

Tool: Tips for MPs on budget oversight

Purpose of the tool: These tips were developed by the IPU and the UNDP in their Global parliamentary report 2017 (110) to prompt MPs to reflect on their budget oversight role (Box 16). **Box 16. Tips for MPs on budget oversight**

Tips for MPs: Oversight of the budget

Why should I get involved?

Government sets out its policy intentions and how it intends to resource them through an annual budget. It is one of the most important documents government produces. Parliamentary oversight is equally important. Only a few parliaments have the power to set budgets, but many more are able to amend or reject the budget, while some parliaments have no powers at all over budgets.

Subject area committees can also oversee the budgets and spending of the relevant ministry, bringing significant knowledge and experience of the particular services.

What do I need?

- An understanding of the budget process, including timescales and key dates.
- An understanding of key concepts:
 - income (how government raises money);
 - expenditure – how government spends money;
 - the difference between revenue and capital expenditure;
 - variances between budgets and actual expenditure;
 - deficits – the difference between expenditure and income;
 - debt;
 - borrowing;
 - cash management.
- Expert advice and analysis where available, including gender analysis; some parliaments provide budget research offices.

How can I contribute effectively?

- Consider the issues facing government for the next and future financial years:
 - Are there specific critical issues which need to be funded, such as a military intervention, a national emergency, or a debt or deficit to pay off?
 - Is government committed to particular levels of spending as part of an international commitment, such as membership of a regional body?
 - What new policies are being introduced? Can they be funded? Is government intending to reduce other spending to fund the new policy? Is this justifiable?
 - How effective has spending been to date? What outcomes are expected from the proposed expenditure? Has value for money been achieved?
- Some other questions to consider:
 - Income (how is the government going to raise money); what taxes are in place?
 - Is income tax progressive? That is, do those who earn more have to pay more?
 - Consider the budget from a gender perspective – for example, how do taxes impact on men compared to women?