

Budget Oversight

Establishing Functional PBOs in Africa

11 and 12 June

Bamako, Mali



Module objectives

- the issues related to legislative budget oversight;
- the specific analytical capabilities of PBOs to analyse budget execution reports; and
- budget analysis techniques.



Why are these capabilities needed?

Legislative budget oversight during budget execution is paramount to ensure accountability. Budget execution reports in Africa, however, vary in quality, utility and frequency. Parliamentary oversight during budget execution has the following key objectives:

- detect budget variances before the end of the fiscal year and inquire about these deviations with the aim of ensuring service delivery;
- avoid fiscal dumping, where MDAs spend most of their budget in the last quarter to improve their expenditure performance and avoid not receiving funds in the future due to poor performance;
- assess if the macroeconomic assumptions hold during budget execution and reallocate expenditures based on changes to fiscal framework, actual revenue, need and absorptive capacity of MDAs;
- approve virements as required by law; and
- propose solutions to any challenges.



Analysing monthly/quarterly budget execution reports

PBOs can assist the various legislative committees by:

- calculating budget variances between the previous quarter within the same fiscal year and the same quarter for the previous fiscal year to identify problematic trends such as consistent underspending to avoid fiscal dumping and overspending;
- identifying which MDAs tend to have problematic trends to solicit explanations when there are significant differences in what was budgeted and the actual outturns; and
- helping committees with the calculations to provide the rationale for the shifting of funds during the budget readjustment by parliament.

Thank you