

The central budget authority (CBA) is the public body responsible for managing a country's national/federal budget. The CBA leads the budget process in alignment with governments' strategic goals and ensures that the procedures for formulating and implementing the budget are followed. The location of the CBA within the architecture of government has great strategic importance, given its co-ordinating function and role in resolving competing claims on budget resources.

The ministry of finance and/or economics is the most common choice of CBA location across SEA (60%) and OECD (88%) countries. In such cases, the CBA generally consists of a dedicated unit or group of co-ordinated units within the ministry. In the case of LAO PDR, the Philippines and Viet Nam the CBA functions fall under the responsibility of two separate organisations. In Lao PDR and Viet Nam, the Ministry of Finance and the Ministry of Planning and Investment share the CBA tasks, while in the Philippines, the split is between the Department of Budget and Management and the Department of Finance. In the case of Thailand, the CBA is part of the Prime Minister's Office.

The head of the CBA naturally plays a critical role in budget configuration. This is especially relevant in terms of managing negotiations with other ministries and departments in developing the budget. In SEA countries, 80% of heads of the CBA are senior civil servants, compared to 64% for OECD countries. A CBA led by a government official who is expected to remain in the position after a change in government is key to preserve institutional memory and can potentially ensure continuity between political cycles.

The role and functions of the CBA varies across countries. In a similar way to OECD countries, exclusive competencies of CBAs in SEA often include drafting the budget circular (80%), producing supplementary budgets (80%) and determining ceilings for line ministries (70%). In contrast to OECD countries, authorising supplementary outlays for line ministries is also often under the sole responsibility of the CBA in SEA countries (80% in SEA and 45% in OECD countries). In turn, in SEA countries responsibility for tasks such as monitoring line ministries' performance (80% of cases) and the methodology for macroeconomic projections (60%) are shared between CBA and other institutions or agencies. In OECD countries CBAs in 17 out of 33 countries (52%) countries share responsibility for monitoring line ministries' performance, and 10 countries out of 33 countries (30%) share responsibility for developing the methodology for macroeconomic projections.

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 Budget Practices and Procedures Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the 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 33 OECD countries, as no 2018 data is available for the United Kingdom and the United States.

The CBA is a public body or several co-ordinated bodies, located at the central/national/federal level of government and generally responsible for formulating budget proposals, conducting budget negotiations with line ministries and agencies, allocating or reallocating funds, ensuring compliance with the budget laws and at times conducting performance evaluations and/or efficiency reviews. While this authority may monitor budget execution, it may not necessarily undertake the treasury function of disbursing public funds. Lastly, a very important role of the central budget authority is monitoring and maintaining aggregate/national fiscal discipline and enforcing the effective control of budgetary expenditure.

For the purpose of this section, the terms department and ministry have an equivalent meaning.

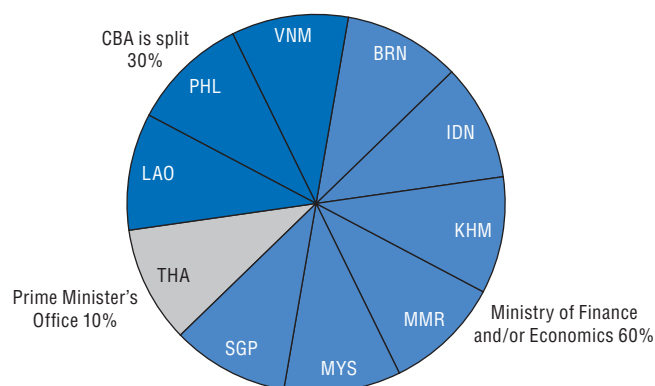
Further reading

- Schick, A. (2001), "The Changing Role of the Central Budget Office", *OECD Journal on Budgeting*, Vol. 1/1, <https://doi.org/10.1787/budget-v1-art3-en>
- OECD (2017), "The role of the budget process in promoting public sector innovation", in *Fostering Innovation in the Public Sector*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264270879-6-en>
- OECD (2015), "Recommendation of the Council on Budgetary Governance", OECD Publishing, Paris, <http://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf>

Figure notes

4.3: Cambodia: no data available for methodology for fiscal projections.

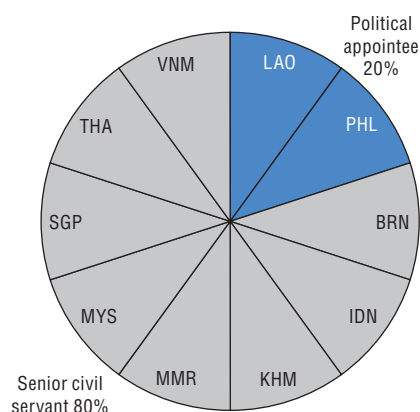
4.1. Location of the CBA, 2018



Source: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink <https://doi.org/10.1787/888933840798>

4.2. Head of the CBA, 2018



Source: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink <https://doi.org/10.1787/888933840817>

4.3. Responsibilities of the CBA, 2018

	Drafting budget circular	Authorisation of line ministries outlays	Producing supplementary budgets	Determining ceilings for line ministries	Developing executive budget proposal	Negotiating with line ministries	Producing end-of-year reports	Methodology for fiscal projections	Monitoring performance of line ministries	Methodology for macroeconomic projections
Brunei Darussalam	●	◡	●	●	●	◡	◡	◡	◡	◡
Cambodia	●	●	●	x	●	●	●	..	●	●
Indonesia	◡	●	●	●	●	◡	◡	◡	◡	◡
Lao PDR	●	●	●	x	●	●	●	●	◡	◡
Malaysia	●	●	●	●	◡	◡	◡	◡	◡	◡
Myanmar	●	◡	●	●	◡	◡	●	●	●	●
Philippines	●	●	◡	●	◡	●	◡	◡	◡	◡
Singapore	●	●	●	●	●	●	●	●	◡	◡
Thailand	●	●	●	●	●	●	◡	◡	◡	◡
Viet Nam	◡	●	◡	◡	◡	◡	◡	◡	◡	◡
SEA total										
●	8	8	8	7	6	5	4	3	2	2
◡	2	1	2	1	4	5	4	4	8	6
◡	0	1	0	0	0	0	2	2	0	2
x	0	0	0	2	0	0	0	0	0	0
Australia	●	◡	x	x	x	◡	◡	◡	◡	●
Japan	●	◡	●	●	●	●	●	◡	◡	◡
Korea	●	◡	●	●	●	●	●	◡	◡	◡
New Zealand	●	●	●	○	●	●	●	●	●	●
OECD Total										
●	30	15	28	22	25	25	18	9	11	7
◡	3	6	3	5	6	6	9	21	17	10
◡	0	10	1	3	0	2	3	3	5	16
x	0	2	1	3	2	0	3	0	0	0

Key:

- Sole responsibility of the CBA
- ◡ Shared responsibility between CBA and other institutions
- ◡ Not a responsibility of the CBA
- x Not applicable

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink <https://doi.org/10.1787/888933840836>



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