



Explore the Chinese Model of Budget Performance Supervision: Based on the International Comparison Perspective

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Abstract The role of the legislature in the budget performance supervision is directly related to the success or failure of the budget performance management reform. From the perspective of global development trends, Explore the feasible path to strengthen the budget performance supervision of the legislature, gradually become a widely concerned topic from all walks of life. Comprehensive view of the international experience, Countries often adopt "general classification" legislation or "general classification" legislation mode according to local conditions, reflecting performance information in performance reports or other reports, and with the audit and other institutions to form a cooperative supervision joint force. From the reality of our country, it is appropriate to take a separate performance law as the basic compliance, move from compliance review to the "all-round, whole-process and full coverage" of budget performance supervision, and build a diversified performance supervision pattern with the NPC as the main body, we will actively explore the Chinese model of budget performance supervision.

Keywords legislature; budget supervision; budget performance management

1. Introduction

In order to implement the comprehensive implementation of the overall requirements of budget performance management, we will further leverage performance-based supervision to optimize the allocation of budget funds. It is of great significance to improve the quality and efficiency of the use of funds, and to explore the feasible path to optimize the performance supervision pattern. According to national practices, about 90% of OECD countries had developed and used performance information by the end of 2018 [1]. In particular, since 2019, downward pressure on their economies has increased, fiscal deficits have risen further, and debt levels have risen [2]. In this context, the public pays more attention to the performance improvement of limited budget funds, and the role of the legislature in enhancing the budget governance capacity and accountability system has been further highlighted. In order to further explore the path of promoting the legislation of government performance-based budget, the Budget Working Committee of the NPC Standing Committee chaired a symposium on the legislative departments of government performance-based budget and experts on May 27, 2021 [3]. In addition, more and more scholars are also beginning to pay attention to the role of the legislature in the budget performance supervision.

Throughout the history of budget performance supervision, the legislature has fought for the "power of the purse" for nearly 800 years. Although the legislature has always conducted varying levels of supervision of the budget, between the 1970s and the 2000s and 2000s, most, except for a few countries [4]. The reason was the



expansion of the government and administrative agencies, the complexity of budget review techniques is gradually increasing, International conflicts have often intensified, Rising public expenditure and other objective situation, Enhance the influence and discretion of the administrative department on the budget, Thus, the independence and control of the legislature gradually stripped away take by force [5]. In fact, whether the legislature can support budget performance supervision is directly related to the success or failure of budget performance supervision. One of the reasons for the failure of traditional budget performance supervision is precisely the lack of support from the legislative body [6].

2. Major experience in budget performance supervision of national legislatures

From the full budget cycle, In the approximate closed loop covering the administrative departments and public services departments within, the legislature does its influence on the budget through the approval process. The most direct way of performance supervision of the legislature is to review the budget performance report of the administrative agency, Determine the economics of the project expenditure, Efficiency and effectiveness, Disfound wasteful or mismanaged items, Urge them to improve or even cancel them [7]. To comprehensively investigate the practice of budget performance supervision, the main practices are as follows:

2.1 Legal budget performance supervision: "general type" and "general type"

With the deepening of the reform of budget performance management in various countries, Legalization is an important basis for performance evaluation, Supervision of statutory law has become one of the important trends of practice in various countries. The new legalization of budget performance supervision began in the 1990s to the early 2000s. We will follow the trend of performance-oriented budget reform, The focus of the budget system construction of various countries shows the "fiscal transparency—Medium-term budget framework—Performance budget", such a clue of institutional change, has gradually embarked on the road of "having laws to follow and rules to follow" in performance evaluation. From the form of performance legislation, there are mainly two mainstream practices, "general fractional" legislation mode represented by the United States, Japan and South Korea, and "fractional" legislation mode represented by the United Kingdom and New Zealand. Regardless of the legislative model adopted, It has in common, Parliament plays a very vital role in the management of budget performance. The relevant provisions of parliamentary budget performance supervision are usually scattered in the process of budget management, It is embodied in the evaluation method and performance report form specification, Submit the requirements, Budget approval of the inquiry and other links. in compliance with, France has included the annual performance plan in the appendix to the grant plan, Grant programs are used to determine the strategies and objectives of specific projects, Performance indicators are used to measure the achievement of goals, Relevant performance information was eventually presented to Parliament for a budget debate. Therefore, the legalization of budget performance supervision is closely related to the legalization of the overall budget system, and its overall legislative path is generally the same [8].

2.2 Presentation form of performance information: separate performance report or included into other reports

From the content of budget performance review and supervision, the scope involved is getting wider and wider, From the performance evaluation of fiscal expenditure, gradually expand into a comprehensive investigation of the government's financial management activities. in compliance with, the Canadian Parliament is authorized to approve the departmental budget, based on a full presentation of the priorities, Associates performance information with a budget configuration. From the types of budget documents submitted to the legislature for review [9], the policy objectives and revenues and expenditures of the macroeconomic framework and the medium term framework are included in the review scope of the legislature. From the overall trend, the content and scope of supervision are still gradually expanding.



There are two main forms of the presentation of performance information: one is a separate annual performance report, and the other is to submit the performance information into other reports. The former is currently used in many countries. For example, US departments need to submit annual performance plans (APP) and annual performance reports (APR) to Congress and the president for review along with the draft budget. The APP determines the performance target priorities and annual strategies within the scope of departmental responsibilities. The APR summarizes the performance results of the previous year and clarifies the adjustment measures of the missed performance targets [7]. Similarly, the performance information in France is mainly concentrated through the annual performance plan (PAP) and the annual performance report (RAP). The budget is first divided into more than 30 tasks, with different tasks corresponding to a performance plan and a performance report. Tasks are further divided into several projects, which set specific strategic goals and performance goals respectively, thus forming a complete performance information system. In the Government Performance Appraisal Framework Act, South Korea has made detailed provisions on specific issues such as the principles, types, objects, procedures, supervisory bodies and the application of results, and requires regular reports to be presented to the National Assembly. It is worth noting that performance reports in Switzerland and Germany are not mandatory, but governments often choose to take the initiative Provide relevant, performance information [10].

Include performance information into other reports, it often complements the budget documents, to provide a reference for Parliament to conduct budget supervision. In compliance with, Australia requested that the departmental budget report be submitted to Parliament along with the budget for approval, the report contains detailed information on departmental results and strategic plans, and requires that annual performance be associated with specific plans, projects. Norway, including the Policy Conclusion Statement for the first time in 2013 [11], not only explains the performance information included in the budget, but also covers the data that the budget may refer to, such as public data or evaluation reports, to facilitate the understanding and analysis of performance information [12].

2.3. Coordinated supervision of budget performance: the joint efforts of audit institutions and the assistance of specialized institutions

The different components of the supervisory system are not isolated from each other. In order to achieve a better supervision effect, form a collaborative governance pattern with other institutions has become the mainstream trend of strengthening budget performance supervision. Among, both through the audit institutions to assist in reviewing the performance results, there is also professional analysis and technical support from separate dedicated agencies.

Comprehensive practice of various countries, from the perspective of strengthening collaborative supervision, Audit institutions and the legislature often maintain a benign interaction. In practice, with the deepening of the performance audit reform, most of the performance audit results are directly submitted to the legislature and other legislative bodies for review [5] for example, in Canada, The Audit Office except conducts independent performance audits and submits the audit reports to the House of Commons, also assists the Public Accounts Committee in reviewing the government's resources and program management. Audit institutions need not only to review performance results, but also to advise on performance improvement and report them to the legislature for reference [13]. In compliance with, In Japan, In the budget implementation stage, the accounting procuratorate acts as an independent third-party audit institution, The performance of fiscal revenue and expenditure should be reviewed, and the relevant matters should be tracked and monitored in the second year. In the specific way of coordinated supervision, the legislature should ideally review and discuss the audit reports of the previous fiscal year when considering the draft budget for the next year, and to fully consider the results of the previous year's audit during the pre-budget debate to ensure that public funds are used for the intended



targets [14]. In Austria [15], for example, the latest recommendations of the Court of Auditors on the corresponding area of expenditure will be reflected in the budget report [16].

Besides, Because the role of the legislature in budget supervision is gradually strengthened, the requirements for the analysis and processing of budget information are also improved accordingly. It is becoming a trend to form institutions that provide specialized support to the legislature. The establishment of the parliament's exclusive budget office has now been implemented in more than 60 countries [17]. Its biggest advantage is that it provides a possibility of rigorous, objective and powerful analysis of budget-related matters [18]. The practical effectiveness of Parliament's budgetary supervision is also further strengthened by incorporating these analyses into the budget process [19].

3. A feasible way to strengthen the performance supervision of the people's Congress budget

3.1 Budget performance supervision from standardization to legalization

Promote the supervision and management of budget performance from standardization to the legal level, Realize the evaluation according to law, management according to law, Supervision according to law, It reflects the logic of China's budget performance-based management reform, and is in line with the requirements of "linking legislation and reform" and "promoting major reform based on law" in the Plan for Building the Rule of Law in China (2020-2025). From the perspective of the system design of budget performance supervision, the following problems need to be dealt with generally:

Selection of the legislative path. Considering the "general component" and "split component" budget performance legislative path of various countries, there are two choices: "taking one law as the guide" or "forming an integrated system with a set of legal framework". Based on the current practice of budget performance management in China, it is more appropriate to build the overall legal structure of budget performance management around a law. Therefore, the name design of the law needs to be considered first, That's it It involves the relationship between the budget performance law and the current budget law. The budget law and its implementation regulations combine both procedural law and substantive law, The budgeting process, scope, Content and other specific requirements. The proposed budget performance law could be used as a procedural law. Further provisions are made on the regulations for budget performance management, It can also be considered as one based on the budget law, The Basic Law of Finance covers all the performance management activities of government revenue and expenditure. From the reality of our country, the latter seems more appropriate. Overall, consider naming it "Budget Performance Law" (or "Budget Performance and Fiscal Responsibility Act"). From the perspective of the function positioning of the law, this can not only guarantee the authority and effectiveness of the performance supervision of the NPC, but also assume the responsibility of budget management and provide programmatic constraints similar to the "budget Constitution".

3.2. From compliance supervision to "all-round, whole-process and full-coverage" performance supervision

With the deepening of the reform of budget performance management, the focus of the NPC's budget review and supervision is gradually shifting from whether the money bag is excessive and sufficient to how to spend more effectively. In March 2018, the General Office of the CPC Central Committee issued the Guidelines on Expanding the Focus of the NPC's Budget Review and Supervision to expenditure Budget and Policies, which clearly stated that the NPC should "carry out full review and whole-process supervision of expenditure budgets and policies". In April 2021, the Decision of the Standing Committee of the National People's Congress on Strengthening the Review and Supervision of the Central Budget further strengthened the full-scope review and supervision of the whole process, And the budget review and supervision focus on the expenditure budget and policy expansion content to make corresponding provisions. We will focus on the development direction of the NPC's budget performance supervision in the new era, we need to accelerate the promotion of budget



performance supervision from compliance review to "Comprehensive the whole process, full coverage" transformation.

Build a comprehensive supervision pattern of budget performance. As the concept of performance deepens in various departments and fields, the scope of the NPC's budget performance supervision is also gradually expanded. Horizontal revenue and expenditure budget of governments at all levels, Overall budget of the department, Policies and projects are gradually included in the scope of performance supervision, Longitudinal expand the object of budget performance supervision, Through the NPC network supervision, To the users of grassroots budget funds. Therefore, one side, Expand the content of performance supervision and review, focus on policies and projects, Budget to the department, Performance-based supervision of government fiscal budgets was extended, With the transfer payment as the main starting point to the local financial comprehensive operation performance supervision extension, [20] Finally, establish an effective and effective comprehensive performance supervision mechanism. The review should focus on key national expenditures, Performance deviation in major investment projects, etc. Strengthen the cross-year performance comparative analysis in the medium-term perspective, we will give full play to the overall effectiveness of the four budgets. On the other hand, further improve the dynamic supervision mechanism, and realize real-time performance data with the help of the budget network supervision system, trans-department, Sharing and communication across provinces. Electronic conversion of traditional paper performance materials, using big data and artificial intelligence technology, Monitor the real operation of each budget fund as dynamically as possible, to realize the transformation of nodal supervision to regular real-time supervision.

Build a whole-process chain of budget performance supervision. From the perspective of building the whole process chain, the NPC should intervene in the budget decision-making process as soon as possible in the pre-performance supervision stage, we will strengthen the review of performance targets, Further strengthen the audit intensity and coverage of performance targets. The most important feature of performance target is "providing relatively fixed targets", which acts as the link between public capital expenditure and national strategy and policy planning. Through the synchronous promotion of performance goals and budgeting process, The NPC will conduct a detailed review of its performance targets, Fully grasp the convergence, integration and coordination of budget management and performance management, and better integrate the performance concept into the budget approval process [21].

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