PUBLIC MANAGEMENT SERVICE
PUBLIC MANAGEMENT COMMITTEE

ANNOTATED AGENDA

HOLDING THE EXECUTIVE ACCOUNTABLE: NEW CHALLENGES
An International Symposium for Chairpersons of Parliamentary Budget Committees of OECD Member countries

Cannon House Office Building, Washington, D.C., 6-7 June 2002
Independence, Ave, SW

The meeting will be chaired by Mr. Jim Nussle, Chairman, Committee on the Budget, US House of Representatives.

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The Committee on the Budget, House of Representatives, United States
The Organisation for Economic Co-operation and Development (OECD)

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Thursday, 6 June 2002

9:30 Call to Order, Welcome and Introductory Remarks
   • Mr. Jim Nussle, Chairman, Committee on the Budget, US House of Representatives
   • M. Jacques Oudin, Vice-Chairman, Finance Committee, Senate of France
   • Mr. Richard Hecklinger, Deputy Secretary-General, OECD

9:45 Fiscal Rules and Fiscal Risks
   • Professor Allen Schick

10:45 Coffee Break

11:15 Budgeting for Emergencies
   • Mr. Sandy Davis, Congressional Budget Office

12:45 The United States General Accounting Office
   • Mr. David Walker, Comptroller General of the United States

13:15 Luncheon for Parliamentarians

14:30 Reforming Entitlement Spending
   • Dr. Daniel Tarchys

16:30 Coffee Break

17:00 Statement by the Chair of the OECD Senior Budget Officials Network
   • Mr. Geert Van Maanen, Secretary-General, Ministry of Finance, the Netherlands

17:45 End of Day One Sessions

18:00 Tour of the Capitol

18:30 Cocktail Reception
   • Committee for a Responsible Federal Budget
Friday, 7 June 2002

9:30  The U.S. Congressional Budget Office
      • Mr. Dan Crippen, Director

10:00  Performance Budgeting
      • The Honorable Maurice McTigue, Distinguished Visiting Scholar, Mercatus Center, George Mason University

11:30  Coffee Break

12:00  Accrual Accounting
      • Dr. Jim Chan

13:30  Conference Statement and Summation

13:45  Closing Remarks
      • Mr. Jim Nussle, Chairman, Committee on the Budget, US House of Representatives
      • Mr. Richard Hecklinger, Deputy Secretary-General, OECD

14:00  End of Meeting

For each session, a lead speaker will set out the issue and the Member countries identified will make brief statements on practices in their respective countries. Following their statements, the floor will be opened for a general discussion involving all delegates.
Meeting Location

Please note that the meeting will take place in Room 210 Cannon House Office Building, the hearing room of the U.S. House of Representatives Budget Committee. The room is located on the second floor of the Cannon House Office Building.

There are two entrances to the Cannon Building: one at the corner of Independence Ave and New Jersey Ave SE, and one at the corner of 1st Street and C Street SE.

The meeting will commence promptly at 9:30 am. There are no special requirements for entering the building, but participants should expect a delay and a rigorous security screening. Please allow 15 minutes to finish these security formalities. Once inside the building, there will be a table outside the meeting room with name credentials and other documents.

SUMMARYANNOTATIONS

General Notes

1. The meeting is co-hosted by Jim Nussle, Chairman of the US. House of Representatives Committee on the Budget. The meeting will start promptly at 9:30 AM in room 210 of the Cannon House Office Building.

2. Parliamentarians attending the meeting are invited to attend the luncheon on Thursday afternoon. All participants are invited to attend the cocktail reception Thursday evening.

Agenda Items

Budgeting for Emergencies

3. Countries that operate under a fiscal framework that focus on the control of total spending (i.e. the US system of budget caps, the Maastricht Treaty, the Swiss constitutional balanced budget requirement) have provisions to relax the controls in the face of emergencies. These emergencies clauses have tended to be imperfect or exploited to get around spending constraints. A number of countries are looking at more systematic approaches to dealing with emergencies and other unforeseen spending requirements. This includes contingent appropriations, special rainy day funds, explicit supplemental appropriations schedule and better national insurance regimes.

4. Sandy Davis of the Congressional Budget Office will take the lead in a discussion of the conceptual problem of emergencies and a review of the experience in the United States. The OECD Secretariat will make a short presentation on other countries experience and practices.
The U.S. General Accounting Office (GAO)

5. This is the second session devoted to Congressional support institutions. The General Accounting Office helps the Congress maximise performance and assure the accountability of the federal government. The Comptroller-General of the United States, the director of the General Accounting Office, Mr. David Walker will give an overview of the organisation’s mission, resources, and work products of GAO.

Reforming Entitlement Spending

6. The unprecedented fiscal demands of an ageing population and other societal issues are well-known and documented. Virtually all OECD Member countries face a situation where projected revenues are insufficient to meet current spending plans in the absence of large debts or large tax increases. Governments cannot continuously increase spending, so new activities must be financed at the expense of old and current promises altered to fit reality. How to move public resources from one area to another as national priorities change—the problem of reallocation— is particularly difficult because the constituencies benefiting from the status quo, tend to be more powerful than the voices for change.

7. This session will look at how Member countries have taken steps to address long-term funding problems through reforming their entitlement expenditure programs. Dr. Daniel Tarschys will start the discussion and will be followed by delegates discussing their country’s experiences.

Statement by the Chair of the Senior Budget Officials Network

8. The OECD runs a long-standing network of senior civil service budget officials—the Senior Budget Officials’ Working Party (SBO) Mr. Geert Van Maanen, chairman of the SBO and Secretary-General of the Netherlands Ministry of Finance will give delegates an overview of the SBO’s recent meeting and other related international budgeting developments.

The U.S. Congressional Budget Office (CBO)

9. There are several institutions that serve the U.S. Congress and enable it to fulfil its legislative and oversight roles. These institutions invariably are of great interest to visiting parliamentarians seeking to create similar offices. This session with the Director of the Congressional Budget Office, Mr. Dan Crippen, is the first of two items that will explore the role of the supporting bodies in the budget and legislative process. He will discuss the mission, resources, and work products of CBO.

Performance Budgeting

10. Since the early 1990s almost all OECD Member countries have worked on improving the quality of their public expenditure by implementing a focus on results in their management and budgeting regimes. These reforms have encompassed all levels of central government including the whole-of-government level, policy sectors, public sector organisations/agencies, units within those organisations and individual employees. The approaches to actual implementation have been diverse and adapted to national capacities, cultures and priorities.
11. Many of the reforms implicitly or explicitly build on the assumption that result information is ultimately reported to parliamentarians who will take an active interest in the reports and use them for decision-making or accountability purposes. Moreover, having parliaments embrace the goals or targets is crucial to effective implementation by the government or executive branch. However, evidence suggests that legislatures do not use the data. Thus the accountability regimes may not work and the information generated does not tie to new decisions.

12. This session will begin with comments by Mr. Maurice McTigue, currently a visiting scholar at the Mercatus Center at George Mason University and former government Minister of New Zealand. He will look at the challenges to the legislature in creating a results based budget system.

Accrual Accounting and the Legislature

13. Fully half of OECD Member countries use accruals in one form or another. The most common is to use accruals to aid financial management and is presented in individual ministry or consolidated whole-of-government accounts. A small but growing number of countries use accruals in the budgeting process to for example depreciate capital spending, to accrue the long-term costs of pensions or budget for credit programs. Yet, the use of accruals is not well-known by parliamentarians and can even take away control powers exercised by Parliament.

14. This session will set out the main issues involving accruals and will examine its uses and limits.