



**ASSEMBLY OF THE REPUBLIC OF NORTH MACEDONIA
PARLIAMENTARY INSTITUTE**



**POSLANECKÁ
SNĚMOVNA
PARLAMENTU
ČESKÉ REPUBLIKY**

THE ROLE OF THE PARLIAMENT IN THE BUDGET SCRUTINY PROCESS

- joint research paper -

Authors:

Daša Smetanková, Research Expert, Parliamentary Institute, Chancellery of the Chamber of Deputies, Parliament of the Czech Republic

Marija Micevska Lazarova, Advisor- researcher and analyst in contemporary economic systems, Parliamentary Institute, Assembly of the Republic of North Macedonia

December, 2019

TABLE OF CONTENTS

FOREWORD	3
EXECUTIVE SUMMARY	4
Deliberation of the State Budget Bill in the Parliament.....	4
Selected parliamentary budget scrutiny issues	7
INTRODUCTION	11
AUSTRIA	12
CROATIA.....	18
CZECH REPUBLIC	22
NORTH MACEDONIA	27
POLAND.....	31
SERBIA	38
SLOVAKIA.....	42
SLOVENIA.....	45
RECOMMENDATIONS AND BEST PRACTICES IN THE EU MEMBER STATES..	50
LITERATURE AND SOURCES	54

FOREWORD

The state budget is a crucial instrument for conducting the politics of the governments. Also, having adequate control over the public expenditures is an essential aspect of the organization of the modern democratic states. In this context, the parliamentary budget control as a concept is used through few developed mechanisms in order to provide control over the budget execution. The aim is to ensure that the budget resources are used efficiently, economically and in accordance with the laws.

This joint research paper is prepared as a comparative study with **purpose** to examine the practices of the parliamentary budget control, not only in the Republic of North Macedonia and the Czech Republic, but also in other selected countries from their neighboring regions – Republic of Austria, Republic of Croatia, Republic of Poland, Republic of Serbia, the Slovak Republic and Republic of Slovenia.

The final **aim** of the study is to provide **relevant information to the MPs** and **validate the importance of the budget scrutiny**. Thus, enhancing the control powers of MPs over the budget.

The study consists of ten chapters. The first introductory chapter is related to the OECD Recommendations on Budgetary Governance. Eight chapters are addressing the situation in the chosen countries. The final chapter is about the challenges and needs for improvement, containing recommendations and best practices in the EU Member States.

The researchers were using a descriptive method approach in order to provide detailed answers to the following topics and questions:

1. **Reviewing the budget cycles in the selected countries, highlighting the role of the Parliament in the process** – Which are the steps and the deadlines? Also, this topic covers who conducts official budget audit/annual reports.
2. **Established parliamentary practices related to budget scrutiny** - What areas do they cover? What available services (departments/budget offices) provide support to the MPs in the process? Who provides visualization of data to the MPs?
3. **Gender budgeting** – How active are the Parliaments in promoting budget gender equality? Are there special bodies that overview the application of gender objectives in the state budgets?

EXECUTIVE SUMMARY

Deliberation of the State Budget Bill in the Parliament

The study analyses and compares involvement of the parliaments in the state/federal budget process, even ex ante and ex post. It thus aims at the whole budget cycle and the role of the parliaments and its bodies in it. Mainly, we focus on parliamentary deliberation of the state/federal budget bill. We examine the engagement of the committees during the whole process. Additionally, we analyze the scope of the budget information and the budget reports submitted to the parliaments. The study also compares the role of parliamentary administration in supporting parliamentarians with technical expertise during the budget process.

In principle, only the second chamber of the bicameral parliaments deliberates budgetary issues. The exception is Poland, where the Senate may adopt amendments to the Budget Bill within 20 days after its receipt. If the Senate fails to vote on the Budget Bill within 20 days, the Bill is considered to be adopted. Moreover, the Senate cannot reject the Budget Bill.

As a rule, the governments shall submit the budget bill to the parliament within the sufficient time framework before the beginning of the fiscal year. In Poland, Slovenia and the Czech Republic, it is 3 months, in Austria, 10 weeks and in Slovakia, the deadline for the Government is 15 October. The deadline in Serbia is 1 November and in Croatia and North Macedonia is 15 November (6 weeks before the fiscal year).

In the Czech Republic, the Committee on the Budget deliberates the Budget Bill even before the first reading at the plenary. The discussion in the Committee serves as a preparation for the first reading in the plenary. Deliberated are the basic parameters of the draft budget. The main political budgetary debate takes place at the first reading. The Chamber of Deputies approves the basic parameters of the state budget, which cannot be changed subsequently. In the Austrian National Council, the first reading at the plenary is preceded by the introduction of the Federal Budget Bill during the so-called Budget Speech of the Ministry of Finance. Similar as in Poland, the first reading indicates broad and general discussion regarding the policies and performance of the Federal Government. In Slovakia, the State Budget Bill is deliberated in the second and third reading only.

Before the second reading at the plenary, the Budget Bill is deliberated in the committees. Individual budget chapters are deliberated in the respective sectoral committees according to their fields of expertise, with the exception of the Austrian National Council. In Austria, the Budget Committee is solely responsible for the deliberation of the budgetary issues; it has no additional competencies. The Budget Committee also discusses individual budget chapters.

The amendments may be tabled at the committee sessions as well as at the second reading at the plenary. Usually, the amendments are voted after the third reading together with the bill as a whole. Nevertheless, in Slovakia, the plenary votes on amendments at the end of the second reading.

Table 1. Deliberation of the State Budget Bill in the Parliaments

Country	Deliberation in both Chambers	Budget submitted to the Parliament	Committees	1 st reading at the plenary	Committees	2 nd reading at the plenary	Committees	3 rd reading at the plenary
Austria	No The National Council	October 22 (10 weeks)	-	Yes Budget speech of the Minister of Finance	Budget Committee only	Amendments	-	Voting on amendments and on the whole bill
Croatia	No The National Assembly (unicameral)	November 15 (6 weeks)	Finance and Central Budget Committee and Legislation Committee	General budgetary debate	Financial and Budgetary Committee	Debate on tabled amendments, decision-making on amendments		Voting on the Bill
Czech Republic	No The Chamber of Deputies	September 30 (3 months)	Committee on the Budget	Yes Main political budgetary debate	Committee on the Budget and sectoral committees	Amendments	-	Voting on amendments and on the whole bill
North Macedonia	No The National Assembly (unicameral)	No later than November 15	Committee on Finance and Budget and Legislative Committee	-	Committee on Finance and Budget and Legislative Committee	2nd Reading of the Amended budget		3rd Reading Voting on the Bill
Poland	Yes <u>The Sejm:</u>	September 30 (3 month)	-	Yes General budget debate	Public Finance Committee and sectoral committees	Amendments	Public Finance Committee (optional, in case of additional amendments)	Voting on amendments and on the whole bill
	<u>The Senate:</u> (may adopt amendments within the 20 days) ¹	-	Budget and Public Finance Committee and sectoral committees	Yes Voting (cannot reject) Adopted with amendments				

¹ If the Senate fails to vote on the Budget Bill within 20 days, the Bill is considered to be adopted.

Country	Deliberation in both Chambers	Budget submitted to the Parliament	Committees	1 st reading at the plenary	Committees	2 nd reading at the plenary	Committees	3 rd reading at the plenary
Serbia	No The National Council (unicameral)	Until 1 November The Government shall submit the Budget Bill to the Assembly	Committees Deliberation of the Budget Bill 15 Days after the submission	General budget debate	Committee on Finance, State Budget and Public Spending Control	2nd Reading Amendments and voting on amendments		3rd Reading Voting on the Bill No later than December 15
Slovakia	No The National Council (unicameral)	October 15	-	-	Finance and Budgetary Committee and sectoral committees	Amendments and voting on amendments	-	Voting on the whole bill
Slovenia	No The National Assembly (Drzavni zbor)	October 1		Yes, 10 days after the submission of the Budget	15 days after the presentation of the draft state budget Commission for Public Finance Control	Amendments and voting on amendments		Voting on the whole bill

Selected parliamentary budget scrutiny issues

When submitted to the parliament, the budget bill is accompanied by the comprehensive background documentation. The budget reform in Austria changed the amount and the structure of the budget documents and the reports. The Federal Budget Bill and its documentation include (besides expected revenues, expenditures and related standard information) outcome objectives and performance indicators. In Slovakia, the State Budget Bill is submitted to the National Council together with the annexes providing basic data only. Nevertheless, more detailed information (on macroeconomic framework, fiscal policy, impact of the changes in legislation, development of revenues, expenditures etc.) is included in the General Government Budget, which is submitted together with the State Budget Bill.

All parliaments debate medium-term budgetary frameworks; usually within the discussion regarding the convergence/stability programs (EU member states). In Austria, the MTBF is debated and approved within the Federal Financial Framework Act. Throughout the year, the parliaments are regularly informed about the implementation and execution of the state budget (semi-annual and annual reports). However, the emphasis is placed on deliberating the state final accounts. In Austria, the Supreme Audit Office (SAO) prepares the State Final Accounts. In the other countries final accounts are prepared by the Ministry of Finance (MoF) and the SAO prepares reports to the final accounts.

The lead committees for deliberating the budget bill and the related budget documents are the budget committees. Usually, the budget committees deliberate also draft laws in the areas of finances, taxes, banking sector, budget and financial markets. However, the Budget Committee of the Austrian National Council deals solely with the budgetary issues (incl. other draft laws related to budget). The draft laws regarding financial issues, banks, taxes etc. are deliberated in the separate Finance Committee.

The special committee for deliberating SAO's reports is not established in all parliaments. In Croatia, North Macedonia, Serbia and Slovakia, the Finance and Budgetary Committee is the main committee for deliberating the reports on the results of the supervisory activities of the SAO.

In Poland, Austria and Serbia, the budget committees can benefit from the work of the experts in the special research units, which deals with the economic and budgetary issues: the Parliamentary Budget Office in Austrian National Council and the National Assembly of Serbia and the Department of Social and Economic Research in the Bureau of Research of the Sejm in Poland.

Table 2. Selected parliamentary budget scrutiny issues

Country	Budget Bill annexes	Medium-term budgetary framework (MTBF)	In year oversight of the Parliament	Competencies and role of the Budget Committee	Budget chapters in the sectoral committees	Ex post oversight of the Parliament	Separate Budget Control Committee	Special research unit for budget analysis
Austria	Reports with data on higher aggregated levels, Performance objectives	Plenary approves Federal Financial Framework Act, Budget Committee debates Stability program	In year budget execution reports, Performance reports	Main role in the Budget process, Deals solely with budgetary issues, Examines individual budget chapters	No	Preliminary Budget Outturn report by the MoF, Federal Final Account prepared by SAO	Yes Court of Audit Committee	Yes Parliamentary Budget office 8 experts
Croatia	Yes Projections for the next two years and financial plans of extra-budgetary users	Fiscal Strategy, National Reform Programme and Convergence Programme for a three-year period	Semi-annual and annual budget execution reports	Main role in the Budget process	Yes	SAO audit of the report on State Budget execution	No	Information and Documentation Department (currently the Department does not engage in research activities)
Czech Republic	Comprehensive information on expenditure framework, fiscal policy, budget expenditure etc.	Committee on the Budget debates MTBF Fiscal Strategy, Convergence program	Plenary: Half-Year Implementation Report, Committee: Budget Execution Reports	Main role in the Budget process, Approves financial transfers (10%), Approves budget of autonomous budget chapters	Yes	State Final Account (SFA) prepared by the MoF (submitted by 30 April), SAO's report with the opinion to the SFA	Yes Committee on Budgetary Control	No Parliamentary Institute 1 expert (partially)

Country	Budget Bill annexes	Medium-term budgetary framework (MTBF)	In year oversight of the Parliament	Competencies and role of the Budget Committee	Budget chapters in the sectoral committees	Ex post oversight of the Parliament	Separate Budget Control Committee	Special research unit for budget analysis
North Macedonia	No	Medium-term fiscal strategy	Semi annual budget execution report	Main role in the Budget process	No	Final Account of the Budget prepared by the MoF with report of the SAO	No	Parliamentary Institute – Department for general analyzes, researches and eurointegration (2 economists) PBO to be opened
Poland	Comprehensive information on macroeconomic framework, fiscal policy, budget expenditures etc.	Committee debates Convergence program Multi-Year Financial Plan is not submitted to the Sejm nor the Senate	Monthly implementation reports are not submitted to <u>the Sejm</u>	Main role in the budget process - prepares report to the Budget Bill	Yes	The Sejm: State budget implementation report prepared by the MoF SAO's report with the opinion to the SFA, analysis of the budget implementation and audit results	Yes (<u>the Sejm</u>) State Audit Committee in the Sejm No (<u>the Senate</u>)	Yes (<u>the Sejm</u>) Department of Social and Economic Research in the Bureau of Research of the Sejm 16 experts; 4 specialists on public finances No (<u>the Senate</u>)
Serbia	No	Medium term Fiscal Strategy	- Semi annual budget execution report	Main role in the Budget process	No	SAI reports on the audit of the final account of the budget	No	Research service of the Library Parliamentary Budget office (PBO) 3 experts

Country	Budget Bill annexes	Medium-term budgetary framework (MTBF)	In year oversight of the Parliament	Competencies and role of the Budget Committee	Budget chapters in the sectoral committees	Ex post oversight of the Parliament	Separate Budget Control Committee	Special research unit for budget analysis
Slovakia	Basic data on expenditures, revenues, government programs, EU funds etc. ²	Plenary debates MTBF Stability program, General Government Budget	Information on implementation of the state budget in the first half of the year is included in the General Government Budget	Main role in the Budget process - prepares the joint reports on the State Budget Bill and State Final Account	Yes	State Final Account prepared by the MoF SAO's report with the opinion to the SFA	No	No Parliamentary Institute 1 expert (partially)
Slovenia	-	Decree on the Framework for the Preparation of General Government Budgets, which is adopted each year for at least three following years	Information on implementation of the state budget in the first half of the year	Main role in the Budget process	-	SAI reports on the audit of the final account of the budget	Yes Committee for Public Finance Control	Parliamentary Institute

² Detailed information on macroeconomic framework, fiscal policy, impact of the changes in legislation, development of revenues, expenditures etc. is included in the General Government Budget.

INTRODUCTION

Legislation plays the key role in authorizing and overseeing government spending. According to the OECD Recommendation on Budgetary Governance, “*the national parliament has a fundamental role in authorizing budget decisions and in holding government to account*”. Moreover, parliament should not only have an access to budget documents and data, but also “*be able to engage and influence the discussion about budgetary policy options*”.³

In 2015, OECD introduced recommendation of the Council on Budgetary Governance, which presents 10 principles of good budgetary governance:

1. *“Manage budgets within clear, credible and predictable limits for fiscal policy*
2. *Closely align budgets with the medium-term strategic priorities of government*
3. *Design the capital budgeting framework in order to meet national development needs in a cost-effective and coherent manner*
4. *Ensure that budget documents and data are open, transparent and accessible*
5. *Provide for an inclusive, participative and realistic debate on budgetary choices*
6. *Present a comprehensive, accurate and reliable account of the public finances*
7. *Actively plan, manage and monitor budget execution*
8. *Ensure that performance, evaluation & value for money are integral to the budget process*
9. *Identify, assess and manage prudently longer-term sustainability and other fiscal risks*
10. *Promote the integrity and quality of budgetary forecasts, fiscal plans and budgetary implementation through rigorous quality assurance including independent audit*”⁴

Regarding the role of parliaments in the budget process, OECD recommends their involvement in all stages; ex ante, ex post but also during the execution of the budget. The parliaments should be part of the debate regarding “key priorities, trade-offs, opportunity costs and value for money.”⁵ Although OECD recommends some limited flexibility for reallocation of funds, it also points out that the more significant changes to the budget allocation shall require parliament’s approval. Additionally, parliaments and citizens should be informed not only about the government spending but also about related performance and value for money.⁶

³ OECD: Recommendation of the Council on Budgetary Governance, Public Governance and Territorial Development Directorate, 18 February 2015 [11/25/2019] p4, online <https://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf>

⁴ Ibid, p3

⁵ Ibid, p8

⁶ Ibid

AUSTRIA

Regulation of the budget process

Article 51(8) of the Austrian Constitution (*Bundes-Verfassungsgesetz*)⁷ states the basic rules regulating the budget process. The federal budget is approved by the National Council (*Nationalrat*).⁸ The Austrian federal budget is approved annually through the Federal Finance Act (*Bundesfinanzgesetz*). Together with the Federal Finance Act (hereinafter referred to as „Federal Budget Act“), the Government submits to the National Council the Federal Financial Framework Act (*Bundesfinanzrahmengesetz, BFRG*). Article 51 of the Austrian Constitution stipulates that public finance management shall follow the principles of outcome-orientation (*Wirkungsorientierung*), in particular taking into account the goal of gender equality, transparency, efficiency and the most faithful presentation of the financial situation. In 2009 and 2013, broad budget reform was introduced in Austria. The reforms were aimed mainly at enhancing transparency and providing greater flexibility to the line ministries (administrators of the budget chapters) *“in their budget execution by approving the budget at the higher aggregated levels”*.⁹ Additional objectives were implementation of result-based budgeting and promotion of gender budgeting.¹⁰ The reform also affected parliamentary budget scrutiny. It changed the amount and the structure of budget documents and reports; additionally it introduced changes to the parliamentary administration by creating the Parliamentary Budget Office (*Budgetdienst*).

The main changes were introduced by the entry into force of the Federal Organic Budget Act (*Bundeshaushaltsgesetz, BHG 2013*).¹¹ The BHG regulates the preparation, objectives, structure, function, implementation of the federal budget documents, financial control and related public finance issues on federal level.

Deliberation of the Federal Budget Bill in the National Council follows the standard legislative process regulated by the Rules of Procedure of the National Council (*Geschäftsordnungsgesetz 1975*)¹². Nevertheless, the deliberation of the Federal Budget Bill has some specific features.¹³ In 2012, the Austrian Stability Pact (*Österreichischer Stabilitätspakt, ÖstP 2012*) adopted the rules on budgetary responsibility and European fiscal framework.¹⁴

⁷ Bundes-Verfassungsgesetz, online

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=1000138>

⁸ Austria has a bicameral Parliament consisting of the National Council (Nationalrat) and the Federal Council (Bundesrat). According to the article 42 Article of the Austrian Constitution, the Federal Council (Bundesrat) has no right to co-decide on the Federal Budget.

⁹ Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994, Gschiel, P., Lanzerstorfer, R., Nationalrat, 2019

¹⁰ Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 [11/6/2019] p5, Dostupné z <https://doi.org/10.1787/budget-18-5j8l804wg0kf>

¹¹ BHG 2013, online [11/6/2019]

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20006632>

¹² GOG-NR 1975 [11/6/2019] online

<https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=1000138&Artikel=42&Paragraf=&Anlage=&Uebergangsrecht>

¹³ Budget, Parlament Republik Österreich [11/6/2019] online <https://www.parlament.gv.at/PERK/FAQ/BUDG/>

¹⁴ ÖstP 2012 [11/6/ 2019] online

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20008232>

Role of the Parliament in the budget process

Only the National Council deliberates and approves the federal budget. The Federal Budget Bill is submitted to the National Council by the Government (or by a member of the Government – usually the Minister of Finance). Members of the Parliament can present a draft budget act only if the federal government failed to do so.¹⁵ The budget reform influenced the parliamentary budget scrutiny; as financial information in the federal budget is approved on the higher aggregated levels, the budget documentation does not include detailed financial information on the lower levels, only up to the level of so-called global budgets (one tier below the budget chapters). On the other hand, the reform strengthened the parliamentary scrutiny by providing the National Council with new tools: performance-based budgeting and the Parliamentary Budget Office (*Budgetdienst, PBO*).

Preparation of the Federal Budget Bill

The budget cycle starts 4 years before the actual fiscal year and ends a year after the end of the fiscal year. The Government shall submit the Federal Financial Framework Act (*Bundesfinanzrahmengesetz, BFRG*) to the National Council together with the Federal Budget Strategy presenting the government's budget priorities by April 30. The BFRG contains binding expenditure ceilings for the following four years.¹⁶ The BFRG is discussed at the plenary session. Expenditure ceilings may be changed only through amendments to the BFRG.¹⁷ The Constitution (*Art. 51(7)*) provides that the expenditure ceilings may be exceeded by government regulation after consultation with the Budget Committee only to cover expenditures related to exceptional circumstances or to cover expenses for the purposes of comprehensive national defense.

The Stability program, the National Reform Program and the Draft Budgetary Plan are discussed in the Budget Committee. The stability Program may be submitted to the National Council after it is sent to the European Commission.

The Federal Budget Bill must respect the expenditure ceilings set in the BFRG. The Federal Budget Bill is prepared by the Federal Minister of Finance in cooperation with the administrators of the individual budget chapters. The Austrian Parliament (both chambers – the National Council and the Federal Council) has one common budget chapter in the federal budget; nevertheless, there is no special procedure or committee oversight over drafting Parliament's budget. By preparing the draft budget of the Parliament, the top-down approach is used; the Minister of Finance communicates the

¹⁵ Konrath, Ch., Berger, H., The Role of Parliament in the Budget Process, PEM PAL Budget Community of Practice (BCoP) "The Role of Austria's Parliament in Budgeting", Republik Österreich Parlament, Vienna, 30th January 2014 [11/8/2019] online https://www.pempal.org/sites/pempal/files/attachments/4_the-role-of-parliament-in-the-budget-process.pdf

¹⁶ Federal Medium-Term Expenditure Framework, Bundesministerium Finanzen [11/6/2019] online <https://english.bmf.gv.at/budget-economic-policy/Federal-Medium-Term-Expenditure-Framework.html>

¹⁷ "The debate on the MTEF in Parliament focuses on the macro level of the budget, as figures are only provided for big budget clusters (rubrics and chapters) and do not go into the details. It is possible to change the expenditure ceilings only by amending the MTEF legally. In this case, the government has to go to Parliament and explain to the public why it wants to change the planning assumptions for the budget. The Parliament then decides on the requested changes." Federal Medium-Term Expenditure Framework, Bundesministerium Finanzen [11/6/2019] online <https://english.bmf.gv.at/budget-economic-policy/Federal-Medium-Term-Expenditure-Framework.html>

budget ceilings to the Parliament. The details of the budget are then prepared and decided by the President of the National Council.¹⁸

According to the Article 42 of Federal Organic Budget Act (BHG 2013), the Federal Minister of Finance shall submit the Federal Budget Bill including the budget report and the supplementary budget documents. As a supplement to the Federal Budget Bill, the Federal Chancellor, in consultation with the Federal Finance Minister, shall submit the draft Personnel Plan. The budget reform introduced performance-based budgeting; the budget management must be outcomes-oriented. The Federal Budget Bill and its documentation include (besides expected revenues, expenditures and related standard information) outcome objectives (*Wirkungsziele*) and performance indicators. *“Each of these outcome objectives is accompanied with the following information:*

- *Why has this objective been chosen?*
- *How will this objective be achieved?*
- *How will successful accomplishment of this objective be recognised? (literally, “what does success look like?”)*¹⁹

Gender budgeting in the National Council

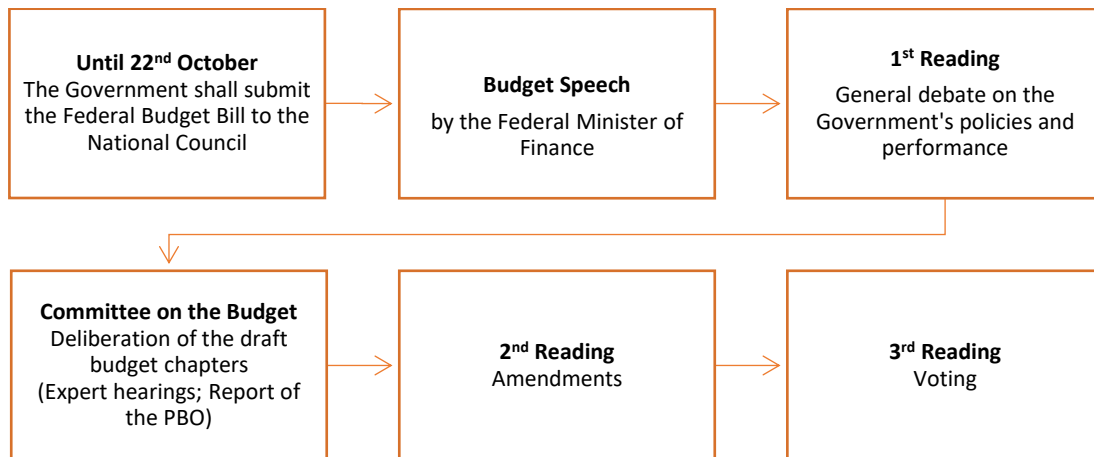
Austria has a long tradition of paying attention to the gender equality in budgeting. According to the Art. 13(3) of the Austrian Constitution, all levels of the government (*Bund, Länder, Gemeinde*) must strive for gender equality in their budget system. *“At the federal level, this obligation is met via the outcome-orientation of the budget, as well as the regulatory impact assessments. As a part of the federal budget reform in 2013, gender budgeting was introduced as a part of performance budgeting. Since then, gender budgeting is part of the budget documents.”* *“The outcome objectives specified for each Budget Chapter must include at least one objective related to gender equality. In this way, each line ministry is obliged to consider how its activities relate to gender equality, and to design objectives and indicators to promote gender equality in the context of the budget. Moreover gender equality is also one of the dimensions of analysis that must routinely be included in Impact Assessments of new regulations and policies.”*²⁰ Thus, the performance reports submitted to the National Council contains information on fulfillment of gender objectives.

¹⁸ In coordination with the second and third presidents of the National Council and the President of the Federal Council. Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 4014, Gschiel, P., Nationalrat, 2019

¹⁹ Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 [11/6/2019] p39, Dostupné z <https://doi.org/10.1787/budget-18-5j81804wg0kf>

²⁰ Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994, Gschiel, P., Lanzerstorfer, R., Nationalrat, 2019

Graphic 1. Deliberation of the Budget Bill in the National Council



The National Council has the exclusive power to approve the federal budget. According to the Austrian Constitution (*Article 51(3)*), the Federal Government shall submit the Federal Budget Bill no later than 10 weeks before the beginning of the fiscal year (October 22).²¹ “As EU rules require the submission of a “draft budgetary plan” by the 15th of October, in practice the draft Annual Budgeting Act is presented to parliament around this date.”²² Although, the standard legislative process is used for deliberating of the draft Federal Budget Act in the National Council, there are some specific characteristics.

The Federal Minister of Finance shall introduce the Federal Budget Bill in the National Council by so-called budget speech (*Budgetrede*). The budget speech is a high-profile event usually attended also by the President of the Republic and all of the members of the Federal Government.²³ The budget speech is then followed by a broad and general discussion regarding the policies and performance of the Federal Government in the first reading.²⁴ After the end of the first reading, the President of the National Council refers the Federal Budget Bill to the Budget Committee. Only the Budget Committee deliberates the draft federal budget act; individual sectoral budget chapters are not deliberated in the sectoral committees. The Budget Committee also discusses individual budget chapters (*Untergliederungen, UG*). “The sessions in the budget committee start with short hearings of experts appointed by the various parties on the overall federal budget. For the individual debates, line ministers are invited for questions and answer sessions.”²⁵ When discussing the Federal Budget Bill, the Budget Committee has budget analyses prepared by the PBO at its disposal.

After the deliberation in the Budget Committee, the second and third reading take place. Each deputy and committee can table an amendment; however, as a rule there

²¹ The fiscal year follows the calendar year.

²² Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 [11/6/2019] p 22, Dostupné z <https://doi.org/10.1787/budget-18-5j8l804wg0kf>

²³ Konrath, Ch., Berger, H., The Role of Parliament in the Budget Process, PEM PAL Budget Community of Practice (BCoP) “The Role of Austria’s Parliament in Budgeting”, Republik Österreich Parlament, Vienna, 30th January 2014 [11/8/2019] online https://www.pempal.org/sites/pempal/files/attachments/4_the-role-of-parliament-in-the-budget-process.pdf

²⁴ In general, the first reading is in the Austrian legislative process not typical; usually bills are directly tabled to the committees. After the deliberation in the committees, the second reading takes place. Der Weg durch den Nationalrat, Parlament Republik Österreich [11/6/2019] online <https://www.parlament.gv.at/PERK/GES/WEG/WEGNR/index.shtml>

²⁵ Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 [11/6/2019] p 22, Dostupné z <https://doi.org/10.1787/budget-18-5j8l804wg0kf>

are only a few proposals to change the budget. Amendments can be tabled during the committee deliberation or second reading at the plenary. All amendments submitted during the committee deliberation are reviewed during the committee debate. After the end of the third reading, the National Council votes on the Bill as a whole.²⁶

In case the National Council does not approve the Federal Budget Act before the first day of the fiscal year, nor does it approve federal act with preliminary budgetary measures, the federal budget shall be conducted in accordance with the provisions of the last federal budget. (*Art. 51a (4) Constitution*)

Parliamentary oversight of the implementation and execution of the Federal Budget and the Federal Final Account

The Federal Government is responsible to the National Council for the implementation of the federal budget. In the context of budget reform, the budget reporting system was redesigned and expanded. “*Information on the budget implementation includes besides the financial statements i.a. monthly budget implementation reports, budget controlling reports and controlling reports on public enterprises twice a year and yearly reports on subsidies, public debt, contingent liabilities and performance information.*”²⁷ The budget reports are deliberated in the Budget Committee.²⁸

Monthly, the Federal Ministry of Finance prepares short budget execution reports (*Budgetvollzug*). Twice a year (by the end of April and September), the Federal Ministry of Finance prepares more detailed Reports on Execution of the Federal Budget during the fiscal year (*Bericht zur Entwicklung des Bundeshaushaltes*). After the end of the fiscal year (before March 31), the Federal Ministry of Finance prepares the Report on the Preliminary Budget Outturn of the previous fiscal year (*Vorläufiger Gebarungserfolg*). The report shows the preliminary results of the budget execution in comparison to the Federal Budget Act. Moreover, twice a year the Federal Government prepares performance reports: the Report on Impact Assessment (*Bericht zur Wirkungsfolgenabschätzung*)²⁹ and the Report on Outcome Orientation (*Bericht zur Wirkungsorientierung*)³⁰.

The Financial Statement of the Federal Government (Federal Final Account - *Bundesrechnungsabschluss*) is prepared by the Supreme Audit Court (Rechnungshof, SAO); and submitted to the National Council by June 30. The National Council approves the Federal Final Account in Septembers’ plenary after discussion in the Budget Committee. For deliberating and adopting the Federal Final Account, the standard legislative process is used.

The comprehensive budget reporting system should facilitate Parliament's budget oversight role and enhance the engagement of parliamentarians in fiscal and budget issues. The National Council can use performance information for a more strategic discussion on policy outcomes and financial resource allocation based on performance information measured by the set indicators.³¹ On the other hand, extensive reporting can lead to information overload. This can be solved with the support of parliamentary administration – Parliamentary Budget Office and by

²⁶ *ibid*

²⁷ Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994, Gschiel, P., Lanzerstorfer, R., Nationalrat, 2019

²⁸ Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 [11/6/2019] p60-63, online <https://doi.org/10.1787/budget-18-5j81804wg0kf>

²⁹ The report contains individual reports regarding the regulatory impact assessments performed previous year.

³⁰ The report contains information about the fulfillment of the outcome objectives for the previous fiscal year.

³¹ Smetanková, D., Krček, T., Performance budgeting. Parlamentní institut č. 2.113, srpen 2019 [11/8/2019] p14 online <http://www.psp.cz/sqw/text/orig2.sqw?idd=163582>

continuous improvement of the structure and comprehensiveness (overviews, explanations) of the reports.³²

Role of the parliamentary committees

The Budget Committee of the National Council

The Budget Committee deals solely with the budgetary issues (incl. other draft laws related to budget).³³ Following the budget reform, the Budget Committee shall have two standing sub-committees; currently these are the Subcommittee of the Budget Committee (*Ständiger Unterausschuss des Budgetausschusses*) and the Subcommittee on the ESM matters (*Ständiger Unterausschuss in ESM-Angelegenheiten*).

The Court of Audit Committee (Rechnungshof-Ausschuss) of the National Council

The Committee's role is to deal with the audit reports of the Court of Audit (Austrian SAO). It also deliberates SAO's reports to the budget execution; however, the Report of the SAO on the Federal Final Account is deliberated in the Budget Committee.³⁴

Role of the Parliamentary Administration

The Parliamentary Budget Office (Budgetdienst, PBO)

The Parliamentary Budget Office was established in 2012 as a one of the departments of the Legal, Legislative and Research Services (*Rechts-, Legislativ- und Wissenschaftlicher Dienst*).³⁵ PBO was created to provide support to the Budget Committee with technical budget expertise for parliamentary budget scrutiny. *"The Budget Reform has endowed the Administration with more flexibility in using budget funds. The Federal Financial Act no longer defines expenditures in every detail but rather contains what are called "global budgets". At the same time, however, the National Council assumes greater responsibility in the form of concomitant control of the use the taxpayers' money. The administrative services have to present detailed reports to it at regular intervals, which also gives the Members of the National Council a basis for implementing administrative and legislative reforms, and may, when adopting the subsequent budget, modify focal points in administrative activities. The Constitution calls this the National Council's "participation in budget management".*³⁶

The key tasks of the PBO (according to its mandate) are:

- *"To support the Budget Committee in the form of written expertise, analysis, and short studies on budgetary matters presented by the government according to budget law.*
- *To support other parliamentary committees regarding impact assessment of new legislation.*
- *To consult especially on performance and gender budgeting.*

³²Gschiel, P., Lanzerstorfer, R., Nationalrat, 2019, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994

³³ Draft laws regarding financial issues, banks, taxes etc. are deliberated in the separate Finance Committee.

³⁴ Konrath, Ch., Berger, H., The Role of Parliament in the Budget Process, PEM PAL Budget Community of Practice (BCoP) "The Role of Austria's Parliament in Budgeting", Republik Österreich Parlament, Vienna, 30th January 2014 [11/8/2019] online https://www.pempal.org/sites/pempal/files/attachments/4_the-role-of-parliament-in-the-budget-process.pdf

³⁵ The Legal, Legislative and Research Services have six different departments: Constitutional law matters, Research and support in parliamentary matters, Parliamentary Budget Office, Legal matters of the parliamentary administration, Library services and Information services.

³⁶ A Right of Old: Parliament and the Budget, Republic of Austria, Parliament [11/8/2019] online <https://www.parlament.gv.at/ENGL/PERK/PARL/POL/ParluBUDGET/index.shtml>

- *To provide short analyses at the request of Members of the Budget Committee.*³⁷

The PBO prepares comprehensive budget analyses regarding the Federal Budget Bill. The analyses have to be finished before the start of the Budget Committee deliberation. The Head of the PBO has to be present at the Budget Committee meeting where he presents a short summary of the analyses at the beginning of the discussion.³⁸ Moreover, the PBO provides the Budget Committee with analyses regarding the budget reports submitted by the Government. Currently, the PBO has eight employees: six experts in economic analyses, impact assessments and budgetary issues, and two assistants.³⁹

CROATIA

Overview of the Budgeting process

The budget process at national level is implemented according to the Budget Act⁴⁰ and the Parliament's Standing Orders⁴¹. Although the budget covers only one year, the main phases of the budget process (preparation, adoption, execution and reporting), last about two and a half years. Each of these phases includes several steps. **The first step is the adoption of the National Reform Programme and the Convergence Programme for a three-year period.** In the Convergence Programme, the Ministry of Finance defines the macroeconomic and fiscal framework of the Republic of Croatia for the current year and the next three years.⁴² The National Reform Programme defines a strategic framework for the implementation of structural reforms in the current year and over the next three years and contains major elements of the macroeconomic scenario and key reform measures which ensue from the strategic goals set in the strategic plans and which are being taken or are planned to be taken by the State over a mid-term period, all in keeping with the fiscal framework defined by the Convergence Programme. The Government shall adopt the National Reform Programme and the Convergence Programme no later than the end of April of the current year. **The next steps are the Governmental Economic and Fiscal Policy Guidelines which are adopted by the end of the summer.** They establish the basic determinants of the Budget for the mentioned period.⁴³ Also, in accordance

³⁷ Austria Parliamentary Budget Office Update, OECD Parliamentary Budget Officials and Independent Fiscal Institutions 6 th Annual Meeting, The Knesset, Jerusalem, [11/8/2019] online http://knesset.gov.il/mmm/oced/Session_1_Austria_PBO_Update.pdf

³⁸ Konrath, Ch., Berger, H., The Role of Parliament in the Budget Process, PEM PAL Budget Community of Practice (BCoP) "The Role of Austria's Parliament in Budgeting", Republik Österreich Parlament, Vienna, 30th January 2014 [11/8/2019] online https://www.pempal.org/sites/pempal/files/attachments/4_the-role-of-parliament-in-the-budget-process.pdf

³⁹ MitarbeiterInnen des Budgetdienstes und ihre Fachbereiche, Republik Österreich Parlament [11/8/2019] online <https://www.parlament.gv.at/PAKT/BUDG/BUDGETDIENST/MITARBEITERINNEN/index.shtml>

⁴⁰ Budget Act (Croatia) [11/25/2019] <http://www.mfin.hr/adminmax/docs/Budget%20Act%20-%20consolidated%20text.pdf>

⁴¹ Standing orders of the Croatian Parliament [11/25/2019] https://www.legislationline.org/download/id/8131/file/Croatia_standing_orders_croatian_parliament_2013_en.pdf

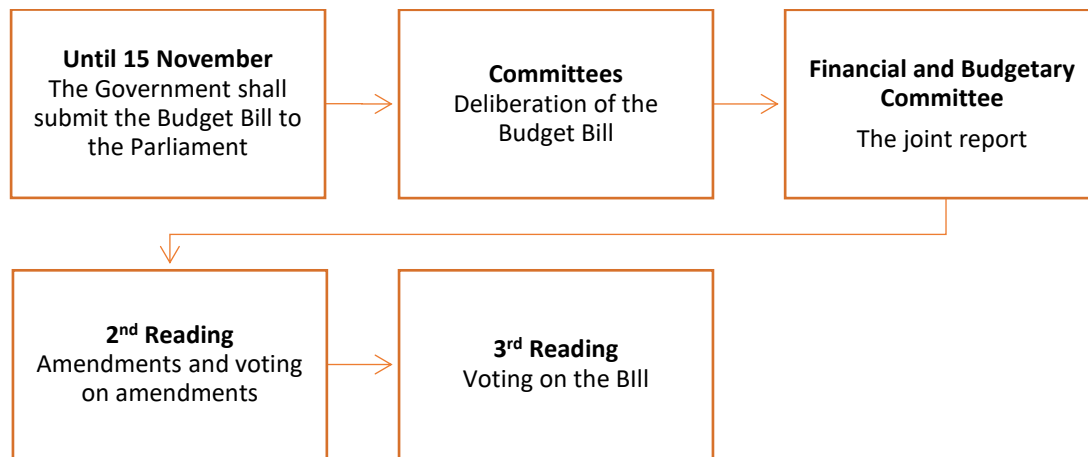
⁴² The Convergence Programme shall contain: an overview of macroeconomic trends; an overview of the mid-term budgetary framework, including general budget and public debt projections; fiscal risks and a sensitivity analysis of general budget deficit/surplus and public debt trends; and the qualitative and institutional characteristics of public finance.

⁴³ About the State budget, web-site of the Ministry of finance [11/25/2019] <http://www.mfin.hr/en/state-budget>

with the Budget Law, strategic plans for a three-year period are prepared by ministries and other state bodies that are first level budgetary users.

The Ministry of Finance prepares the draft budget bill for the budget year and projections for the next two years, and submits them to the Government no later than 15 October of the current year. **The Government approves the National Budget Proposal and projections and submits them to Parliament together with the financial plans of extra-budgetary users no later than 15 November of the current year.** In the second half of November, the Speaker of Parliament delivers the National Budget Proposal to all the MPs and chairpersons of Parliamentary working bodies (committees, commissions, etc.). The Finance and Central Budget Committee and Legislation Committee are required to discuss the National Budget Proposal and express their opinions to Parliament.

Graphic 2. Deliberation of the Budget Bill in the Croatian Parliament



Other working bodies are free to hold their own discussions and submit their opinions either to the Finance and Central Budget Committee or to Parliament. All the MPs must have sufficient time to study the budget proposal closely. Each MP, a parliamentary party club, a working body and the Government may submit their respective amendments for changes and additions to the budget proposal. The Speaker must forward them without delay to all the MPs, the Government, the Finance and Central Budget Committee and the Legislation Committee. All amendments must be in line with the determined amounts of the budget deficit, proposal and projections. Amendments aimed at increasing budget expenditures above the amounts specified in the budget proposal can only be accepted if accompanied by proposals to reduce other expenditures. Moreover, they must not burden budgetary reserves or previously assumed liabilities, or lead to further borrowing. **The final debate on the National Budget Proposal is held at a parliamentary session in December. A joint debate, in general by sections, is held on the budget proposal and the proposed amendments in one parliamentary reading.** The submitted amendments and budget proposal cannot be voted on before the expiry of three days from the date of that joint debate. After the National Budget and Budget Execution Act are voted through, the execution of the Budget becomes obligatory for all the participants and users of the budget. Parliament is obliged to pass the budget and the Budget

Execution Act no later than 31 December. The State budget bill is passed by a majority vote of all Members of Parliament.

Established Parliamentary practices related to Budget scrutiny

The Croatian Parliament has a **permanent working body - the Finance and Central Budget Committee**⁴⁴, which reviews the adoption and implementation of the budget, but is not responsible for oversight of the state budget (as an independent body). The Finance and Central Budget Committee has the rights and duties of a competent working body in matters pertaining to the system to finance public needs in the Republic of Croatia; the Central Budget, the final settlement of the Central Budget and funds; the report of the Central Auditing Office on conducted audits.⁴⁵

Semi-annual and annual budget execution reports

The Government shall submit to Parliament the **semi-annual budget execution report** for adoption not later than the fifteenth day of September of the current year and the **annual budget execution report** by 1 June of the current year for the preceding year. Semi-annual and annual budget execution reports shall contain⁴⁶:

- the general section of the budget consisting of revenues and expenditure and the Financing Account at the level of section economic classification,
- the special section of the budget broken down by organizational and programme classification and the level of section economic classification,
- the report on borrowing on domestic and foreign money and capital markets,
- the report on use of budgetary reserves,
- the report on issued state guarantees and outlays pursuant to state guarantees, 6. an explanation of macroeconomic indicators,
- an explanation of generated revenues and receipts, expenditure and outlays,
- the general budget deficit.

The annual budget execution report shall also include a report on implementation of the public debt management strategy.

Auditing of the annual budget execution report

Budgetary control is regulated as external and internal control. The type of supervision, body that implements it and the measures taken during the supervision are regulated not only by the Law on the State Budget (which prescribes the basis of supervision) but also by the Law on the State Audit Office⁴⁷ and special laws and directives that regulate the competence and structures of individual bodies (Directive on the Internal Organization of the Ministry of Finance) or control systems (Law on Public Internal Financial Control).

⁴⁴ Standing orders of the Croatian Parliament, Article 73 [11/25/2019]

https://www.legislationline.org/download/id/8131/file/Croatia_standing_orders_croatian_parliament_2013_en.pdf

⁴⁵ The Finance and Central Budget Committee shall have a chairperson, deputy chairperson and 11 members from among the ranks of Members of Parliament, while an additional 6 members shall be appointed to the Committee: one from among higherlevel trade union representatives, the Croatian Employers' Association, and the Croatian Chamber of Commerce respectively, and three representatives of scientific and professional institutions.

⁴⁶ Budget Act of Croatia, Article 108 [11/25/2019] <http://www.mfin.hr/adminmax/docs/Budget%20Act%20-%20consolidated%20text.pdf>

⁴⁷ Law on the State Audit Office of Croatia [11/25/2019] <https://www.zakon.hr/z/478/Zakon-o-Dr%C5%BEavnom-uredu-za-reviziju>

The external control of the implementation of the budget, as well as of other budget users, is carried out by the State audit Office. The audit of the report on State Budget execution is conducted every year, and is submitted to the Croatian Parliament by 15 June of the current year for the preceding year.

Providing support to the MPs

The Information and Documentation Department is part of the Staff Service and it is charged with the indexing and archiving of all acts of the Parliament. The Department also provides full reference service, which includes responding to requests for articles and information dealing with complex matters of interest to MPs, and utilizing a variety of sources such as articles and electronic documentation. The Department responds to queries for information from MPs and parliamentary staff about bills in progress and transcripts of plenary sessions, and it keeps track of Parliament's legislative activity (enacted legislation, rescinded or withdrawn bills, debate statements made by MPs during plenary sessions, and all manner of statistics on matters relating to the work and functioning of Parliament).⁴⁸ The mission of the Information and Documentation department is to support Parliament's legislative, oversight and representation functions by providing high-quality information services; to provide support to decision-making processes; to raise the standards of debate and to improve the quality of legislation. The objectives are to provide impartial, accurate and timely information to all users; to provide information service that assists MPs, committees and other parliamentary bodies in the fulfilment of their duties; to make information and services available to other parliamentary staff as necessary to facilitate Parliament's functioning; to ensure that MPs and staff in Parliament have easy access to the information they need when they need it; to provide the appropriate level of information and documentation services to MPs and parliamentary staff; to provide records of Parliament's activities. Although research functions have been foreseen, currently the Department does not engage in research activities.

Gender equality

The **Committee for Gender Equality** was established in the Croatian Parliament in 2001 with the aim of mainstreaming gender equality in legislation, regulation and policy. In 2008, the Gender Equality Act was adopted, which is most relevant to the promotion of gender equality in Croatia. Article 3 of the Act refers to gender mainstreaming and stipulates that public bodies should – at all stages of the planning, adoption and implementation of legal acts, decisions and actions – assess their gender impact with a view to achieving genuine equality between women and men. Both the National Policy for Gender Equality 2011–2015 and the Gender Equality Act ensure the application of the equality principle in all aspects of national policy.⁴⁹

The Board for Gender Equality⁵⁰ (established by parliament in 2000) is appointed (and dismissed) by the Parliament and shares this mandate with the Parliament. The mandate of the Board corresponds to the election of parliament and it consists of 13 Members of Parliament (including the president and vice-president) and three external members (recognized by professionals and NGO members in the field of gender

⁴⁸ Web-site of the Croatian Parliament, Information and Documentation Department [11/25/2019] <https://www.sabor.hr/en/about-parliament/organizational-structure/information-and-documentation-department>

⁴⁹ Gender mainstreaming in Croatia, European Institute for Gender Equality [11/25/2019] <https://eige.europa.eu/gender-mainstreaming/countries/croatia>

⁵⁰ *Ibid.*

equality and selected through a public competition procedure). The Board's scope includes determining and monitoring the implementation of gender equality policy. In the process of adopting laws and regulations, the Board has the right and duty to promote and monitor the implementation of gender equality in the legislation of the Republic of Croatia. In the process of enacting laws and other regulations, it has the same rights and duties as the main (parent) working body in the area with respect to the promotion and monitoring of the application of the principle of gender equality in the legislation. The most relevant gender equality institutions generally undertake projects and develop handbooks aimed at promoting gender mainstreaming within government bodies, administrations and strategies. All of these actions form part of the policy framework for gender mainstreaming contained in the Government Programme 2016-2020. The available guidelines for methods and tools chiefly concern gender analysis, gender indicators, gender monitoring, and gender statistics, but do not make sufficient reference to gender impact assessment and gender budgeting.

CZECH REPUBLIC

Regulation of the budget process

Article 42 of the Constitution of the Czech Republic stipulates, “(1) *Bills on the state budget and the final state accounting shall be introduced by the government. (2) These bills shall be debated at a public meeting, and only the Chamber of Deputies may adopt resolutions concerning them.*”⁵¹ Thus, the Government has the exclusive competence to prepare and submit a state budget bill to the Parliament. The Chamber of Deputies has the exclusive power to approve the state budget.⁵²

The Act No. 218/2000 Coll. on budgetary rules regulates the preparation, function and content of the state budget and medium term outlook, financial control and related public finances issues. The rules on budgetary responsibility and transposition of the European Directive 2011/85/EU on Fiscal Frameworks are provided by Act. No. 17/2017 Coll. on budgetary responsibility. The Act No. 90/1995 Coll. on the Rules of Procedure of the Chamber of Deputies⁵³ regulates the deliberation of the Law on the State Budget.

The Role of the Parliament in the budget process

As already mentioned, only the Chamber of Deputies plays a role in the budget process. This applies both for the approval of the state budget and for the budget oversight function during implementation of the state budget and state final accounting after the end of the fiscal year. Leading committee for budgetary issues is the Committee on the Budget. The Committee on Budgetary Control deals with the audit of the public finances. Since adoption of the rules on budgetary responsibility and establishment of the National fiscal council, the Chamber of Deputies deliberates the reports on the long-term sustainability of public finances and on compliance with the budget responsibility rules.

⁵¹ The Constitution of the Czech Republic [11/1/2019] online: <http://public.psp.cz/en/docs/laws/constitution.html>

⁵² The Parliament of the Czech Republic is bicameral parliament consisting of the Chamber of Deputies and the Senate.

⁵³ Hereinafter referred to as „Rules of Procedure“

English version of the Rules of Procedure of the Chamber of Deputies is available [11/4/2019] online <http://public.psp.cz/en/docs/laws/1995/90.html#s13>

Preparation of the State Budget Bill

The budget cycle starts 3 years before the actual fiscal year and ends a year after the end of the fiscal year. The Government shall approve government's fiscal strategy (for the general government sector) and submit it to the Chamber of Deputies by April 30. The Government's fiscal strategy shall be prepared annually for at least the following 3 years. The Convergence Program⁵⁴ is an integral part of government's fiscal strategy. The Government's fiscal strategy outlines the total expenditures of the general government sector, binding expenditure frameworks of the state budget (determined based on medium-term budgetary objective, MTO). The Fiscal strategy shall serve as an initial starting document for the preparation of the budget bill.⁵⁵ The Government's fiscal strategy is deliberated only at the level of parliamentary committees. Main parliamentary committee for deliberations of the Fiscal strategy is the Committee on the Budget. The Convergence Program must be submitted and discussed in the Committee on the Budget before it is sent to the European Commission. The Convergence Program together with the National Reform Program⁵⁶ is discussed in the Committee on European Affairs as well.

The Ministry of Finance in cooperation with the administrators of the individual budget chapters (ministries, state agencies etc.) prepares the Budget Bill with the exception of the so-called autonomous budget chapters⁵⁷, the administrators of which are independent in preparing their budget proposals. The Ministry of Finance includes these proposals into the Budget Bill within their own chapters. The proposals of the revenues and expenditures of these chapters have to be approved by the Committee on Budget of the Chamber of Deputies before they are included into the Budget Bill.

The State Budget Bill, the budget implementation reports and the State Final Account include comprehensive reports and background documentation. These provides deputies with comprehensive information on macroeconomic framework and fiscal policy, development and projection of budget expenditures and revenue according to the sectors, chapters and purpose, comprehensive financial statistics etc.

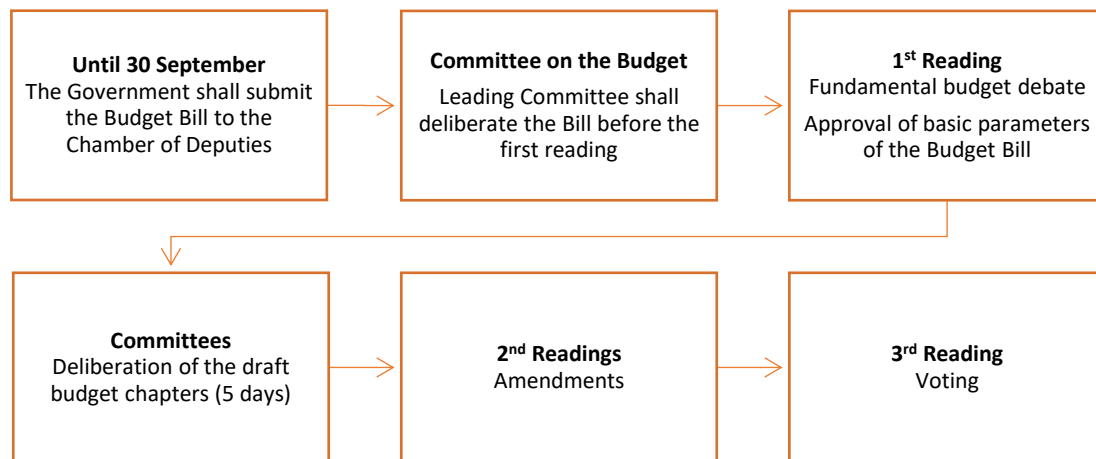
⁵⁴ "Every April, EU Member States are required to lay out their fiscal plans for the next three years. This exercise is based on economic governance rules in the Stability and Growth Pact, which aim to prevent the emergence or exacerbation of fiscal difficulties." "Member States sharing the euro currency do this in documents known as "Stability Programmes", while Member States that have not adopted the euro submit "Convergence Programmes", which include additional information about monetary policies." European Commission: Stability and convergence programmes, online

⁵⁵ During the preparation of the state budget bill, the expenditure frameworks approved by the Government in the Strategy can only be altered in relevance with the update of the macroeconomic and related fiscal forecasts; change in revenues for the EU budget or to cover expenditures related to exceptional circumstances (e.g. natural disasters).

⁵⁶ „National Reform Programmes (NRPs) are documents issued by EU Member States to the European Commission on an annual basis (since 2011), detailing the specific policies they will implement to boost jobs and growth and prevent/correct imbalances, and their concrete plans to comply with the EU's country-specific recommendations and general fiscal rules.“ National Reform Programmes, European Observatory of Working Life [online] [11/1/2019] <https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/national-reform-programmes>

⁵⁷ These chapters include the Chamber of Deputies, the Senate, and the Office of the President of the Republic, the Constitutional Court, the Supreme Audit Office, the Office of the Ombudsman and the Office of the National Fiscal Council.

Graphic 3. Deliberation of the Budget Bill in the Chamber of Deputies



The Government shall submit the Budget Bill to the Chamber of Deputies no later than three months before the end of the fiscal year.⁵⁸ Together with the Budget Bill, the government submits the Medium-term Budgetary Outlook of the state budget, which is prepared for the two years following the year for which the state budget is prepared. Before the first reading at the plenary, the draft budget is deliberated in the Committee on the Budget. (§101 Rules of Procedure) The discussion in the Committee is a preparation for first reading in plenary and concerns in particular the basic parameters of the draft budget.

At the first reading, a main political budgetary debate takes place. The Budget Bill is introduced by its sponsor (Minister of Finance) followed by the rapporteur of the Committee on the Budget. “*In the first reading the Chamber of Deputies shall discuss basic parameters of the Act on the State Budget, such as the amount of revenues and expenditures, the amount of final balance, the way the balance is to be settled, general relations with the budgets of higher self-governing units and municipalities and the extent of competencies of individual executive bodies.*” (§101(2) Rules of Procedure) At the first reading, the Chamber of Deputies approves the basic parameters of the state budget, or recommends changes and sets a time limit in which the Government should submit a new proposal. (§102(3) Rules of Procedure) “*Once approved by the Chamber of Deputies, the basic parameters of the draft Law on the State Budget cannot be changed without further consideration. The Chamber of Deputies shall also refer all individual chapters of the draft Law on the State Budget to its committees.*” (§102 (4) Rules of Procedure)

Between the first and the second reading, the individual sectoral committees shall deliberate the respective budgets chapters and refer their resolutions to the Committee on the Budget. The minimum time limit for consideration of any chapter in the committee is 5 days. “*Each committee may propose changes only in the chapter of the State Budget referred to it. If it wants to put through any change concerning other chapters, it must ask the committee to which the particular chapter has been referred to consider such change. The committee is obligated to ask the opinion of the administrator of the relevant chapter on every change proposed.*” (§103(3) Rules of Procedure)

The Committee on the Budget shall consider the resolutions (or opposing report) of sectoral committees and express its opinion in the form of resolution. The resolution

⁵⁸ Budget year follows the calendar year.

of the Committee on the Budget (and any resolution of any committee, which is inconsistent with the resolution of the Committee on the Budget) shall be delivered to the Speaker and all Deputies. (§104 *Rules of Procedure*)

A detailed debate is taking place at the second reading. “*The second reading of the draft Law on the State Budget is introduced by its sponsor. His introduction is followed by the rapporteur of the Committee on the Budget.*” (§105(1) *Rules of Procedure*) During the second reading, it is possible to table amendments and/or other motions. (§105(2) *Rules of Procedure*) Because the basic parameters of the budget bill have been approved in the first reading, they can no longer be changed. The amendments must contain balanced transfer of money.

The third reading may be initiated 48 hours after the end of the second reading at the earliest. (§106(1) *Rules of Procedure*) “*During the debate taking place in the course of the third reading it is only possible to propose correction of legislative, technical, grammatical, spelling or printing mistakes, modifications logically resulting from presented amendments or repetition of the second reading.*” (§106(2) *Rules of Procedure*) At the end of the third reading deputies vote on all amendments and/or other motions. Finally, the Chamber of Deputies votes on the whole Bill. It can either approve the state budget or recommend changes and set a time limit for the Government to submit a new proposal. The Chamber of Deputies cannot reject the Budget Bill.

In case the Chamber of Deputies does not approve the State Budget Bill before the first day of the fiscal year, the state finances shall be managed according to the indicators of the previous state budget, until the day of entry into force of the State Budget Act.

Parliamentary oversight of the state budget implementation and the State Final Account

The Government is responsible to the Chamber of Deputies for the implementation of the state budget. After the first half year of the fiscal year, the Ministry of Finance submits to the Chamber of Deputies the Half-Year State Budget Implementation Report that is deliberated at the plenary. The Report assesses economic development and implementation of the state budget.⁵⁹ After the first and third quarter of the fiscal year, the Ministry of Finance submits to the Committee on the Budget the State Budget Execution Report.

The Draft State Final Account shall be submitted to the Chamber of Deputies by April 30 of the year following the end of the fiscal year. The State Final Account is not adopted as a law, therefore there is only one reading at the plenary session. Nevertheless, deliberation in the committees is in similar manner as with the State Budget Bill: the Committee on the Budget is the lead committee; individual chapters are deliberated in the respective sectoral committees. The Chamber of Deputies approves the State Final Account through the adoption of a resolution. If the Chamber of Deputies does not approve the State Final Account, it has no effect on the functioning of the Government.

⁵⁹ The report also includes an evaluation of the implementation of the budgets of territorial self-governing units, voluntary unions of municipalities, Regional Cohesion and Development Councils, state financial assets, state guarantees state debt development and the projection of the implementation of the state budget by the end of the year.

Role of the parliamentary committees

Role of the Committee on the Budget⁶⁰ of the Chamber of Deputies

The Committee on the Budget plays the key role within the budget cycle. It is the leading committee to all for the budget related documents, mainly to the State Budget Act. The Committee has strong position especially in relation to the autonomous budget chapters. The proposals of the revenues and expenditures of these chapters have to be approved by the Committee on Budget of the Chamber of Deputies before they are included into the Budget Bill. Thus, the Committee on the Budget of the Chamber of Deputies decides on the budget not only of the Chancellery of the Chamber of Deputies but also of the Chancellery of the Senate.

The strong position of the Committee can be seen when discussing and approving the changes to the state budget during the fiscal year. According to the Act on Budgetary Rules, the Committee approves all the financial transfers within the state budget that exceed 10% of the amounts (of binding indicators) approved in the State Budget Bill.

Furthermore, the Committee monitors the implementation and execution of the State Budget Act and deliberates on the Final State Account. Similar to other committees, the Committee on the Budget is entitled to summon a member of the Government with the request of information or explanation.

Role of the Committee on Budgetary Control of the Chamber of Deputies

The main role of the Committee on Budgetary Control is to monitor the state budget expenditures and state assets management. It cooperates closely with the Supreme Audit Office (SAO) mainly by deliberating all of its audit reports. During the budget process, the Committee discusses the draft budget of the SAO and the final account of the SAO's budget chapter. *"The Committee on Budgetary Control monitors the economical utilization of funds from the state budget, effective management of state assets, funds in the public administration, general conclusions of internal audits, activities of the Office of the Government Representation in Property Affairs, activities of Territorial Financial Authorities and Customs Administration of the Czech Republic. The Committee discusses results of the audit activity and opinions of the Supreme Audit Office."*⁶¹ The Committee deliberates SAO's opinions on the State Final Account and the Half-Year State Budget Implementation Report.

Role of the Parliamentary Administration

The tasks of the Office of the Chamber of Deputies are stipulated in the Rules of Procedure: The Office *"provides professional, organizational and technical support for the activities carried out by the Chamber of Directors, its bodies and offices, the Deputies, political groups and the members of the European Parliament elected within the territory of the Czech Republic."* (§29 Rules of Procedure) The secretariats of the committees provide mainly organizational support and the professional support is concentrated in the parliamentary research service, parliamentary library and legislative department. Professional support regarding budget issues is provided by the parliamentary research service.

⁶⁰ About the Committee, Committee on the Budget, The Chamber of Deputies, online [11/4/2019] <http://public.psp.cz/en/sqw/hp.sqw?k=3409&o=7>

⁶¹ *Ibid*

Parliamentary Research Service – Parliamentary Institute (PI)

The Parliamentary institute serves as a parliamentary research and information service and supports individual MPs (Deputies and Senators) as well as the committees. It supports parliamentarians with analyses, studies and information on regular and ad hoc basis (on request).

The PI consists of three departments: the Department of General Analysis; the Department of EU Affairs; the Department of Communication and Education. Currently, it has 27 full time and 3 part time employees. 3 employees deal with the economic and fiscal issues including European economic integration, taxes etc. The budgetary issues are addressed by 1 employee, however his/her resources are also used on other agenda, as needed.

To support parliamentarians with quality information regarding the budget, the Parliamentary Institute has introduced regular analytical products – briefing papers (reports to the Budget Bill and State Final Account) to analyze and sum up information in the Budget Bill and State Final Account. Additionally, the Parliamentary Institute prepares infographics regarding the State Final Account and the State Budget Bill.

NORTH MACEDONIA

Overview of the Budgeting process

The basis for budget preparation are the strategic priorities of the Government of the Republic of North Macedonia, the Fiscal strategy, draft budget strategic plans of the budget users and budget policies, as well as the priorities of the municipalities.⁶² Budget users prepare a three-year strategic plan containing programs and activities for realization of the strategic priorities of the Government, as well as the goals and priorities of the budget user for that period. The budget users' strategic plans are an integral part of the budget request submitted to the Ministry of Finance. Other than this the Ministry of Finance is preparing a **Fiscal Strategy for the medium term of three years** proposing the guidelines and targets of the fiscal policy and sets the amounts for the principal categories of estimated revenue and funds approved for the period. The fiscal strategy shall be adopted by the Government by May 31 of the current fiscal year at the latest. **This Medium-term fiscal strategy is a key document for determining the medium-term fiscal goals of the Government and their connection with the strategic priorities, as well as a tool for monitoring the dynamics of revenues and expenditures in relation to the fiscal targets.**

After the procedures for preparation of the draft budget bill, the Government submits the draft budget bill to the Parliament no later than 15 November of the current year. The budget proposal can be considered at a meeting of the Assembly 20 days after the date on which it was submitted. The debate is carried out as per a draft law in second reading, with a general debate and amendment debate and can last a maximum of ten working days. The detailed debate is conducted in the Committee on Finance and Budget, but the Legislative committee conducts a debate as well.

Following the discussion in the Committee on Finance and Budget and the Legislative Committee, the reports of the hearings are submitted to the Government. **The**

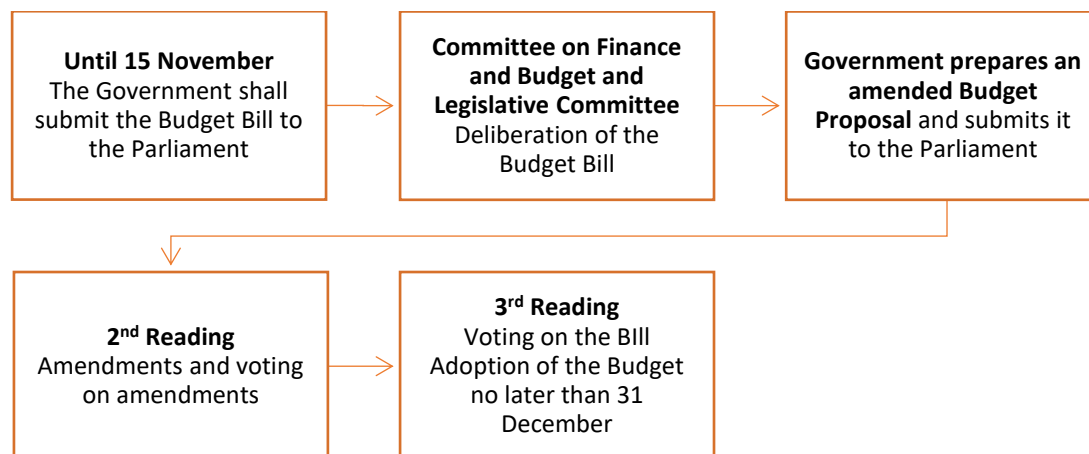
⁶² Organic Budget Law available only in macedonian language [11/2/2019]

<https://www.finance.gov.mk/files/u6/>

Government prepares an amended Budget Proposal and submits it to the Parliament. The amended Budget Proposal is a new integral text in which the Government incorporated the amendments with which it agreed and the necessary amendments and additions to the draft budget proposal, together with an explanation in which it is clearly stated which items have been amended. **The Assembly debates the amended draft budget bill at a plenary session. The debate on the amended budget proposal shall last for a maximum of five days. At the end of the debate, Parliament votes on the draft budget bill. The Assembly shall adopt the Budget law no later than 31 December.**

According to the Rules of Procedures of the Assembly, the role of the MPs in improving the quality of the budget is done by **proposing amendments to certain items of the draft budget sub-programmes.** The relevant working body - Finance and Budget Committee and the Legislative Committee, examine the tabled amendments and then vote. Any MP in the Assembly, a parliamentary group and a working body may submit an amendment. The applicant of the amendment may alter, amend or withdraw the amendment until the end of the debate on the article in which he submitted an amendment. If the amendment contains provisions that involve financial means, the initiator of the amendment shall at the same time indicate the possible sources for securing those funds. The amendment shall be adopted by a majority of the votes of the present Members of Parliament, and at least one third of the total number of MPs, regardless of the majority of the votes necessary for adoption of the law, determined by the Constitution.

Graphic 4. Deliberation of the State Budget Bill in the Parliament



Established practices

Semi-annual budget execution report

The Ministry of Finance monitors the implementation of the Budget and the **reports on the execution of the Budget** are published on the website of the Ministry of Finance on a monthly basis. Also, the Minister of Finance shall submit to the Government **a report on the execution of the Budget for the first six months** by 31 July at the latest in the fiscal year.

Final bill of the State Budget for the previous year

By the end of May every year, the Government submits to the National Assembly a **final bill/ financial statement of the State Budget** for the previous year,

accompanied with the report of the Court of Audit, for further discussing at the Finance and Budget Committee and at a plenary session. Upon expiry of each fiscal year, and prior to the adoption of the annual account of the Budget of the Republic, the State Audit Office shall prepare an audit report about the Budget of the Republic and shall submit it to the Assembly. All the relations between the Parliament and the State Audit Office are regulated in the Law on State Audit.

The Law on the Assembly also defines a budget control segment. Article 26 provides for the establishment of the Budget Council of the Assembly⁶³ consisting of the President, Deputy Speaker and nine MPs, depending on the number of parliamentary parties and the number of MPs. The Budget Council has the following powers:

- establishes strategic priorities of the Assembly for the coming year and their inclusion in the Budget of the Republic by proposing special programs and sub-programs,
- provides guidance on the preparation of the draft budget requests and the work requirements of the Assembly,
- proposes to the Government in cooperation with the Ministry of Finance the maximum amount of funds for the Assembly for the next three fiscal years,
- monitors the execution of the expenditures in the Budget of the Assembly and proposes the reallocation of funds within the appropriations approved with the Budget of the Republic of Macedonia.

The Commission on financing and budget in the Assembly of the Republic of North Macedonia, considers issues related to:

- the system of financing; Budget of the Republic; taxes, fees, contributions and other public duties of citizens and legal entities; the customs system; monetary-credit, banking and foreign exchange system; payment operations and audit; loans and credits; public procurement; the insurance system; ownership and other property-legal relations; commodity reserves; games of chance; establishing international cooperation on issues related to finance and budget and other issues pertaining to financing. The chairman of the Commission is a member of the opposition.

Available services to the MPs Parliamentary Institute of the Assembly

The research department in the Parliamentary Institute prepares budget analyzes, informative documents and more detailed analyses of the main macro-economic, social and fiscal indicators. These analyses cover multi-annual periods, and contain detailed and visualized information. Also, on demand submitted by MPs the Parliamentary Institute prepares economic analyses regarding various aspects of the budget. The Parliamentary Institute has general policy to complement the research products with appropriate visualization of data, wherever it is possible.

Parliamentary Budget Office (PBO)

The Westminster Foundation for Democracy, with the support of the British Embassy in Skopje, implements the project: "Establishing a Parliamentary Budget Office in the Assembly of the Republic of North Macedonia". The overall objective of the project is to increase the capacity of the Parliamentary Service to support the Assembly in

⁶³ Law on the Assembly [11/2/2019] <https://www.sobranie.mk/zakon-za-sobranieto-na-rm.nspk>

conducting systematic and meaningful financial oversight by providing relevant financial analysis and data.

The process for establishing fully staffed and functioning Parliamentary Budget Office (PBO) in the Assembly is in progress. The PBO should have the staff, capacity and expertise in order to be able to produce well-researched, evidence-based papers and other budgetary and financial matters for MPs and committees. The ultimate aim is to create a culture of financial oversight and to motivate the MPs to demand PBO products in the process of financial oversight. The establishment of the Parliamentary Budget Office is the first initiative to be implemented with the Parliament of the Republic of North Macedonia as part of the Western Balkans Initiative for Democracy.⁶⁴

Gender budgeting

According to Article 9 of the Law on equal opportunities between women and men, the Assembly of the Republic of North Macedonia, within its competences, takes care of the elimination of all forms of discrimination based on sex and the improvement of the social status of women; integrates the principle of equal opportunities for women and men in legal initiatives, policies and programs; organizes public debates and discussions on issues of equal opportunities for women and men; analyzes and gives opinions on the impact of legal provisions on the status of women and men, requires reports and documentation from the competent institutions regarding the sphere of work and prepares and publishes reports on its work.

The Assembly establishes and determines the composition and competencies of the Commission for Equal Opportunities for Women and Men as a permanent working body.

Republic of North Macedonia's institutional framework for gender responsive budgeting:

- **Law on Equal Opportunities for women and men** (First adopted in 2006, revised in 2012)

Article 11 and 14 oblige central and local governments respectively to integrate a gender perspective into policy planning and budgeting and analyze the impact of programmes. However, such provision are not contained in the Law on budgets.

- **National Strategy for Gender Equality (2013-2020)**

Parliament adopts a Gender Equality Strategy and monitors its implementation in sectoral policies and programs and cooperates with social partners, non-governmental organizations and other public institutions in the respective area.

- **Government Strategy for introducing gender responsive budgeting**

The Strategy for Gender Responsive Budgeting aims at creating gender-responsive policies in order to reduce inequality and promote equal opportunities in line with the different needs of men and women through a coordinated and transparent process of gender responsive budgeting. **The Ministry of Finance facilitated the implementation of the Strategy for gender responsive budgeting by introducing specific gender provisions into the budget circular at central level.**

⁶⁴ Web-site of the Assembly of the Republic of North Macedonia, PROJECT: "ESTABLISHMENT OF PARLIAMENTARY BUDGET OFFICE [11/2/2019] <https://www.sobranie.mk/supporting-macedonia-s-parliamentary-reform-westminster-foundation-for-democracy.nspx>

Other important documents are: Revised budget instructions for central level budget users; Government methodology for gender responsive budgeting; Handbook for civil servants to incorporate gender issues into the existing process of policy and budget development at national level (2013-2014).

UN Women Office in Skopje works closely with the Parliament on topics such as gender budgeting and gender aspects in the national policies.

POLAND

Regulation of the budget process

The main principles of the public finance management are anchored in the Chapter 10 of the Polish Constitution.⁶⁵ According to the Art. 146 of the Polish Constitution, the Council of Ministers (the Government) shall adopt the Budget Bill (*ustawa budżetowa*), supervise its implementation and report on it. It is only the Council of Ministers, which has exclusive competence to prepare and submit the State Budget Bill to the Parliament.⁶⁶ The Sejm shall adopt the state budget for a fiscal year. (*Art. 219(1) of the Polish Constitution*) The Senate may adopt amendments to the state budget within 20 days after its receipt. (*Art. 223 of the Polish Constitution*) Thus, both chambers are deliberating the State Budget Bill.

The debt-ceiling rule for the public finances is anchored in the Constitution at 60 % of GDP: “*It shall be neither permissible to contract loans nor provide guarantees and financial sureties which would endanger a national public debt exceeding three-fifths of the value of the annual gross domestic product.*” (*Art. 216(5) of the Polish Constitution*) The Constitution further prevents Parliament from increasing the budget deficit proposed in the State Budget Bill. “*The increase in spending or the reduction in revenues from those planned by the Council of Ministers may not lead to the adoption by the Sejm of a budget deficit exceeding the level provided in the draft Budget.*” (*Art. 220 (1) of the Polish Constitution*)

The Public Finance Act⁶⁷ regulates all aspects of public finances issues. It defines the preparation process, function and content of the state budget and the multi annual plan. It further stipulates basic principles for managing, reporting and auditing public finances. Additionally, the Public Finance Act specifies the rules on budget responsibility, specifically: the debt break rule and the stabilizing expenditure rule. The procedure of parliamentary deliberation and approval of the State Budget is stipulated in the Standing Orders of the Sejm⁶⁸ and the Resolution of the Senate – Rules and Regulations of the Senate⁶⁹.

The Role of the Parliament in the budget process

Regarding the parliamentary budget process, Poland’s Parliament is an exemption. The Budget Bill is deliberated in both Chambers, the Senate and the Sejm.

⁶⁵ The Polish Constitution is available [11/8/2019] online <https://www.sejm.gov.pl/prawo/konst/angielski/kon1.htm>

⁶⁶ The Parliament of Poland is bicameral, consisting of the Senate (first chamber) and the Sejm (the second chamber).

⁶⁷ Dz.U. 2009 nr 157 poz. 1240, Ustawa z dnia 27 sierpnia 2009 r. o finansach publicznych, available [11/11/2019] online <http://prawo.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20091571240>

⁶⁸ The Standing Orders of the Sejm of the Republic of Poland, available [11/11/2019] online http://oide.sejm.gov.pl/oide/en/index.php?option=com_content&view=article&id=14798%3Athe-standing-orders-of-the-sejm-of-the-republic-of-poland&catid=7&Itemid=361

⁶⁹ Resolution of the Senate of the Republic of Poland of November 23, 1990 – Rules and Regulations of the Senate, available [11/11/2019] online <https://www.senat.gov.pl/en/about-the-senate/regulamin-senatu/>

Nevertheless, the Senate has smaller competencies; it may propose amendments to the Budget Bill or it may adopt it without any changes. This does not apply to the scrutiny of the budget implementation. The State Budget Implementation Report is only deliberated in the Sejm; and it is the Sejm who grant discharge to the Council of Ministers.

Art. 220(1) of the Polish Constitution states, “*The increase in spending or the reduction in revenues from those planned by the Council of Ministers may not lead to the adoption by the Sejm of a budget deficit exceeding the level provided in the draft Budget.*” This means that the Sejm cannot adopt amendments to the State Budget Bill that will lead to an increase in the budget deficit.

Preparation of the State Budget Bill

The budget cycle starts 4 years before the actual fiscal year and ends a year after the end of the fiscal year. The State Budget Bill is prepared based on the Multiannual Financial Plan (*Wieloletni Plan Finansowy Państwa, WFPF*). The Multiannual Financial Plan has to be prepared by the Minister of Finance and approved by the Council of Ministers by May 30. The WFPF determines the main objectives and functions of the fiscal policy, planned expenditures and main proposed policy measures. Part of the WFPF is the Convergence Program.⁷⁰ The WFPF is not submitted to the Parliament; it is only adopted by the Council of Ministers and published in the Official Journal of the Republic of Poland “*Monitor Polski*” and in the Public Information Bulletin (*Biuletyn Informacji Publicznej*).⁷¹

The Budget Bill is prepared by the Ministry of Finance based on materials from the budget chapters’ administrators. Subsequently it is submitted to the Council of Ministers for approval. In exceptional cases, an interim budget for a period shorter than one fiscal year may be adopted. The procedures for the preparation and adoption of the interim budget are the same as for the State Budget Bill. (*Art. 219(3) of the Polish Constitution*)

The budgets of the Sejm and the Senate can be described as autonomous; however, they are parts of the State Budget Act and prepared in line with provisions of the Public Finances Act. The Standing Orders of the Sejm stipulates, “*The Marshall of the Sejm⁷² shall adopt, in consultation with the Rules, Deputies’ Affairs and Immunities Committee and the Presidium of the Sejm, the draft budget of the Chancellery of the Sejm and supervise its implementation*”. (*Art. 10 (15) the standing orders of the Sejm*) Similarly, the Standing Orders of the Senate determines that “*The Marshal of the Senate⁷³ shall establish the draft budget for the Chancellery of the Senate after having sought the opinion of the Presidium of the Senate and the Rules, Ethics and Senatorial Affairs Committee, and supervise budget execution.*” (*Art. 8(17) the Rules and Regulations of the Senate*) According to the Art. 139(2) of the Public Finance Act, the Minister of Finance incorporates the revenues and expenditures of the Chancellery of the Sejm

⁷⁰ Zawadzka-Pak, U., K., Polish Financial Law, Temida 2, Faculty of Law, University of Białystok, 2014, p69, ISBN 978-83-62813-61-2 [11/12/2019] online

https://repozytorium.uwb.edu.pl/jspui/bitstream/11320/6132/1/Polish_Financial_Law.pdf

⁷¹ Szpringer, Z., Wieloletni Plan Finansowy Państwa, Leksykon budżetowy, Sejm Rzeczypospolitej polskiej [11/12/2019] online

<http://www.sejm.gov.pl/Sejm8.nsf/BASLeksykon.xsp?id=4461685B59C3D8D3C1257A69002C9BB8&litera=W>

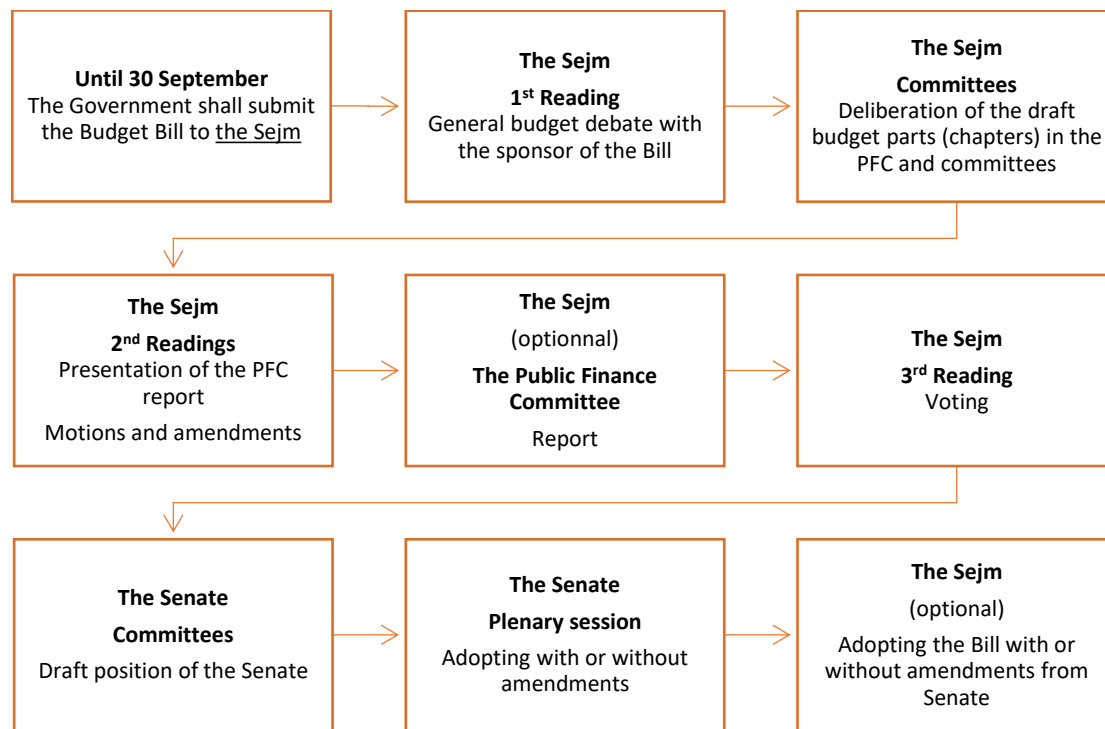
⁷² The Marshall of the Sejm indicates the President of the Sejm.

⁷³ The Marshall of the Senate indicates the President of the Senate.

and of the Senate to the Budget Bill.⁷⁴ Thus, the Minister of Finance cannot change the proposed budgets of the Sejm and the Senate.⁷⁵

The State Budget Bill is accompanied by comprehensive reports and background documentation (Macroeconomic framework and fiscal policy, justification of the budget bill, financial plan for the current fiscal and the two following years, personnel plan for three years, etc.)⁷⁶

Graphic 5. Deliberation of the Budget Bill in the Sejm and in the Senate



“The right to introduce legislation concerning a Budget, an Interim Budget, amendments to the Budget, a statute on the contracting of public debt, as well as a statute granting financial guarantees by the State, shall belong exclusively to the Council of Ministers.” (Art. 221 of the Polish Constitution) The Council of Ministers shall submit the draft State Budget Act to the Sejm no later than three months before the beginning of the fiscal year. (Art. 222 of the Polish Constitution) Although, the standard legislative process is used for deliberating of the State Budget Bill in the Sejm and the Senate, there are some Sejm specific characteristics. According to the Art. 34(1) of the Standing Orders of the Sejm, “Bills and draft resolutions shall be submitted, in writing, to the Marshal of the Sejm. A sponsor, introducing a bill or draft resolution, shall nominate an authorized person to represent him in work relating to it.” The first

⁷⁴ The other “autonomous” budget chapters are: the Chancellery of the President of the Republic; the Constitutional Court; the Supreme Audit Office; the Supreme Court; the Supreme Administrative Court; voivodship administrative courts; common courts; the National Judicial Authority; the Children’s Ombudsman; the Ombudsman; the National Broadcasting Council; the President of the Office for Personal Data Protection; the Institute of National Remembrance; the National Electoral Office; and the National Labour Inspection.

⁷⁵ Szpringer, Z. Sejm Bureau of Research, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3200

⁷⁶ See example of the State Budget Bill for 2019: Druk nr 2864, Rządowy projekt ustawy budżetowej na rok 2019. 2018-09-26 [11/12/2019] online <https://www.sejm.gov.pl/sejm8.nsf/druk.xsp?nr=2864>

reading of the State Budget Bill takes place in plenary session.⁷⁷ *“The first reading of a bill includes justification of the bill by its sponsor, a debate on the general principles of the bill, questions of the deputies and response of the sponsor.”*⁷⁸ There is a possibility to move a motion rejecting the State Budget Bill in the first reading. If the Budget Bill is not rejected then it is referred to the Public Finance Committee and to respective sectoral committees for consideration.

The main committee for deliberation of the State Budget Bill is the Public Finance Committee. Nevertheless, *“Individual parts of the drafts and reports, referred to in Article 105, shall also be considered by the appropriate Sejm committees, which shall deliver statements of their position, including conclusions, opinions or proposals of amendments — with reasons given — to the Public Finances Committee.”* (Art. 106(2) *Standing Orders of the Sejm*) *“Conclusions, opinions or proposals of amendments, rejected by the committees, shall, on request of their movers, be appended with the committee position as a dissenting opinion.”* (Art. 106(3) *Standing Orders of the Sejm*) The representative of the Public Finance Committee shall attend the sittings of the sectoral committees. The Public Finance Committee may also request additional information and opinions from the respective sectoral committees regarding the parts of the draft budget they are deliberating. The sectoral committees deliver their positions including conclusions and proposals for amendments to the Public Finance Committee. The representatives of the Public Finance Committee, who participated at the respective sectoral committees’ meetings, shall present their opinions to the respective sectoral committees’ positions. (Art. 107(1) *Standing Orders of the Sejm*)

Every deputy has the right to introduce an amendment to the State Budget Bill. The amendments cannot lead to the increase in budget deficit. The Public Finance Committee shall consider the State Budget Bill, the amendments and the positions of the respective sectoral committees. The Committee presents its report together with the motions to pass the draft State Budget Act without or with (some) amendments. The amendments rejected by the Committee are also included in the report.⁷⁹

The second reading at the plenary includes a presentation of the report of the Public Finance Committee. (Art. 108(1) *Standing Orders of the Sejm*) During the second reading, additional amendments may be submitted. *“The right to introduce amendments during the second reading belongs to the sponsor of the bill, to a group of at least 15 deputies, to a chairperson of a deputies’ club or group and to the Council of Ministers. Amendments may be submitted only by the end of the second reading.”*⁸⁰ If there are additional amendments presented during the second reading, the State Budget Bill is referred back to the Public Finance Committee for consideration and preparation of additional report.⁸¹ The report of the Public Finance Committee is then presented at the third reading. At the end of the third reading Deputies vote on all amendments and/or other motions and on the Bill as a whole.

After adoption of the State Budget Bill in the Sejm, the Budget Bill is submitted to the Senate. Within the 20 days⁸² following the receipt of the draft State Budget Act, the Senate may propose amendments or adopt it without any changes. (Art. 223 of the

⁷⁷ Only the bills of a higher importance are presented at the first reading in plenary, usually first reading take place at the committee level.

⁷⁸ Legislative process, Sejm Rzeczypospolitej Polskiej, available [11/12/2019] online <http://opis.sejm.gov.pl/en/procesustawodawczy.php>

⁷⁹ *ibid*

⁸⁰ Legislative process, Sejm Rzeczypospolitej Polskiej, available [11/12/2019] online <http://opis.sejm.gov.pl/en/procesustawodawczy.php>

⁸¹ *Ibid*

⁸² In case of other laws, the Senate has 30 days.

Polish Constitution) The Senate cannot reject the State Budget Bill. If the Senate fails to vote on the Budget Bill within 20 days, the Bill is considered to be adopted.

The State Budget Bill is submitted to the committees for consideration. The main committee for deliberation of the State Budget Bill in the Senate is the standing Budget and Public Finance Committee. The individual sections of the Bill (budget chapters) are discussed in the relevant sectoral committees. The positions of the sectoral committees are then submitted to the Budget and Public Finance Committee, which prepares a report including the draft resolution of the Senate and the recommendation for adopting the Bill with or without the amendments.⁸³ As a rule, the Senate does not propose any amendments.

The report of the Committee is presented at the subsequent plenary session. If there are no further amendments presented at the plenary session, the Senate can vote on the draft resolution. In case of further amendments presented at the plenary session, the Budget Bill is referred to the Budget and Public Finance Committee for consideration of further amendments. At the subsequent plenary session, the Senate vote on the resolution. The resolution is then submitted back to the Sejm. In case the Senate proposed amendments to the State Budget Bill, the Bill is submitted to the Public Finance Committee of the Sejm for preparing the report. The report is then presented at the plenary session of the Sejm and the Sejm adopts the State Budget Bill with or without the amendments⁸⁴.

The Polish Constitution restricts the time for deliberation of the State Budget Bill by granting the President of the Republic a power to shorten the Sejm's term of office in case the State Budget Bill was not adopted or presented to the President 4 month after it was submitted to the Sejm. (*Art. 225 of the Polish Constitution*) Within 7 days of the receipt of the State Budget Bill, the President of the Republic shall sign it.⁸⁵ (*Art. 224(1) of the Polish Constitution*) The President cannot veto the State Budget act it can only ask Constitutional Court to examine its constitutionality.⁸⁶

Parliamentary oversight of the state budget implementation and state final accounts

Not later than 5 months after the end of the fiscal year, the Council of Ministers shall prepare and present to the Sejm a report on implementation of the state budget. The Senate is not involved in the process. Also Within 90 days, the Sejm shall consider the report on implementation of the state budget, together with the Supreme Audit Office's (*Najwyższa Izba Kontroli*) comments to the implementation report and opinion to the final accounts prepared by the Council of Ministers. After considering the materials, the Sejm "*shall pass a resolution on whether to grant or refuse to grant approval of the financial accounts submitted by the Council of Ministers. (Art. 226(2) of the Polish Constitution)*

The procedure of deliberation of the state budget implementation report in the committees is similar as the deliberation of the State Budget Bill in the committees. The report on implementation of the state budget is deliberated in the Public Finance

⁸³ Senate Committees, Notes of the Senate, Senate of the Republic Poland [11/12/2019] online <https://www.senat.gov.pl/gfx/senat/userfiles/public/k9eng/noty/07.pdf>

⁸⁴ Uproszczony schemat prac nad projektem ustawy budżetowej, Sejm [11/12/2019] online http://www.bas.sejm.gov.pl/procedura_budzetowa.html

⁸⁵ In case of other laws, the president has 21 days. Szpringer, Z. Sejm Bureau of Research, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 2439

⁸⁶ Szpringer, Z. Sejm Bureau of Research, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 2439

Committee of the Sejm, which prepares the report and drafts resolution to it. Individual parts of the report (budget chapters) are considered by the respective sectoral committees. The sectoral committees deliver their opinions on the state budget implementation report to the Public Finance Committee. (*Art. 106 of the Standing Orders of the Sejm*) Subsequently at the plenary, the Public Finance Committee presents its report together with motions to accept or reject the State Budget implementation report and to grant approval to the financial accounts prepared by the Council of Ministers. (*Art. 108 (1) of the Standing Orders of the Sejm*)⁸⁷ If the Sejm does not grant discharge to the Council of Ministers, it may result in the resignation of the Government, although the Constitution does not anticipate that.⁸⁸

The Polish Supreme Audit Office (*Najwyższa Izba Kontroli*) shall present to the Sejm (*Art. 204(1) of the Polish Constitution*):

- An analysis of the implementation of the State Budget
- An opinion to the State Final Account prepared by the Council of Ministers
- Information about audit results

Role of the parliamentary committees

Public Finance Committee (*Komisja Finansów Publicznych*) of the Sejm

The Public Finance Committee plays the main role during the budget process and the review of the budget execution. It prepares the reports to the draft State Budget Act and to the State Budget Implementation report. Besides budget, it deals with the financial, monetary, tax and related affairs.⁸⁹

State Audit Committee (*Komisja do Spraw Kontroli Państwowej*) of the Sejm

The Committee's role is to deal with the activities of the Polish SAO and National Labour Inspectorate (NLI). It issues opinions to the working plans of the SAO and to the annual reports of the SAO and the NLI. It deals with their budgets and budget implementation reports. It deliberates audit results of the SAO.⁹⁰

Role of the Budget and Public Finance Committee of the Senate

The role of the Senate's Budget and Public Finance Committee is similar to the role of the Sejm's Public Finance Committee. It deals with all the issue related to the budget, but also with the other draft laws and draft resolutions in the financial field. The difference lies mainly in the fact that the Senate does not deal with the budget implementation.

Role of the Parliamentary Administration

The Bureau of Research of the Sejm

The Bureau serves as a parliamentary research and information service and supports individual Deputies as well as Sejm bodies. Main tasks of the Bureau include:

- *“supporting the legislative process with an academic advice,*
- *providing expert assistance in the exercise of a Deputy's mandate,*

⁸⁷ If there are additional proposals presented at the plenary session, the State Budget Implementation report is referred back to the Public Finance Committee for preparing additional report.

⁸⁸ Wasil, W., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3663

⁸⁹ Komisja Finansów Publicznych (FPB), Sejm Rzeczypospolitej Polskiej, available [11/12/2019] online <http://www.sejm.gov.pl/Sejm8.nsf/agent.xsp?symbol=KOMISJAST&NrKadencji=8&KodKom=FPB>

⁹⁰ Komisja do Spraw Kontroli Państwowej (KOP), Sejm Rzeczypospolitej Polskiej, available [11/12/2019] online <http://www.sejm.gov.pl/Sejm8.nsf/agent.xsp?symbol=KOMISJAST&NrKadencji=8&KodKom=KOP>

- *research (law, economy, society) related to the legislative process*
- *advising and providing opinions in matters related to Poland's EU membership*
- *cooperation with legal services of the European Union*⁹¹

Regarding the state budget, the Bureau prepares the general opinions on the Budget Bill for the first reading. Moreover, it prepares specific opinions on the budget for deputies and committees and (together with the Legal Department) it analyses and examines the amendments tabled at the second reading.⁹²

The Bureau consists of seven departments.⁹³ In February 2018, the whole Bureau had 81 employees. The Department of Social and Economic Research focuses on economic analysis. The Department is divided into three groups:

- Group of Economic Studies
- Group of Social Studies
- Group of Assessment of Legal Regulations⁹⁴

In June 2019, there were 16 people working in the Department of Social and Economic Research: experts on regulatory impact assessment (2), specialist on economic systems (4), specialists on public finances (4), specialists on social issues (5) and expert on legislation (1).⁹⁵

The Analysis, Documentation and Correspondence Office of the Senate (Biuro Analiz, Dokumentacji i Korespondencji)

The Office provides expert and information services for the Senate, its organs, Senators and the Senate Chancellery. It also handles citizens' correspondence and petitions. The Bureau consists of two departments: the Department of Analyses and studies (*Dział Analiz i Opracowań Tematycznych*) and the Department of Correspondence and Petitions (*Dział Petycji i Korespondencji*).⁹⁶ Nevertheless, there is no unit or team specialized in the economic or budgetary issues within the Office, as the Senate deals with the budgetary issues only marginally.

⁹¹ Bureau of Research, Chancellery of the Sejm, About us [11/13/2019] online http://www.bas.sejm.gov.pl/about_us.php

⁹² Uproszczony schemat prac nad projektem ustawy budżetowej, Sejm [11/12/2019] online http://www.bas.sejm.gov.pl/procedura_budzetowa.html

⁹³ Department of Legal Research; Department of International Law and Foreign Legal Systems Research; Department of Constitutional and Systematic research; Department of Social and Economic Research; Department of Political Science Research; Organisational Group; Secretariat of the Bureau of Research. Gierach, E., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3666

⁹⁴ *ibid*

⁹⁵ Adamiec, D., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3938

⁹⁶ Biuro Analiz, Dokumentacji i Korespondencji, Kancelaria Senatu, [11/13/2019] online <https://www.senat.gov.pl/kancelaria/struktura-organizacyjna/biuro-analiz-dokumentacji-i-korespondencji/>

SERBIA

Overview of the Budgeting process

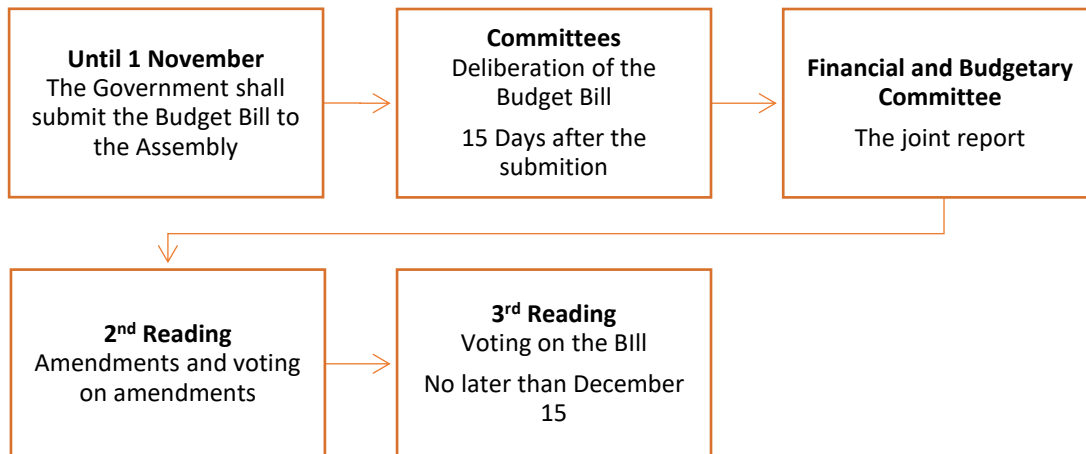
In Serbia budget execution is regulated by the Law on the Budget System.⁹⁷ The Government is responsible to the National Assembly for the implementation of the state budget⁹⁸. The budget process is preceded by the adoption of the Fiscal strategy, for a period of three consecutive fiscal years. According to the Budget calendar, by October 1 - The Government, at the proposal of the Ministry of finance, adopts a revised Fiscal Strategy, with information on the financial and other effects of new policies, taking into account the updated macroeconomic framework. The Government no later than October 5 submits the revised Fiscal Strategy to the Assembly (Committee responsible for finance, the state budget and control of spending public funds). The Ministry of finance by October 15 submits to the Government a draft law on the budget of the Republic of Serbia, draft decisions on approval of the financial plans of compulsory social security organizations with the financial plans of compulsory social security organizations. The Government adopts the draft law on the budget of the Republic of Serbia and submits it to the National Assembly by November 1. The discussion of the budget proposal may commence after at least 15 days have passed from the date of receipt of the budget proposal in the National Assembly.

Prior to the hearing at the National Assembly session, the budget proposal may be considered by the committees of the National Assembly, in accordance with their scope of work, which shall submit their reports to the Committee on Finance, State Budget and Public Spending Control. The Minister of finance is present at the committee meetings at which the draft budget is being discussed. The Committee on Finance, State Budget and Public Spending Control shall consider the draft budget and the reports of the other committees and submit a joint report to the National Assembly. In addition to the authorized proposers, the Committee on Finance may table the amendments on the draft budget. The draft budget shall be debated at the session of the National Assembly, in general and in detail. Voting on the draft budget in general, in detail and in its entirety is done on a date set by the Speaker of the National Assembly. The National Assembly adopts the law on the budget no later than December 15.

⁹⁷ Law on the Budget System (Zakon o budžetskom sistemu, available only in serbian language) [11/2/2019] https://www.paragraf.rs/propisi/zakon_o_budžetskom_sistemu.html

⁹⁸ *Ibid*, Article 7.

Graphic 6. Deliberation of the Budget Bill in the National Assembly



Established practices

Committee on Finance, State Budget and Public Spending Control

This Committee is a permanent working body in the National assembly of the Republic of Serbia, consisted of 17 members. **The Committee discusses draft laws and other issues in the field of:** system of financing state functions, taxes, fees and other public revenue; the state budget; the final account of the budget; public debt and financial assets of the Republic of Serbia; public procurement; the prevention of money laundering and the fight against corruption; accounting and auditing; as well as other financial matters. The Committee also discusses the reports submitted by the State Audit Institution, on which it drafts reports with views and recommendations for the National Assembly and **controls the implementation of the state budget and associated financial plans in terms of the legality, expediency and efficiency of public spending funds, of which also submits a report with proposed measures to the National Assembly.**⁹⁹

Fiscal Council

The Law on the Budget System establishes the Fiscal Council¹⁰⁰ which represents an independent state body. The Fiscal Council has the status of a legal entity and is responsible to the National Assembly for carrying out the tasks within its competence. The Fiscal Council consists of three members elected by the National Assembly. The members of the Fiscal Council are proposed by: the President of the Republic; the Minister of finance; the Governor of the National Bank of Serbia. After the election, the members of the Fiscal Council are sworn in before the National Assembly, thereby taking office. The Fiscal Council performs the following tasks:

- 1) prepares an opinion on the draft Fiscal Strategy;

⁹⁹ Rules of procedures of the National Assembly of Serbia, Article 55 [11/2/2019] <http://www.parlament.gov.rs/upload/documents/Poslovnik%20Narodne%20skupstine%20-%20precisceni%20tekst%20Sluzbeni%20g%20Lat.pdf>

¹⁰⁰ *Ibid*, Article 92a.

2) prepares and submits to the National Assembly an analysis of:

- the revised Government's Fiscal Strategy for the respective fiscal year;

- the draft law on the budget of the Republic of Serbia, which also includes the proposal for rebalancing, as well as on the amendments submitted during the parliamentary debate;

3) prepares and submits to the National Assembly an analysis of the draft law on the final account of the budget of the Republic of Serbia and the consolidated general government balance sheet;

4) prepares and submits to the National Assembly estimates on the fiscal impact of proposals for other laws, as well as amendments submitted during the parliamentary debate.

The Fiscal Council shall submit these analyzes to the National Assembly within 15 days from the date on which the Government submitted to the National Assembly a revised Fiscal Strategy, that is, a draft law on the budget of the Republic of Serbia or a proposal for rebalancing.

State Audit Institution

The Law on the State Audit Institution regulates the procedure for auditing public finances in the Republic of Serbia¹⁰¹. The State Audit Institution (SAI) is the supreme state body for the audit of public finances in the Republic of Serbia, independent and subject to scrutiny by the National Assembly for its work. The SAI reports on the audit of the final account of the budget of the Republic, the final accounts of the financial plans of compulsory social security organizations and the consolidated financial statements of the Republic. The Committee on Finance, State Budget and Public Spending Control of the Assembly, responsible for monitoring the budget and other public funds, after conducting a hearing, to which the beneficiary of public funds is called, shall, within the limits of its competence, reach a conclusion on recommendations and measures to be taken due to a serious breach of the obligation of good business.

Providing support to the MPs

The Parliamentary Budget Office (PBO)

PBO was established in the Serbian Parliament in accordance with the Memorandum of Understanding between the National Assembly of the Republic of Serbia (NARS) – Committee on Finance, State Budget and Control of Public Spending and the Westminster Foundation for Democracy (WFD).¹⁰² The aim of establishing the PBO is to provide research support to the working bodies, primarily to the Committee on Finance, State Budget and Control of Public Spending, in overseeing fiscal and economic policies. The scope of work of the PBO includes support to the MPs (primarily members of the Committee on Finance, State Budget and Control of Public

¹⁰¹ Law on State Audit Institution of Serbia [11/2/2019]

https://www.paragraf.rs/propisi/zakon_o_drzavnoj_revizorskoj_instituciji.html

¹⁰² No. 011-2224/15 signed on September 18th 2015 in Belgrade. The NARS thus became one of the growing number of parliaments throughout the world which have established such offices over the previous 20 to 30 years to strengthen financial oversight of the government, in particular the processes of adoption and execution of the budget.

Spending) in the process of adopting the Law on Budget of the Republic of Serbia, as well as possible Budget Revisions, in particular analytical support and assistance in preparation of amendments.

The Analytical work is on topics that fall within the Committee's scope of work, in particular execution of the budget of the Republic of Serbia, execution of budgets and financial plans of other levels of government, public debt and other topics related to fiscal policy. In general, PBO supports the MPs (primarily members of the Committee on Finance, State Budget and Control of Public Spending) in overseeing and better understanding of economic topics.¹⁰³

Library of the National Assembly of Serbia

The Library prepares research and review information to support the implementation of the functions of the National Assembly. Through co-operation with other national parliaments, research services and international organizations, especially the European Center for Parliamentary Research and Documentation (ECPRD), the Library monitors current trends in knowledge sharing in parliamentary work. The request for research work is submitted to the Head of the Library on a special form, which forms an integral part of the Rulebook on the procedure for requesting research and development of research work of the National Assembly Library and is available on the National Assembly website.¹⁰⁴

- Gender budgeting

Serbian Government has formally introduced Gender budgeting with the adoption of the new Budget System Law in 2015, thus implying a gradual reform that is to be fully implemented by fiscal year 2020. Gender responsible budgeting is an integral part of the Budget System Law and institutions at the national, provincial and local level are included in its' implementation. The Budget System Law states that "Gender responsive budgeting entails gender mainstreaming of the budget process, including gender analysis of the budget and restructuring of income and expenditures in order to advance gender equality." And also "Budget system should achieve efficient allocation of budget resources with the objective of advancing gender equality."¹⁰⁵

The gradual introduction of this new practice in creation, financing, implementation and monitoring of public policies is supported by national, provincial and local gender equality mechanisms. The process is governed by the Ministry of Finance, Provincial Secretariat of Finance and heads of finance departments at local level, with UN Women technical and expert support.¹⁰⁶

¹⁰³ Parliamentary Budget Office of the National Assembly of Serbia [11/2/2019] <http://pbk.rs/?lang=en>

¹⁰⁴ National Assembly Library [11/2/2019] <http://www.parlament.gov.rs/narodna-skupstina-organizacija-i-strucna-sluzba/biblioteka-narodne-skupstine.1506.html>

¹⁰⁵ Law on Budget System of Serbia, Article 4 Paragraph 1, item 4 [11/2/2019] https://www.paragraf.rs/propisi/zakon_o_budzetskom_sistemu.html

¹⁰⁶ Introduction of gender responsive budgeting in the Republic of Serbia, UN Women [11/2/2019] https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/country/serbia/unw_grb_06%202018_eng_digital.pdf?la=en&vs=5041

SLOVAKIA

Regulation of the budget process

Article 58 of the Slovak Constitution stipulates that the financial management of the state is kept through the state budget, which is adopted by an act. According to the Art. 68(h) of the Constitution, the National Council¹⁰⁷ has the competence to approve the State Budget, oversee its implementation and approve the State Final Account.

The Act No. 523/2004 Coll. on budgetary rules of public administration¹⁰⁸ regulates the preparation, function and content of the General Government Budget including the State Budget, the final accounts and related public finances issues. It further stipulates (§4 (3)) that only the Government submits the State Budget Bill to the National Council. The rules on budgetary responsibility are anchored in the Constitutional Act No. 493/2011 Coll. on fiscal responsibility. The Act No. 350/1996 Coll. on the Rules of Procedure of the National Council of the Slovak Republic¹⁰⁹ regulates deliberation of the budget law.

The Role of the Parliament in the budget process

The National Council considers and approves the State Budget Bill, oversees its implementation and approves the state final accounts. The State Budget Bill is submitted to the National Council by the Government. Lead committee for budgetary issues is the Financial and Budgetary Committee. Furthermore, the Committee deals with the audit of the public finances and cooperates with the Supreme Audit Office. There is no special committee in the National Council dealing exclusively with the reports of the SAO.

Preparation of the State Budget Bill

The budget cycle starts 3 years before the fiscal year with the preparation of the General Government Budget. The General Government Budget is a medium-term fiscal policy instrument, which based on multi-annual budgeting and prepared for three fiscal years. It is introduced to the National Council together with the State Budget Bill in October. Nevertheless, the General Government Budget is submitted to the National Council for information only.¹¹⁰ The SAO prepares the opinion to the State Budget Bill, which is also submitted to the National Council for information. The President of the SAO usually presents the opinion of the SAO to the State Budget Bill at the beginning of the second reading of the State Budget Bill at the plenary session.

The Ministry of Finance in cooperation with the administrators of the individual budget chapters (National Council, ministries, state agencies etc.) prepares the Budget Bill. The budget of the National Council is prepared in the same way as the budgets of the other budget chapters.

By preparing the State Budget Bill, the Ministry of Finance has to take into consideration the General Government Budget and the Stability Program.¹¹¹ The

¹⁰⁷ The National Council of the Slovak Republic is a unicameral parliament.

¹⁰⁸ Zákon č. 523/2004 Z.z. o rozpočtových pravidlách verejnej správy a o zmene a doplnení niektorých zákonov

¹⁰⁹ Hereinafter referred to as „Rules of Procedure“

English version of the Rules of Procedure of the Chamber of Deputies is available [11/4/2019] online <http://public.psp.cz/en/docs/laws/1995/90.html#s13>

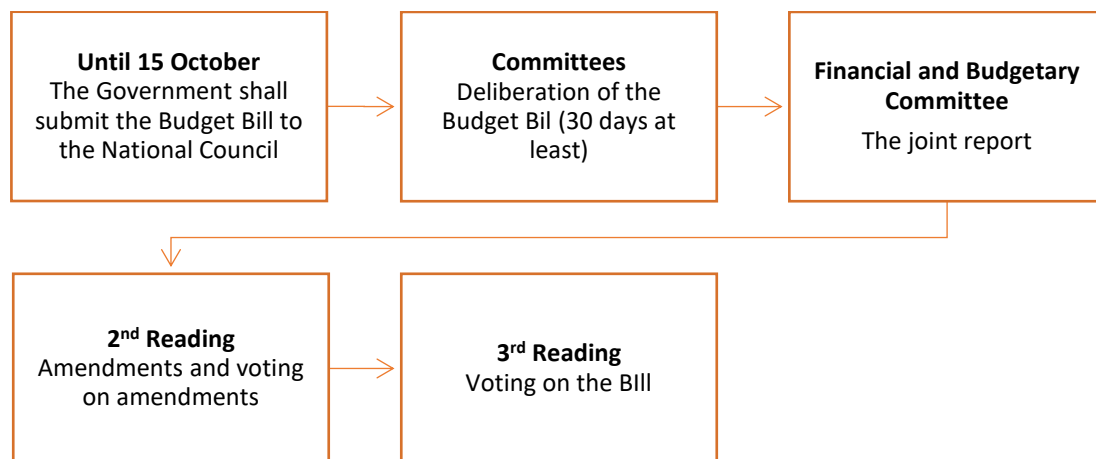
¹¹⁰ Základný rámec pre tvorbu rozpočtu verejnej správy, Ministerstvo financií Slovenskej republiky [11/14/2019] online <https://www.mfsr.sk/sk/financie/verejne-financie/regulacny-komplex-pravnych-noriem-metodickych-postupov-z-oblasti-rozpocetoveho-procesu/tvorba-viacrocneho-rozpocetu-verejnej-spravy/zakladny-ramec-tvorbu-rozpocetu-verejnej-spravy/>

¹¹¹ Every April, EU Member States are required to lay out their fiscal plans for the next three years. This exercise is based on economic governance rules in the Stability and Growth Pact, which aim to prevent the emergence or

Stability Program is also submitted to the National Council. Furthermore, it is deliberated not only in the Finance and Budgetary Committee but also at the plenary session. In the Stability program, the Government approves its medium-term budgetary objectives (MTO). Proposed general government and state budget deficit for the following fiscal year must comply with MTO.

The State Budget Bill is submitted to the National Council together with the annexes providing the basic data on expenditures, revenues, state reserves, government programs, EU funds etc. More detailed information (on macroeconomic framework, fiscal policy, impact of the changes in legislation, development of revenues, expenditures etc.) is included in the General Government Budget. The Half-Year Budget Implementation Report and the Spending Reviews Implementation Report are also attached to the General Government Budget.

Graphic 7. Deliberation of the Budget Bill in the National Council



The Government submits the State Budget Bill together with the information on the General Government Budget to the National Council by 15 October at latest. The Rules of Procedure of the National Council (§87 (2)) stipulate that the State Budget Bill shall be deliberated in the second and third reading only.

The President of the National Council refers the State Budget Bill to all committees except the Constitutional and Legal Affairs Committee and the Committee on Incompatibility of Functions. The President of the National Council decides the time limit for consideration in the committees, which cannot be shorter than 30 days. The committees adopt resolutions with opinions and/or amendments and submit them to the lead Financial and Budgetary Committee. The committees may adopt amendments only to the budget chapters referred to them.¹¹² The Financial and Budgetary Committee subsequently considers the resolutions of the committees and prepares the common report for the second reading at the plenary, which includes recommendation of the Finance and Budgetary Committee.

exacerbation of fiscal difficulties. "Member States sharing the euro currency do this in documents known as "Stability Programmes", while Member States that have not adopted the euro submit "Convergence Programmes", which include additional information about monetary policies." European Commission: Stability and convergence programmes, online

¹¹² Kovačiková, A. Survey for the ECPRD Seminar on Parliamentary Budget control – Money & More, The Hague 9-10 May 2019, Parliamentary Institute, The National Council of the Slovak Republic, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994

The second reading in the plenary may start 48 hours after all deputies receive the joint committee report. The Ministry of Finance introduces the Budget Bill at the second reading. As a rule, the President of the Supreme Audit Office is also granted the floor for a presentation of SAO's opinion on the Budget Bill. Subsequently, the rapporteur of the Finance and Budgetary committee presents its common report. During the second reading, a detailed debate takes place and additional amendments may be tabled.¹¹³ At the end of the second reading, votes on the amendments take place. If amendments have been adopted at the second reading, the third reading shall proceed no earlier than the second day after their approval. However, the National Council can decide that the third reading takes place straight away. During the third reading, it is only possible to propose legislative and technical modifications. Finally, the National Council votes on the State Budget Bill as a whole.¹¹⁴

In case the National Council does not approve the State Budget Act before the first day of the fiscal year, the state budget shall be conducted in accordance with the provisions of the last State Budget Act.

Parliamentary oversight of the State Budget implementation and the State Final Account

The Government is accountable to the National Council for the management of the state budget (with exception of the SAO budget chapter). As a part of the General Government Budget, the Government submits to the National Council the information on the implementation of the state budget in the first half of the year. This implies that the parliamentary budget oversight during the fiscal year is connected with deliberation of the Budget Bill for the following fiscal year.

After the end of the fiscal year, the Ministry of Finance prepares and the Government approves the State Final Account, which is then submitted to the National Council for approval at the plenary. The main committee for deliberating the State Final Account is the Finance and Budgetary Committee. The individual budget chapters are considered in the respective sectoral committees in the same way as the budget chapters of the State Budget Bill. Subsequently, the Finance and Budgetary Committee prepares the joint report on the State Final Account. As in the case of the State Budget Bill, the SAO elaborates the report containing an opinion of the SAO. The President of the SAO introduces SAO'S opinion at the Finance and Budgetary Committee meeting and during deliberation of the State Final Account at the plenary session. Additional, by November 20, the Government submits to the National Council the Annual Consolidated Report for a previous fiscal year for information. By the end of March, the SAO shall submit an annual report on the results of its supervisory activities to the National Council.

Role of the parliamentary committees

Finance and Budgetary Committee of the National Council

The Finance and Budgetary Committee is the lead committee during the budget process. It prepares the joint reports on the State Budget Bill and State Final Account. It is also the main committee deliberating the reports on the results of the supervisory

¹¹³ There is no limitation to amendments regarding the increase of the proposed deficit. Nevertheless, there is a political agreement not to increase the overall budget deficit.

¹¹⁴ Fajták Ľ, a kol. Jako pracuje parlament, VII. Volebné obdobie, Parlamentný inštitút, Bratislava, marec 2016, p77-82 [11/14/2019] online https://www.nrsr.sk/web/Static/sk-SK/NRSR/Doc/zd_ako-pracuje-parlament.pdf

activities of the SAO. Moreover, it discusses the draft laws in the areas of finances, banking sector, budget and financial markets.¹¹⁵

Role of the Parliamentary Administration

The tasks of the Chancellery of the National Council are stipulated in the Rules of Procedure. The Chancellery provides professional, organizational and technical support for the activities of the National Council and its bodies. The secretariats of the committees provide mainly organizational support (with the exemption of the European Affairs Committee) and the professional support is concentrated in the parliamentary research service and legislative department. Professional support regarding budget issues is provided by the parliamentary research service.

Parliamentary Research Service – Parliamentary Institute (PI)

According to the Rules of Procedure, the PI carries out informational and educational tasks related to the activities of the National Council and its bodies. The Parliamentary Institute of the National Council consists of three departments: Parliamentary Research and Education, Parliamentary Library, and Parliamentary Archive. In 2018, the Department of Parliamentary Research and Education had eight employees – experts in various fields, one in economics.¹¹⁶ Regarding the budgetary issues, the PI regularly prepares informational material regarding the State Budget Bill.¹¹⁷

SLOVENIA

Overview of the Budgeting process

Following a proposal of the Government, the National Assembly adopts the Decree on the Framework for the Preparation of General Government Budgets, which is adopted each year for at least three following years. The framework determines the target balance and the highest level of general government expenditure for each year. The National Assembly also adopts the Budgets Implementation Act, which includes issues related to borrowing, expected state guarantees and special powers for the Government and the Ministry of Finance. When it comes to the budget cycle, the Government must determine the budget proposal and/or budget amendments and submit them to the National Assembly no later than 1st October in the current year.

No later than five days following the submission of the draft state budget, the President of the National Assembly forwards to the deputies the draft state budget, the budget memorandum, and other documents related to the draft budget required by law. The session of the National Assembly at which the budget memorandum and the draft state budget will be presented is convened no later than 10 days following the submission of the draft state budget. Deputies, deputy groups, and the working bodies concerned may table amendments to the draft state budget no later than ten days following the presentation of the draft state budget at the session of the National Assembly. Within 15 days following the presentation of the budget memorandum and the draft state

¹¹⁵ Financial and Budgetary Committee, Basic Information about the Committee, National Council of the Slovak Republic [11/15/2019] online <https://www.nrsr.sk/web/Default.aspx?sid=vybory/vybor&ID=137>

¹¹⁶ Ďurinová, P., Competencies, organisation and activities of the Research Service/Department, 20 February 2018, Parliamentary Institute, The National Council of the Slovak Republic, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3666

¹¹⁷ Kovačiková, A., Survey for the ECPRD Seminar on Parliamentary Budget control – Money & More, The Hague 9-10 May 2019, Parliamentary Institute, The National Council of the Slovak Republic, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994

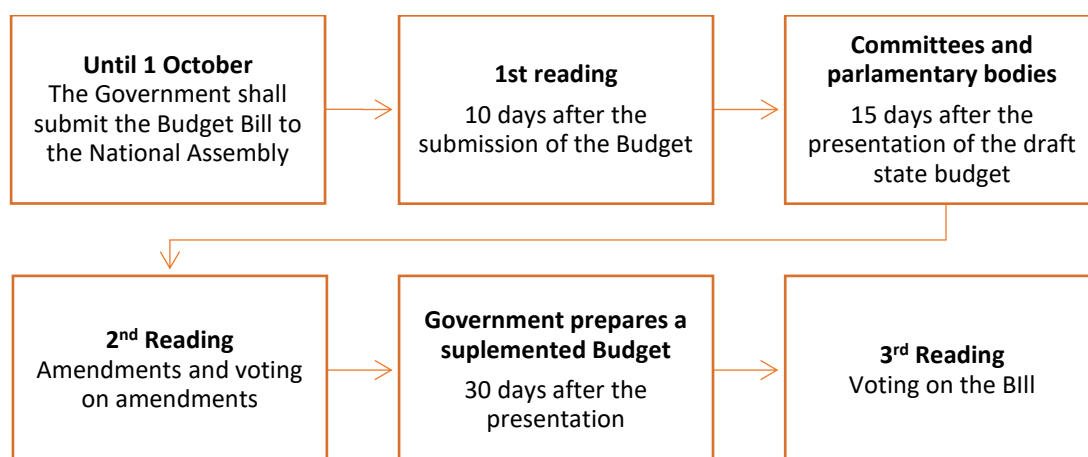
budget, at a session of the National Assembly the working body responsible takes a position on all tabled amendments, adopts its own amendments, and draws up a report which it sends to the President of the National Assembly. Within 30 days following the presentation of the draft state budget, at a session of the National Assembly the Government takes a position on all tabled amendments, and prepares a supplemented draft state budget and submits it to the National Assembly. The supplemented draft state budget is the submitted new integrated text of the draft state budget, in which the Government has included the amendments to which it agrees, and by which it has changed and supplemented the draft state budget as it considers necessary. A deputy group or at least one quarter of the deputies may table amendments no later than five days prior to the session of the National Assembly. The working body responsible may table amendments no later than three days prior to the session of the National Assembly. The session of the National Assembly at which the discussion on the supplemented draft state budget will be held is within 15 days following the submission of the supplemented draft state budget. The National Assembly first votes on the amendments tabled by deputy groups or by at least one quarter of the deputies, and thereafter on the amendments tabled by the working body responsible.

When the voting on parts of the supplemented draft state budget is completed, the chairperson establishes whether the draft state budget is balanced in terms of revenue and expenditure, and individual parts. If the draft state budget is balanced, the National Assembly votes on it in its entirety.

If the chairperson establishes that the draft state budget is not balanced, the National Assembly requires that the Government submit, within a certain period of time, an amendment to balance the draft state budget. An amendment to balance the draft state budget may also be submitted by the working body responsible.

The President of the National Assembly convenes a session of the National Assembly within 15 days at the latest following the submission of the new draft state budget.¹¹⁸

Graphic 8. Deliberation of the Budget Bill in the National Assembly



¹¹⁸ RULES OF PROCEDURE OF THE NATIONAL ASSEMBLY OF SLOVENIA [10/29/2019] https://www.dz-rs.si/wps/portal/en/Home/ODrzavnemZboru/PristojnostiInFunkcije/RulesoftheProcedureText/!ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfIjo8zinfyCTD293QON3MOczAw8QwJcXE0tLlwsqk31wwkpiAJKG-AAjgb6BbmhigBFUIkx/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Established Parliamentary practices related to Budget Scrutiny

In the Slovenian Parliament, budgetary control is exercised by the **Public Finance Control Committee**, which is one of the standing committees of the National Assembly. Since November 2008, the Committee has 11 members, 6 from the opposition and 5 from the ruling coalition. The president and the deputy chairman belong to different parties. Such composition and powers, allow for a supervisory role of the Board. **The Commission for Public Finance Control: – controls the implementation of the state budget and the financial plans** of the Pension and Disability Insurance Institute of Slovenia, the Health Insurance Institute of Slovenia, and the public institute Radiotelevizija Slovenija in terms of legality, purpose and efficiency of spending, and the accuracy of their financial statements on the basis of Court of Audit reports, – monitors the implementation of the budgets of local communities which receive financial resources to balance their accounts, and controls the intended use of resources allocated from the state budget, – controls the implementation of financial plans and the accuracy of the financial statements of public funds, public enterprises, and public institutes founded by the Republic of Slovenia, – reports to the National Assembly on the control performed and proposes necessary measures.

Reporting on budget implementation

In July, during the executive year of the budget, the minister responsible for finance shall report to the Government on the implementation of the budget in the first half of the year.¹¹⁹ The Government must submit the report to the National Assembly.

Preparing and adopting the annual financial statement of the central government budget

The ministry responsible for finance shall prepare a proposal of the annual financial statement of the central government budget and submit it to the Court of Audit no later than by 31 March of the current year. When issuing a draft audit report, the Court of Audit may recommend an auditor's remedial actions. No later than by 1 October of the current year and on the proposal of the minister responsible for finance, the Government shall submit a proposal of the annual financial statement of the central government budget referred to in the preceding paragraph to the National Assembly for adoption, together with the final audit report of the Court of Audit and explanations for the rejection of individual audit recommendations of remedial actions.¹²⁰

¹¹⁹ The report shall contain the following: Report on realised receipts, expenditures, surplus or deficit, borrowing, and an estimated realisation rate for the rest of the year; Information on the inclusion of new budgetary commitments, carryover of appropriations from the previous year's budget, meeting of obligations from past years, reallocation of budget appropriations, changes to direct spending units during the year, use of budget fund appropriations, issued and paid guarantees, and collected recourse claims arising from guarantees; Explanations of major deviations from the adopted budget; and Proposals of required measures.

¹²⁰ Should the proposal of the annual financial statement of the central government budget not be adopted by the National Assembly, the National Assembly shall order the Government to prepare a new proposal of the annual financial statement of the central government budget and shall define the remedial actions that must be considered based on the disclosed errors in the Court of Audit's final report.

It is important to emphasize the relationship between Parliament and the State Audit Institution (SAI) in terms of defining the responsibilities of other state institutions, which, in addition to Parliament, exercise control over budget spending. Namely, financial control of budget users is performed as a system of internal control and internal audit of the economy and utilization of funds. At the second level, budgetary control is exercised by the Office for Budgetary Control at the Ministry of Finance. The Office reports to the Ministry of Finance, which then informs the Government of the findings and decisions. The Government shall forward the reports to the National Assembly as well as the SAI of the Republic of Slovenia.

Every year, the Government must submit to the National Assembly a draft annual financial statement of the state budget for the previous year, together with the report of the Court of Audit. The draft is discussed by the deputies in the Commission for Public Finance Control and at plenary session.

When discussing documents related to the budget, deputies rely on the support of the Fiscal Council, which estimates the sustainability and compliance of fiscal policy with constitutional, legal and international norms.

Cooperation between SAI, the National Assembly and the Public Finance Control Committee, as the competent working body of the National Assembly, is generally regulated by the Law on SAI and the Rules of Procedure of the Public Finance Control Committee, and to some extent by the Rules of Procedure of the SAI. The annual audit of financial statements from the state budget, performed by the SAI, is defined by the Law, which states: "Every year, the audit institution must audit the regularity of the implementation of the state budget (in terms of regularity of state activities)". Furthermore, in the area of public finances, the Law emphasizes: "The Government will determine the proposed financial statement and submit it together with the final report of the SAI to the National Assembly for adoption by November 1 of the current year at the latest."

Available services that provide support to the MPs

The parliamentary Services prepare all necessary material for the preparation and conduct of meetings and assist the Chair in the conduct of meetings. The Services also ensure compliance of regulations with the parliamentary Rules of Procedure.

The Research and Documentation Division of the Slovenian Parliament was established in 1998, as part of the National Assembly Services. The working methods of the Research Division follow the model used in the German Bundestag and are adapted to the needs (particularly with regard to size) of the Slovenian Parliament.¹²¹ The Research and Documentation Division provides a variety of politically unbiased data and information for the implementation of the fundamental tasks and objectives of the National Assembly, as provided by the Constitution, the Rules of Procedure of the National Assembly, laws and other acts. Thus, it indirectly contributes to better and more efficient functioning of the National Assembly as well as to increased openness and transparency of its operations. The Research and Documentation Division

¹²¹ Development of Parliamentary Research Services in Central Europe and the Western Balkans, NDI [10/29/2019] <https://www.ndi.org/sites/default/files/development-of-parliamentary-research-services-CEE.pdf>

comprises: - the Research Section, and - the Documentation and Library Section. The Research Section prepares research studies in various scientific fields, expert analyses related to the work of the National Assembly, its working bodies and services, as well as comparative reviews of legal solutions, the provisions of the Rules of Procedure, the status of deputies, the functioning of parliaments etc. The Research Section also draws up regular reports on National Assembly's work.¹²²

Gender budgeting

The Slovenian legislative framework for the implementation of the principle of gender equality includes the Constitution of the Republic of Slovenia, the Anti-Discrimination Act and the Equal Opportunities for Women and Men Act. The National Assembly also adopted a Resolution on the National Programme for Equal Opportunities for Women and Men 2015-2020, which identifies priority areas. The Government must regularly report to the National Assembly on the implementation of the programme. The National Programme and action plans include commitments on gender mainstreaming in all policy areas, as well as commitments to tackle gender discrimination, address intersectionality, and support the gender mainstreaming strategy and gender impact assessments. However, no reference is made to training on gender impact assessment or gender budgeting. The Commission for Petitions, Human Rights and Equal Opportunities within the body of the National Assembly covers gender equality as a specific part of its brief. Its tasks encompass the broader scope of petitioning as a democratic and public mechanism for exposing various potential inequalities and discrimination in the actions of the National Assembly, as well as monitoring, analyzing and promoting human rights and liberties, including equal opportunities policies (specifically mentioning gender equality).¹²³

¹²² Services of the National Assembly of Slovenia [10/29/2019] https://www.dz-rs.si/wps/portal/en/Home/ODrzavnemZboru/KdoJeKdo/SluzbeDrzavnegaZbora!/ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfljo8zivT39gy2dDB0N_C0N3Qw8Q43dTYx9QwwMXIz0wwkpiAJKG-AAjgb6BbmhigA3RwNb/dz/d5/L2dBISEvZ0FBIS9nQSEh/

¹²³ European Institute for Gender Equality, Gender Mainstreaming in Slovenia [10/29/2019] <https://eige.europa.eu/gender-mainstreaming/countries/slovenia>

RECOMMENDATIONS AND BEST PRACTICES IN THE EU MEMBER STATES

Due to the legislative function of the national parliaments, they play a key role in the process of adopting the state budget. In recent years, the engagements of the parliaments during the whole budget process are rising. Equally important is their part in the control over the use of budgetary resources. The active work of parliamentary committees can significantly contribute to sound fiscal policy, defined by the Government and to better use of budgetary resources.

In line with the practices we have discussed in this study there are several points in which parliaments can strengthen their role:

1. The Parliaments should have a clear vision for the future development of parliamentary financial scrutiny.
2. The budget process could be augmented to allow parliamentarians the opportunity to hold a pre-budget debate on spending priorities.
3. An earlier presentation of detailed tax and spending plans at the same time would facilitate more coherent scrutiny of government policy.
4. The Finance committees should strengthen their roles and be central in coordinating the budget process.
5. Sectoral committees in the Parliaments should debate the budget bill, for the part of the budget concerning their competence.
6. Parliamentary approval of spending should be at programme level including financial costs of the programs. The budget bill should be accompanied with documents about the financial costs of each programme for the budget.
7. The budget bill should be accompanied by the performance information especially performance objective set by the Government for the budget year.
8. The Budget Committee, Individual MPs and other sectoral committees should have possibility to use the independent, authoritative and non-partisan financial and economic analysis regarding the budget prepared by parliamentary experts.
9. Parliaments should explore options for increasing their role in the gender budgeting process. This should be based on previous impact assessment gender analysis that quantifies the impact of budget measures on men and women, alongside other social indicators.

In addition to the countries previously discussed, this research paper also shows good practices in some EU Member States. The text Box.1 contains information about the practices in the Swedish Parliament, the German Bundestag and the House of Representatives of the Dutch Parliament. The Finance Committee of the Swedish Parliament is responsible for the overall budget proposal and has a role in recommending to the Parliament the level of aggregate expenditures and their division into each of the 27 Expenditure Areas. Also, the Budget Committee in the German Bundestag is referred as the most powerful and prestigious committee and viewed as the guardian of fiscal discipline in the Bundestag. The example about the Dutch Parliament explains the introducing of new subcommittees in each departmental committee, with a task to do in-depth research of the budget. When asked to do such task, the MP are guided and supported by a structural review questionnaire in order to facilitate their role in the budget scrutiny process. The questionnaire is shown in the end of the study (pictures 1 and 2).

Box 1: Committee organisation

Swedish Parliament

“The Finance Committee is responsible for the overall budget proposal and for recommending to Parliament the level of aggregate expenditures and the division of aggregate expenditures into each of the 27 Expenditure Areas. The sectoral committees are responsible for allocating individual appropriations within their respective Expenditure Areas. In this respect, there is a strong division of labour between the Finance Committee and the sectoral committees. For example, the Finance Committee will recommend the total level of expenditure in the agriculture Expenditure Area whereas the Agriculture Committee will recommend how that total should be allocated to individual appropriations within the agriculture Expenditure Area. The Finance Committee seeks the views of the sectoral committees on the level of funding for their relevant Areas. Each sectoral committee formally reports to the Committee on Finance. The Finance Committee then reviews these reports and other relevant information. The Finance Committee also reviews the economic assumptions of the budget and the revenue side of the budget at this time. The Finance Committee then presents its recommendations to Parliament on the division of aggregate expenditures into each of the 27 Expenditure Areas and Parliament discusses and votes on them.”

[OECD Budget Review: Sweden](#) (2001)

German Bundestag

“The Budget Committee is regarded as the Bundestag’s most powerful and prestigious committee. By tradition, the chair of the Budget Committee is always a member of the largest opposition parliamentary group. This is in line with what is considered good practice in many parliaments (e.g. UK and the majority of Westminster style parliaments, France) and signals a willingness to operate the committee in a nonpartisan and consensual manner. Although the budget is legally referred to the Budget Committee, the sectoral committees also review the sections of the budget relevant to their portfolios. The sectoral committees provide feedback or make proposals to the Budget Committee but the Budget Committee has the ultimate decision-making power as to whether or not to include these proposals. In a sense, the relationship of the Budget Committee vis-à-vis the sectoral committees mirrors that of the Finance Ministry vis-à-vis the line ministries, with the Budget Committee viewed as the guardian of fiscal discipline.

The Budget Committee also has a rapporteur system which ensures that the Budget Committee has a deep understanding of departmental budgets. At the beginning of each electoral term the Budget Committee appoints a lead rapporteur and three assistant rapporteurs (one from each party) to cover each departmental budget. The rapporteurs remain responsible for this portfolio for the full electoral term, allowing them to develop significant expertise. The responsibility of the rapporteurs is considerable because in addition to their work within the Budget Committee, they are the principal source of information for their parliamentary groups and their advice generally forms the basis of their parliamentary group’s evaluation of the departmental budget in question.”

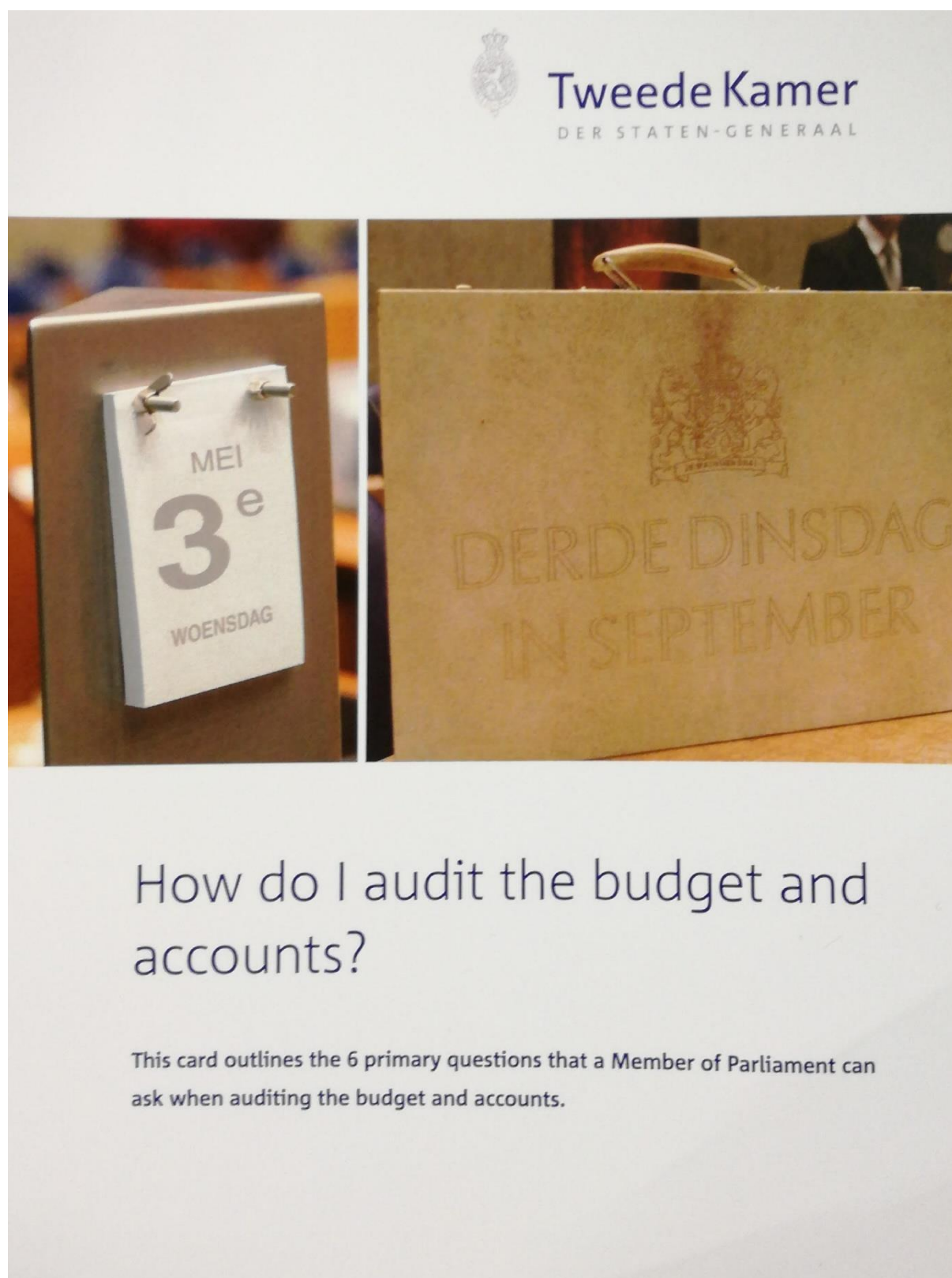
[OECD Budget Review: Germany](#) (2014)

Dutch Parliament

“The Dutch Parliament introduced new subcommittees of two in each departmental committee, for example the committee on education, the committee on health and the committee on social affairs. The subcommittees are tasked to do in-depth research of the budget in September and the annual report in May and report back to the responsible committee. Their report is discussed with the entire committee and accountable minister, before a general political debate takes place. To ensure that its findings are “objective” and aimed at improving the information and control position of parliament as a whole, the subcommittee is deliberately “politically neutral”. It consists of one member of the ruling coalition and one member of the opposition. When tasked to research the budget or produce an annual report, an MP is guided and supported by a structural review questionnaire (shown in pictures 1 and 2).”

Duisenberg, P. (2016). New development: How MPs in the Dutch parliament strengthened their budgetary and accounting powers. Public Money & Management, vol. 36, no. 7, pp. 521-525

Picture 1. Questions that a MP in the House of Representatives of Netherlands can ask when auditing the budget and accounts¹²⁴



¹²⁴ Source: ECPRD Seminar on Parliamentary Budget Control, 9-10 May 2019, The Hague, Netherlands

Picture 2. Questions that a MP in the House of Representatives of Netherlands can ask when auditing the budget and accounts¹²⁵

1. What is the general situation regarding the policy area?

- what is the current domestic and international situation?
- what are the developments over time?
- what is going well and what could be improved?

2. Which objectives have been planned/achieved?

- what does the minister want to achieve/has the minister achieved?
- correct objectives?
- correct indicators?
- influence of the minister?

3. Which actions leading to the objectives have been planned/attained?

- what does the minister want to do/has the minister done?
- correct actions underpinning the objectives?
- are actions specific and measurable?
- clear role for the minister?

4. Which expenditure is planned/has been realised?

- budgeted/spent?
- significant over/underspending to be explained?
- adjustments and additional investments sufficient justification and identifiable?
- subsidies justified?
- guarantees granted and exposures for ministry?
- expenses for primary department and operational organisations?
- end of year margin?
- expenses distributed across multiple policy articles or ministries?
- financial position of institutions executing policy but not included in state budget?

5. What is the verdict regarding the legitimacy, effectiveness and efficiency?

- focus points with regard to operational management and policy information?
- audit findings of the Netherlands Court of Audit regarding legitimacy?
- audit findings of policy effectiveness examinations and evaluation reports?
- correct planning for future policy effectiveness examinations?
- proper attention to focus areas identified by the House of Representatives?
- comparative (international) key figures regarding effectiveness and efficiency?

6. What are my conclusions and recommendations (as reporter to the committee)?

- considerations regarding granting discharge?
- requests for minister?

¹²⁵ *Ibid.*

LITERATURE AND SOURCES

1. OECD: Recommendation of the Council on Budgetary Governance, Public Governance and Territorial Development Directorate, 18 February 2015 <https://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf>
2. Blöndal, J. (2001), "Budgeting in Sweden", OECD Journal on Budgeting, vol. 1/1, <https://doi.org/10.1787/budget-v1-art4-en>
3. Bundes-Verfassungsgesetz, online <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10000138>
4. Downes, R., von Trapp, L., Jansen, J. Budgeting in Austria, OECD Journal on Budgeting, Volume 2018/1, OECD 2018 <https://doi.org/10.1787/budget-18-5i8l804wg0kf>
5. BHG 2013, online <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20006632>
6. GOG-NR 1975 online <https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10000138&Artikel=42&Paragraf=&Anlage=&Uebergangsrecht>
7. Budget, Parlament Republik Österreich online <https://www.parlament.gv.at/PERK/FAQ/BUDG/>
8. ÖstP 2012 online <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20008232>
9. Konrath, Ch., Berger, H., The Role of Parliament in the Budget Process, PEM PAL Budget Community of Practice (BCoP) "The Role of Austria's Parliament in Budgeting", Republik Österreich Parlament, Vienna, 30th January 2014 online https://www.pempal.org/sites/pempal/files/attachments/4_the-role-of-parliament-in-the-budget-process.pdf
10. Federal Medium-Term Expenditure Framework, Bundesministerium Finanzen online <https://english.bmf.gv.at/budget-economic-policy/Federal-Medium-Term-Expenditure-Framework.html>
11. Der Weg durch den Nationalrat, Parlament Republik Österreich [11/6/2019] online <https://www.parlament.gv.at/PERK/GES/WEG/WEGNR/index.shtml>
12. Smetanková, D., Krček, T., Performance budgeting. Parlamentní institut č. 2.113, srpen 2019 online <http://www.psp.cz/sqw/text/orig2.sqw?idd=163582>
13. A Right of Old: Parliament and the Budget, Republic of Austria, Parliament online <https://www.parlament.gv.at/ENGL/PERK/PARL/POL/ParluBUDGET/index.shtml>
14. Austria Parliamentary Budget Office Update, OECD Parliamentary Budget Officials and Independent Fiscal Institutions 6 th Annual Meeting, The Knesset, Jerusalem, online http://knesset.gov.il/mmm/oecd/Session_1_Austria_PBO_Update.pdf
15. MitarbeiterInnen des Budgetdienstes und ihre Fachbereiche, Republik Österreich Parlament online <https://www.parlament.gv.at/PAKT/BUDG/BUDGETDIENST/MITARBEITERINNEN/index.shtml>
16. Budget Act (Croatia) <http://www.mfin.hr/adminmax/docs/Budget%20Act%20-%20consolidated%20text.pdf>

17. Standing orders of the Croatian Parliament
https://www.legislationline.org/download/id/8131/file/Croatia_standing_orders_croatian_parliament_2013_en.pdf
18. Web-site of the Ministry of finance of Croatia <http://www.mfin.hr/en/state-budget>
19. Law on the State Audit Office of Croatia <https://www.zakon.hr/z/478/Zakon-o-Dr%C5%BEavnom-uredu-za-reviziju>
20. Web-site of the Croatian Parliament, Information and Documentation Department
<https://www.sabor.hr/en/about-parliament/organizational-structure/information-and-documentation-department>
21. Gender mainstreaming in Croatia, European Institute for Gender Equality
<https://eige.europa.eu/gender-mainstreaming/countries/croatia>
22. The Constitution of the Czech Republic
<http://public.psp.cz/en/docs/laws/constitution.html>
23. Rules of Procedure of the Chamber of Deputies
<http://public.psp.cz/en/docs/laws/1995/90.html#s13>
24. National Reform Programmes, European Observatory of Working Life [online]
<https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/national-reform-programmes>
25. Committee on the Budget, The Chamber of Deputies
<http://public.psp.cz/en/sqw/hp.sqw?k=3409&o=7>
26. OECD (2015), OECD Journal on Budgeting, Volume 2014 Issue 2, OECD Publishing, Paris, <https://doi.org/10.1787/budget-v14-2-en>
27. Organic Budget Law available only in macedonian language
<https://www.finance.gov.mk/files/u6/5.pdf>
28. Web-site of the Assembly of the Republic of North Macedonia, PROJECT: "ESTABLISHMENT OF PARLIAMENTARY BUDGET OFFICE"
<https://www.sobranie.mk/supporting-macedonia-s-parliamentary-reform-westminster-foundation-for-democracy.nspix>
29. The Polish Constitution <https://www.sejm.gov.pl/prawo/konst/angielski/kon1.htm>
30. Dz.U. 2009 nr 157 poz. 1240, Ustawa z dnia 27 sierpnia 2009 r. o finansach publicznych, available online
<http://prawo.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20091571240>
31. The Standing Orders of the Sejm of the Republic of Poland
http://oide.sejm.gov.pl/oide/en/index.php?option=com_content&view=article&id=14798%3Athe-standing-orders-of-the-sejm-of-the-republic-of-poland&catid=7&Itemid=361
32. Resolution of the Senate of the Republic of Poland of November 23, 1990 – Rules and Regulations of the Senate
<https://www.senat.gov.pl/en/about-the-senate/regulamin-senatu/>
33. Zawadzka–Pał, U., K., Polish Financial Law, Temida 2, Faculty of Law, University of Białystok, 2014, p69, ISBN 978-83-62813-61-2
https://repozytorium.uwb.edu.pl/jspui/bitstream/11320/6132/1/Polish_Financial_Law.pdf
34. Szpringer, Z., Wieloletni Plan Finansowy Państwa, Leksykon budżetowy, Sejm Rzeczypospolitej polskiej
<http://www.sejm.gov.pl/Sejm8.nsf/BASLeksykon.xsp?id=4461685B59C3D8D3C1257A69002C9BB8&litera=W>
35. Legislative process, Sejm Rzeczypospolitej Polskiej
<http://opis.sejm.gov.pl/en/procesustawodawczy.php>

36. Senate Committees, Notes of the Senate, Senate of the Republic Poland <https://www.senat.gov.pl/gfx/senat/userfiles/public/k9eng/noty/07.pdf>
37. Uproszczony schemat prac nad projektem ustawy budżetowej, Sejm http://www.bas.sejm.gov.pl/procedura_budzetowa.html
38. Szpringer, Z. Sejm Bureau of Research, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 2439
39. Wasil, W., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3663
40. Komisja Finansów Publicznych (FPB), Sejm Rzeczypospolitej Polskiej <http://www.sejm.gov.pl/Sejm8.nsf/agent.xsp?symbol=KOMISJAST&NrKadencji=8&KodKom=FPB>
41. Komisja do Spraw Kontroli Państwowej (KOP), Sejm Rzeczypospolitej Polskiej <http://www.sejm.gov.pl/Sejm8.nsf/agent.xsp?symbol=KOMISJAST&NrKadencji=8&KodKom=KOP>
42. Bureau of Research, Chancellery of the Sejm http://www.bas.sejm.gov.pl/about_us.php
43. Uproszczony schemat prac nad projektem ustawy budżetowej, Sejm http://www.bas.sejm.gov.pl/procedura_budzetowa.html
44. Department of Legal Research; Department of International Law and Foreign Legal Systems Research; Department of Constitutional and Systematic research; Department of Social and Economic Research; Department of Political Science Research; Organisational Group; Secretariat of the Bureau of Research. Gierach, E., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3666
45. Adamiec, D., Bureau of Research, Sejm, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3938
46. Biuro Analiz, Dokumentacji i Korespondencji, Kancelaria Senatu <https://www.senat.gov.pl/kancelaria/struktura-organizacyjna/biuro-analiz-dokumentacji-i-korespondencji/>
47. Law on the Budget System (Zakon o budžetskom sistemu, available only in serbian language) https://www.paragraf.rs/propisi/zakon_o_budžetskom_sistemu.html
48. Rules of procedures of the National Assembly of Serbia <http://www.parlament.gov.rs/upload/documents/Poslovnik%20Narodne%20skupstine%20-%20precisceni%20tekst%20Sluzbeni%20g%20Lat.pdf>
49. Law on State Audit Institution of Serbia https://www.paragraf.rs/propisi/zakon_o_drzavnoj_revizorskoj_instituciji.html
50. Parliamentary Budget Office of the National Assembly of Serbia <http://pbk.rs/?lang=en>
51. National Assembly Library <http://www.parlament.gov.rs/narodna-skupstina-organizacija-i-strucna-sluzba/biblioteka-narodne-skupstine.1506.html>
52. Introduction of gender responsive budgeting in the Republic of Serbia, UN Women https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/country/serbia/unw_grb_06%202018_eng_digital.pdf?la=en&vs=5041
53. English version of the Rules of Procedure of the Chamber of Deputies <http://public.psp.cz/en/docs/laws/1995/90.html#s13>

54. Základný rámec pre tvorbu rozpočtu verejnej správy, Ministerstvo Financí Slovenskej Republiky <https://www.mfsr.sk/sk/financie/verejne-financie/regulacny-komplex-pravnych-noriem-metodickych-postupov-z-oblasti-rozpocetoveho-procesu/tvorba-viacrocneho-rozpocetu-verejnej-spravy/zakladny-ramec-tvorbu-rozpocetu-verejnej-spravy/>
55. Kovačiková, A. Survey for the ECPRD Seminar on Parliamentary Budget control – Money & More, The Hague 9-10 May 2019, Parliamentary Institute, The National Council of the Slovak Republic, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3994
56. Fajták Ľ, a kol. Jako pracuje parlament, VII. Volebné obdobie, Parlamentný inštitút, Bratislava, marec 2016 https://www.nrsr.sk/web/Static/sk-SK/NRSR/Doc/zd_ako-pracuje-parlament.pdf
57. Financial and Budgetary Committee, Basic Information about the Committee, National Council of the Slovak Republic <https://www.nrsr.sk/web/Default.aspx?sid=vybory/vybor&ID=137>
58. Ďurinová, P., Competencies, organisation and activities of the Research Service/Department, 20 February 2018, Parliamentary Institute, The National Council of the Slovak Republic, Information obtained through the European Center for Parliamentary Research and Documentation (ECPRD) network, Request No. 3666
59. Law on Public Finance, Slovenia <http://www.pisrs.si/Pis.web/npbDocPdf?idPredpisa=ZAKO7119&idPredpisaChng=ZAKO1227&type=doc&lang=EN> \
60. Development of Parliamentary Research Services in Central Europe and the Western Balkans, NDI <https://www.ndi.org/sites/default/files/development-of-parliamentary-research-services-CEE.pdf>
61. Services of the National Assembly of Slovenia https://www.dz-rs.si/wps/portal/en/Home/ODrzavnemZboru/KdoJeKdo/SluzbeDrzavnegaZbora!/ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfljo8zivT39gy2dDB0N_C0N3Qw8Q43dT_Yx9QwwMXIz0wwkpiAJKG-AAjgb6BbmhigA3RwNb/dz/d5/L2dBISEvZ0FBIS9nQSEh/
62. European Institute for Gender Equality, Gender Mainstreaming in Slovenia <https://eige.europa.eu/gender-mainstreaming/countries/slovenia>
63. RULES OF PROCEDURE OF THE NATIONAL ASSEMBLY OF SLOVENIA https://www.dz-rs.si/wps/portal/en/Home/ODrzavnemZboru/PristojnostiInFunkcije/RulesoftheProcedureText!/ut/p/z1/04_Sj9CPykssy0xPLMnMz0vMAfljo8zinfyCTD293Q0N3MOczAw8QwJcXE0tLIwsgk31wwkpiAJKG-AAjgb6BbmhigBFIUkx/dz/d5/L2dBISEvZ0FBIS9nQSEh/
64. Duisenberg, P. (2016). New development: How MPs in the Dutch parliament strengthened their budgetary and accounting powers. Public Money & Management, vol. 36, no. 7