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Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

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English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

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Working Party of Senior Budget Officials

**RELATIONSHIP BETWEEN THE LEGISLATURE AND THE BUDGET OFFICE IN THE BUDGET
PROCESS**

ANNOTATED AGENDA

Paris, 2-3 October 2006

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**RELATIONSHIP BETWEEN THE LEGISLATURE AND THE BUDGET OFFICE
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Paris, 2-3 October 2006

ANNOTATED AGENDA

Chairman: Barry Anderson, Head, Budgeting and Public Expenditures Division, OECD/GOV

Each session at the meeting will consist of two or three country presentations. Following presentations the floor will be open for discussion by all participants. The goal of this meeting is to address the following points for each country:

- Overview of the relationship between the Legislature and the Budget Office;
- Interactions between the Legislature and the Budget Office during the Budget Process -- formal and informal aspects;
- Introducing budget reforms. Developing cooperation between the Legislature and the Budget Office.

Monday, 2 October 2006

10:00	Opening by Chairman
10:00-13:00	<u>Session 1:</u> Country Presentations: Sweden and United Kingdom
13:00-14:30	Lunch
14:30-18:00	<u>Session 2:</u> Country Presentations: Netherlands, Japan and United States
18:00-20:00	Cocktail

Tuesday, 3 October 2006

10:00-13:00	<u>Session 3:</u> Country Presentations: Italy and Korea
13:00-14:30	Lunch
14:30-16:30	<u>Session 4:</u> Country Presentations: Mexico and France
16:30	Closing by Chairman

A coffee-break will be called during each session.

SUMMARY ANNOTATIONS FOR AGENDA ITEMS

Questions for Discussion during each Session

Session 1 -- Overview of the relationship between the Legislature and the Budget Office

- According to the Constitution and the Law, what are the respective legal authority and obligations of the Legislature and the Budget Office in the budget process? How has the relationship between the two bodies changed? If you have experienced substantial change in the relationship between two bodies, what was the reason for this change? How has it worked?
- Is the budget enacted in legislation? If so, please explain details such as its historical background as well as merits and demerits of the system.
- What is the general assessment of the relationship between two bodies, cooperative or competitive?

Session 2 -- Interactions between the Legislature and the Budget Office during the Budget Process : Formal and informal aspects

- What does the Legislature usually do before the budget proposal is submitted? Do they start negotiations with the Budget Office or spending ministries before the budget proposal is submitted?
- Once the budget proposal is submitted, what procedures does the Legislature follow to examine the proposal? How much time does the legislature spend on reviewing the draft budget?
- What is the role of committees in reviewing and approving the budget? Is there a specialised budget committee to scrutinize the draft budget? How are sectoral committees involved, i.e. the transport committee in reviewing the budget for the Ministry of Transport?
- Do parliamentary committees hold hearings on the budget? If so, who is invited to attend and give evidence? Are parliamentary committees open to the public and the media? Do amendments first have to be approved in committee before they are voted on in plenary session?
- Is there a supporting organization in the Legislature for analysing the proposal? Do parliamentary committees and individual legislators have access to budget research capacity in the form of a parliamentary budget office? Are there budget researchers attached to political parties or individual legislators?
- What is the respective role of the Budget Office and spending ministries in defending the proposal? What role do spending ministries play in this process? Do they actively defend their proposals?
- What are the informal aspects of these interactions? Are there important discussions and debates between political parties or party members? What is the role of political parties in the majority and the minority in this process?
- Is it common for the Legislature to revise the proposal? How many revisions are made in the Legislature? If so, to what extent and what is the effect of parliamentary amendments on budget aggregates and the composition of spending?
- If the Legislature and the Budget Office disagree on budget issues, how do you reconcile this? Do you have special procedures for that?

- Does the executive have a line item or package veto for budget bills passed by the legislature? If so, is the veto used in practice?
- What happens if the budget is not approved in time for the beginning of the financial year? Has this ever happened?
- How is the budget for the constitutionally independent organisations such as the Supreme Court and the Legislature formulated? Particularly, who makes the budget for the Legislature? Is it the Budget Office or the Legislature itself?

Budget Execution

- How does Legislature monitor the execution of the budget during the fiscal year?
- What are the procedures to hold the executive to account? Are there hearings? What is the role of legislative committees?
- How often does the Budget Office or spending ministry report to the Legislature on the budget execution?
- How does the audit process operate? Does the audit office belong to the Legislature? If so, what are the merits and demerits?
- What is the process for legislature's scrutiny of supplementary budgets? Is there any regularity in the submission dates of supplementary appropriations laws?
- When the executive needs to increase borrowing during the course of the year due to unexpected revenue shortfalls, does it need the approval of the legislature in order to increase borrowing?

Session 3 -- Introducing Budget Reforms - The respective roles of the Legislature and the Budget Office

- Have you ever introduced budget reforms such as Mid-term budget frameworks, Performance oriented budgeting and Top-down budgeting? If so, why?
- Which body has the initiative in introducing budget reforms? Does the other body cooperate when introducing reform initiatives? If not, what is the reason for that and what efforts are made to persuade the other body? Please explain in detail giving the example of a major reform initiative.
- Are the reforms enacted in law? If not, how do you ensure they are continuously implemented?
- What do you think is the trend of recent budget reform? Do you think it is to extend the discretionary authority of the Budget Office and to strengthen *ex post* control of the Legislature in the budget process? Is this the case for your country?

Developing Cooperation between the Legislature and the Budget Office

- What are the challenges in the budget process from the viewpoint of each body?
- What are the informal dimensions of this co-operation? What role do political parties play in developing co-operation?
- Does the President / Prime minister / Finance minister play an active role to facilitate cooperation between two bodies? Do you have a particular system for enhancing cooperation between two bodies?

GENERAL MEETING INFORMATION

Format of discussions

Only a limited number of countries have been invited to participate in this special session of the Working Party of Senior Budget Officials. As such, the meeting is designed to be highly interactive and informal.

Each session will be divided into two parts. In the first part, each country will be asked to briefly (10-15 minutes) highlight their national experiences in the area under consideration. The second part of each session will consist of a general discussion of the topic under consideration.

The annotations on the following pages for each session can act as a guide in preparing the country presentations.

Meeting location

The meeting will take place at OECD Headquarters which is located at 2, rue André-Pascal, in the 16th district of Paris. The closest metro station is “La Muette”.

Registration form

All participants need to complete the attached registration form and return it to the Secretariat ahead of the meeting.

Security

Please be advised that OECD Headquarters is a secure complex. Entry passes can only be issued to registered delegates and a passport or national identity card needs to be presented in order to receive an entry pass. Delegates will also be required to clear a security checkpoint for entry. Please allow 15 minutes to finish these security formalities.

Documentation

Other than this annotated agenda, no specific documentation is being distributed ahead of this meeting.

Cocktail

All delegates are invited to attend a cocktail reception hosted by the Secretariat at the conclusion of the first day of the meeting.

No-Host Luncheons

All delegates are invited to attend a no-host luncheon on both days of the meeting. Each person is responsible for settling their own bill.



**Relationship Between the Legislature and the Budget Office in
the Budget Process**

Paris, 2-3 October 2006

~~~ REGISTRATION FORM ~~~

NAME _____
(in block letters please)

First Name _____

JOB TITLE _____

ORGANISATION _____

MAILING ADDRESS _____

COUNTRY _____

TELEPHONE _____

FACSIMILE _____

E-MAIL ADDRESS _____

Please return the completed form to:

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