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DRAFT RECOMMENDATION OF THE COUNCIL ON BUDGETARY GOVERNANCE

(Note by the Secretary-General)

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1. This document presents, for the adoption of Council, the draft Recommendation on Budgetary Governance (the draft Recommendation) to facilitate governments in developing budgetary frameworks which can respond effectively to the needs and priorities of citizens and other stakeholders, and thereby support trust in government. The draft Recommendation, which is set out in the Annex, has been developed on the basis of work carried out by the Working Party of Senior Budget Officials (SBO) in developing principles of budgetary governance. It was discussed by the Public Governance Committee (PGC) at its 13-14 November 2014 meeting, [[GOV/PGC\(2014\)17](#)] and the PGC agreed to transmit it to Council for adoption, subject to receipt of any additional comments from delegates in writing by 5 December 2014. In the event no written comments were submitted, and the document was edited only to emphasise some aspects discussed at the PGC meeting.

A. *The Broadening Understanding of Budgetary Governance*

2. Traditionally, public budgeting was concerned primarily with the allocation, authorisation and management of public financial resources. Within this traditional framework, the institutional actors were limited (with responsibility focused primarily upon the central budget authority); the procedures and practices were conducted according to a fixed annual cycle; the technical nature of the budget documents and procedures rendered them relatively inaccessible to non-specialists; and linkages with broader themes of public governance were not to the forefront.

3. Over the past decade and more, however, it has come to be appreciated that public financial management (PFM) as a discipline must support a broader range of government-wide objectives, including open government, integrity, participation, accountability and a strategic approach to planning and achieving national objectives. To this end, the budgetary framework must engage in a more systematic way the broad range of stakeholders, including parliaments, citizens, line ministries, centres of government and other public institutions.

4. Moreover, the tools and procedures that are employed to deal with budget-related matters have been elaborated considerably over recent years (as detailed in particular under paragraph 14 below). One of the central lessons from the corpus of work that has been conducted under the aegis of the OECD, as represented in particular in the OECD Journal on Budgeting¹, as well as from the work of other organisations such as the International Monetary Fund (IMF)² and the World Bank³, has been the realisation that the various modern tools of budgeting work are mutually supportive and that they work most effectively when they are employed in a concerted, coherent fashion.

5. In order for this broader understanding of the role and nature of budgetary governance to be accommodated, the traditional understanding of budget procedures and institutional relations must be updated and modernised. The objective of this draft Recommendation is, accordingly, to draw together the lessons of more than a decade of work by the SBO and its associated Networks⁴, along with contributions

¹ See e.g. Schick, A. (2012), "Lessons from the crisis", *OECD Journal on Budgeting*, Vol. 3 (9-37), <http://dx.doi.org/10.1787/budget-12-5k47tb29wn6h>.

² See e.g. Cangiano, M., T. Curristine and M. Lazare (2013), *Public Financial Management and its Emerging Architecture*, International Monetary Fund, ISBN: 9781475531091.

³ See e.g. World Bank (2013), *Beyond the Annual Budget: Global Experience with Medium-Term Expenditure Frameworks*, ISBN: 978-0-8213-9625-4.

⁴ The SBO Network on Performance & Results; the SBO Network on Financial Management (the "Public Sector Accruals Network"); the Network of Senior PPP Officials (the "PPP Network"); the Network of Parliamentary Budget Offices and Independent Fiscal Institutions (the "PBO

and insights from the PGC, as well as from other areas of the OECD, at Directorate level, and from the international budgeting community at large. The draft Recommendation is framed to provide a concise overview of good practices across the full spectrum of budget activity, taking account in particular of the lessons of the recent economic crisis, and aims to give Members and adhering non-Members (Adherents) guidance for designing, implementing and improving budget systems to meet the challenges of the future. The overall intention is to provide a useful reference tool for policy-makers and practitioners involved in the budget process, and help ensure that public resources are planned, managed and used effectively to make a positive impact on citizens' lives.

B. Analytical background to the development of the draft Recommendation

(i) Best Practices on Budget Transparency

6. The draft Recommendation builds upon over a decade of OECD work, led by the SBO, on how to adapt traditional budgeting practices to meet modern requirements. The *Best Practices on Budget Transparency* (the “Best Practices”) [[PUMA/SBO\(2000\)6/FINAL](#)], which were published in 2002, take as their starting point the relationship between open budgetary governance and better economic and social outcomes:

“Transparency – openness about policy intentions, formulation and implementation – is a key element of good governance. The budget is the single most important policy document of governments, where policy objectives are reconciled and implemented in concrete terms.”⁵

7. Since the Best Practices were developed, there have been very significant developments in the economic and budgetary landscape, and a deepening understanding of how the various aspects of budgeting and fiscal policy should be elaborated and inter-connected.

(ii) Restoring Public Finances

8. With the onset of the global financial crisis in 2008 and its economic and fiscal implications for many OECD Members, the focus of budgetary policy shifted markedly to correction and consolidation of the public finances. This trend was tracked and reported in the OECD publication *Restoring Public Finances* of 2011 and its 2012 Update.⁶

9. Within this overall context of fiscal consolidation and difficult budgetary trade-offs, there has been an intensified focus on the budgetary tools, mechanisms and processes that can be brought to bear to support governments and public administrations in this complex endeavour. A feature of the fiscal consolidation agenda in many OECD Members has been the re-design and reform of traditional budgetary frameworks, as part of a more comprehensive reform of the public sector and of public governance more broadly, and indeed as part of an economic restructuring agenda aimed at making their respective economies more competitive and responsive.

Network); the Joint Network on Health Budgeting (jointly with the Health Committee); and the OECD Network on Fiscal Relations Across Levels of Government.

⁵ OECD (2002), “OECD Best Practices for Budget Transparency”, OECD Journal on Budgeting, Vol. 1/3.

⁶ OECD (2012), *Restoring Public Finances: 2012 Update*, OECD Publishing, <http://dx.doi.org/10.1787/9789264179455-en>.

(iii) OECD Budget Practices and Procedures

10. Another key area of research within the OECD has been the surveys of budget practices and procedures across many countries. The core data for this analysis comes from OECD Members but, in recent years, this work has been extended to include some regions (Central, Eastern and South-eastern Europe and Latin America-Caribbean). An extension of this survey to the Asia region is currently in progress.

11. The most recent 2012-2013 OECD Survey of Budget Practices and Procedures⁷ documents the extent to which modern tools and techniques of fiscal policy management are now a feature of budgetary governance across OECD Members. It is important to note that the details of budgeting practice can vary widely across countries in light of traditional, institutional and cultural factors – there is no single, idealised model to which all countries should be required to conform. However, when comparing the results of the 2012-2013 Budget Survey with that from 2007 and from earlier years, a number of important international trends and issues in budgetary governance can be discerned, which the draft Recommendation aims to address:

- a) an increased focus on fiscal risks and long-term fiscal sustainability;
- b) the importance of high-quality, objective and prudent macroeconomic forecasts;
- c) the need for budgetary policies to be grounded in clear fiscal objectives or fiscal rules;
- d) setting of expenditure allocations in line with the resources available, and consistent with the overall fiscal objectives (so-called “top-down budgeting”);
- e) the development of a clear medium-term context to budgeting, especially through medium-term fiscal and expenditure frameworks;
- f) a focus on the performance aspects, as well as the financial aspects, of budgeting;
- g) capital investment frameworks and public-private partnership (PPP) practices that support the distinct developmental role of this area of public expenditure;
- h) the public interest in budget practices that are both transparent and accessible;
- i) clarifying and supporting the effective role of the legislature;
- j) recognising the role of independent institutions of advice and accountability.

12. These analytical findings in the area of public financial management (PFM) are accordingly reflected in this draft Recommendation, having been considered by the SBO. However, an important additional feature of the modern understanding of budgetary governance concerns its broader role as a component of the framework of public governance more generally. These considerations are outlined in the following section.

⁷ OECD (2014), *Budgeting Practices and Procedures in OECD Countries*, OECD Publishing, <http://dx.doi.org/10.1787/9789264059696-en>

C. General Considerations on Public Governance

13. Budgeting is a process of government that is intimately connected with other aspects of public governance, a point that has been emphasised in consultations within the OECD and more broadly (see below). Transparency about the source and use of public funds, which should be facilitated through the budget framework, is essential for maintaining *integrity and accountability*, including in the area of public procurement. Quality information about budgetary performance and impacts is an essential component of an overall framework for setting and monitoring *government-wide strategic and developmental objectives*.

14. Moreover, enhanced opportunities for *public participation in policy-making* and for greater citizen engagement have featured strongly in the ongoing debate about open government and fostering trust in government. The OECD has a long record of promoting constructive engagement by the stakeholders of society in the processes of policy-making by government, in the interests of fostering enhanced quality, relevance and impact of public policies and of promoting a more mature and responsive public discourse.⁸

15. Naturally, budgeting is not simply the preserve of central governments: it is a process that *encompasses all levels of government, national and sub-national*, where different mandates and levels of autonomy apply in different countries. This draft Recommendation is therefore relevant, and should be applied as appropriate, to all levels of government.

16. Taking account of the considerations relating to PFM and those relating to the broader aspects of public governance, the SBO has accordingly drawn together a set of principles of budgetary governance, which are embodied in this draft Recommendation.

17. More generally, the draft OECD Recommendation (including in its earlier form of “draft principles of budgetary governance”) has been subject to open consultation with the international PFM community, as well as with the various regional and thematic networks associated with the SBO Working Party, and with ECO and CTP (including via the OECD Fiscal Network). The views of the IMF and the World Bank were also sought to ensure a high level of consistency with the work of these bodies, each of which has over recent years been updating its own PFM standards.

Proposed Action

18. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document [C\(2015\)1](#);
- b) adopted the draft Recommendation of the Council on Budgetary Governance set out in the Annex to document [C\(2015\)1](#) and agreed to its declassification;

⁸ See e.g. *Citizens as Partners: Information, Consultation and Public Participation in Policy-making* (OECD Publishing, 2001); *Open Government: Fostering Dialogue with Civil Society* (OECD Publishing, 2003); *Focus on Citizens: Public Engagement for Better Policy and Services* (OECD Publishing, 2009).

- c) recalled that the participation of non-Members in OECD bodies is governed by the Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/FINAL](#)].

ANNEX

**DRAFT RECOMMENDATION OF THE COUNCIL ON
BUDGETARY GOVERNANCE**

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the; Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships [[C\(2012\)86](#)]; the Recommendation of the Council on Regulatory Policy and Governance [[C\(2012\)37](#)]; the Recommendation of the Council on Effective Public Investment across Levels of Government [[C\(2014\)32](#)]; the Recommendation of the Council on the Governance of Critical Risks [[C/MIN\(2014\)8/FINAL](#)]; the Recommendation of the Council on Principles for Independent Fiscal Institutions [[C\(2014\)17](#)]; the Recommendation of the Council on Digital Government Strategies [[C\(2014\)88](#)] and the Recommendation of the Council on Public Procurement [[C\(2015\)2](#)];

HAVING REGARD to the Agenda on “Trust in Government: Evidence, Policies and Decision-making” welcomed by the 2013 Ministerial Council Meeting [[C/MIN\(2013\)4/FINAL, Annex III](#)];

RECALLING in particular the commitment of the Ministerial Council on 30 May 2013 to rebuilding trust in government, promoting open government, and ensuring transparency in policy making [[C/MIN\(2013\)16/FINAL](#)], and the Statement by the Ministerial Council on 7 May 2014 affirming that sound and appropriate macro-economic management including responsible fiscal policies and further structural reforms are all essential for achieving robust, resilient and inclusive growth, taking into account rising inequality [[C/MIN\(2014\)15/FINAL](#)];

NOTING that the budget is a central policy document of government, showing how it will prioritise and resource the achievement of its annual and multi-annual objectives; and that, as a primary instrument for implementing fiscal policy, the budget thereby has a significant influence upon the management of the economy as a whole;

RECOGNISING that budget transparency is a key element in underpinning the overall agenda of transparency, accountability and trust in government, and that the OECD has played a leading role in the international community in promoting budget transparency including through the Best Practices for Budget Transparency [[PUMA/SBO\(2000\)6/FINAL](#)], which this Recommendation embodies and updates;

RECOGNISING that the national parliament has a fundamental role in authorising budget decisions and in holding government to account, and that as well as having access to budget documents and data, parliament and citizens should be able to engage with and influence the discussion about budgetary policy options, according to their democratic mandate, competencies and perspectives;

RECOGNISING that budgetary governance is an important pillar of the overall framework of public governance, and that updated guidance on budgetary governance should accordingly promote coherence with other key elements of the public governance framework;

TAKING ACCOUNT of the extensive body of analysis that has been conducted under the aegis of the OECD and other national bodies and international organisations on matters relating to budgetary governance, and in particular upon the analytical insights and researches arising from global economic and financial crisis that has prevailed over the past number of years across many Members;

RECOGNISING that national practices on budgeting vary widely across Members in light of distinct legal, constitutional, institutional and cultural practices, and that it is appropriate for countries to determine and manage their national frameworks in light of these country-specific circumstances, while taking due cognisance of the higher-level principles and guidelines regarding budgetary governance set forth in the present Recommendation;

CONSIDERING that budgeting is not simply the preserve of central governments, but that it is a process that encompasses all levels of government, where different mandates and levels of autonomy apply in different countries; that budget systems and procedures should be coordinated, coherent and consistent across levels of government in the interests of facilitating a comprehensive national overview of the public finances and promoting an informed discussion of the implications for budgetary management, in line with national legal and institutional frameworks, and that this Recommendation is accordingly relevant to all levels of government;

HAVING REGARD to the background document on the principles embodied in the present Recommendation approved by the Public Governance Committee at its 13-14 November 2014 meeting [[GOV/PGC\(2014\)17](#)];

On the proposal of the Public Governance Committee:

I. AGREES that, for the purpose of the present Recommendation, the following definitions are used:

- **“budgetary governance”** refers to the processes, laws, structures and institutions in place for ensuring that the budgeting system meets its objectives in an effective, sustainable and enduring manner;
- **“central budget authority”** refers to the ministry, institution or department of the executive (or combination of such bodies) that is or are responsible for the preparation of the annual public budget and its associated multi-annual processes.
- **“sound fiscal policy”** is one which avoids the build-up of large, unsustainable debts, and which uses favourable economic times to build up resilience and buffers against more difficult times, so that the needs of citizens and stakeholders can be addressed in an effective and enduring manner.
- **“top-down budgeting”** refers to the practice whereby the fiscal targets are determined from the outset of the budgetary process, with annual and multi-annual budgetary policies and priorities subsequently determined in conformity with these overall levels.

II. RECOMMENDS that Members and non-Members having adhered to the Recommendation (hereafter the “Adherents”) develop and implement budgetary governance frameworks in which Adherents should:

1. Manage budgets within clear, credible and predictable limits for fiscal policy, through:

- a) having procedures in place to support governments in effecting counter-cyclical or cyclically neutral policies, and in using resource endowments prudently;

- b) committing to pursue a sound and sustainable fiscal policy;
- c) considering whether the credibility of such a commitment can be enhanced through *(i)* clear and verifiable fiscal rules or policy objectives which make it easier for people to understand and to anticipate the government's fiscal policy course throughout the economic cycle, *(ii)* other institutional mechanisms (see recommendation 10 below) to provide an independent perspective in this regard;
- d) applying top-down budgetary management, within these clear fiscal policy objectives, to align policies with resources for each year of a medium-term fiscal horizon; noting that in this context, Adherents should adopt overall budget targets for each year which ensure that all elements of revenue, expenditure and broader economic policy are consistent and are managed in line with the available resources.

2. Closely align budgets with the medium-term strategic priorities of government, through:

- a) developing a stronger medium-term dimension in the budgeting process, beyond the traditional annual cycle;
- b) organising and structuring the budget allocations in a way that corresponds readily with national objectives;
- c) recognising the potential usefulness of a medium-term expenditure framework (MTEF) in setting a basis for the annual budget, in an effective manner which *(i)* has real force in setting boundaries for the main categories of expenditure for each year of the medium-term horizon; *(ii)* is fully aligned with the top-down budgetary constraints agreed by government; *(iii)* is grounded upon realistic forecasts for baseline expenditure (i.e. using existing policies), including a clear outline of key assumptions used; *(iv)* shows the correspondence with expenditure objectives and deliverables from national strategic plans; and *(v)* includes sufficient institutional incentives and flexibility to ensure that expenditure boundaries are respected;
- d) nurturing a close working relationship between the Central Budget Authority (CBA) and the other institutions at the centre of government (e.g. prime minister's office, cabinet office or planning ministry), given the inter-dependencies between the budget process and the achievement of government-wide policies;
- e) considering how to devise and implement regular processes for reviewing existing expenditure policies, including tax expenditures (see recommendation 8 below), in a manner that helps budgetary expectations to be set in line with government-wide developments.

3. Design the capital budgeting framework in order to meet national development needs in a cost-effective and coherent manner, through:

- a) the grounding of capital investment plans, which by their nature have an impact beyond the annual budget, in objective appraisal of economic capacity gaps, infrastructural development needs and sectoral/social priorities;
- b) the prudent assessment of *(i)* the costs and benefits of such investments; *(ii)* affordability for users over the long term, including in light of recurrent costs; *(iii)* relative priority among various projects; *(iv)* overall value for money;

- c) the evaluation of investment decisions independently of the specific financing mechanism, i.e. whether through traditional capital procurement or a private financing model such as public-private partnership (PPP);
- d) the development and implementation of a national framework for supporting public investment, which should address a range of factors including: (i) adequate institutional capacity to appraise, procure and manage large capital projects; (ii) a stable legal, administrative and regulatory framework; (iii) coordination of investment plans among national and sub-national levels of government; (iv) integration of capital budgeting within the overall medium-term fiscal plan of the government.

4. Ensure that budget documents and data are open, transparent and accessible, through:

- a) the availability of clear, factual budget reports which should inform the key stages of policy formulation, consideration and debate, as well as implementation and review;
- b) the presentation of budgetary information in comparable format before the final budget is adopted, providing enough time for effective discussion and debate on policy choices (e.g. a draft budget or a pre-budget report), during the implementation phase (e.g. a mid-year budget report) and after the end of the budget year (e.g. an end-year report) to promote effective decision making, accountability and oversight;
- c) the publication of all budget reports fully, promptly and routinely, and in a way that is accessible to citizens, civil society organisations and other stakeholders;
- d) the clear presentation and explanation of the impact of budget measures, whether to do with tax or expenditure, noting that a “citizen’s budget” or budget summary, in a standard and user-friendly format, is one way of achieving this objective;
- e) the design and use of budget data to facilitate and support other important government objectives such as open government, integrity, programme evaluation and policy coordination across national and sub-national levels of government.

5. Provide for an inclusive, participative and realistic debate on budgetary choices, by:

- a) offering opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle, both ex ante and ex post as appropriate;
- b) facilitating the engagement of parliaments, citizens and civil society organisations in a realistic debate about key priorities, trade-offs, opportunity costs and value for money;
- c) providing clarity about the relative costs and benefits of the wide range of public expenditure programmes and tax expenditures;
- d) ensuring that all major decisions in these areas are handled within the context of the budget process.

6. Present a comprehensive, accurate and reliable account of the public finances, through:

- a) accounting comprehensively and correctly in the budget document for all expenditures and revenues of the national government, with no figures omitted or hidden (although limited restrictions may apply for certain national security or other legitimate purposes), and with

laws, rules or declarations that ensure budget sincerity and constrain the use of “off-budget” fiscal mechanisms;

- b) presenting a full national overview of the public finances – encompassing central and sub-national levels of government, and a perspective on the whole public sector – as an essential context for a debate on budgetary choices;
- c) accounting in a manner that shows the full financial costs and benefits of budget decisions, including the impact upon financial assets and liabilities; noting that (i) accruals budgeting and reporting, which correspond broadly with private sector accounting norms, routinely show these costs and benefits; (ii) where traditional cash budgeting is used, supplementary information is needed; (iii) where accruals methodology is used, the cash statement should also be used to monitor and manage the funding of government operations from year to year;
- d) including and explaining public programmes that are funded through non-traditional means – e.g. PPPs – in the context of the budget documentation, even where (for accounting reasons) they may not directly affect the public finances within the time frame of the budget document.

7. Actively plan, manage and monitor the execution of the budget, through:

- a) the full and faithful implementation by public bodies of the budget allocations, once authorised by parliament, with oversight throughout the year by the CBA and line ministries as appropriate;
- b) the prudent profiling, control and monitoring of cash disbursements, and clear regulation of the roles, responsibilities and authorisations of each institution and accountable person;
- c) the use of a single, centrally-controlled treasury fund for all public revenues and expenditure as an effective mechanism for exercising such regulation and control, with the use of special-purpose funds, and ear-marking of revenues for particular purposes, kept to a minimum;
- d) allowing some limited flexibility, within the scope of parliamentary authorisations, for ministries and agencies to reallocate funds throughout the year in the interests of effective management and value-for-money, consistent with the broad purpose of the allocation;
- e) streamlining of very detailed line items, or devolved authorisation for managing reallocations among line items (virement), in the interests of facilitating such flexibility; noting that more significant reallocations, e.g. involving large sums or new purposes, should require new parliamentary authorisation;
- f) the preparation and scrutiny of budget execution reports, including in-year and audited year-end reports, which are fundamental to accountability and which, if well-planned and -designed, can yield useful messages on performance and value-for-money to inform future budget allocations (see also recommendation 8 below).

8. Ensure that performance, evaluation and value for money are integral to the budget process, in particular through:

- a) helping parliament and citizens to understand not just what is being spent, but what is being bought on behalf of citizens – i.e. what public services are actually being delivered, to what standards of quality and with what levels of efficiency;

- b) routinely presenting performance information in a way which informs, and provides useful context for, the financial allocations in the budget report; noting that such information should clarify, and not obscure or impede, accountability and oversight;
- c) using performance information, therefore, which is (i) limited to a small number of relevant indicators for each policy programme or area; (ii) clear and easily understood; (iii) allows for tracking of results against targets and for comparison with international and other benchmarks; (iv) makes clear the link with government-wide strategic objectives;
- d) evaluating and reviewing expenditure programmes (including associated staffing resources as well as tax expenditures) in a manner that is objective, routine and regular, to inform resource allocation and re-prioritisation both within line ministries and across government as a whole;
- e) ensuring the availability of high-quality (i.e. relevant, consistent, comprehensive and comparable) performance and evaluation information to facilitate an evidence-based review;
- f) conducting routine and open ex ante evaluations of all substantive new policy proposals to assess coherence with national priorities, clarity of objectives, and anticipated costs and benefits;
- g) taking stock, periodically, of overall expenditure (including tax expenditure) and reassessing its alignment with fiscal objectives and national priorities, taking account of the results of evaluations; noting that for such a comprehensive review to be effective, it must be responsive to the practical needs of government as a whole (see also recommendation 2 above).

9. Identify, assess and manage prudently longer-term sustainability and other fiscal risks, through:

- a) applying mechanisms to promote the resilience of budgetary plans and to mitigate the potential impact of fiscal risks, and thereby promoting a stable development of public finances;
- b) clearly identifying, classifying by type, explaining and, as far as possible, quantifying fiscal risks, including contingent liabilities, so as to inform consideration and debate about the appropriate fiscal policy course adopted in the budget;
- c) making explicit the mechanisms for managing these risks and reporting in the context of the annual budget;
- d) publishing a report on long-term sustainability of the public finances, regularly enough to make an effective contribution to public and political discussion on this subject, with the presentation and consideration of its policy messages – both near-term and longer-term – in the budgetary context.

10. Promote the integrity and quality of budgetary forecasts, fiscal plans and budgetary implementation through rigorous quality assurance including independent audit, and in particular through:

- a) investing continually in the skills and capacity of staff to perform their roles effectively – whether in the CBA, line ministries or other institutions – taking into account national and international experiences, practices and standards;

- b) considering how the credibility of national budgeting – including the professional objectivity of economic forecasting, adherence to fiscal rules, longer-term sustainability and handling of fiscal risks – may also be supported through independent fiscal institutions or other structured, institutional processes for allowing impartial scrutiny of, and input to, government budgeting;
- c) acknowledging and facilitating the role of independent internal audit as an essential safeguard for the quality and integrity of budget processes and financial management within all ministries and public agencies;
- d) supporting the supreme audit institution (SAI) in its role of dealing authoritatively with all aspects of financial accountability, including through the publication of its audit reports in a manner that is timely and relevant for the budgetary cycle;
- e) promoting the role of both the internal and external control systems in auditing the cost-effectiveness of individual programmes and in assessing the quality of performance accountability and governance frameworks more generally (see also recommendation 8 above).

III. INVITES the Secretary-General to disseminate this Recommendation.

IV. INVITES Adherents to disseminate this Recommendation at all levels of government.

V. INVITES non-Adherents to take account of and adhere to this Recommendation.

VI. INVITES relevant international organisations to take account of this Recommendation and to continue to collaborate with the OECD in maintaining coherence and consistency in the advice and guidance that is disseminated to public authorities on matters of budgetary governance.

VII. INSTRUCTS the Public Governance Committee to monitor the implementation of this Recommendation and to report thereon to the Council no later than three years following its adoption and regularly thereafter, notably through the Working Party of Senior Budget Officials.