



Parliament's Framework and Tools for Scrutinising Government Spending

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Scrutiny is central to Parliament's role

- Parliament plays an essential role in scrutinising government action and assessing public policy.

Article 24 C , paragraph 1

"Parliament shall pass laws. It scrutinises the action of the Government. It evaluates public policies."

- This mission has been given greater prominence since the entry into force of Constitutional Act no 2008-724 of 23 July 2008 on the modernisation of the institutions of the Fifth Republic (Article 9).



Committees dedicated to scrutinising public spending

- Standing and temporary committees provide information to their respective assemblies and, within their field of competence, scrutinise the action of the Government, evaluate public policies and monitor the implementation of laws and ordinances.

- When it comes to public spending specifically, in each of the assemblies:
 - the Finance Committee oversees and scrutinises finance act implementation and evaluates all matters relating to public finances,
 - the Social Affairs Committee oversees and scrutinises social security financing act implementation and evaluates all matters relating to social security finances,
 - the Foreign Affairs Committee scrutinises the implementation of military programming acts.



Scrutinising the implementation of finance acts, social security financing acts and military programming acts

- Article 57 of the Institutional Act of 1 August 2001 relating to finance acts: the Finance Committees of the National Assembly and of the Senate "*oversee and scrutinise finance act implementation and evaluate all matters relating to public finances.*"
- Article LO 111-9 of the Social Security Code: "*The National Assembly and Senate committees responsible for the social security financing act oversee and scrutinise the application of these laws and assess any issues relating to social security finances.*"
- *Ad hoc* article in each military programming act (MPA), e.g., Article 11 of Law 2023-703 of 1 August 2023 on military programming for the years 2024 to 2030: "*Independently of the powers of the standing committees responsible for finance, the standing committees of the National Assembly and the Senate responsible for defence oversee and scrutinise the implementation of military programming.*" In addition, there are three specific reports (Art. 9 and 10 of the MPA n° 2023-703) giving the committees an *ex-post* and *ex-ante* vision of the steering of the MPA.



Information

- There are a variety of ways to obtain information:
 - Finance acts and annexes (annual performance projects, economic, social and financial Report, Ways and means, cross-cutting policy documents, annual performance reports, etc.)
 - Documents used to monitor the implementation of the state budget (weekly and monthly reports)
 - Documents appended to social security financing bills and social security accounts approval bills
 - Topical, *ad hoc* reports requested by Parliament
 - The option of obtaining all internal state inspection reports
 - The works of the Court of Auditors
 - Other means of information: participation in extra-parliamentary bodies, questions, hearings in committee and in working groups, committees of inquiry



The importance of budgetary oversight on documentation and on the spot

- Finance committees cannot be satisfied with merely debating finance bills: although authorising the budget is a fundamental legislative act, the procedures and timeframe for parliamentary scrutiny (40 days in the National Assembly, 20 days in the Senate) do not allow us to grasp all the stakes involved in authorising the budget given the finite nature of appropriations.
- Oversight allows members of parliament to exercise their prerogatives fully by verifying the accuracy of budgetary requirements on documentation and often on the spot (they make field visits), ensuring that they are used correctly and making estimates of available resources.
- Budgetary oversight serves as the basis for statements on the floor of the house, for questions put to ministers in committee and in session, and for amendments to appropriations (amendments reducing appropriations or arbitration between programmes within the same budgetary mission under the constraints of Article 40 of the Constitution and the grounds for inadmissibility set out in the Institutional Act relating to finance acts (LOLF)).



Extensive powers of oversight

- The finance committees' **oversight powers** come from Article 57 of the Institutional Act of 1 August 2001 relating to finance acts and are particularly significant:
 - the committees of the National Assembly and of the Senate responsible for finance **oversee and scrutinise finance act implementation and evaluate all matters relating to public finances,**
 - this task is given to **their chairs, to their general rapporteur and the special rapporteurs** in their fields of competence,
 - to this end, they conduct any **investigations on documentation and on the spot** and any **hearings** they deem useful,
 - all financial and administrative information and documents requested by them must be provided, with the only **exceptions being confidential matters relating to national defence and internal or external state security, as well as the secrecy of investigations and medical confidentiality.**



The budgetary oversight process (1)

- ❑ At the beginning of each year, the Senate Finance Committee publishes a **programme of audits** to be carried out by its special rapporteurs, **setting out the precise subject of each audit** (the name of the public institution or programme concerned, for example). This programme is approved beforehand by the committee's bureau.
- ❑ In January 2024, the committee approved **27 audits by special rapporteurs** in addition to four investigations requested from the Court of Auditors in 2023, the results of which are currently being provided. In addition, five new investigations have already been commissioned from the Court, and a fifth is being finalised.
- ❑ When the scope of the audit is broad, **a fact-finding mission** involving several committee members may also be carried out: for example, this year there are two missions dealing respectively with the insurance problems of local authorities and the financing of the zero net artificialisation policy.



The budgetary oversight process (2)

- When an audit has been decided, the special rapporteur informs the minister and the administration concerned. Generally, they send out a questionnaire and interview the public officials concerned. They also carry out a number of visits. They are aided by the Finance Committee's office.
- Special rapporteurs' oversight work generally concludes with a statement to the Finance Committee and the publication of an information report. The report is then publicised in various forms (press release, press conference, etc.).
- When an oversight and evaluation mission gives rise to remarks notified to the Government, the latter must respond, in writing, within a period of two months (Article 60 LOLF).



The use of external support

- ❑ The Finance Committee has extensive powers but **limited human resources**. However, it can call on **outside expertise**: any report drawn up by the bodies and departments responsible for overseeing the administration (Inspectorate General of Finance, Inspectorate General of Administration, etc.) must be forwarded to it, subject to the aforementioned confidentiality requirements.
- ❑ It may also **commission studies from outside organisations**, but this does not happen often. The Finance Committee has asked the *Institut des Politiques Publiques* (IPP) to carry out a study on **the taxation of wealth** and another on state-guaranteed loans.
- ❑ Above all, **it can rely on the Court of Auditors**, which must **assist Parliament** in its task of overseeing the Government's actions and the implementation of the Finance Acts. It can also refer matters to the *Conseil des Prélèvements Obligatoires* (CPO), which is also chaired by the First President of the Court of Auditors.
- ❑ Outside expertise is used to enhance parliamentary scrutiny **without compromising independence of judgement**: parliamentarians remain in control of their own assessments.



The powers of the social affairs committees and the MECSS

- The social affairs committees have extensive powers of oversight on issues related to the finances of social security (Article L.O. 111-9 of the Code of Social Security - the counterpart to Article 57 LOLF)
 - Mission entrusted to their chair, their general rapporteur, the chair of the mission to oversee and evaluate social security financing laws (MECSS) and the branch rapporteurs (healthcare, work-related injuries and illnesses, old age, family, autonomy)
 - These officers carry out any hearings they deem necessary and any investigations on documentation and on the spot
 - All financial and administrative information and documents requested by them must be provided, including all reports drafted by the bodies and departments responsible for overseeing the administration, the only exceptions being confidential matters relating to national defence and internal or external state security, as well as the secrecy of investigations and medical confidentiality
 - Persons whose testimony is deemed necessary by the committee's chair and the rapporteur(s), in their areas of responsibility, are required to attend
- Similar oversight procedures to those of the finance committees



Assistance from the Court of Auditors: a mission enshrined in the Constitution

- Article 47-2 of the Constitution of 4 October 1958:
*"The Court of Auditors assists Parliament in the oversight of the Government's policies.
It assists Parliament and the Government in overseeing the implementation of finance acts and social security financing acts and in evaluating public policies.
It contributes to informing citizens through its public reports."*



Publishing and publicising numerous reports

- In accordance with the LOLF and the provisions of the Code of Financial Jurisdictions, the Court of Auditors submits a number of reports to Parliament each year to assist it in exercising budgetary oversight:
 - the annual public report that is presented on the floor of the house,
 - a report on the execution of the budget and the certification of accounts (April),
 - a report on the situation and outlook for public finances (June),
 - a report on the certification of social security accounts and a report on the application of social security financing acts,
 - A report analysing the trajectory, financing conditions and sustainability of public debt (before October 1)
 - a report on local authority finances, annexed to the finance bill and subject to debate.



Forwarding final remarks to the finance committees

- Throughout the year, the Court of Auditors draws up **special reports** on public companies and sends follow-up **observations** to ministers following its audits. These reports are sent to the finance committees.
- It is required to **forward, on request, the final statements of observations**, which are the conclusions of the Court's "ordinary" audits, a list of which it sends to the finance committee.



Parliamentary requests to the Court of Auditors (1)

- The Court of Auditors carries out investigations at the request of Parliament:
 - Requests for enquiries from finance committees (Art. 58-2° LOLF) within a period of eight months
 - Requests for enquiries from the social affairs committees (article LO 132-3-1 of the Code of Financial Jurisdictions), within a period of eight months
 - Public policy evaluation reports (requested by the presidents of the parliamentary assemblies), one year deadline
 - Requests made by parliamentary committees of inquiry, no time limit, but the six-month time limit must be taken into account



Parliamentary requests to the Court of Auditors (2)

- For example, the Court of Auditors recently submitted an investigation to the Finance Committee into the work of the Directorate-General of Public Finances (DGFIP) in relation to local authorities, and three others will follow in the first quarter:
 - the establishment and viability of the National Agency for Territorial Cohesion (ANCT),
 - extra-budgetary funding (investment programmes, the recovery plan, etc.) for the government's cultural policy,
 - the issuing of identity documents.

The Court of Auditors has also been asked to carry out five new inquiries in 2024.

The two inquiries that will be handed over to the Social Affairs Committee concern:

- The French Agency of Biomedicine,
 - Respiratory health.
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- These inquiries will lead to follow-up hearings with the special rapporteur and the administrations and organisations concerned to respond to the Court's observations (for example, in January 2024, the hearing with the Court of Auditors, the Director General of Public Finances and representatives of local elected officials as part of the presentation of the inquiry into the DGFIP's work in regard to local authorities).



New resources are needed to enhance parliamentary oversight

- Beyond their oversight powers, the challenge for finance committees **remains access to information, which often depends on the Government's goodwill, and the development of independent evaluation tools,**
- Finance committees have obtained **access to budget databases** (Chorus) as well as access to new tax data for the data scientists hired by the two assemblies. Also, some data from INSEE and DGFIP is beginning to be made available as "open data", but this remains limited.
- A data scientist was hired within the Legislation and Oversight department on 1 July 2022. Other positions are planned from 2024.



Thank you for your attention.