Public Money, Public Voice: From Disclosure to Accountability in Pakistan's Budget Process

Rabia Sabri, FCMA
Head of Academics,
Institute of Business
Management (IoBM)

Every June, Pakistan's federal Budget is presented before the National Assembly, comprising of comprising thousands of pages of estimates, grant requests, and annexes. It is deliberated, enacted, and documented within weeks. The documents are public, the process adheres to constitutional principles, and the amounts involved are trillions of rupees. The challenge facing Pakistan's Budget is not one of confidentiality, what often lacks is a public dialogue regarding the implications of those figures: which educational institutions, healthcare facilities, infrastructure projects, and the associated costs for various stakeholders.

Public Money Is Held in Trust

Public funds are generated through national resources, taxation, tariffs, and borrowing, which rely on the anticipated earnings of future taxpayers. The core principle of public finance and democratic accountability is that governments act as trustees rather than owners of that wealth, which belongs to the public. In recent years, a noticeable decline in public trust in state institutions has become increasingly in Pakistan. In fiscal year 2024-25, debt servicing absorbed approximately 70% of tax revenue, 41% of current expenditure, and public debt amounted to 70.8% of GDP (State Bank of Pakistan, 2025). Reform of public financial management, budgeting, and governance is a key element of the country's Fund Facility arrangement with the International Monetary Fund (IMF), which was approved in September 2024 for a 37 month duration (International Monetary Fund, 2024). The general sentiment is similar: Pakistan improved to 28 in score on the Corruption Perceptions Index released in February 2026, though its rank slipped to 136 out of 182 countries (Transparency International, 2026). The benefits of public expenditure are frequently inconsistent, despite the fact that the citizens of Pakistan are burdened by the country's intricate and regressive tax system. Citizens are entitled to a more definitive input in the allocation and utilization of public funds, as tax revenue remains below the 15% of GDP threshold required to enhance fiscal capacity. Pakistan's budget process is challenged by a transparency paradox: budget documents are produced and circulated, yet they do not consistently lead to public understanding or accountability for their repercussions (International Budget Partnership, 2024b).

The subsequent step in Pakistan's budget transparency should not involve increasing disclosure, but rather the encouragement of dialogue. The transparency of the Budget is conditional upon the citizens, civil society, the media, Parliament, the Auditor General, the Public Accounts Committees, and public finance professional's ability to understand, challenge, follow, and observe the execution of the Budget, as well as the repercussions of the Auditor General's findings.

Disclosure Is Not Dialogue

Transparency is a transformation from a "document dump" to actionable accessibility. The IMF's Fiscal Transparency Handbook, which expands on the IMF's Fiscal Transparency Code, considers the quality, timeliness and credibility of fiscal information to be integral parts of fiscal transparency, in addition to the availability of fiscal information (International Monetary Fund, 2018). According to OECD (2015), the guideline on Budgetary Governance, the governments should strive to make budgetary debates inclusive, participatory and pragmatic, making it possible to understand and participate in budgetary choices for parliaments and citizens. Global Initiative for Fiscal Transparency embodies the concept of citizens' entitlement to be involved in the process of designing and implementing fiscal policy (Global Initiative for Fiscal Transparency, 2012). This distinction is important because disclosure (sharing) and conversation (accessibility) results in different questions. The gap is between accountability and the procedural documentation due to jargons used, lack of time to focus on them and not being part of public services.

Table 1. From Disclosure to Dialogue

Element	Disclosure approach	Dialogue approach	Financial governance
Budget documents	Technical documents on official websites	A citizen's Budget in understandable language that translates technical and complex data into an accessible guide for the general public	Information that the public can read is the prerequisite for any informed analysis.
Budget formulation	Priorities aligned with citizens' needs and aspirations.	Structured pre-budget consultations enable citizens, professional bodies, civil society, and sector experts to contribute priorities before budget allocations are finalized.	Early input will increase the legitimacy of the budget decisions.
Budget implementation	Financial information is provided in aggregated form, after a considerable time lag.	During the year, reports and dashboards link spending to specific projects and programs.	Up to date budget implementation information allows problems to be detected when solutions are still possible.
Audit and follow through	Audits are performed and recorded.	Audit findings are reported, along with an update on any follow-through from the report.	Accountability lies not with the audit itself but with the action taken as a result.
Public role	The public as an audience for official announcements	Stakeholders ask questions and receive answers	This process of questioning satisfies the requirement of maintaining pressure on the reporting process.

Source: Author's analysis based on GIFT (2012), IMF (2018), and OECD (2015).

Governments that uses "surface-layer" or "pseudo-transparency" as a cover to produce "open" frameworks that conceal real decision-making processes. It is paradoxical that too many, confusing regulations are imposed on stakeholders, while important state activities take place behind the facade of democracy. The government uses compliance, to release information to placate international lenders or international bodies such as the Open Government Partnership but doesn't make it accessible to the public. Table 1 displays the two approaches involved in budget making process and its impac on governance.

Why Citizen Participation Strengthens Financial Governance

Making budget decisions can't just occur in a vacuum. They should represent the experiences and realities of the public and should be acceptable to taxpayers. Citizen participation in budgeting refers to citizens having formalised and meaningful opportunities for participation in and deliberation on budgeting processes: like consultation before the finalization of the document, monitoring during the process of executing the budget and post audit feedback option.

There needs to be a balance of technocratic expertise and democratic accountability. There are often allocations without user-centered outcomes, fail to translate into tangible benefits for the actual public service users. More citizens' involvement can help establish trust and direct accountability in that citizens are more likely to be heard and to accept difficult fiscal choices. World Bank service delivery research shows that accountability is undermined through stakeholder's lack of information, and through their interactions with politicians and service providers. Making the process open can lead to recognition of overly optimistic financial targets, expectations, and resource distribution within the budget process that no longer meet citizens' needs.

The engagement of the public in the accountability of budgets is one of the least developed aspects worldwide. The open budget survey of 2023 assessed 125 countries with an average score of 15 out of 100 in public participation criteria. Nevertheless, in countries that prioritize participation, budget information is not only disclosed, but also subject to public scrutiny and accountability.

Public Voice and Formal Accountability

There are two general ways of citizen participation: public scrutiny and institutional review. The first is direct participation with active involvement in decision making, the second indirect through intermediaries and elected officials. Civil society experts review budgets, the media disseminates the results to the public and citizens raise questions about services provided. It is then transferred to Parliament, Auditor General and the Public Accounts Committee to question, examine and follow-up public spending. Institutional channels need to be used to respond to public pressure and formal review will not happen without public attention. The network directly translates civic engagement into relevant institutional accountability by uncovering data, disseminating findings, and imposing legal or administrative checks. The connection between the budget cycle, institutional review, and citizen feedback is illustrated in Figures 1 and 2.

Figure 1. Budget Accountability Chain

Government Budget Cycle

Budget preparation
↓
Budget approval by Parliament
↓
Budget execution
↓
Public reporting
↓
Audit review by the Auditor General
↓
Parliamentary and PAC follow-up
↓
Citizen feedback into t next budget

Source: Author's synthesis based on cited fiscal transparency, budget participation, and public financial governance frameworks.

Where Pakistan Stands

Pakistan has an operational budget process, an independent audit institution, Public Accounts Committees, and an increasing amount of published fiscal information.

Figure 2. Citizen-Centred Budget Oversight: Informal and Formal Strands

Public scrutiny	Institutional review
Citizens Question local services and spending	**Parliament** Approves the budget and demands justification
Civil society organisations Analyse budgets and track execution	**Auditor General of Pakistan** Examines legality and performance of spending
Media Translate budget information and investigate irregularities	**Public Accounts Committee** Reviews audit findings and directs correction

↓ ↓

Accountability for public spending

Management accountants and public finance professionals

Reliable, accessible financial information on which both constituents depend

Source: Author's synthesis based on cited public financial governance, budget transparency, and public participation frameworks.

Federal and provincial governments provide detailed budget documents annually, while the Ministry of Finance has instituted some forms of participation, such as pre-budget deliberations and an online consultation (International Budget Partnership, 2024b). However, it's not just a question of whether the information exists. A powerful framework for healthy public discourse and public debate is that information should be timely, understandable and serve democratic utility. This discrepancy is readily evident in the 2023 Open Budget Survey. Pakistan's budget transparency score was 30 out of 100, which is significantly lower than the global average of 45 and significantly lower than the 61 required for an informed public discussion. It received a score of 15 out of 100 for its public participation. The same evaluation revealed that the audit review received a score of 61, while the legislative review received a score of 28 (International Budget Partnership, 2024a, 2024b). To establish an open, transparent, and accountable framework, the authorities need to shift from the usual reactive disclosures to proactive publication of policies and procedures. The open budget survey score was improved in the earlier assessment, followed by a fall. The reason was due to delays in publication of key documents, during the review period, like the citizens budget and some In-year reports. It directly lowers the transparency score. Some of the published documents were less comprehensive than in the earlier round, and not complied with the OBS methodology (such as detailed performance or financial data).

The public value of an effective audit function is undermined when legislative review, follow-up and public communication are inadequate. The audit results focus on surface level symptoms and it fails to address the underlying systemic failures. Jabbar and Butt (2026) highlight that budget documents are often complex and challenging to understand, inconsistent presentation and ineffective in conveying information about priorities, revenue and expenditure disclosures. They emphasize the importance of citizens' participation in the budget design, approval and execution, and not limited to the post-decisional phase.

Professional Contribution to Budget Accountability

Participatory budgeting needs neutral, transparent, accessible financial information that is relevant to service delivery. The public officials, legislators, media and independent regulatory bodies needs follow up framework and cost performance to evaluate the value creation in term of societal, economic, and non-economic benefits. The PEFA framework also emphasizes the provision of adequate and reliable fiscal information as an important aspect of good public financial management (PEFA Secretariat, 2016).

Management accountants can help connect public expenditure to outcomes for citizens. They can also be strategic partners in transforming financial management from a compliance exercise to a tool for public trust, transparency and legitimacy. Service costing shifts the focus from departmental budgets to the actual cost of the service provided to citizens. Performance reporting ties financial inputs to non-financial performance measures. Citizen-friendly summaries help to make complex budget numbers more understandable and accessible. Audit readiness and control enhancements are proactive rather than reactive in ensuring that institutional financial records and systems are prepared for review. Improved follow-up establishes a process to verify which issues have been resolved, which remain unresolved, and how future financial management complications can be prevented. This trend indicates a significant change toward formalizing public-private, civic, or corporate strategic connection. In the context of the federal budget (2026–27), the Institute of Cost and Management Accountants of Pakistan(ICMA) presented a comprehensive set of revenue and reform recommendations to the Tax Policy Office of the Ministry of Finance, regarding revenue mobilisation, formalisation of the digital economy to climate and green taxation. These submissions demonstrate how professional bodies can provide analytical depth to budget discussions and expand the range of voices informing fiscal decision-making. Their importance is in the existence of the recognised channel for the input of the professional and the citizens in the budget process, even if ultimately the allocations are still dictated by the priorities of the executive.

A Practical Way Forward

To implement the budget process from rhetoric to practice, it is important to adopt strict standards, aggressive structural reforms to extract the documented data.

It requires action that can be incorporated into the budget calendar, delegated to the institutions responsible, and monitored over time.

There should be a citizens' Budget in Urdu and English published on time every year in Pakistan as a credible budget. It should tell the reader where public funds come from, where they are spent, and what compromises have been made. The lack of a citizens' Budget based on international standards has also led to a decline in transparency measurement in Pakistan recently (International Budget Partnership, 2024a).

There also needs to be a structured, documented, and answered pre-budget consultation and post-budget consultation. Public bodies, professional institutions, civil society, and sector experts should be allowed to express their views before final allocations are made. A brief response note should be submitted, including a list of the accepted proposals, the rejected proposals, and the rationale for each decision. This would improve the quality and value of consultation, consistent with international principles of participation (Global Initiative for Fiscal Transparency, 2012; OECD, 2015).

Budget documents should articulate the services and results expected from the major allocations. Citizens should be able to comprehend the technical jargon and how the State is spending on Public Services & Administration, Social Sector & Human Development.

Design public expenditure dashboards by using existing public finance management systems. Periodic data on the performance of sectors, regions and projects can be used by journalists, researchers, legislators and citizens to track spending levels. Audits follow-up should be made public. In addition to the detailed audit report, the Auditor General and the Public Accounts Committees may also produce a summary of the key findings, the amounts involved, the actions taken and the outstanding issues. This will make it easier for citizens to have access to audit work, not just files and committee rooms.

Media, civil society, local representatives, and public finance professionals need to be strengthened in their capacities. Budget information will only be beneficial if a sufficient percentage of individuals are able to comprehend, inquire, and explain it. The scope of informed scrutiny can be expanded through training in budget documents, audit reports, and public expenditure data. Training will result in transparent numbers, actionable insights for public accountability by demystifying the allocation, execution, and review of public funds.

Citizen involvement needs to be brought closer to the point of citizens' experience of the state. Equating the district and municipal budget discussion with schools, health facilities, roads, water, and sanitation can make the Budget less abstract and more accountable. However, it is not to create budget experts among the general population, but to make public money accessible enough that people can pose reasonable questions.

The reforms need regularity, discipline, and a commitment to see public knowledge as a component of financial governance. However, if Pakistan can transition from merely announcing to explaining, discussing, and acting upon the issues raised in the Budget, the Budget can transcend from a mere announcement to a more meaningful document. It can be an ongoing dialogue between the government and those who fund the government.

Public trust begins when public money can be traced, questioned, and explained.

> "Disclosure is only the starting point; accountability is the destination."

References:

- Global Initiative for Fiscal Transparency. (2012). High-level principles on fiscal transparency, participation and accountability. https://fiscaltransparency.net/about/gift-principles/
- Institute of Cost and Management Accountants of Pakistan. (2026). ICMA revenue and reform proposals for the federal budget 2026–27. https://www.icmainternational.com/downloads/RP_Portal_Files/PreBudgetProposalsBooklets/ICMARevenueandReformProposalsforFederalBudget202627.pdf
- International Budget Partnership. (2024a). Open Budget Survey 2023. https://internationalbudget.org/open-budget-survey-2023/
- International Budget Partnership. (2024b). Open Budget Survey 2023: Pakistan. https://internationalbudget.org/open-budget-survey/country-results/2023/pakistan
- International Monetary Fund. (2018). Fiscal transparency handbook. https://www.imf.org/en/Publications/Manuals-Guides/Issues/2018/04/16/fiscal-transparency-handbook-2018
- International Monetary Fund. (2024). Pakistan: 2024 Article IV consultation and request for an extended arrangement under the Extended Fund Facility (IMF Country Report No. 24/310). https://www.imf.org/en/Publications/CR/Issues/2024/10/10/Pakistan-2024-Article-IV-Consultation-and-Request-for-an-Extended-Arrangement-under-the-556152
- Jabbar, M. T., & Butt, Z. (2026). The role of transparency and accountability in the public budget. International Journal of Science and Research Archive, 18(3), 222–230. https://doi.org/10.30574/ijsra.2026.18.3.0431
- Organisation for Economic Co-operation and Development. (2015). Recommendation of the Council on Budgetary Governance (OECD/LEGAL/0410). OECD Legal Instruments. https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0410
- PEFA Secretariat. (2016). Framework for assessing public financial management. https://www.pefa.org/resources/pefa-2016-framework
- State Bank of Pakistan. (2025). The state of Pakistan's economy: Annual report 2024–25. Chapter 4: Fiscal policy and public debt. https://www.sbp.org.pk/reports/annual/aarFY25/Chapter-04.pdf
- Transparency International. (2026). Corruption Perceptions Index 2025. https://www.transparency.org/en/cpi/2025
- World Bank. (2003). World development report 2004: Making services work for poor people. World Bank and Oxford University Press. https://openknowledge.worldbank.org/entities/publication/c7755269-fa9d-5a07-9471-4ea35492b1d9

About the Author:* *Ms. Rabia Sabri *is a Fellow Chartered Management Accountant (FCMA) and is serving as Head of Academics at the Institute of Business Management (IoBM), Karachi. With an MS in Finance and a PhD in progress, she leads academic planning, quality assurance, and accreditation initiatives. Her research focuses on accounting, capital markets, and econometric forecasting, with a strong commitment to transparent, student-centered academic governance.*