

Legislative scrutiny and oversight underpin budget transparency. Legislative debate on the budget and related documentation in the plenary and in committee provides an opportunity to build public awareness of the government's spending priorities and policy objectives. In turn, legislative scrutiny of budget execution helps ensure that public funds are being used as intended and that policies are achieving planned results.

Strengthening analytical resources, hiring adequate committee staff and allowing committees to consult experts all serve to enhance legislative effectiveness and redress the capacity imbalance between the legislature and the executive. While legislatures in SEA countries have traditionally played a fairly limited role in the budget process, a growing number are working towards developing stronger analytical capacity with, for example, the establishment of parliamentary budget offices (PBOs) or specialised budgetary research units. This is in line with similar trends within the OECD, where the number of such institutions has more than tripled in the past decade, although offices in SEA countries tend to have less formal independence. Of the four OECD countries in the region, Korea has the second largest PBO worldwide, Australia has a PBO focused on policy costing, and the Japanese Diet has specialised budget research services. The New Zealand government is considering setting up a PBO.

The Philippines stands out as an early adopter of the PBO model, establishing an independent office in 1990 modelled in part on the US Congressional Budget Office. The office has undergone several iterations in 2010 and in 2015 when it was brought under the direct control of the House Speaker of the Philippines and now consists of two bureaux covering socio-economic, budget and tax research. Indonesia, Thailand and Viet Nam have either a PBO or specialised budgetary research unit and Cambodia has been exploring setting up a parliamentary budget office. As a first step, the Parliamentary Institute of Cambodia has provided training on budget issues for parliamentary staff. By contrast, in Malaysia and Singapore – legislatures with a Westminster heritage – the focus is more on *ex post* accountability through the work of the public accounts committee.

The analysis provided by PBOs and specialised budgetary research units helps to make often complex and detailed budget information understandable to the legislature and other stakeholders (media, academia, and the public at large). In addition to analysis of the executive's budget proposal (most common), these institutions may produce assessments of government forecasts, tax analysis or costings of policy proposals, among others. The main clients for this analysis within parliaments are budget committees and typically the analysis is made available to the public.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Parliamentary Budgeting Practices. Respondents were predominantly senior budget officials or parliamentary budget officials in SEA and OECD countries. Responses represent countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 34 OECD countries with data missing from Mexico.

Further reading

- ADB (2018) "A Comparative Analysis of Tax Administration in Asia and the Pacific", Asian Development Bank, Manila, <http://dx.doi.org/10.22617/TCS189264>.
- OECD (2017), "OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management", OECD Publishing, Paris, <https://doi.org/10.1787/9789264282070-en>.
- OECD (2014), "Recommendation of the Council on Principles for Independent Fiscal Institutions", OECD Publishing, Paris, <https://www.oecd.org/gov/budgeting/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf>.
- von Trapp, L., I. Lienert and J. Wehner (2016), "Principles for independent fiscal institutions and case studies", OECD Journal on Budgeting, Vol. 15/2, <http://dx.doi.org/10.1787/budget-15-5jm2795tv625>.

Figure notes

- Countries reporting other type of support available to parliament for specialized advice on budget include:
- Brunei Darussalam: Clerk and Deputy Clerk of the Legislative Council. Brunei Darussalam's Legislative Council, a consultative body comprised of 36 appointed members, meets annually in March to discuss and approve the annual budget and revenue estimates.
- Australia: specialised staff of sectoral committees. The Australian Parliament does not have a budget committee.
- Japan: in addition to the budget research offices in both houses, the National Diet Library has a Financial Affairs Research Service.
- New Zealand: committees receive support from the Office of the Controller and Auditor-General, and the Office of the Clerk of the House can contract specialists if requested by a committee. A PBO is planned.

4.9. Analytical support available to parliament, 2018

| | Who provides specialized budget analysis to the legislature? | | | |
|-------------------|--|---|---|----------------------------------|
| | Parliamentary Budget Office (PBO) or specialised research unit | Specialised staff of Budget/Finance Committee | Specialised staff in political party secretariats | Individual member's staff |
| Brunei Darussalam | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Cambodia | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Indonesia | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Lao PDR | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Malaysia | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Myanmar | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Philippines | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Singapore | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Thailand | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| Viet Nam | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| SEA Total | | | | |
| ● Yes | 4 | 5 | 1 | 3 |
| ○ No | 6 | 5 | 9 | 7 |
| Australia | <input checked="" type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| Japan | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| Korea | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| New Zealand | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| OECD Total | | | | |
| ● Yes | 22 | 19 | 20 | 15 |
| ○ No | 12 | 15 | 14 | 19 |

Key

● Yes

○ No

Sources: For SEA countries, OECD (2018) Budget Practices Survey. For OECD countries, OECD (2018) Parliamentary Budgeting Practices Survey.

StatLink  <https://doi.org/10.1787/888933840931>



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