

Parliamentarian Forum
Oversight and Security Budget

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Why Overseeing Security Budgets?

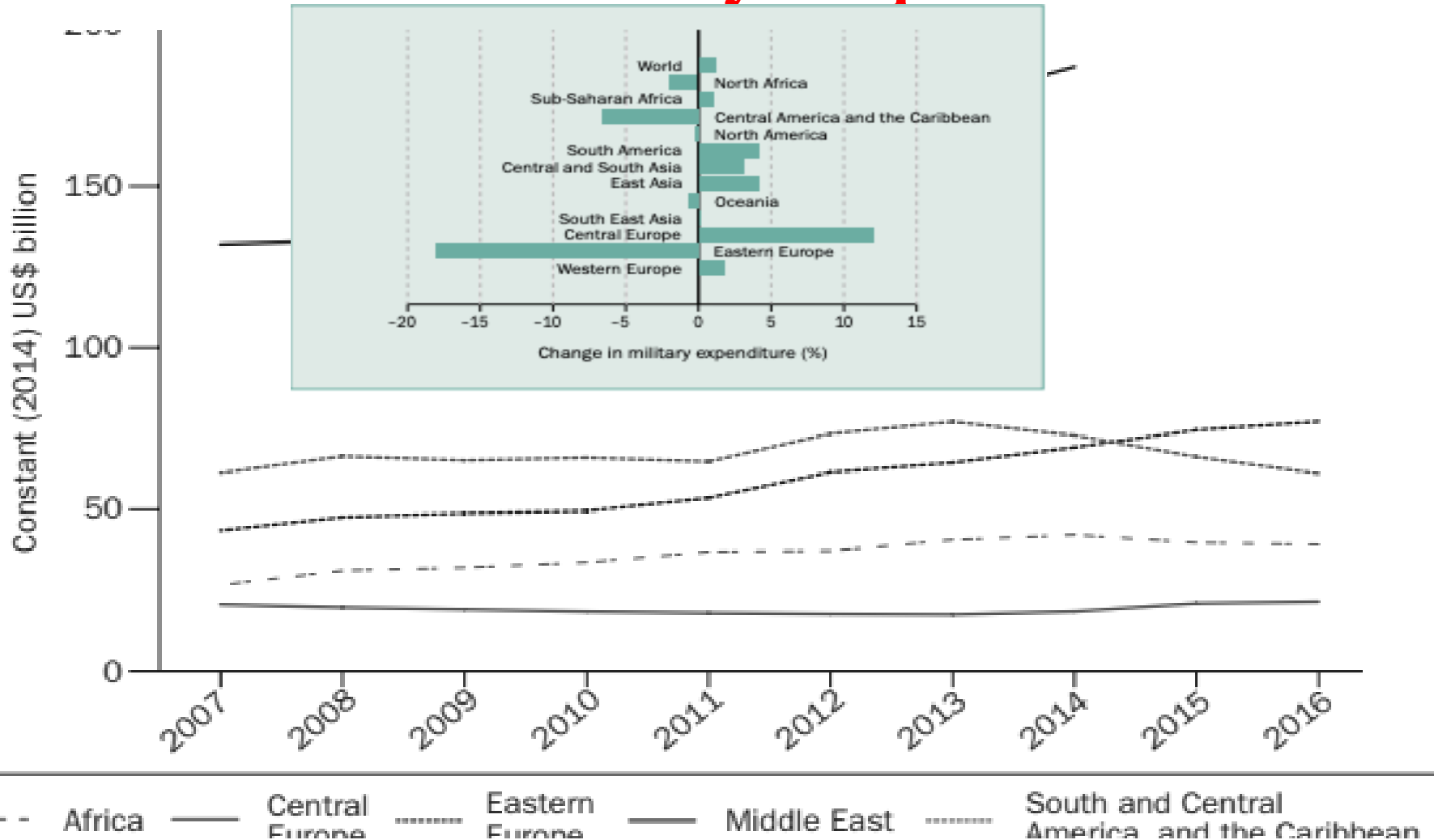
Illicit Financial Flow



Source: Independent, May 2017 and Honest Accounts Report, 2017

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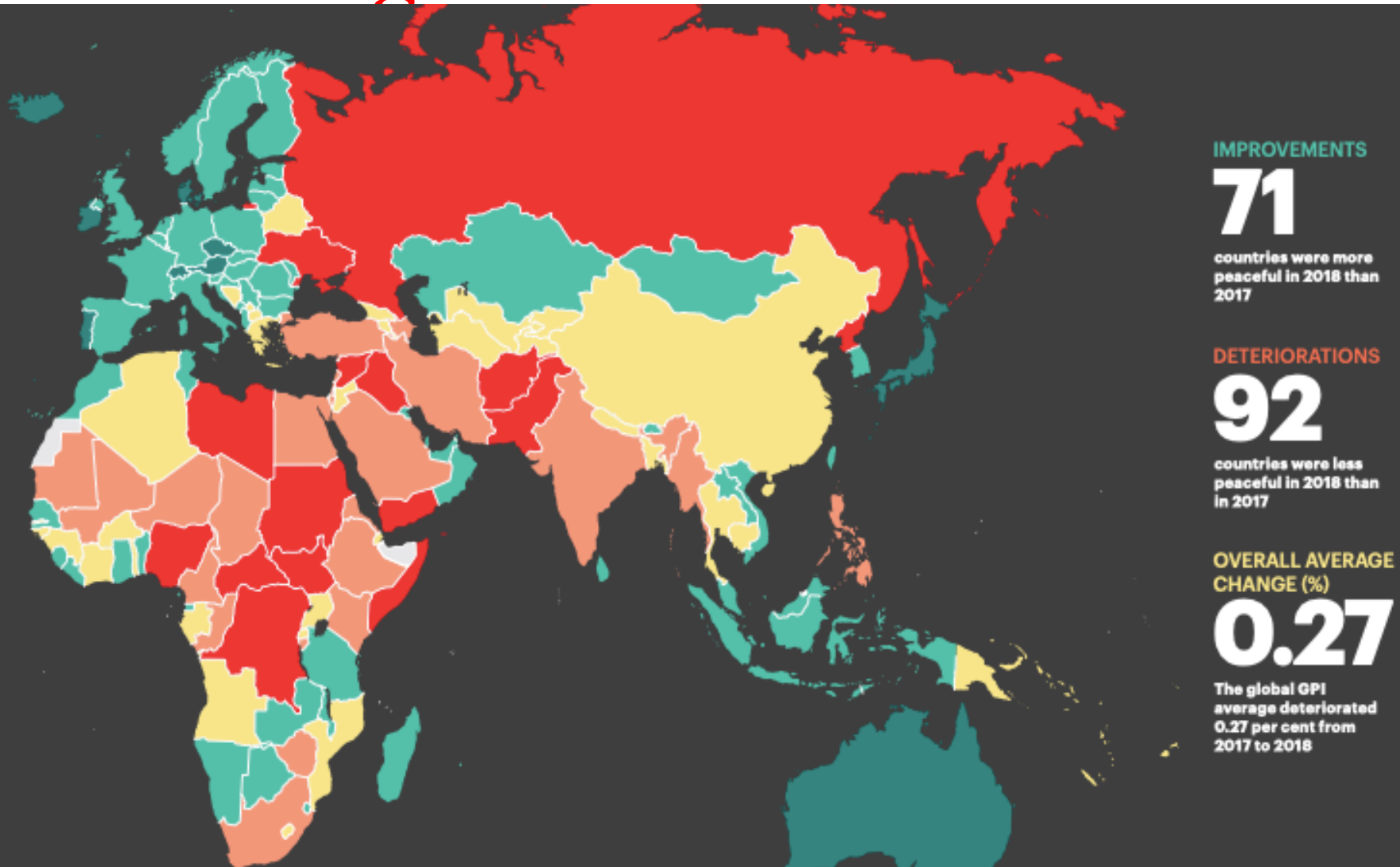
Trend in Military Expenditure



Source: SIPRI, 2015

Why Overseeing Security Budgets?

Change in Global Peace Index



Source: Institute for Economics and Peace, 2018

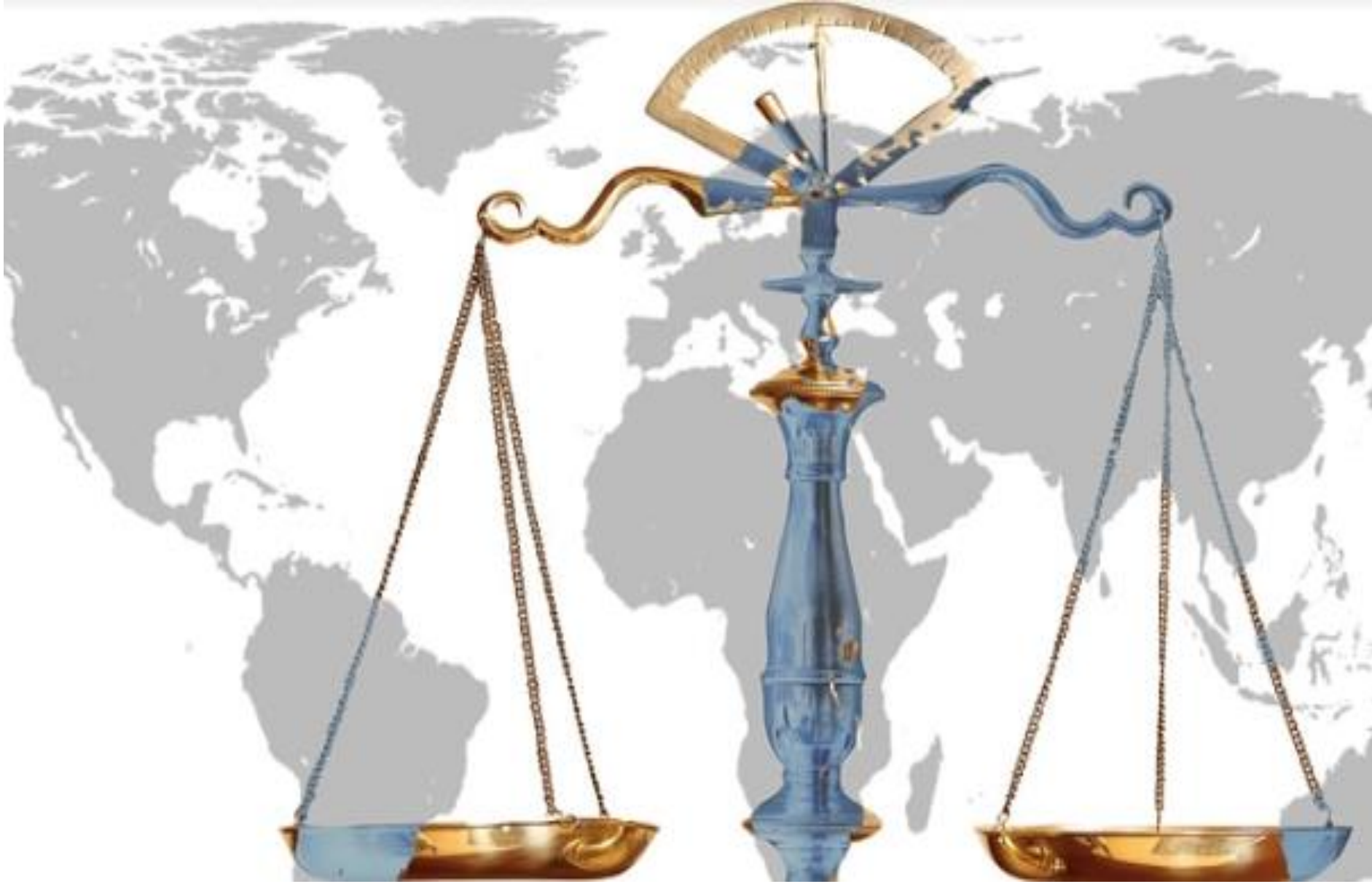
Corruption in Security Budget: Whose responsibility?

National-Level Characteristics

POLITICAL FACTORS		
Voter turnout (%)	-0.04	0.11
Electoral system proportionality	1.07	1.98
Presidential system (0/1)	-7.31*	3.69
Political Freedoms (0/1)	19.17***	4.95
Bicameral chambers (0/1)	3.93	3.50
MILITARY FACTORS		
Size of military (scale 0-2)	-2.13	2.84
High military per capita (0/1)	-9.16**	4.00
Military expenditure (0-2)	6.06*	3.18
OTHER FACTORS		
Compulsory voting (control variable) (0/1)	-0.14	4.54
Development (scale, 0-1)	46.65***	14.37
Intercept	7.70	
R-Square	0.72	
Number of countries	76	

Source: Transparency International, Watchdogs?, 2013

Security Budget: Whose Responsibility?



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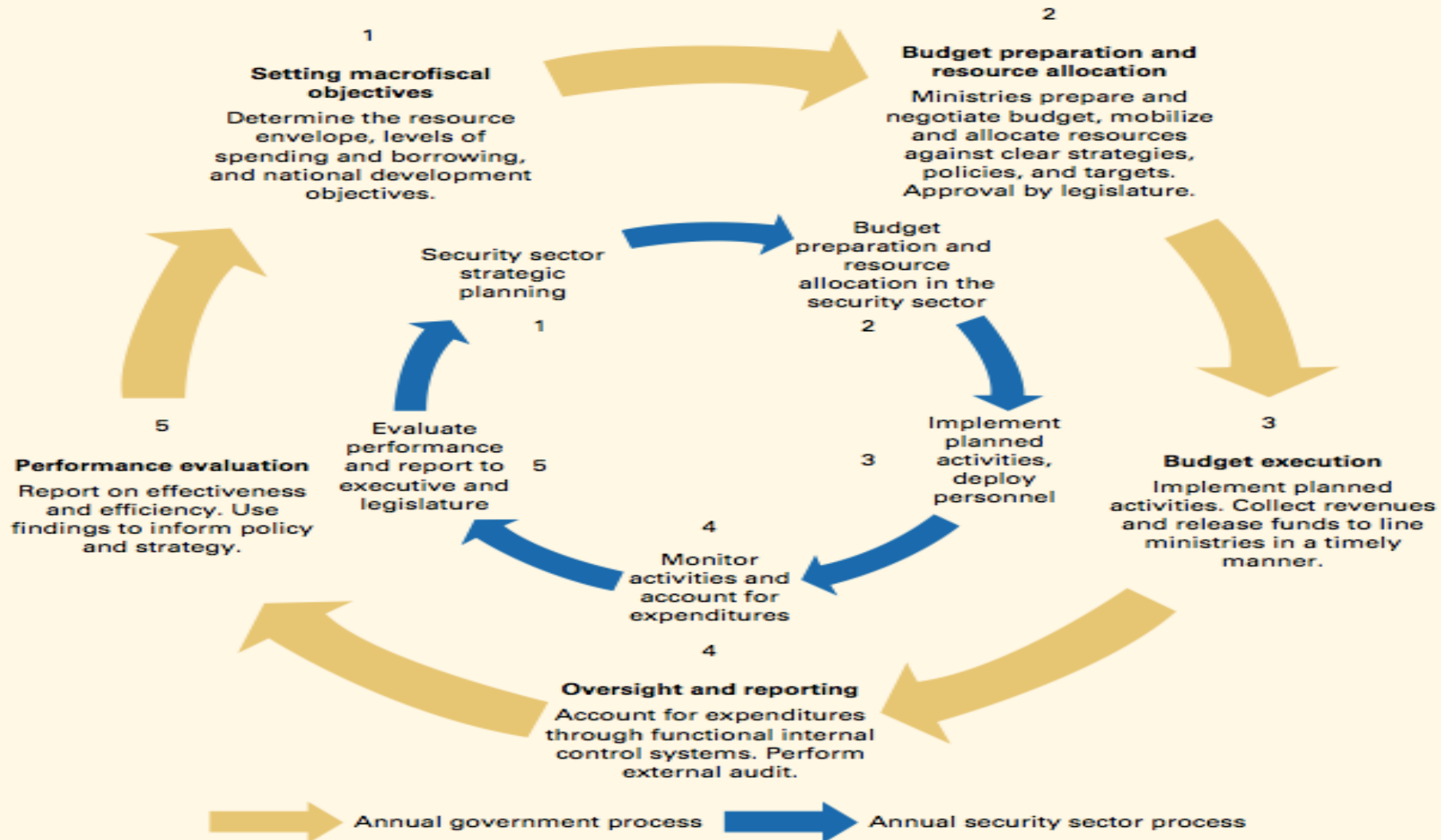


What oversight tools for the Parliament?



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Budget Cycle Phases



Source: Adapted from Ball and Holmes 2002.

What oversight tools for the Parliament?

Budget Cycle Phases

Budget Cycle Phase	International Practice	Defense Treated Differently?
Budget Planning and Formulation	Sector strategies are developed based on expenditure estimates, sectoral competition and budget office scrutiny, with the option for contingency funds.	Secrecy can lead to different assessment and formulation practices, and practice can diverge significantly from annual strategy.
Legislative Scrutiny	All items are subjected to equal and detailed scrutiny that allow the legislature to check the executive.	Secrecy constrains scrutiny, especially in insecure or repressive countries.
Budget Execution	Funds are released according to appropriations with clear rules for shortfalls.	Budget execution sometimes obeys specific procedure, as for global grants, escrow accounts, incomplete reporting.
Monitoring and Reporting	Expenditures are reported to accounting office, legislature including annual financial and operational reports.	Expenditure reporting and financial reports are not different for Defense, but operational reports are affected by the need for secrecy.
External Audit	All expenditures are subject to external audit, executed or directed by the legislature.	Audits may be closed or weakened as a result of the need for secrecy, but in some cases are replaced by strong internal audits.

Key Takeaways

- **Protecting and Preserving Parliamentary Powers**
 - ✓ *Legislation*
 - ✓ *Investigation*
- **Overcoming Oversight Challenges of Security Budget**
 - ✓ *Authority*
 - ✓ *Ability*
 - ✓ *Attitude*
 - ✓ *Secrecy vs. Transparency*