Overview

• Constitutional and informal opportunities for parliamentary oversight of budget and expenditure

• Oversight should cover budget formulation, in-year execution, and expenditure outcomes

• Trade-off between time allocated for budget formation by Executive and approval by Parliament

• Parliaments need to decide between oversight of itemised budgets vs programmes, and inputs vs outputs and outcomes

• Parliamentary Budget Offices can perform an important function but needs to be adequately capacitated
Entry points for parliamentary oversight

- Examine SAI audit reports
- Examine annual (performance) reports
- Recommend any remedial actions – unauthorized expenditure

Statutory
Informal

- Budget hearings
- Appropriations, incl. supplementary
- Amendments

- Review monthly and/or quarterly spending reports
- Hearings on governance failures

- Information sharing
- Political engagement

Strategic planning & budget formulation

Audit and evaluation

Budget approval

Accounting

Budget execution & monitoring
<table>
<thead>
<tr>
<th><strong>Budget information that Parliament should receive</strong></th>
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<tbody>
<tr>
<td><strong>Main macroeconomic assumptions</strong></td>
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<tr>
<td><strong>Fiscal policy objectives for the medium-term</strong></td>
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<tr>
<td><strong>Medium-term budget framework, covering at least total revenues, total expenditures and financing for central government</strong></td>
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<td><strong>Medium term budget framework, covering at least total revenues, total expenditures and financing for general government</strong></td>
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<tr>
<td><strong>Non-financial performance targets for programmes and/or agencies</strong></td>
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<td><strong>Estimates of the cost of new policies proposed in the budget</strong></td>
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<td><strong>Fiscal sensitivity analysis of the macroeconomic assumptions</strong></td>
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<td><strong>Comprehensive table of tax expenditures</strong></td>
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Budget reforms (tools) that support oversight

Medium Term Expenditure Frameworks

- Three-year rolling spending plans
- Matches aggregate fiscal framework with spending plans
- Budget cycle limits adequate examination of 1st year
- MTEF allows Parliament to influence outer 2 years
- Allows for a matching of plans, budgets and reports

Program and Performance Budgets

- Allows for a closer look at outputs and outcomes
- Arranges spending according to policy priorities
- Sets out objectives, indicators and targets
- Locates accountability with the programme manager
- Let’s the manager manage, but hold her/him accountable.
Thank you