

Senior Budget Official Reviews of Budgeting Systems - Organisation for Economic Cooperation and Development



Objective and features

1. Objective

The review aims to provide a comprehensive overview of the budget process in the country or jurisdiction under examination, evaluate national and/or subnational experiences against international best practices, and provide specific policy recommendations.

2. Institutional coverage

National and subnational governments.

3. Technical coverage

The OECD budgetary reviews cover a broad spectrum of budget activities such as budget classification, public access to financial information, fiscal risk reporting, capital budgeting framework, alignment of fiscal plans with budgets, performance-based budgeting and monitoring of budget execution, accounting practices, and external audit.

4. Application method

Custodian.

Methodology



5. Methodology

Senior Budget Official Reviews of Budgeting Systems are largely based on the [Recommendations of the Council on Budgetary Governance](#) (RCBG). Each recommendation or principle is subdivided into four to seven subprinciples. There are 48 subprinciples in total which are used as performance benchmarks of a country's budgeting systems. The 10 principles are as follows:

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, and 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.

6. Benchmarking system

Narrative evaluation of the country's budgetary framework and processes is done based on the 10 principles in the RCBG.

7. Linkage to PEFA framework

Senior Budget Official Reviews of Budgeting Systems covers aspects related to PEFA performance indicators: budget classification (PI-4), public access to fiscal information (PI-9), fiscal risk reporting (PI-10), fiscal strategy (PI-15), budget preparation process (PI-17), and external audit (PI-30).

8. Complementarity with PEFA framework

An overview of budgeting practices across the full spectrum of budget activity in the country is given with clear guidance for designing, implementing, and improving budget systems to meet the challenges of the future.

Development and use



9. Development and coordination

The OECD Working Party of Senior Budget Officials (SBO) was established in 1980 and is composed of budget directors and other senior officials from OECD countries. The SBO meets annually to address key budgeting concerns and relevant policy options. The earliest published reviews of budgeting systems available on OECD website are of Canada, Netherlands, and Sweden in 2001. In 2015, OECD adopted 10 principles on budgetary governance. These principles draw together the lessons of over a decade of work by the SBO and its associated networks, along with contributions and insights from other areas of the OECD and of the international budgeting community. During the assessment, budget reviews are sometimes broadly coordinated and conducted in parallel with PEFA assessments. This provides the country authorities with a range of qualitative and diagnostic perspectives on which to base their reform plans.

10. Assessment management

OECD staff conduct interviews with the country officials as well as independent experts and representatives of civil society. Based on the interview responses, the OECD staff prepare the budget review report of the country. At times, OECD uses the services of external PFM experts as well.

Custodian, internal quality assurance procedures apply. Assessments are led by members of the OECD Budgeting and Public Expenditures Division, subject to the division's quality assurance systems. The reviews also offer other countries or jurisdictions an opportunity to comment on specific budgeting issues in the country or jurisdiction under examination (peer review).

11. Uses by the government and members of the PFM community

The budget review of a country provides recommendations and policy options on priority areas for further budgetary reforms in the country.

12. Sequencing with other tools

The tool may be sequenced along with other broad-based diagnostic tools such as the PEFA framework.

13. PFM capacity building

No PFM capacity development function is envisaged for the tool.

14. Tracking of changes and frequency of assessments

There is no predefined assessment frequency. Budgetary reviews of two to three countries are being undertaken every year by OECD, based on the request of the countries. A brief overview of progress in budgetary reforms and key improvements since the last assessment are indicated in the budget review report of the country.

15. Resource requirements

Assessment costs are associated with three to five OECD staff (sometimes external consultants) having expertise in PFM to conduct interviews with country officials and draft the report.

Transparency



16. Access to methodology

There is no toolkit or separate user guidance available. Budgetary reviews are conducted and driven by the staff of OECD's Budgeting and Public Expenditure Division.

17. Access to assessment results

Reports are published in the OECD Journal on Budgeting and can be accessed at the [OECD website](#).