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THE ROLE OF PARLIAMENTARIANS DURING THE APPROPRIATION SUB-COMMITTEE OF SUPPLY STAGE OF THE BUDGET PROCESS.



This brief provides relevant information on the various stages in the budget process of the Sierra Leone Parliament. It further highlights the various constitutional provisions that affirm the legislative authority of Parliament, and in essence ensures that Members of Parliament (MPs) have the required mandate to scrutinise the Appropriation Bill before it is passed into law.

Furthermore, **this Brief** makes emphatic reference to a critical stage in the budget process which bothers on the committee of Supply phase. Key procedural provisions which should inform the role of the MP in scrutinising the budget and subsequently to enrich the process are highlighted.

The relevant questions and probing requirements during the budget scrutiny stage are also indicated in the brief and challenges that normally affect the smooth management of the process.

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Contents

| | |
|-----------------------------------------------------------------------------------------------|-----|
| 1.0 Introduction/Background..... | 3 |
| 2.0 Understanding Critical Procedures in the Sub-Appropriation Committee(s) of Supply Phase.. | 5 |
| 3.0 Procedural Considerations that Should Guide MPs During the Budget Scrutiny Process | 7 |
| 3.1 Key Challenges Faced by MPs during the Scrutiny Process..... | 100 |
| 4.0 Post Appropriation Sub-Committee of Supply Phase | 111 |
| 5.0 Conclusion..... | 11 |

1.0 Introduction/Background

Analysing the state budget before and after implementation is a critical oversight function of Parliament on the Executive. The budget process provides a platform for Parliament to critically look at how resources will be mobilised and allocated to ensure that government is able to fully implement its aims and aspirations for the year.

It is important to note that the Appropriation Sub-Committee deliberations serve as an opportunity for MPs to guide rational use of resources and ensure prudent financial management within Ministries, Departments and Agencies (MDAs). The far-reaching effect of this role will make room for colossal savings that will be judiciously utilised to attend to more critical human development and service delivery initiatives.

The Legislative Authority of Sierra Leone is vested in Parliament, pursuant to sub-section (3) of **Section 73** of the 1991 Constitution of Sierra Leone¹. Within the wider context of this provision, Parliament is constitutionally empowered by array of provisions to promote good governance and set the stage for sound fiscal and economic empowerment of the country. **Section 105** also lends credence to the law-making authority that is vested in the Parliament of Sierra Leone as stated in the 1991 constitution². The constitutional responsibility for appropriation and oversight of government policies gives Parliament a central role in the process of initiation, appropriation and oversight of government policies.

Additional legal framework in relation to the budget process and the related authority of Parliament is also inscribed in **Section 110** of the 1991 constitution³ which refers to the imposition of taxes. This constitutional provision gives Parliament the power to authorise taxation, a major source of domestic revenue for the services of Sierra Leone. **Section 111** of the 1991 constitution further refers to the definition of the Consolidated Revenue Fund (CRF) and clearly makes provision for revenue mobilisation from the various sources to inform utilisation by the government⁴

In furtherance to the revenue consolidation, the 1991 constitution talks about the authorisation of the expenditure from the Consolidated Revenue Fund, which is provided

¹ (3) Parliament may make laws for the peace, security, order and good government of Sierra Leone.

² Power to make laws. 105. Subject to the provisions of this Constitution, Parliament shall be the supreme legislative authority for Sierra Leone.

³ 110. (1) No taxation shall be imposed or altered otherwise than by or under the authority of an Act of Parliament.

⁴ "There shall be a Consolidated Fund into which, subject to the provisions of this section, shall be paid—

- a. all revenues or other moneys raised or received for the purpose of, or on behalf of, the Government;
- b. any other moneys raised or received in trust for or on behalf of the Government; and
- c. all revenues and moneys payable by or under any bilateral or multilateral agreement"

for in Section 112 of the 1991 Constitution⁵. Sections 113⁶ and 114 of the 1991 Constitution mention the authorisation of the withdrawal of moneys from the CRF to make room for expenditure.

In a bid to authorise expenditure from the Consolidated Revenue Fund (CRF), the passing into law of the Appropriation Bill is a critical requirement. The Appropriation Act means the Act passed by Parliament in each financial year, the principal purpose of which is the appropriation of public money for the services as are specified in such Act. The procedure by which Parliament votes funds from the CRF to promote sound financial and economic management in the country commences with the Minister of Finance preparing and laying before Parliament, in each Financial Year, the State Budget for the following fiscal year consistent with Section 112(1) of the 1991 Constitution.

Subject to the provisions of Section 107⁷ of the 1991 constitution, the Minister of Finance lays before Parliament the financial year's estimates of the revenues and expenditures of Sierra Leone for the next financial year.

During the preparation process, there is the initial issuance of a budget call circular to Vote Controllers of all MDAs by the Financial Secretary of the Ministry of Finance, requesting them to submit the financial proposals to the Budgets Bureau within a stipulated period. The Budget Circular outlines the microeconomic and policy guidelines of the government, based on the President's agenda and within the current political context, the strategic priority of the '**New Direction**'⁸. This call clearly specifies the expenditure ceiling to Vote Heads of MDAs, which are encouraged not to be exceeded.

The ensuing process makes room for a **Policy Hearing** on the budget proposals, where Members of Parliament are usually invited to participate, while MDAs present their budget proposals which are later presented to the Budget Bureau as Budget Estimates for the Appropriation Bill.

The next phase takes into account the presentation of the budget to Parliament through the reading of the budget, also serving as the first reading. This budget presentation is usually one of the most clearly followed events in Parliament. The Appropriation Bill,

⁵ Authorisation of expenditure from Consolidated Fund. .

⁶ **113.** Where it appears to the Minister responsible for finance that the Appropriation Act in respect of any financial year will not come into operation by the beginning of that financial year, he may, with the prior approval of Parliament signified in that behalf by a resolution thereof, authorise the withdrawal of moneys from the Consolidated Fund for the purposes of meeting expenditure necessary to carry on the services of the Government in respect of the period expiring four months from the beginning of the financial year or on the coming into operation of the Act, whichever is earlier.

⁷ **107.** (1) A Minister may introduce a Bill in Parliament and take part, but without a vote, in the deliberations of Parliament on that Bill.

⁸ Workshop presentation by Hon. Ibrahim Sesay; Former Clerk of the Parliament of Sierra Leone on How MPs can participate in the budget process.

which takes the form of the Budget Speech by the Minister of Finance, is therefore read for the first time as **(S.O. 63 (2))**⁹ indicates.

The first reading is normally followed by the second reading with five (5) allotted days, accounting for enriching debate, which is normally limited to the financial and economic state of the country and general principles of Government policy and administration as indicated by the Bill and its estimates.

2.0 Understanding Critical Procedures in the Sub-Appropriation Committee of Supply Phase.

The Committee of Supply Phase in the budget process is very significant because it requires the active participation of all Members of Parliament. In line with the required provisions, there shall be allocated a maximum of five days for discussion of the Appropriation Bill in the **Committee of Supply** as indicated in **S.O. 65 (1)**.¹⁰ At this stage, the State budget and its entire documents are referred to the Committee of Supply after the second reading (the Debate). Members of Parliament are then distributed into Sub-Appropriation Committees as may be required accordingly for the purpose of scrutinising the budget estimates. Usually, this exercise commences with a defence of the previous year's actual expenditure and revenue generated, and presentation of revenue targets and expenditure projections for the following year. A significant component of this process is that the deliberations of the Committees shall be in public.

As part of the engagement process, an open-ended questionnaire will first be sent out to all MDAs and engagement later done with them in line with **S.O. 66(1)**.¹¹ Vote Controllers will be required to respond to questions relating to their budgetary allocations, specify their challenges and provide a comprehensive summation of how they have been carrying out their mandates.

The Finance Committee takes the lead in preparing the questionnaire which is usually sent to MDAs, fixing time-lines for their appearance to the respective Sub-Appropriation Committees to defend their Heads of expenditure for the previous year taking into account the respective programmes and corresponding activities. This exercise takes

⁹ (2) All proceedings upon the Appropriation Bill subsequent to its first reading, which takes the form of the Budget speech, shall be subject to the provisions of the remaining paragraphs of this Order and of the next five succeeding Orders

¹⁰ **65.** Allotment of time in Committee of Supply (1)

¹¹ (1) Preliminary to the deliberations of the whole House in committee, the Appropriation Subcommittees shall, working together with vote Controllers and their Accountants, examine a series of Heads of Expenditure allocated to them by the finance Committee. This exercise shall include consideration of the policies underlying the Estimates, their structures of priorities, efficient and effective use of both human and financial resources, the constraints of the organizations, the adequacy or otherwise of the financial allocations, and report to the whole House in Committee of Supply.

into consideration the policies underlying priorities, with emphasis on prudent utilisation of financial resources and constraints of the budget allocation.

Specific procedural considerations need to be further highlighted to guide MPs participation at this level.

1. MPs at the Sub-Appropriation Committees need to be clear that they will work primarily with Vote Controllers and their Accountants, to examine a series of Heads of Expenditure allocated to them by the Finance Committee. This exercise shall therefore include consideration of the policies underlying the Estimates, their structures of priorities, efficient and effective use of both human and financial resources, the constraints of the organisations, the adequacy or otherwise of the financial allocations¹².
2. On the consideration of the Appropriation Bill in Committee of Supply, the clauses of the Bill shall stand postponed until after consideration of the Schedule or Schedules, which shall be initiated by the appropriation Subcommittee reports on them¹³.
3. On consideration of the Schedules, each Head of Expenditure shall be considered with the appropriate estimates, and any reference in these Orders to a sub-head or an item means a sub-head or an item in the estimates of the Head then under discussion¹⁴.
4. On the consideration of a Schedule, the Clerk of Parliament shall call the title of each Head of Expenditure in turn and the Chairman, following the Motion of the Minister in charge, shall propose the question —That the sum of ‘X’ amount for sub-head ‘Y’ stand part of the Schedule. And unless an amendment is proposed under the provisions of the next succeeding Order, a debate may take place on that question and shall be confined to the policy of the service for which the money is to be provided. At the conclusion of the debate on a Schedule or a group of Schedules, as the case may be, the Chairman shall forthwith put the question¹⁵.
5. When all the Heads in a Schedule have been disposed of, the Chairman shall put forthwith without amendment or debate, the question “that the Schedule (as amended) stands part of the Bill”¹⁶.
6. When the Schedule has been disposed of, the Chairman shall call successively, each clause of the Bill and shall forthwith propose the question “that the clause

¹² Standing Order 66(1)

¹³ Standing Order 66(2)

¹⁴ Standing Order 66 (3)

¹⁵ Standing Order 66 (4)

¹⁶ Standing Order 66(5)

stand part of the Bill” and, unless a consequential amendment is required to be moved, that question shall be disposed of without amendment or debate¹⁷.

7. No amendment may be moved to any clause except any amendment consequential on an alteration in the total sum appropriated by any Head in the Schedule. Any such consequential amendment shall be moved by a Minister only, and may be moved without notice and the question thereon shall be put forthwith without amendment or debate. When the question on the last of any such amendments to a clause has been decided, the Chairman shall forthwith put the question “that the clause as amended stand part of the Bill” and that question shall then be decided without amendment or debate¹⁸.
8. When the question upon every clause of the Bill has been decided, the House shall resume without question put, the Minister in charge shall report the Bill (or the Bill as amended) to the House, and following the motion that the Bill be read the third time and passed into law, the speaker shall forthwith put the question¹⁹.

3.0 Procedural Considerations that Should Guide MPs During the Budget Scrutiny Process

Members of Parliament need to know that the Committee of Supply phase is critical in the budget process. It is an opportunity to scrutinise budgetary allocations of specific MDAs. The depth of scrutiny by MPs will, to a large extent, determine the judicious management and rational utilisation of resources that will translate into national development and efficient delivery of government programmes. There are critical procedural considerations that should inform a careful review of documents brought forward by MDAs during the Committee of Supply phase.

Even before the exercise commences, MPs need to confirm that the questionnaire has been despatched to the relevant MDA and it has been duly filled. It is important for MPs to ascertain whether the previous financial year allocations were utilised in accordance with the financial regulations contained in the Financial Orders and the Government Budgeting and Accountability Act of 2005²⁰. At this preliminary stage, MPs need to ensure that Vote Controllers who are summoned come along with their vote service ledgers and other accounting documents dealing with revenue and expenditure

¹⁷ Standing Order 66 (6)

¹⁸ Standing Order 66(7)

¹⁹ Standing Order 66(8)

²⁰ **28.** (1) When budget estimates of expenditure are approved by Parliament, public moneys shall be deemed to have been appropriated for the service of the different budgetary agencies.

estimates of their MDAs for the financial year under review. To enrich the scrutiny process, MPs must ensure that Vote Controllers submit breakdowns, summaries and justifications of expenditures relating to their actual allocations and proposed estimates for the new Financial Year. It is relevant that the budget is accompanied with the estimates that provide details on the respective allocations as specified in the Public Financial Management Act of 2016.²¹

MPs need to imbibe the objectives of the scrutiny exercise, which to large extent, guide the process to ensure it meets its required expectations. The budget deliberation process must therefore be done against the backdrop of the following objectives:

- To enable Vote Controllers and their accounting personnel justify the figures factored in their recurrent and development expenditure estimates for the Financial Year under review;
- To justify whether the submissions of the MDAs' budgetary allocations are in compliance with their work plans²² presented to the Committee of Supply;
- To expedite the debates on the appropriation in the Committee of Supply;
- To enhance transparency and accountability in the management of public funds; and
- To ascertain whether the previous yearly allocations were judiciously expended.

With the set objectives in mind, MPs should pursue a clear examination of the budget and should set themselves to be guided by the following requirements:

- Deeper understanding of what was allocated in respect of the actuals of the previous year, with clear emphasis on clarifying what was allocated and what was actually received.
- The availability of a strategic Plan, and Mission and Vision statements for each MDA, with emphasis on the rationale for its creation and strategic direction and programmatic focus in the future.
- Clarify whether quarterly allocations were made in time and if those allocations to MDAs were appropriately utilised in line with the service delivery requirements of such MDAs.
- MPs to raise questions as to how MDAs were able to address funding allocation gaps and whether donations were received and appropriately reported to Parliament in line with the mandatory provision in Section 118 (7) of the 1991 Constitution²³.

²¹ The State budget laid before Parliament shall be accompanied by information annexes which include—

(a) overview of recent macroeconomic and fiscal developments;

(b) updated macroeconomic forecasts for the next three years or more;

(c) updated fiscal forecasts, including revenues, expenditures, deficit, and debt, of the State budget for the next three years or more;

(d) updated fiscal forecasts of the general government and subsectors for the next three years or more;

²² This represents documents related to all of their programme and activity plan for the period under review.

²³ (7) Parliament shall be notified by the appropriate Minister or authority of all gifts, donations, grants and pledges made to the State of Sierra Leone.

- MPs need to question whether MDAs comply with the provisions in Section 53, Sub-sections 1&2 of the Government Budgeting and Accountability Act of 2005.²⁴
- Clarification also need to be made on the current allocation in the 2019 budget and confirmation made as to whether the strategic Plan, Vision or Mission statements has been tweaked to reflect any changing situation. A case in point would be the separation between the Ministry of Finance and the Ministry of Economic and Development Planning. This change will naturally reflect a new Strategic Plan, and Vision and Mission statements for the Ministry of Economic and Development Planning.

The outcomes of the budget scrutiny process are required to be well documented with ample reference to specific findings which the Chairpersons of Sub-Appropriation Committees should report at the plenary session to Members of the House. The mandate for this action is anchored in Section 112 (6) of the 1991 Constitution of Sierra Leone (Act No. 6),²⁵ in tandem with Standing Orders (SO) of Parliament **64 (3)**²⁶ and **66 (1)**²⁷.

A typical reporting structure should take into account an introductory narration, list of Committee members and support Staff, a table detailing the recommended MDAs, with the ideal vote description and total sum voted. The report should further highlight the procedure of the sittings, objectives of the exercise, detailed analysis of each MDA and general findings, observations and recommendations. The recommendations that normally emanate from the budget scrutiny proceedings are important to enrich the process in the future and therefore form the highlight of such report.

The under-mentioned are sample recommendations made by a specific Sub-Appropriation Committee upon conclusion of the budget scrutiny process in 2015²⁸. This is expected to serve as a guide and might inform some of the outcomes of the current scrutiny process which will soon commence.

²⁴Section 53. (1) The vote controller of a budgetary agency shall, within ten days after the end of each month, submit to the Financial Secretary, in the prescribed form, information on actual revenue and expenditure for the preceding month and the amounts anticipated be collected or expended for that month.

(2) The Minister shall submit a summary of government receipts and payments on a quarterly basis to Parliament not later than one month after the end of each quarter

²⁵ (6) Parliament shall prescribe the procedure for the presentation of Appropriation Bills.

²⁶ (3) To enhance the effectiveness for the scrutiny of Heads of Expenditure by the whole House, the Committee of Supply shall, pursuant to subsection (6) of Section 112 of the Constitution, incorporate a scrutiny by a number of Appropriation Subcommittees formed out of organizing the Membership of Parliament into groups

²⁷ Deals with procedures in the Committee of Supply

²⁸ Report of the appropriation sub-committee 2 on the recurrent and development budget estimates for 2015 financial year.

- a) MDAs quarterly allocations are hardly received on time and when paid, such payments do not accord with the amount approved by Parliament. The Committee cited this as a contributing factor for poor service delivery of many MDAs;
- b) Some MDAs received donations which were not reported to Parliament as mandated by Section 118 (7) of the 1991 Constitution;
- c) The budget reduction of MDAs adversely affects personnel training, which is very vital for effective service delivery. To mitigate this, the Committee recommended that enough financial resources should be allocated for personnel training for all MDAs;
- d) Most MDAs did not understand in its entirety the Questionnaire sent to them. It was therefore recommended by the Committee that at least one week before the Committee of supply starts its work, Parliament organises a workshop with Vote Controllers and Accountants of all MDAs to review and clarify the appropriation questionnaire;
- e) it became clear that Sessional and Select Committees hardly use the Appropriation Reports and work plans of MDAs when carrying out oversight functions to monitor the utilisation of approved budgets;
- f) Annual work plans of MDAs must be monitored by Parliamentary Oversight Committees;
- g) The Committee observed with grave concern the violation of Section 53,²⁹ Sub-Sections 1&2 of the Government Budgeting and Accountability Act of 2005 by MDAs.

3.1 Key Challenges Faced by MPs during the Scrutiny Process.

There are key challenges that continue to adversely impact on the work of MPs during the Appropriation Sub-Committee of Supply budget scrutiny process. The under-mentioned are the most critical ones that will require urgent attention. These are:

Firstly, the lack of logistical and budgetary allocations to facilitate engagement in the budget scrutiny process has always been a concern for MPs. It is worth mentioning that consideration is made for budgetary supports to facilitate the work of MPs, especially when budget scrutiny process can span for a very long period.

Secondly, the five allotted days for the budget scrutiny process at the Sub- Appropriation Committee of Supply phase is not enough to carefully examine all documents brought for the purpose. With the relatively large number of MDAs required to go through this process, there is need for consideration to be given to extend allotted days, so that the process can be more enriching and meet its required expectations.

²⁹ This section makes provision for mandatory Monthly and quarterly budget reporting submission to the Financial Secretary by the Vote Controllers of MDAs.

Additionally, compliance by MDAs to bring along all relevant documents usually poses a serious challenge. Some MDAs, over the period, have inadequate budgetary allocation, and as a result, they do not have the wherewithal to provide enough copies. With inadequate copies of documents to review, MPs are usually not able to do justice to the process, which may potentially water down the scrutiny standards.

4.0 Post Appropriation Sub-Committee of Supply Phase

Once the budget scrutiny process is complete, each Appropriation Sub-Committees at this stage presents its report to the House and where there is no notice of Motion for any amendments from them, a Motion for the Third Reading and passage of the Appropriation Bill into law is moved by the Minister of Finance which is normally decided without a debate.

However, where a notice of Motion for amendment is granted by the Chairman/Speaker, a debate on the proposed amendment is usually permitted. The Minister is often given an opportunity to react to the proposed Motion, giving substantial reasons for not accepting the views as expressed in the debate proposing the amendment. The Chairman will then put the question to the House for a vote. A majority of the Ayes means the proposed amendment stands or otherwise, the position of the Minister on the Bill stands.

When all amendments standing on the Notice Paper in respect of any particular Head of Expenditure, if any, have been addressed, the House then resumes itself. The Chairman of the Committee of Supply then takes his position again as Speaker and puts the question, reading the long title of the Bill: 'That the bill entitled the **Appropriation Act of 2020**, being an Act to make provisions for the services of Sierra Leone for the year 2020 be read the third time and passed into law.'³⁰

5.0 Conclusion

The Appropriation Sub-Committee engagement in the budget process will remain a core activity in Parliament. As the call for accountability and sound financial management continues to be the yard stick to measure good governance practices, MPs should make room for thorough scrutiny of budgetary Agencies. The need to ensure compliance in relation to budgetary allocation and judicious utilisation is now an ever-increasing requirement in state institutions.

It is therefore important that Members of Parliament have what it takes to do a sound review of MDAs and ensure that there is compliance, adherence and fiscal discipline rooted in the management of available resources.

³⁰ Understanding Parliament of Sierra Leone

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