

**PI-18. Legislative scrutiny of budgets**

**Description**

This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature’s procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex-ante approval by the legislature. It contains four dimensions and uses the **M1 (WL)** method for aggregating dimension scores.

**Dimensions and scoring**

Score	Minimum requirements for scores
<b>18.1. Scope of budget scrutiny</b>	
<b>A</b>	The legislature’s review covers fiscal policies, medium-term fiscal forecasts, and medium-term priorities as well as details of expenditure and revenue.
<b>B</b>	The legislature’s review covers fiscal policies and aggregates for the coming year as well as details of expenditure and revenue.
<b>C</b>	The legislature’s review covers details of expenditure and revenue.
<b>D</b>	Performance is less than required for a C score.
<b>18.2. Legislative procedures for budget scrutiny</b>	
<b>A</b>	The legislature’s procedures to review budget proposals are approved by the legislature in advance of budget hearings and are adhered to. The procedures include arrangements for public consultation. They also include internal organizational arrangements, such as specialized review committees, technical support, and negotiation procedures.
<b>B</b>	The legislature’s procedures to review budget proposals are approved by the legislature in advance of budget hearings and are adhered to. The procedures include internal organizational arrangements such as specialized review committees, technical support, and negotiation procedures.
<b>C</b>	The legislature’s procedures to review budget proposals are approved by the legislature in advance of budget hearings and are adhered to.
<b>D</b>	Performance is less than required for a C score.
<b>18.3. Timing of budget approval</b>	
<b>A</b>	The legislature has approved the annual budget before the start of the year in each of the last three fiscal years.
<b>B</b>	The legislature has approved the annual budget before the start of the year in two of the last three fiscal years, with a delay of up to one month in the third year.
<b>C</b>	The legislature has approved the annual budget within one month of the start of the year in two or more of the last three fiscal years.
<b>D</b>	Performance is less than required for a C score.
<b>18.4. Rules for budget adjustments by the executive</b>	
<b>A</b>	Clear rules exist for in-year budget adjustments by the executive. The rules set strict limits on the extent and nature of amendments and are adhered to in <i>all</i> instances.