labor	The Ministry of Employment and Labor shall set realistic project goals by surveying the beneficiaries of the National Employment Support System, closely estimate the budget, prepare measures to improve employment performance, set appropriate support targets, and enhance the budget estimation.	Corrective actions
Land, Infrastructure, and Transport	The Ministry of Land, Infrastructure, and Transport shall closely examine the possibility of future excess profits for private rental REITs funded by the public and private sectors to supply publicly supported private rental housing and set appropriate revenue-sharing conditions by considering business profitability.	System improvements
Gender Equality and Family	The Ministry of Gender Equality and Family shall closely analyze the roots of the problems regarding the preparation and operation of the 25th World Scout Jamboree and take measures to prevent a recurrence, including the publication of a white paper.	System improvements
Common requirements	The government shall establish reasonable standards for setting appropriate operating multipliers, considering the guarantee subject and past subrogation rates.	System improvements

Source: The Deliberation Report on the FY2022 Settlement of Accounts and the Deliberation Report on the Approval of the Disbursement of the Reserve Fund in FY2022

Requests for Audit

▪ Request for Audit (1 case)

- Request for an audit on the causes of the Korea Land and Housing Corporation's defective construction
 - Following the collapse of an underground parking lot in Gumdang, Incheon, in April 2023, several cases of missing rebar were found when investigating public housing with flat slab structures. Issues such as poor design and supervision and the employment of many former employees of the Korea Land and Housing Corporation in design and supervision companies were raised as the causes of the defective construction.

Incidental Opinions

▪ A total of 26 incidental opinions

- The National Assembly adopted 26 incidental opinions, including requiring the government to play an active role in alleviating public anxiety over the discharge of contaminated water from Fukushima and strengthening controls over the fraudulent receipts of government subsidies.

[Table 5] Major Incidental Opinions from the Deliberation on the FY2022 Account Settlement

#	Incidental Opinions
1	The government shall play an active role in alleviating public anxiety over the discharge of contaminated water from Fukushima by managing radiation safety in Korean waters and responding to misinformation from problematic articles.
2	The government shall strengthen the management of the fraudulent receipts of government subsidies, including the return of subsidies from related persons and organizations, exclusion from performing subsidized projects, and the imposition of additional monetary sanctions, in addition to criminal penalties, if the allegations of the fraudulent receipts of subsidies are true.
13	The Ministry of Economy and Finance shall take measures to prevent the recurrence of projects that have repeatedly been awarded full grants without verifying the viability of the grant within the year, in violation of the government subsidies management guidelines.
17	The Ministry of Education shall actively make efforts to create school ordinances to be respected by all school members, including students, teachers, and parents.
22	The Ministry of Interior and Safety shall streamline administrative procedures to ensure that timely storm and flood disaster assistance is provided and ensure the criteria for damage assistance reflect the reality.
24	The Ministry of Health and Welfare shall investigate the use of health insurance by foreigners and take measures to prevent the leakage of health insurance funds.

Note: 1. “#” refers to the order in the Deliberation Report on the FY2022 Settlement of Accounts.

2. This table does not include an incidental opinion from the Intelligence Committee.

Source: The Deliberation Report on the FY2022 Settlement of Accounts

Considerations

▪ The results of the account settlement review must be reflected in the deliberation on the budget proposal.

- The correction demands should be reflected in the budget proposal deliberations to strengthen the link between the results of the account settlement deliberation and the budget proposal.
 - During the account settlement deliberation, the standing committees demanded 395 corrections related to budget size adjustments considering issues in the execution process and budget estimation*
 - * At the time of the publication of the FY2024 Budget Analysis Report, the FY2022 account settlement had not been approved by the SCBA, so the analysis was based on the results of the standing committees' deliberation.

[Table 6] The Results of the FY2022 Settlement of Account Deliberation by the Standing Committees and Corrections Demanded to Adjust Budget Size

(Unit: Cases)

Corrections Demanded	No. of cases
Proper budgeting considering enforcement process issues	273
Improving the accuracy of budget estimates	66
Adjusting the budget due to poor business performance	32
Adjusting the budget due to a lack of legal bases, unfit use for the purpose, and other reasons	24
Sum	395

Source: NABO, 2024 Budget Comprehensive Analysis I

- The account settlement deliberations should finish early to link the result of the deliberations with the formulation of the following year's budget.
 - The National Assembly Act stipulates that the deliberations must be completed before the regular session²⁾, but the deliberations have continuously exceeded the deadline since 2017 (FY2016).

2) Article 128-2 (Deadline for Deliberation on Settlement of Accounts) of the National Assembly Act: The National Assembly shall complete its deliberation and resolution on the settlement of accounts before its regular session opens.