

# **EUROPEAN PARLIAMENT**

*DIRECTORATE-GENERAL FOR RESEARCH*

**WORKING DOCUMENT**

## **BUDGETS OF PARLIAMENTS**

**WHAT ARE THE PROCEDURES INVOLVED?  
HOW ARE THEY CONTROLLED?**

*"National Parliaments" Series*

**W - 8**

ORIGINAL: ENGLISH

THIS DOCUMENT IS AVAILABLE IN FRENCH AND GERMAN

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**PUBLISHER : EUROPEAN PARLIAMENT**  
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**MANUSCRIPT COMPLETED IN MAY 1997**

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**EN-05-1997**

PE 124.794/rev. 1

## **Introduction**

This document was prepared with the help of correspondents of the **ECPRD** in the national Parliaments of Member States of the EU. It was the second comparative study in the series "National Parliaments" and was originally published in 1988. It has now been revised to take account of the accession of Austria, Finland and Sweden and some details have been updated also in regard to budget procedures in the Parliaments of other Member States.

**The** study brings together the replies to questions submitted to the **ECPRD** correspondents and its contents therefore depend heavily on the nature of these replies, which are more complete in some cases than others. It seeks to establish which bodies are involved in drawing up the budget of national parliaments and what arrangements exist for auditing and scrutinising their expenditure. A third area has also been added in the revised version: the procedures in national parliaments for financial control of their own budgets.

It should be noted that terminology in this area varies widely. The term "Quaestors", for example, is widely used in the Southern part of Europe and in the EP, but is **unknown** in many countries. There can also be confusion about the meaning of some terms: "auditing", for example, means different things in different places. Comparison is therefore not always "scientifically" valid.

In the specific area added to this revised version: Financial Control, it is evident from the replies - and absence of replies - that the concept as it is applied in the European Union institutions is not widely understood outside. The Financial Controller has an important role in the Financial Regulation by which all **European** Union institutions are bound. The term derives, apparently, from French administrative practice, but it is evident from the replies of the French Sknat to our questions that in France a "Financial Controller" is seen **as** an instrument of the state or government administration. As bodies independent of this administration, neither the Sknat nor the Assemblée Nationale have such officials in their secretariats.

**The** study is published - like the earlier version - in three languages. However, if there is sufficient demand for other language versions, more translations **will** be arranged.

In view of the subject matter, the new document is being distributed to Members of Parliament's Committees on Budgets and Budgetary Control.

**Division for Budgetary Affairs, Civil Liberties  
and Internal Affairs, Rules of Procedure,  
Petitions and Comparative Law**

**DIRECTORATE GENERAL FOR RESEARCH**

**Luxembourg, March 1997**

## **INDEX**

Page

1. APPROVAL PROCEDURE
  - 1.1. Who submits to each National Parliament the latter's draft budget? .....
  - 1.2. What other **bodies** are involved in preparing the plenary decision? .....
  - 1.3. On the basis of whose proposals does the plenary take its decision? .....
  - 1.4. In making its decision is the plenary bound by a framework laid down by the government; can the government cut the budget at a later stage? .....
  
2. AUDITING
  - 2.1. Who audits Parliament's accounts? .....
  - 2.2. Are some parts of the budget exempt from auditing (e.g. official representation fund)? .....
  - 2.3. Who audits the accounts of political groups? .....
  - 2.4.1 Does the Court of Auditors also have the right, if necessary, to audit
  - 2.5. the accounts of parliamentary committees dealing with internal parliamentary organisation? If so, what is the earliest date at which such an audition can begin? .....
  
3. INTERNAL FINANCIAL CONTROL
  - 3.1 Is there an official responsible for financial and budgetary control in the Parliament's secretariat?
  - 3.2 If so, what are the financial controller's duties?

### NOTES

- Note 1 - Belgium-Senat .....
- Note 2 - Belgium -Chambre des Representants .....
- Note 3 - Federal Republic of Germany -Bundesrat .....
- Note 4 - Federal Republic of Germany -Bundestag .....
- Note 5 - Spain -Congreso de los Diputados .....
- Note 6 - France -Assemblée Nationale .....
- Note 7 - Netherlands -Staten Generaal. ....
- Note 8 - United Kingdom -House of Lords .....
- Note 9 - United Kingdom -House of Commons .....

## 1. APPROVAL PROCEDURE

### I.I. *Who submits to each National Parliament the latter's draft budget?*

#### AUSTRIA

Parlament **The** Minister of Finance submits it to the Government, which in turn sends it to Parliament for approval.

#### BELGIUM

Sénat The Budget and Finance Ministers. See note 1.  
Chambre des Représentants The Accounts Committee. **See note 2.**

#### DENMARK

Folketing **The** Folketing's "Bureau" **instructs** the parliamentary administration to submit a draft budget; a recommendation is then submitted to the **Standing Orders** Committee. Once adopted the budget is sent to the Government to be incorporated in the State Finance **Bill**.

#### **FINLAND**

Eduskunta The Government as **part of** the overall state budget.

#### **GERMANY**

Bundesrat Government **as part of** the overall budget. See note 3.  
Bundestag Government as **part of** the overall budget. **See note 4.**

#### GREECE

Vouli ton Ellinon **The final** draft of the **budget** is submitted to Parliament for debate by the President of Parliament (Rule 120(4) of Parliament's **Rules of Procedures**).

#### **SPAIN**

Senado Government as **part of** the overall budget.  
Congreso de los Diputados Government **as part of** the overall budget.

#### FRANCE

Sénat and Assemblée

Quaestors of both houses jointly, with **2** magistrates from the Court of Auditors as observers, prepare budgets which **are** then put by the Government into **the** national **draft** budget.

## IRELAND

Oireachtas

Government **as part** of the overall budget.

## ITALY

Senato della Repubblica  
Camera dei Deputati

The President's office, with a **report** from the Senato Quaestors.  
The College of Quaestors.

## **LUXEMBOURG**

Chambre des Députés

Government **as part** of the overall budget.

## **NETHERLANDS**

Eerste Kamer  
Tweede Kamer

Bureau of the Chamber.  
Bureau of the Chamber.

## **PORTUGAL**

Assembleia da Republica

The administrative council.

## SWEDEN

**Riksdag**

Board of administration

## **UNITED KINGDOM**

House of Lords

Government **as part** of the overall budget. The House of Lords estimate forms **part** of the **annual** overall presentation to the House of **Commons** of the **financial** requirements of the Government. **See** note **8**.

House of Commons

House of Commons **commission**. **See** note 9.



## **IRELAND**

Oireachtas The Dail Committee on Procedures and Privileges is consulted in preparation of the draft budget.

## **ITALY**

Senato della Repubblica The Budget Committee.  
Camera dei Deputati None.

## **LUXEMBOURG**

Chambre des Députés The Budget Committee.

## **NETHERLANDS**

Eerste Kamer Standing Committee for the Interior.  
Tweede Kamer Standing Committee for the Interior.

## **PORTUGAL**

Assembleia da Republica One or more **special** committees dealing with parliamentary organisation.

## **SWEDEN**

Riksdag Committee on the Constitution

## **UNITED KINGDOM**

House of Lords Treasury agreement to the estimate **follows** its consideration and approval by the House of Lords' Finance Committee, a sub-committee of the House of Lords' Offices committee (a body of members appointed to deal with the organisation of the House of Lords).

House of Commons **See** note 9.



## IRELAND

**Oireachtas**

**The Government.**

## ITALY

**Senato della Repubblica  
Camera dei Deputati**

**The President of Parliament or a parliamentary body.  
The President of Parliament or a parliamentary body.**

## **LUXEMBOURG**

**Chambre des Députés**

**The Budget Committee.**

## **NETHERLANDS**

**Eerste Kamer  
Tweede Kamer**

**Standing Committee for the Interior.  
Standing Committee for the Interior.**

## PORTUGAL

**Assembleia da Republica**

**The administrative Council.**

## SWEDEN

**Riksdag**

**Committee on the Constitution**

## **UNITED KINGDOM**

**House of Lords  
House of Commons**

**Proposals for public spending are made by the Government.  
The Government, Mr Speaker. See note 9.**

**1.4. In making its decision is the plenary bound by a framework laid down by the Government, or can the Government cut the budget at a later stage?**

**AUSTRIA**

Parlament Not bound.

**BELGIUM**

Sénat The Senate's budget is not at all so bound and there is no possibility for the Government to reduce the Senate's Budget.

Chambre des Représentants Not bound. Parliament enjoys unlimited budgetary authority;

**DENMARK**

Folketing Not bound. The government may not make subsequent cuts.

**FINLAND**

Eduskunta Not bound.

**GERMANY**

Bundesrat Not bound. Later cuts possible (**A.113** German Constitution),  
Bundestag but never made in practice. See notes 3 and 4.

**GREECE**

Vouli ton Ellinon Parliament enjoys unrestricted competence in respect of the budget (Rule 120(7)).

**SPAIN**

Senado Bound.  
Congreso de los Diputados Bound. See note 5.

## **FRANCE**

Sénat  
Assemblée Nationale

Bound.  
(No reply given to the question).

## **IRELAND**

Oireachtas

Later cuts possible.

## **ITALY**

Senato della Repubblica  
Camera dei Deputati

Not bound.  
Not bound. Parliament enjoys unrestricted budgetary authority.

## **LUXEMBOURG**

Chambre des Députés

Parliament enjoys **unrestricted** budgetary authority.

## **NETHERLANDS**

Eerste Kamer  
Tweede Kamer

**See** note 7.  
**See** note 7.

## **PORTUGAL**

Assembleia da Republica

Parliament enjoys unrestricted budgetary authority.

## **SWEDEN**

Riksdag

Not bound. The government cannot alter the Parliament's budget.

## **UNITED KINGDOM**

House of Lords  
House of Commons

**Once its** estimate is approved, the House of Lords would, within **an agreed ambit**, enjoys unrestricted control of the monies granted to **it**. Parliament enjoys unrestricted budgetary authority. **See** note 9.



## **FRANCE**

Sénat and  
Assemblée Nationale

A special parliamentary committee is charged with verifying and auditing the accounts. See note 6.

## **IRELAND**

Oireachtas

The Comptroller and Auditor General.

## **ITALY**

Senato della Repubblica  
Camera dei Deputati

Nobody.  
A parliamentary committee alone.

## **LUXEMBOURG**

Chambre des Députés

A parliamentary committee submits its conclusions to the Chamber which then adopts a resolution which it registers **with** the Court of Auditors.

## **NETHERLANDS**

Eerste Kamer and  
Tweede Kamer

Central Accountancy Service of Ministry of **Finance** (on a random **basis**).  
Court of Accounts.  
Theoretically, **the Standing Committee on Accounts could** debate on findings of the Court of Accounts.

## **PORTUGAL**

Assembleia da Republica

The Assembly itself.

## **SWEDEN**

Riksdag

The Central **Bank** and the auditors of the Parliament.

## **UNITED KINGDOM**

House of **Lords**  
House of Commons

The National Audit Office. See note 8.  
The National Audit **Office**. See note 9.

2.2. *Are some parts of the budget exempt from auditing (e.g. official representation fund)?*

**AUSTRIA**

**Parlament** No.

**BELGIUM**

**Sénat** All the Senate's accounts are audited by the College of Quaestors.  
**Chambre des Représentants** No.

**DENMARK**

**Folketing** No.

**FINLAND**

**Eduskunta** The offices of political groups in Parliament.

**GERMANY**

**Bundesrat** No.  
**Bundestag** No.

**GREECE**

**Vouli ton Ellinon** No.

**SPAIN**

**Senado** No.  
**Congreso de los Diputados** No.

**FRANCE**

**Sénat** No.  
**Assemblée Nationale** No.

IRELAND

**Oireachtas** No.

ITALY

**Camera dei Deputati** No.

**LUXEMBOURG**

**Chambre des Députés** No.

**NETHERLANDS**

**Eerste Kamer** No.

**Tweede Kamer** No.

PORTUGAL

**Assembleia da Republica** No.

SWEDEN

**Riksdag** No.

**UNITED KINGDOM**

**House of Lords** No.

**House of Commons** No.



## FRANCE

Sénat and  
Assemblée Nationale

Nobody; each group decides its own practice.

## IRELAND

Oireachtas

Nobody.

## **ITALY**

Senato della Repubblica

The "auditors of the accounts" nominated by the presidents of the two chambers.

Camera dei Deputati

The "auditors of the accounts" nominated by the presidents of the two Chambers.

## **LUXEMBOURG**

Chambre des Députés

The political group itself.

## **NETHERLANDS**

Eerste Kamer  
Tweede Kamer

Political groups.

Others: the Court of Accounts to verify that the Chambers have rightly applied legislation concerning allowances to political groups for personnel and material expenses.

## **PORTUGAL**

Assembleia da Republica

Nobody.

## SWEDEN

**Riksdag**

Nobody. Each group decides its own practice.

**UNITED KINGDOM**

House of Lords

With the exception of monies voted by Parliament towards their expenses, political groups make their own arrangements for auditing.

House of Commons

Bodies chosen by the parliamentary parties.

- 2.4./ *Does the Court of Auditors also have the right, if necessary, to audit the accounts of*  
 2.5. *parliamentary committees dealing with internal parliamentary organisation? If so, what*  
*is the earliest date at which such an audition can begin?*

## AUSTRIA

Parlament Parliament's Committees do not have financial rights nor budgetary allocations. **This** question does not therefore **arise**.

## **BELGIUM**

Sénat The Court of Auditors has no right of interfere in the internal organisation of the Senate.

Chambre des Représentants No.

## DENMARK

Folketing Yes, when money is **first** disbursed.

## **GERMANY**

Bundesrat and Bundestag In the view of the Court of Auditors the answer is yes, the earliest date being when a definite **plan** is adopted. The matter is disputed however.

## **FINLAND**

Eduskunta Not relevant for Finland.

## GREECE

Vouli ton Ellinon Yes. **This** audit forms **part** of the general auditing of expenditure relating to the organisation and functioning of **Parliament's** services.

## **SPAIN**

Senado No.

Congreso de los Diputados No.

## **FRANCE**

Sénat and  
Assemblée Nationale

Neither assembly comes ~~within~~ the Audit Court's jurisdiction.

## **IRELAND**

Oireachtas

Yes (the Comptroller and Auditor General).

## **ITALY**

Senato **della** Repubblica  
Camera dei Deputati

No.

No.

## **LUXEMBOURG**

Chambre des **Députés**

No.

## **NETHERLANDS**

Eerste Kamer and  
Tweede Kamer

No. (**See** note 7).

## **PORTUGAL**

Assembleia da Republica

No.

## **SWEDEN**

Riksdag

Yes, at any time.

## **UNITED KINGDOM**

House of Lords

The national audit office has the right to examine any accounts involving the use of public money and the process of annual audit ~~can begin at~~ any time ~~after~~ monies voted by **Parliament are** available.

House of Commons

Yes. When money is first disbursed. See note 9.

### **3. FINANCIAL CONTROL**

**3.1. Does Parliament's secretariat have an official responsible for financial and budgetary control?**

**AUSTRIA**

Parlament Yes. A **special** division controls internal expenditure and accounting ("Haushaltswesen").

**BELGIUM**

Chambre des Représentants No. The 11 members of the Committee on Accounts are responsible, together with the **Quaestors**. Every week a **balance** sheet is submitted to the College of Quaestors

**DENMARK**

Folketing No. Auditing is by one of two auditors appointed by the Standing **orders** Committee.

**FINLAND**

Eduskunta **Financial** and budgetary control of internal expenditure is dealt with in the Administrative Department of Parliament. **The** head of the department is **the** administrative director. The Chancellery Commission **directs**, supervises and develops the administration and management of finances.

**GERMANY**

Bundesrat/Bundestag Yes. An internal unit controls Parliament's budget ("**Vorprüfungsstelle**") and **reports** to the Court of Auditors, normally on a yearly **basis**.

**GREECE**

Vouli ton Ellinon The officials responsible for financial control are the chief of the **Economic** Services of Parliament and the magistrate responsible **for** public accounts at the Court of Auditors..

## SPAIN

Cortes No. Internal control of the Parliamentary budget is by the parliamentary auditor **and** the bureau of each house (meeting together if necessary).

## **FRANCE**

Sénat No. Control is carried out by ~~the~~ Senate Accounts Committee. There is no **financial** controller, because, as an official of the executive branch of government, **his** role in regard to parliamentary budgets **would** imply a major sacrifice of autonomy. Verification and clearance of accounts is therefore by the ten members **of** the Accounts Committee only. These **are** elected annually.

Assemblée Nationale No. **The** budgetary **unit** within this service prepares the draft budget, monitors commitments for expenditure and ensures that these are imputed to ~~the~~ correct budget lines. It may make observations to the Secretary-General or to the Quaestors concerning proposed **commitments**. **The** Treasury and Accounts Division checks payment orders and receipts; ~~it~~ also checks on implementation of contracts.

## IRELAND

Oireachtas ?

## ITALY

Senato No. The Accounts Department is responsible for control of expenditure **and** for **all acts** with financial consequences. It may carry out periodic inspections of cash records and verify the proper management ~~thereof~~. In addition it con**ver**ifies the legality **of** all acts involving receipts and expenditure; ensures that there is proper provision for acts of expenditure; verifies the exactness of accounting procedures; and establishes quarterly reports.

## **LUXEMBOURG**

Chambre des Députés No. **The** control **of** internal expenditure **of** the Chamber of Deputies is carried out by the Accounts Committee, assisted by **an** external auditor.

## **NETHERLANDS**

**TweedeKamer**

**No. There is no official within the secretariat responsible for internal budgetary control.**

## **PORTUGAL**

**Assembleia da Republica** ?

## **SWEDEN**

**Riksdag**

**The Financial Manager of the Administrative Office**

## **UNITED KINGDOM**

**House of Commons**  
**House of Lords**

**The Accounting Officer.**  
**See note 8.**



Oireachtas ?

## ITALY

Senato See answer to **3.1**

## **LUXEMBOURG**

Chambre des Députés -

## NETHERLANDS

TweedeKamer -

## **PORTUGAL**

Assembleia da Republica ?

## SWEDEN

Riksdag The Financial Manager of the Administrative Office (Finance Division) is responsible for exercising budgetary control and coordinating accounts and financial reporting. The internal auditing department of the **Bank** of Sweden conducts a financial audit of parliament which is then submitted to external 'Parliamentary Auditors' who express their opinion **also** on the annual financial report **from** Parliament's administrative office.

## **UNITED KINGDOM**

House of Commons The Accounting Officer is responsible for the propriety and regularity of public finance, for keeping proper accounts, for prudent and economical administration, for the avoidance of waste and extravagance and for efficient and effective use of resources in **his** charge.

House of Lords See note **8**.

## NOTE 1

### BELGIUM

#### SÉNAT

##### 1. *Approval procedure*

- 1.1. The Senat's draft budget is prepared by the Director-General for the College of Quaestors and adopted by them in June of the year preceding the budgetary year.
- 1.2. The College of Quaestors then submits the draft budget to the Senate's bureau and reports on the results of the previous year, the year under way and the budgetary plans for the following year.
- 1.3. After examining it, the bureau may adopt amendments and submits the draft to plenary. On the basis of the bureau's report the plenary examines and then adopts the budget, with or without amendment. Proposals for amendments may only be submitted by Senators and not by Members of the Government. Each of the 2 assemblies examines its own budget and refrains from discussing that of the other.
- 1.4. At the end of July the total foreseen for the Senate's budget is passed to the Minister for the Budget who includes it in the national "endowments budget", which also includes the budgets of the Royal Family, the Chamber of Representatives, the Community and Regional Councils, the Court of Arbitrage and the Court of Auditors. The endowments budget is a part of the Ways and Means Budget which - since the last constitutional reform - is submitted for approval only to the House of Representatives.

##### 2. *Auditing of the accounts*

- 2.1. The auditing of the Senate's accounts is done by the College of Quaestors of the Senate. Furthermore the College of Quaestors asks the Court of Auditors every year to verify the accuracy of the account records, it being understood that the Court abstains from giving any opinion on the merits of the Senate's expenditure.
- 2.2. The political groups in the Senate receive grants out of the Senate's budget calculated on a pro-rata basis according to the number of members in each group.

## **NOTE 2**

### **BELGIUM**

#### **CHAMBRE DES REPRÉSENTANTS**

##### 1. *Approval procedure*

- 1.1./ **The** draft budget of **the** Chamber, including the budget for the political **groups**, like the 1.3. accounts are drawn up by **the** College of Quaestors, **decided** by the accounts committee and then incorporated as such (a total **sum**) in the allowances budget.

The Government then deposits the allowances budget with the chamber Bureau, without power to alter the total **decided** by the accounts committee.

The draft budget is examined by the finance committee and the **basis** of its report is discussed and voted on **in full** assembly.

##### 2. *Auditing the accounts*

- 2.1. The Court of **Auditors** is an organ of the Chamber, which nominates **its members**. This explains why the Court of **Auditors** does not audit the accounts of the Chamber.
- 2.2 **The** director of accounts is independent **of** the Chamber's administrative services, payments **are made by** the Cashier's **Office** after approval by the accounts service. **The** Quaestors, who are **responsible** for administration, including the cashier's office, may be asked by the accounts committee to justify expenditure on the occasion of their **annual** verification of accounts **and** discharge.

### NOTE 3

## GERMANY

### BUNDESRAT

The Bundesrat has very little influence on the budget law and the establishment of the budget (the budget bill does not require Bundesrat consent). Its influence on the establishment of **its own** budget is correspondingly limited. Its Bureau ('Präsidium') **draws** up the estimates; Paragraph 29(3) **of the Federal** budget Regulations applies accordingly. There is no provision for **its** subsequent consultation, in particular by the influential Bundestag Committee on Budgets, but **the** latter **does take** greater account of proposals from other fiscal **bodies** than of those from the Federal Government or its **own** house. The Bundesrat plenary decision is **prepared** by **proposals** from the committees, which the Finance Committee sets against **its own proposals** and put to the plenary, **so** that what is more of a declaratory decision may be taken.

## NOTE 4

### GERMANY

#### BUNDESTAG

- 1.1. **All** federal ministries and **bodies** -including the Bundestag- submit their budget estimates to the Federal Minister of Finance. The Bundestag estimates are drawn up by its Council of Elders. On a proposal from the Federal Minister of Finance, the Federal Government **decides** on the general budget to be introduced. Changes to the Bundestag estimates must be indicated in the budget bill. (**Paragraph 29(3)** of the Federal Budget Regulations).
- 1.2. The Bundestag budget is discussed by the Committee on Budgets. The Council of Elders must be consulted, other committees may deliver opinions.
- 1.3. **Under the** German **Basic** Law, **final** responsibility for the balanced general budget rests with the federal Government. It can refuse to give its overall consent to bills voted on by the legislative **bodies** -including the annual budget law containing the budget- which exceed the **expenditure proposed by the** federal Government (Article 113 of the Basic Law). The very existence of this mechanism exerts a moderating influence.

## NOTE 5

### SPAIN

#### CONGRESO DE LOS DIPUTADOS

##### 1. *Approval procedure*

- 1.4.** Even in regard to the national budget, government-imposed cutbacks **are** possible only if this means that the Government spends less than the budget adopted by the **Chambas**. Article **134** of the Constitution establishes that once the State's general budget **has** been adopted, the Government may propose legislation implying increases in public expenditure or even **decreases in** receipts during the **same** budgetary year. It follows therefore that the Government can at all times **limit** or reduce the total sum of expenditure which it had originally envisaged for the financial year and which the finance law had authorised it to **spend**, without **the** need for **specific** parliamentary authorisation. But this does not apply to the budgets of the two chambers of Parliament.

**As** concerns the "budgetary authority of Parliament", it is not unlimited because the Constitution established two fundamental limitations:

- 1) During the discussion on the **draft** finance law, every amendment involving an increase in **supplies** (in other words, expenditure), or even a **decrease** in receipts, must have the agreement of the Government before it can be put forward.
- 2) The finance law cannot establish new taxes **unless** they have been provided for **as** such **in** a "substantive" or "material" fiscal law. The rate, the **basis** or other elements of existing taxes can however be **modified** (this happens regularly).

## NOTE 6

### FRANCE

#### ASSEMBLÉE NATIONALE

##### 1. *Preparation of the budget*

The principle is the separation of powers and the financial autonomy of the assemblies.

The Quaestors are charged with the preparation of the budget. Under their authority the department of financial affairs centralises the credit requests of the President and the departments. The draft budget decided by the Quaestors is submitted to the Common Committee of Supply, created by the order of **17 November 1958**. This Committee is composed of Quaestors of the two Assemblies (3 from the assembly, 3 for the Senate). It confers under the presidency of a President from the Court of Auditors, nominated by the first president of that body, who also designates two advisors to have the function of "rapporteurs".

The Common Committee decides the budgetary proposals for each assembly towards the end of June. Its president passes them to the Minister of Finance who includes the credits requested with no power of modification, in the draft budgetary legislation under the heading of common charges.

The **sums** are examined, as **all** the supplies asked for the Government, by the Finance Committee, which proposes their adoption to the National Assembly; the Senate has the same credits of the other and that the Finance Committee does not examine in detail the supplies proposed for its own Assembly. The Common Committee does not concern itself with the execution of the budget.

##### 2. *Auditing of the accounts*

- 2.1. At ~~the~~ end of ~~the~~ financial year (the **15th** of April following the year in which it was started), ~~the~~ Quaestors submit the accounts for the old financial year to a special committee charged with verifying and auditing the accounts. This Committee is **made** up of **15** deputies nominated every year in proportion to ~~the~~ **size** of each party at the start of the parliamentary mandate and, for subsequent years (except that preceding an election) at the start of the October session.

If the Committee approves the accounts it acquits the Quaestors and discharges the Treasurer; if it does not, it reports back to the Assembly (Article **16, para 1** of the regulation). Since **1994** the Committee draws up and publishes an **annual** report.

## NOTE 7

### NETHERLANDS

#### STATEN-GENERAAL

##### 1. *Approval procedure*

The budget of each of the Chambers is prepared by its Bureau, presented to the Chamber, **examined**, debated, eventually amended, and voted **as** if it was a chapter of the State budget. Once accepted by the Chamber concerned the budget is sent to the Minister of the Interior.

The Minister of the Interior includes the budget of each Chamber together with the budget of the Council of State and the budget of the Court of Accounts in one chapter of the State budget. He **does** not automatically take over the draft he received from each of these bodies but frequently applies cuts to each of them, **similar** to the proportional cuts for each of the Ministries.

The decision of the Government only becomes (officially) known to the **bodies** concerned when the Minister presents all the chapters of the whole draft-budget to the Second Chamber in September. The Second Chamber amends the section of the chapter in which its own budget is included, in order to bring back its own original **draft**.

The Standing Committee for the Interior plays a role twice in the procedure. First, it publishes a report (containing remarks and questions) on the draft presented by the Bureau. Later on, it publishes **a report**, again containing remarks and questions, on the chapter of the State budget concerning the Chambers and other **high**, independent institutions. The whole dual **procedure** is also valid in the First Chamber, which lacks however the power to amend.

**Until** now, **the** Government **has** never **tried** to make cuts in the budget of the **Chambers** later in the year. **On** the contrary, both **Chambers** have sometimes exceeded the budget as it was voted by them. In such situations, an additional budget for the current year (or even the previous year) is **drafted by** the Bureau or even by the Minister of the Interior himself. This would happen for instance when the extra expenses **are** the result of the automatic application of legislation on the salaries and pensions of members or former members.

##### 2. *Auditing of the accounts*

The accounts of both Chambers are audited in the same way as all accounts of Ministries: first by **the** Central Accountancy service of the Ministry of Finance (on a random **basis**) and then **by** the Court of Accounts. No **part** of the budget is exempt from auditing. None of the Standing Committees is involved in the auditing, **unless** very indirectly. The Standing Committee on the Accounts examines and debates the annual report of the **Court of Accounts** and could, theoretically, also debate whatever the Court of Accounts has to say on the accounts of one of the Chamber.

**The accounts of the political groups are not examined by the Court of Accounts, nor by any other organ outside the political groups. However, the Court of Accounts would examine the question whether each of the Chambers has rightly applied the legislation concerning allowances to political groups for personnel and material expenses.**

## NOTE 8

### UNITED KINGDOM

#### HOUSE OF LORDS

#### 1. Approval procedure

- 1.1. Funds to meet the expenses of the House of Lords are met out the moneys provided by Parliament' by way of "supply grant". House of Lords financial planning is fully integrated into the national process of public expenditure planning conducted by the Government. Each spring, the House submits details of its planned expenditure in each of the following three financial years **as part** of the Government's Public expenditure Survey. In the following autumn, the Government announces its decisions on the permitted levels of spending allocated to each financial year. These future spending levels set the guidelines within which the **House** each autumn **prepares** its annual estimates for the following financial year. Money is then voted by Parliament in accordance with the Estimates and any adjustments requested by Government. It is normal for the money received to be equivalent to the Estimate for the House.

**The** submission of the supply estimate for the House of Lords to Parliament is a matter for the Treasury (acting on **behalf** of the Crown).

The House submits estimates for two "Votes". The **House of Lords Peers' expenses, administration etc. Vote** covers the reimbursement of Peers' expenses incurred by them for the **purpose** of their Parliamentary duties, the administrative costs of the House of Lords Offices and its Refreshment Department including stationery and printing, the provision of superannuation benefits to staff, and a share of the security costs for both Houses of parliament at **the** Palace of Westminster. The **House of Lords works services Vote** covers the costs of maintenance and a share of the costs of the Parliamentary Works Directorate which administers the works programme for both Houses of Parliament.

If the House needs to spend more than the sums allocated in these Votes it may submit a Supplementary Estimate during the Financial **Year**, although recourse is seldom made to this practice.

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<sup>1</sup> In relation to financial control, "Parliament" means House of Commons.

The Select Committee on the House of Lords **Offices** takes decisions about the level of total expenditure within the overall levels set by the Government. It has formal control of the sums voted by Parliament for "Votes" described above. It acts through four sub-committees which oversee the administration of the House. On financial matters it acts through the Finance and Staff Sub-Committee.

2. *Auditing of the accounts*

- 2.1. The Comptroller and Auditor General is responsible to Parliament in all that pertains to the collection, handling and disposal of public moneys. As Auditor General he heads the National **Audit** Office whose staff are responsible to him for the auditing of all public accounts including those relating to Parliament.

3. *Financial control*

- 3.1 The **Clerk** of the Parliaments, as Accounting Officer, is accountable for all House of Lords expenditure, including its propriety and effectiveness. He is supported by the Principal Finance Officer, who has particular responsibility for ensuring sound systems of financial management and improving value for money. The Principal Finance Officer, together with his House of Commons counterpart, holds a regular cycle of management meetings with the Director of the Parliamentary Works Directorate who is the budget holder for the works services Vote, and also is provided with monthly statements of works expenditure by the Accountant. Expenditure under the Peers' expenses, administration etc. Vote is delegated to individual Heads of Office who as budget holders are responsible through the Principal Finance Officer to the Accounting Officer for the planning and authorization of all expenditure delegated to them within prescribed limits, and for the delivery of the services provided by their Offices within agreed budget levels.

**PE 124.794/rev.1**

## NOTE 9

### UNITED KINGDOM

#### HOUSE OF COMMONS

##### 1. *Approval procedure*

- 1.1. The draft Budgets for Parliament are submitted to the House of Commons only as **part** of the Government's total draft budget in the form of 'Estimates'. These are usually laid before the House of Commons in March for the financial year beginning 1st April the same year. Votes on Account are passed to provide provisional budgetary authority for Government spending, and Supplementary Estimates may be presented by the Government.

The House of Commons: Administration draft budget is submitted to the House of Commons commission. The other exception to the general rule that Estimates are presented by the Government is the National Audit Office, which may be compared to the Court of Auditors, whose Estimates is laid by the Chairman of the Public Accounts Committee.

The House of Commons commission is a body established by legislation which comprises Mr. Speaker, the Leader of the House (who is a Government Minister), a Member nominated by the Leader of the Opposition and three other Members, nominated by a motion of the House of Commons, none of whom may be a Minister of the Crown.

- 1.2. The Parliament and Privy Council: House of Commons draft budget may reflect the **decisions** of Select Committees which are established from time to time to consider the pay and allowances of Members.

The Parliament and Privy Council: House of Lords draft budget will usually be drawn up after consultation with the House of Lords Select Committee on House of Lords Offices.

The House of Commons: Administration draft budget may reflect the result of consultation on some items between the House of Commons commission and the Select Committee on House of Commons (Services) or the House of Commons Liaison Committee (which includes all the Chairmen of Select Committees).

No formal report is required from any body in preparing the plenary decision after the Estimates are laid before the House of Commons;

- 1.3. The plenary (of the House of Commons) takes its decision on the **basis** of the Estimates laid before the House of Commons by the Government for "Parliament and Privy Council: House of Commons" and "Parliament and Privy Council: House of Lords" and by **Mr. Speaker** on **behalf** of the House of Commons commission for the "House of Commons: Administration".

It is not possible for the House of Commons to increase the ~~draft~~ budget by a vote. The Estimate may be increased only by the submission of a Supplementary Estimate by the appropriate authority -i.e. the Government or the House of Commons commission- and its subsequent approval by resolution of the House of Commons.

- 1.4. ~~Subject to the~~ restriction on motions to increase budgets mentioned in Note 1.3, the House of ~~Commons~~ enjoys unrestricted **budgetary** authority. The House of Lords has no budgetary authority. Its role is limited to pro-forma approval ~~of~~ the Consolidated Fund Bill by which authority is given to spend the total **sums** in the Estimates.

## 2. *Auditing of the accounts*

- 2.1. The National Audit Office, under the direction of the Comptroller and Auditor General, audits ~~all the accounts in the~~ budgets mentioned, in addition to all Government expenditure.
- 2.4/ ~~The~~ National Audit Office is only responsible for the audit of public money. In case of 2.5. political parties, its only responsibility is to examine that any payments due have been properly made by the appropriate public authorities. Any Committee of either House of Parliament is subject to audit, but informal groups of Members which do not receive public funds are not subject to any official financial scrutiny.

## 3. *Financial Management*

- 3.1 Budget holders are provided with regular information on the level of their monthly and cumulative spending in the current financial year by the Accountant, **who** is responsible for the payment of goods and service duly authorised by budget holders. Any deviations from planned levels of expenditure **are** highlighted by expressing actual expenditure as a percentage of planned expenditure, and budget holders **are** expected to investigate the causes of significant variances, taking into account commitments for future spending, and report on these as required to the principal Finance Officer.
- 3.2 The Accountant is also responsible for ensuring that the machinery of accounting and finance for the House works properly. In co-operation with individual budget holders, he collates each autumn their annual estimates of expenditure required to deliver the services provided by their Offices in the forthcoming financial year. He then assists the Principal Finance Officer in presenting the combined Estimate to the Finance and Staff Sub-Committee for approval.

**An** internal auditor gives independent advice to Budget holders, and to the Accounting Officer **through** the Principal Finance Officer, on the operation and effectiveness of internal financial controls. The National Audit Office, under the Comptroller and Auditor General, audits the **House of Lords** Accounts and reports to Parliament on the propriety of House of **Lords** expenditure.