

The impact of performance budgeting on the role of parliament: a four-country study

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Introduction

Traditionally, performance budgeting initiatives have two major objectives: strengthening allocative efficiency and improving operational efficiency. However, the budget is also an instrument for governments to give account to parliament (Martin, 2002). Performance budgeting initiatives are indeed partly justified as improving accountability to the legislature. However, it is not always clear whether this is the case. In this paper we will focus on the effects of performance budgeting on the role of parliament in the budget process.

In this four-country study we compare performance budgeting initiatives in Australia, the Netherlands, Sweden and Canada. In the Australian Commonwealth government an accrual-based output and outcome budget is in place since FY 1999-2000. However, members of Australian Parliament have criticized the decreased transparency of the new system. The Dutch central government introduced an outcome-based appropriation bill in 2002 following the VBTB-project. In the Canadian federal government the Improved Reporting to Parliament project was set up in 1994. The Swedish central government launched VESTA in 1997 and introduced policy area objectives in the Budget Bill in 2001.

In this paper we describe and explain the performance of performance budgeting, from a parliamentary angle.

Methodology

This article is based on the findings of an international comparative research in six OECD-countries: Australia, Canada, Sweden, the Netherlands, the United Kingdom and the United States. These countries are forerunners in results-oriented financial management (Pollitt & Bouckaert, 2004; Lüder & Jones, 2003). For the purpose of this paper we have selected four cases: the Outcome and Output Budgeting initiative in the Australian Commonwealth government, the Dutch VBTB initiative, the Swedish VESTA-project and the Canadian Improved Reporting to Parliament initiative. These cases represent different types of performance budgeting initiatives (differences in focus and method of charging). Moreover, we want to compare between different types of political systems.

	AUS	CA	NL	SE
Executive government	Majoritarian	Majoritarian	Consensual	Intermediate
Information on outputs and outcomes in the budget	Outcomes in authorized Budget Bill	Information on outcomes and outcomes in explanatory documents	Outcomes in authorized Budget Bill	Outcomes in authorized Budget Bill
Method of charging of the budget	Accrual budgeting	Modified accrual	Cash and commitments (except for agencies)	Cash and commitments

Table 1 Description of the four cases.

First, the cases represent different types of political systems. The Commonwealth of Australia has a bicameral legislature, with the Upper House being directly elected, with control by non-government parties and quite well endowed with legislative powers. There is a strong committee system and capacity to block legislation. Governments are usually dominated by a single party and the dominant style of politics is adversarial. Canada is a federal state with the Westminster system. The executive government is majoritarian. The Netherlands is a unitary state. The legislative branch is organized as a bicameral system. The executive government is based on the principle of consensus. Sweden is a unitary state with a high degree of decentralization. The legislature is organized as a unicameral system, which works in a relatively nonpartisan spirit compared to for example the Australian Parliament. Executive power rests with the Prime Minister and the Cabinet. Most important decisions are made collectively, not by individual ministers

Second, these cases represent different types of performance budgeting reforms. We will focus on those features of the initiatives that are most relevant for members of parliament. In Australia, the Netherlands and Sweden, the level of authorization of the budget shifted. This was not the case in the Canadian reform: information on outputs and outcomes is included in the explanatory Report on Plans and Priorities.

Third, the method of charging is different in the four cases. This is an important feature as a change in the method of charging requires parliamentary adaptation to the new system. The Commonwealth of Australia has shifted towards a full accrual budgeting system. The Canadian system is based on modified accrual. In the Dutch and Swedish government, initiatives to alter the method of charging have not been successful. The budgets are still based on cash and commitments.

The research design is a qualitative multiple case study. The data collection consists of secondary data collection as well as primary data collection. We analyzed scientific evaluations of the reforms, budget documents, government reports and legislation. Moreover, we conducted semi-standardized face-to-face interviews with experts involved in the reforms in the four countries, mainly civil servants.¹ Between 2003 and 2005 we conducted 60 interviews with civil servants and experts in these governments.²

Framework for analysis

Figure 1 illustrates that budgeting reforms can be analyzed at three different levels. First, one could concentrate on the why-question. Which contextual factors drive the reform? Second, it is important to pay attention to the process of the reform: how is the reform “sold” and which strategy is followed to implement the reform? Third, one could look at the results of the reform. Which changes were brought about as a consequence of the initiative?

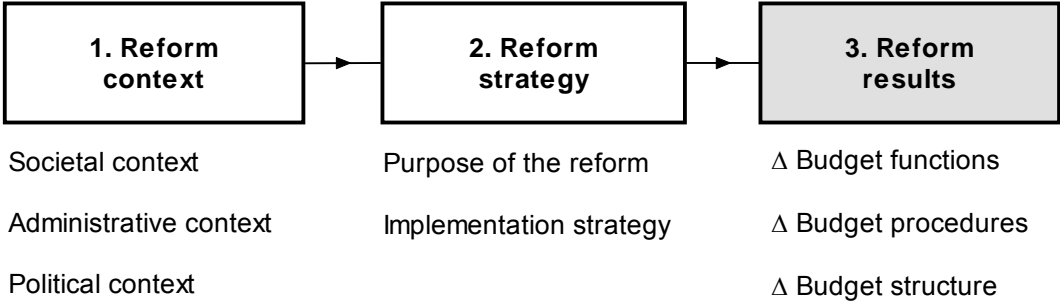


Figure 1: Analyzing budget reform: three levels.

The first level is the most aggregated and consists of the environmental factors influencing reforms. Why are budgeting systems changing? Which contextual factors influence public budgeting reform? Lüder (1994) developed a contingency model for accounting innovations in order to explain the

¹ We visited Supreme Audit Institutions, ministries of finance, prime ministers offices, public accounts committees, line departments and agencies, universities and consultants.

² 12 interviews in the Australian Commonwealth Government in August 2003, 15 interviews in the Canadian federal government in June 2004, 19 interviews in the Dutch central government in October 2004 and 14 interviews in the Swedish central government in October 2005.

transition from traditional government accounting to a more informative system. The dependent variable in the model is thus the result of the innovation process. The independent variables are the following contextual variables: stimuli (fiscal stress, financial scandals dominating doctrine) and societal structural variables, political structural variables and administrative structural variables. There are also three clusters of behavioral, intervening variables: expectations of the general public, expectations and change behavior of the political actors and change behavior of the administrative actors. Lüders' contingency model inspired several other authors that modified and applied the model (Pollitt & Bouckaert, 2004; Mussari, 1995; Chan, 1994).

The second level of analysis is the reform strategy. Reforms can be implemented in different ways. This is not a neutral choice. Change management literature emphasizes the importance of a well-balanced reform strategy. This includes a vast range of choices that have to be made. What is the optimal level of coordination and leadership to make the reform successful? How should the plans be communicated and what is the optimal degree of participation? How fast can one change: big bang or incremental reform? What do we want to pay to make the reform successful (budget for staff, training, software, etc....)? A well-balanced implementation strategy is a necessary, but insufficient condition for a reform to be successfully implemented.

The third level exists of the content of the reform and is shaped by multiple rationalities. Budgeting is considered as a heterogeneous system with multiple functions, multiple users and multiple formats (Van Reeth, 2002). This model is inspired by Rubin's (1997) concept of real-time budgeting: "Budgeting is characterized by semi-independent, overlapping streams of decision-making that depend on one another for pieces of information."

The functions, procedures and formats are the building blocks of the budget system and the challenge exists in harmonizing and aligning them as to create a sustainable budget system. First of all the information content of the budget document may have important consequences for the discourse of the budget process and the use of the budget information. "The way in which information is classified importantly affects the kinds of treatments and the kinds of decisions that can be made at various levels because the classification framework conditions our subsequent perspectives, understandings and decisions made within the framework (Mosher, 1954)." "The form of the budget determines what the conversation will be about (Fenno, 1968)." Secondly the budget procedure on its turn influences the way in which the budget documents will be used and which budget function will dominate. Finally a change of the dominant budget function requires an adaptation of the budget procedure and the budget format. The management function of the budget, for example, can only dominate if the budget procedure is decentralized and if the budget bill is structured by outputs and costs.

In this paper we will focus on the third block in Figure 1, the results of the reform. We will analyze this from a parliamentary angle by means of three parameters, changes in the budget structure, changes in the budget procedure and changes in the budget functions. This is illustrated in Table 2.

Δ Budget structure	Δ level of parliamentary authorization? Δ performance information included in the budget?
Δ Budget procedure	Δ role of parliament in budget process?
Δ Budget functions	Δ use of performance information by members of parliament?

Table 2 Parameters for the results of performance budgeting reform.

First we explore the changes that occurred in the level of authorization, which the performance budgeting reform brought about. Do parliaments authorize the budget at a more aggregated level? Did the budgets become more transparent: how SMART are the objectives formulated?

Second, we compare changes in the budget procedures following the performance budgeting initiative. Did the balance of power between the executive and the legislative branch change? Was the internal functioning of the Parliament transformed in order to reflect the performance budget system?

We do not have the ambition to measure the use of performance information by members of parliament in the budget process on a comprehensive basis. However, we will thirdly consider some indications of the use or non-use of performance information in the parliamentary budget process.

Finally, we want to explain the evolutions in the budget structure, the budget procedure and the budget functions. The hypothesis is that performance budgeting reform is mainly driven from within the executive branch and may therefore not always be harmonized with parliamentary needs. To conclude, we will define some conditions that need to be fulfilled for performance budgets to be useful for members of Parliament.

Australian Commonwealth: accrual-based output and outcome budgeting

Description of the reform

Australia is generally seen as one of the forerunners with regard to financial management reforms. Since the early eighties the Australian Commonwealth Government has developed initiatives to make the budget and management system more results-oriented, as for example with the introduction of program budgeting in 1983. Since the mid-nineties there is an increased attention for an integrated, comprehensive reform strategy. In 1996, it was decided that an accrual-based outputs & outcomes budgeting and reporting framework would be introduced in the Australian Public Sector. The framework was implemented for the first time in the budget of 1999-2000, focusing on managerial responsiveness on the one hand, combined with an outcome-oriented, long-term budget and planning process on the other hand. The objectives of the accrual-based, outcomes and outputs framework were manifold (Australia Department of Finance and Administration, 2000): (1) to provide a framework for better managing complexity, (2) to align departmental outputs more expressly with the outcomes government specifies, (3) to improve the quality of decision-making within agencies, (4) to enhance

the transparency of management decisions and activities and (5) to provide a management and accountability system based on indicators of effectiveness and performance.

Δ budget structure

The result is that in Australia appropriations are now explicitly made for outcomes in the Appropriation Bills. The Portfolio Budget Statements then provide additional details and explanations of the Budget to inform senators and members of the public of the proposed allocation of resources to government outcomes. Thus, under the Australian outcomes and outputs framework, “appropriations are structured around outcomes, whilst Portfolio Budget Statements specify the price, quality and quantity of outputs agencies will deliver and the criteria they will use for demonstrating the contribution of agency outputs and administered items to outcomes” (Chan et al., 2002). Another consequence of the new framework is that amounts appropriated are now based on the full cost of delivering outputs and outcomes rather than the expected cash outflow for the year (Department of the Parliamentary Library, 2002).

On the one hand, it can be stated that Parliamentary control has increased after the introduction of the reforms. Parliament now receives information it did not use to have at its disposal. It can now see clearly to what outcomes the means contribute. More information about the relation outcomes–outputs–activities–inputs is given. Moreover, not only cash information is available, but also information about the full cost of delivering outputs and outcomes is given. On the other hand, it can be argued that Parliamentary control has weakened because authorization now takes place on a much aggregated level and complexity of the budget and accounts has increased. In Australia, authorization takes place at the outcome level.

However, members of Australian Parliament have criticized that the output information in the Portfolio Budget Statements (PBSs) and annual reports is too aggregated and that it is difficult to get a clear view on the agencies’ contributions to the outputs (Department of the Parliamentary Library, 2002). Moreover, the information in the Portfolio Budget Statements is not binding as Parliament does not vote on it.

Δ budget process

Parliamentary oversight is being undertaken primarily by the Senate Legislation Committee on Finance and Public Administration. The Committee is expected to closely monitor changes in the structure and definitions of specified outcomes over time. Other Senate Legislation Committees are monitoring changes on a portfolio by portfolio basis (Chan et. al., 2002). The accrual-based outputs and outcome framework did not fundamentally alter the budget calendar, neither the role of parliament in it.

Δ budget functions

“On the whole, Australia’s initial accrual budget provides more accurate and complete financial information than the former cash-based budget statements. However, questions still remain about the transparency, consistency, and comprehensiveness of this information (Kelly & Wanna, 2004: 105).” The results of an OECD survey showed that the legislature does not use the performance information at all (OECD & World Bank, 2004).

The Netherlands: VBTB

Description of the reform

In 1999, the Dutch central government presented a reform proposal on the structure, content and presentation of budget documents. The new style government budget should give answers to three questions: 'What do we want to achieve? What will we do to achieve it? What will be the costs of our efforts?' The annual report would have to answer the logical equivalents to these questions: 'Have we achieved what we intended? Have we done what we should have done in achieving it? Did it cost what we had expected?' The general purpose of the proposals is to make budget documents, and hence the budgetary process, more policy-oriented by presenting information on (intended and achieved) policy objectives, policy measures or instruments, and their costs.

The parliamentary expenditure committee was one of the initiators of the results-oriented reform together with the Ministry of Finance. Before the VBTB-reform, parliament had yet taken different initiatives to improve reporting to Parliament³. The Audit court was also strongly involved in the reform. The Public Finance Act was changed in 2002 in order to implement the new budget structure. Discussions in parliament mainly concerned the diminishing number of budget articles, the right of amendment and the quality of non-financial information. The new Public Finance Act was approved with anonymous consent.

Δ budget structure

In the new budget structure appropriations are made for policy lines, for each department. The budget articles or policy lines are defined as the outcomes that the department aims to achieve. For each budget article, the policy objectives, the instruments to achieve them, the outputs to be delivered and the estimated means are described in the explanatory statement. Each department has an average of 10 policy lines or budget articles per department that are worked out systematically. For the entire

³ e.g. The Report on “the Annual Report in the Political Arena” in June 1998) stated that policy objectives had to be stated in more concrete terms and in measurable units. If policy priorities were defined in the budget, it would be possible to show what progress had been made towards achieving policy objectives in the annual report. In December 1998, a working group headed by then MP Van Zijl drew up a number of policy priorities. Each department had to define two priorities on which they would report performance information.

central government budget this means a reduction from more than 800 articles to around 140 budget articles (IOFEZ, 2004: 11). On the one hand, parliament authorizes the budget at a more aggregated level. On the other hand, members of parliament receive more information on the objectives that the government aims to achieve.

What is the quality of the objectives and of the performance information in the budget? Did the budget become more transparent? Broadly speaking, the budget documents have become more concise and transparent. In 2003, the Dutch Supreme Audit Institution made an assessment of the quality of information in three documents: the departmental budgets 2002, the departmental budgets 2003 and the annual report of 2002. It concluded that the departments had made progress with providing information on expenditures and outputs. However, information on outcomes was often lacking. Information on outputs was loosely linked to information on expenditures. In particular, budget savings are insufficiently translated in results. Results reported in the annual report were not sufficiently compared with the objectives that were stated in the budget.

An interdepartmental commission representing the finance division of all the departments made an evaluation of the performance budgeting initiative in 2004 (IOFEZ, 2004). The conclusion was that more than half of the budget articles were defined in compliance with the quality requirements (61%). More than half of the objectives were formulated according to the quality requirements (66%). In 51% of the budget there was information on performance or results of policy, whereas in 1997 this was only the case in 10 to 15% of the budget. In 50 % of the budget there was given insight in efficiency. For each budget article, the department defines a few objectives. This has led to an overload of objectives, which may diminish the transparency of the budget. This is due to the fact that every directorate within the ministries wants to include its objectives and priorities in the budget. "Everything is a priority, and so in fact nothing is. This obscures the view of the political priorities, while Members of Parliament are primarily interested in the broad political outline of policy precisely because their position is one of authorization and control (IOFEZ, 2004: 16)."

Δ budget process

VBTB also implied a reform of the budget process. In order to improve accountability to Parliament, departments would have to present their annual report and accounts to Parliament in May instead of September. The budget discussion and the discussion on the annual report had to happen at different moments. The purpose of this calendar change was to pay more attention to the annual reports and accounts. The departmental annual reports for 1999 were presented to the Lower House for the first time on the third Wednesday in May in the year 2000. However, the debate on the annual reports still wasn't a political highlight. In order to increase the political relevance of this event, MP Blok proposed in 2004 to hold a plenary debate on the annual reports on the third Wednesday of May in the presence of the entire cabinet (Blok Resolution 2004). During the May 2005 debate, the entire Cabinet was present. However, the floor leaders of different large parties were not present at the debate. The number of MP's present at the debate fluctuated between 35 and 60 (of 150) despite the fact that there were no parallel committee meetings (Commissie voor de Rijksuitgaven, 2005).

In order to assure that the Lower House receives the information that is needed, agreements could be made with the ministers on progress reports and accounting information in a sort of introductory general debate. The Minister of Finance advised the Lower House to hold an introductory general debate, in which the Lower House can make concrete agreements with the relevant minister (IOFEZ, 2004: 43-44).

Δ budget functions

What was the impact of VBTB on the budget functions? It is difficult to get an overall view on the extent to which members of parliament use the new information contained in the budget in their oversight function. The number of amendments to the budget has increased. This could be due to the fact that the budget documents have become more readable. Moreover, the focus of the budget debates has shifted: more and more questions with respect to content are raised, whereas before there were a lot of questions about indistinctness in the budget. However, it is difficult to compare the use of performance information by members of parliament before and after VBTB, since many new members have been elected into the lower house after the 2002 and 2003 elections.

The Blok Resolution (supra) has led to an increased political attention for the annual reports and increased media coverage. The attention for the plenary debate unfortunately went hand in hand with a diminishing attention for the commission debates. The attention of members of parliament for the annual report remains rather low.

Canadian federal government: Improved Reporting to Parliament

Description of the reform

The Canadian Improved Reporting to Parliament initiatives has been taken in two steps. The first phase began in 1994 in collaboration with a parliamentary working group. Part III of the Estimates was split into two reports: *Departmental Performance Reports* tabled in the fall and *Reports on Plans and Priorities* in the spring. The second phase of the project began in 1999 and focused on building partnerships between parliamentarians and officials, further improving the Estimates information provided to committees, and streamlining reporting. This was the government's report to the Catterall-Williams Report of 1998 on the circle of control, issued by the Standing Committee on Procedure and House Affairs that stated that there was a need to strengthen Parliament's oversight and review of the Estimates.

The Treasury Board Secretariat recently developed a new structure under which departments and agencies have to manage and report to Parliament, the Program Activity Architecture (PAA). In the PAA, costs are allocated to program activities, subactivities and subsubactivities. In the 2003 Budget and the 2004 Budget, the government formulated the need for budget reallocations from low priorities to high priorities. The information delivered through the PAA is meant to be used to inform these budget reallocations.

Δ budget structure

In Canada, federal Parliament authorizes government to spend money by means of part two of the Main Estimates. The Main Estimates are detailed plans of the government outlays by department and agency. They consist of three parts of which part two itemizes each government expenditure for which parliamentary approval is required. The spring Reports on Plans and Priorities and the fall Performance Reports, both introduced in 1994 within the Improved Reporting to Parliament Project, are a recasting of part 3. They are prepared by each individual department and agency. The reports are designed to provide more detailed information through a focus on results in a more strategic, multi-year perspective on program delivery. They contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year time horizon (Blöndal, 2001). The level of parliamentary authorization (“vote”) was not altered by the reform. Information on performance was included in the budget to improve parliamentary accountability.

Δ budget process

The Standing Committee on Government Operations and Estimates concluded that the new reporting process conceptually meant an improvement on previous reporting. “The new process better reflects the reality that by the time they arrive before the House, spending estimates are a reflection of government commitments, and changes are almost never made by Parliament. The provision to Parliament of a performance report in the fall of each year, while the next-year estimates are still being developed, gives Parliament a window of time during which recommendations could be taken into account by the government before spending plans have solidified. Moreover, the Reports on Plans and Priorities provide future-year information that creates a further opportunity for Parliament to provide feedback to the government (Standing Committee on Government Operations and Estimates, 2003).” Despite the fact that the new reporting process is a real improvement on previous reporting, conceptually, organizations that report to Parliament, along with Parliament and its committees need to focus on maximizing the opportunities the process provides, and making the concept work better in practice (Standing Committee on Government Operations and Estimates, 2003).

Since 2001, the Committee of the Whole House can consider the Estimates of two departments or agencies that are selected by the leader of the Opposition. The chosen estimates are reviewed in a five-hour session. This reform should provide Parliament with greater opportunities to review Estimates documents. This allows for a more thorough review of a selection of departments, ministerial presence during the review, all members of Parliament to review a specific department and greater visibility of the Estimate review process (Auditor General of Canada, 2003: 8).

In 2002, the Standing Committee on Government Operations and Estimates was established. This Committee has the mandate to review management and expenditure plans of horizontal departments, to review specific expenditure items across all departments and the use of information and communication technologies. The Committee also has the mandate to reduce any estimate for the foregoing in coordination with other committees. Moreover, the Committee has the mandate to review the Estimates process.

Δ budget functions

The impact of the Improved Reporting to Parliament initiative on the parliamentary oversight function has not been very strong. Despite the increased supply of performance information, the demand for information has not increased. The instruments for parliamentary oversight appear to be insufficiently used. “With some notable exceptions, the committees continue to provide relatively cursory attention to the main spending estimates and explanatory reports provided by government departments each year. Each year, some 87 departments and other government organizations provide parliamentary committees with separate spending estimates and related reports, and many of these receive no formal attention in committee meetings (Standing Committee on Government Operations and Estimates, 2003).”

Swedish central government: VESTA

Description of the reform

In 2000, the Ministry of Finance published a White Book including a proposal to evolve towards an accrual-based budget within a broader performance management framework. This proposal has been elaborated within the Performance Budgeting Project (VESTA), which had been announced in 1997. The proposal was circulated to different agencies for official comments. Also the parliament had some remarks concerning the decision process linked to the expenditure ceilings. After new studies and development work by the Ministry of Finance and the National Financial Management Authority, the Ministry of Finance developed new principles for the state budget structure in 2003. The budget would become accrual based, but the appropriations for investment in infrastructure, environment, culture and defense would remain cash-based. However, the Minister of Finance Pär Nuder did not support the proposal and finally it was not implemented. Until now, the accrual budgeting initiative has not lead to a change in the budget structure, the budget procedures or the budget functions. However, some argue that it is only a matter of time and that the budget format will be changed. For example, on the revenue side, steps are currently undertaken to move to accrual based tax revenues.

Δ budget structure

The Swedish Budget Bill contains a financial and a non-financial information structure. The Budget Bill has been organized into 27 expenditure areas, for which Parliament in a first stage defines an expenditure ceiling within the total expenditure limit. In a second stage, Parliament votes on the appropriations to individual agencies. VESTA or the performance budgeting project has also introduced a non-financial activity structure into the Budget Bill. This is used to allocate resources in accordance with political priorities and thus to relate the planning and budgeting process. It consists of policy areas and programs for which objectives, outcome budgets and costs are defined (Regeringskansliet, 2000). Each expenditure area may include one or more policy areas, and each policy area is included in only one expenditure area (Mattisson, Paulsson & Tagesson, 2003, p. 790).⁹

The agencies' appropriations in the Budget Bill are linked to a supply letter (*Regleringsbrev*) in which the objectives and the resource framework for the programs and activity areas are further defined.

In the 2001 Budget Bill the new activity structure proposed in the Performance Budgeting Project was implemented. The Government was convinced that the 27 expenditure areas were too broad and that the appropriations were too narrow to provide the right kind of information. Therefore an information level was created in between the expenditure areas and the appropriation, the policy area level. For each of the 50 policy areas, the Government formulates goals in the Budget Bill. Parliament was not involved in this decision. Government cannot change the expenditure areas, but is free to structure the Budget Bill in whatever way it finds it suitable.

Unfortunately, the introduction of policy areas in the Budget Bill has implied some difficulties. First of all, the goals are formulated in a rather vague way and thus do not form a basis for debate in Parliament. Second the policy area structure is not aligned with the structure of Standing Committees in Parliament, which has led to organizational problems. The policy areas were defined in rather hasty way. Currently, a debate is going on within the Ministry of Finance about eventual changes to the budget structure.

Δ budget process

The top-down budget process has not been questioned. However, one could say that the top-down budget process has weakened over time. For example, in 2001 it was decided that the decisions on expenditure ceilings and frames for expenditure areas would be taken in the autumn and no longer in the spring. This implied the end of the two-step budget process. This change in the budget calendar also implied that The Spring Fiscal Bill would no longer contain the expenditure ceilings for the upcoming year. Besides this change in the budget process and the format of the budget document, this also led to a change in the budget function. The dominant long-term financial control function became in fact less strong as the focus shifted more towards short-term decision-making. This was also clear in the preparation of the Budget Bill 2006 in which there were no engagements made for expenditure limits until 2008.

Δ budget functions

There is no explicit evidence that the policy area goals have influenced the budget debate. This was confirmed by the results of an OECD survey that showed that the legislature does not use the performance information at all (OECD & World Bank, 2004).

Conclusion

The dominance of the executive power in the budget process is a fact in the majority of examined countries. In most OECD countries, Parliament approves the executive budget proposal without major changes (less than 3%). This is, for example, the case in the Netherlands and the United States. In

Australia, Sweden and Canada, the executive budget is even approved without any changes (OECD & World Bank, 2003). In several countries the executive power has the discretion to reallocate resources, to carry over resources at the end of the year, to build up reserves and to make loans. The number of authorized budget articles has decreased in all countries. At the same time, budget reforms aim to strengthen the accountability for results to the legislative branch. The information reported to parliament in the budget and in the annual reports is much more aggregated, but at the same time more outcome-oriented.

Budget reforms traditionally aim at improving allocative efficiency and operational efficiency. Moreover, reforms are often legitimized from an accountability perspective. By linking resources to results, accountability to the legislative and to the citizen would be improved. Which conditions need to be fulfilled in order to use a performance budget as an instrument for accountability? First, the quality of information is crucial. Second, the legislative organization needs to be adapted.

The Australian reforms in the mid-nineties mainly changed the format of the budget documents, rather than the budget process. However, the transformation of the budget format had important implications for the budget process. The Cabinet had to use accrual figures in the budgetary decision making process. However, historical figures on accruals were not available. Moreover, parliament had to authorize the budget at a higher level of generalization, and had to get used to the accrual numbers. The consequences of accrual budgeting for the quality of accountability are not yet clear (Verspaandonk, 2000). Yet, observers assess that oversight of parliament may have eroded because of the general nature of the outcome statements.

One could say that the Swedish performance budgeting reform project has led to a change in the format of the Budget Bill. However, it has not significantly changed the budgetary procedures. Neither has the performance budgeting reform led to a shift in the budget function.

The Canadian Improved Reporting to Parliament Initiative mainly focused on the content of the Budget documents, but also paid attention to procedural changes. However, there is little evidence that parliamentary control has been strengthened as a consequence of these changes.

The reforms that we studied focused on the first place on changing the format of budget documents. In Australia, the Netherlands and Sweden the structure of the Budget Bill that is authorized in Parliament was changed. In Canada, information on results was included in the Reports on Plans and Priorities. Does this mean that performance budgeting has become a paperwork exercise, at least for the use of this information by MP's? In some cases, the budget procedures are altered in order to make the budget cycle more results-oriented. However, there is very little direct evidence that performance information in budgets and annual reports is directly used by members of parliament in their oversight function. This does not mean that performance information does not influence them in a more ad hoc or implicit way. Members of Parliament base their opinions on a wide range of data sources. It is difficult to find out to what extent performance information influences them.

What can we learn from the four cases? What are remarkable similarities and differences between the cases? Can we say something about conditions for success? One could think that involving Parliament in the reforms could increase ownership of the reform. The involvement of members of Parliament in the reform initiative however does not necessarily guarantee that the reform will change the behavior of members of parliament. Interest and involvement often comes from specific committees, as for example the Finance Committee. In the Netherlands, for example the Public Finance Committee explicitly supported the budget reform.

By contrast, one can observe a widespread lack of interest within the other commissions for outcome and output information in the budget document. In 1997, the Auditor General of Canada reported that the review and use of the new Estimates documents by standing committees was limited. This finding was confirmed in 2000 (Auditor General of Canada, 2000). It appears to be difficult to make average MP's enthusiastic about results-oriented budgeting. This occurred in all of our cases, despite the differences in parliamentary systems. Intensive training for MP's and increased communication about reforms could be instruments to convince MP's to find the right information and to use it.

Unless the lack of general parliamentary interest, Parliament has in many countries unanimously approved the budget reform legislation. This was for example the case with the Public Finance Act 2001 in the Netherlands and the Financial Management and Accountability Act 1997 in Australia.

Despite the fact that the performance budgeting reforms in our study had the purpose to increase transparency of the budget, the complexity of budgeting may increase, especially when outcome/output budgeting is combined with accrual budgeting. Moreover, the objectives are often formulated in a rather vague and common sense way that does not increase the information content of the budgets. The vague formulation of objectives may weaken the authorization power of parliament as the authorization takes place at outcome level. Overloads of objectives and performance indicators reduce the readability of the budgets.

The performance budgeting initiatives that have the ambition to improve accountability to Parliament have a dominant focus on changing the budget structure, but do not seem very successful in altering the budget functions. Changes in the budget procedures as for example in the Netherlands neither seem to have a lot of impact on the use of performance information. Are there other, more pragmatic instruments that could make performance information be used more often in the parliamentary oversight, within the context of the political rationality of parliamentary oversight? This is crucial question that needs to be looked at in further research.

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