

## International Legal Bases of Parliamentary Control Over the State Budget: On the Example of Inter-Parliamentary Institutions

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### Annotation:

This article analyzes the role of parliamentary control over the state budget in the development and implementation of the international legal framework, in particular, the role of parliamentary control over the state budget of institutions in the implementation of international standards. In the implementation of effective parliamentary control over the state budget, were studied parliamentary standards of international organizations, parliamentary institutions of the Union and regional organizations, financial control bodies.

**Keywords:** parliamentary institutions, state budget, parliamentary control, Parliamentary Union, financial control, standards, INTOSAI, CIS.

When monitoring the budget, parliaments need to plan develop a separate Strategic Program of cooperation with international organizations of general competence, parliamentary institutions, international non-governmental organizations, with the exception of international organizations of financial control bodies.

The structures that create an international legal framework for parliaments can be called parliamentary institutions. In this regard A. Vinogradova, Yu. Kosov, S. Naryshkin, T. Khabrieva, A. Tarapygin, K. Vada, A. Tile, V. Such scientists as Kreiling studied the theoretical and legal basis of parliamentary institutions.

According to A. Vinogradova, taking into account the most common features and criteria of inter-parliamentary institutions, its establishment by at least two participating States or other subjects of international law as a stable institution of absolute multilateral international relations and may have objectives, powers, and permanent bodies agreed upon by its members.<sup>1</sup>

Focusing on the functions of inter-parliamentary institutions, "the institution of parliamentary control", said A. Murzakulova, "is becoming a factor in the development of parliamentarism around the world". It is an effective tool for assessing the effectiveness of the actions of the legislature and the public executive, their professional competence or the opportunity to demand prosecution of officials who violate the law.<sup>2</sup>

Parliamentary structures make it possible to introduce elements of state policy into the international political process, which makes it transparent and accessible to the public.

The purpose of the Inter-Parliamentary Union is to strengthen cooperation between all members of parliaments and to establish and develop their representative institutions, in particular, it is an international organization uniting in a common effort to ensure and maintain the full participation of their States in the development of international peace and co-operation by supporting the purposes of the United Nations. It is headquartered in Switzerland and has 13 inter-parliamentary institutions and 179 member states<sup>3</sup>.

<sup>1</sup> Виноградова А. А. Межпарламентские институты: критерии, классификации, сравнительный анализ // Сравнительная политика. – 2011. – №. 4 (6).

<sup>2</sup> Мурзакулова А. Д. Межпарламентские институты в процессе интеграции СНГ // Евразийская экономическая интеграция. – 2012. – №. 2 (15).

<sup>3</sup> URL: <http://council.gov.ru/activity/crosswork/dep/65/>

The Union declares its position on all international problems suitable for the parliamentary movement to solve, in particular on the implementation of budget control, and puts forward proposals for the development of parliamentary assemblies in order to improve the work of these institutions and increase their authority.

According to the Secretary-General's report on cooperation between the United Nations, national parliaments and the Inter-Parliamentary Union, member states are encouraged to expand the participation of parliamentarians and parliamentary organizations in the work of the United Nations. Secretary-General Antonio Guterres said, "In this context, parliaments around the world can play an important role in helping the United Nations and member states expand their response to global challenges. With legislative and budgetary oversight and representative functions, parliaments can pass laws that turn international obligations into national strategies, can strengthen inclusive and responsible approaches to their implementation. Similarly, parliaments can communicate with the United Nations system on a regular basis in three main areas of the organization:

for example: peace and security, human rights and development"<sup>4</sup>.

In the legal acts of the Inter-Parliamentary Union, the principles of budget control by national parliaments are set out as follows:

- versatility;
- forward-looking;
- competitiveness;
- transparency;
- periodicity<sup>5</sup>.

In our opinion, the interpretation of these principles is based on the development of the human factor, such as poverty alleviation, gender equality, social protection of people with disabilities, and prevention of misuse of budgetary resources.

The analysis shows that the typology of the influence of parliaments on budget policy is defined as follows. Firstly, legislative bodies have the ability to change or reject the budget proposal of the executive branch, as well as to form and replace their own budget.

Secondly, the Parliament has the opportunity to change or reject the budget proposal of the executive branch, but does not have the opportunity to form and replace its own budget.

Thirdly, parliaments with little or no budgetary impact do not have the ability to change or reject the budget proposal of the executive branch, as well as to form and replace their own budget. They are limited to agreeing to the budget in the form they provide<sup>6</sup>.

Naturally, in the first of these typologies, the internal and external independence of the parliament in the implementation of budget control is fully ensured. This can be done only by the adoption of the State budget by the legislative body in accordance with the law. Based on the recommendations of the Inter-Parliamentary Union, it should be noted that the restriction of the budget powers of the parliament by the executive branch may serve as a basis for resorting to such instruments as a vote of no confidence.

The decentralization of central budgetary powers creates the need to digitize the activities of the parliament on budget control.

Normocentrism in this area will help to stimulate local innovation, the development of services with local benefits. Based on the recommendations of the Inter-Parliamentary Union, it is advisable to establish mechanisms of control and responsibility for this process.

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<sup>4</sup>Ўша жойда.

<sup>5</sup>Wehner J., Byanyima W. Parliament, the Budget and gender. – 2004.

<sup>6</sup>Adapted from Norton (1993: Table 4.1).

Many people are interested in maintaining openness and transparency in the activities of the committees that are part of the structure of the Inter-Parliamentary Union.

In particular, after the 2011 elections, most meetings of the State Budget control Committee began to be held online via the open Internet. However, some meetings are still closed. Firstly, the checks of the State control, which are studied and discussed in this committee, are intended for official use. Secondly, closed discussions provide an opportunity to discuss the results of the audit more openly and determine positions on various legislative initiatives<sup>7</sup>.

The Institute of parliamentary control allows the countries included in the legal system, in case of mass violations of human rights, to resolve conflicts more effectively in conditions of wide publicity, to investigate events that cause a wide public response. At the present stage, the institution of parliamentary control exists only in the European Inter-Parliamentary Association and it is not included in the charters and regulations of most parliamentary institutions, which negatively affects their functionality as subjects of international relations.

The main reasons why the attention to parliamentary control over the state budget by international organizations is always at the highest level can be cited,

firstly, the fact that the budget is a powerful means of influencing economic and social development, secondly, the establishment of equal access to services for various members of society, and thirdly, a clear definition of government priorities.

There is a need for more active participation of Parliament in the management of public credit. In this context, a general decision was made that Parliament should have the authority to approve loans before he is imprisoned. Parliament should be informed in detail:

- volume of loans issued;
- purpose of loans;
- beneficiaries;
- possible restrictions and conditions imposed by credit institutions<sup>8</sup>.

International financial institutions and donor organizations play an important role in the budgetary process of countries with a high level of external debt. Under strict conditions for obtaining a loan by international financial institutions and donors, the role of the legislative body may be limited to the formation of a budget reflecting previous agreements between creditors and the executive branch.

The organizational and legal basis of international organizations of financial control bodies, including INTOSAI (International Organization of Supreme Audit Institutions) and other regional organizations are studied by a number of lawyers and economists, in particular N. Azuma<sup>9</sup>, A.Nikonova<sup>10</sup>, M.V.Melnik<sup>11</sup>, E.Gorissen<sup>12</sup>.

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<sup>7</sup> Union I. P. Inter-Parliamentary Union. – Inter-Parliamentary Union, the Information Officer, 1996.

<sup>8</sup> Inter-Parliamentary Union (2003).

<sup>9</sup> Azuma N. The framework of INTOSAI Government Auditing Standards: in the stream of international convergence // Government Auditing Review. – 2008. – Т. 15. – С. 77-97.

<sup>10</sup> Ніконова О. Міжнародні стандарти INTOSAI: основні положення, аудиторські підходи, термінологія // Бухгалтерський облік і аудит. – 2011. – №. 2. – С. 29-35.

<sup>11</sup> Мельник М. В. Международные стандарты ISSAI и INTOSAI GOV: структура, содержание и практика применения высшими органами финансового контроля // Сибирская финансовая школа. – 2012. – №. 6. – С. 135-144.

<sup>12</sup> Gørrissen E. The role of the INTOSAI Development Initiative (IDI) in strengthening the capacity and performance of supreme audit institutions in developing countries // Journal of Public Budgeting, Accounting & Financial Management. – 2020.

Three of the 12 principles<sup>13</sup> defining the main activities of INTOSAI are directly related to the importance of the parliament's activities, and the principles of “responding to the changing environment and emerging risks”, “effective interaction with stakeholders”, “relying on a reliable source of independent and impartial information and recommendations that contribute to beneficial changes in the public sector” regulate the relationship of parliaments with financial control organizations-accounting chambers.

In Lima, in 1977, at the IX Congress of INTOSAI (International Organization of Supreme Financial Control Bodies), a Declaration was adopted, which defined the basic principles and tasks of external control over public finances in a democratic society<sup>14</sup>.

It should be noted that the INTOSAI Lima Declaration on Control Principles, adopted half a century ago, emphasized that control methods should be improved on the basis of scientific and technological progress and management methods. But in critical cases, the financial control body can transfer its professional knowledge and experience to the parliament and the executive branch in the form of an expert opinion, including comments on draft laws and other provisions related to financial issues<sup>15</sup>.

The consultative group meetings have become an important opportunity for the private sector and civil society groups to vote for Governments and donors on economic policy and budget issues. In some countries, members of Parliament participate in these meetings individually and on the basis of proposals. However, to ensure the effectiveness of the legislative body's participation in the meetings of advisory groups, it is advisable to change the institutional approach. For example, the Parliament may delegate powers to its budget or finance committee. It is also worth noting that Brazilian MPs have recently created a group to monitor relations between the government and donors<sup>16</sup>.

In our opinion, the establishment of interaction between parliamentary committees is possible by organizing the rules of procedure for meetings of the advisory groups of the Inter-Parliamentary Union on the basis of a “flexible” institutional approach. It should be particularly noted that the Parliament, at consultative meetings with donor organizations, will discuss the issue of external debt on the basis of alternative information other than the information provided by the executive branch.

### Literature

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<sup>13</sup>ISSAI 12: Значение и преимущества высших органов аудита – влияние на жизнь граждан // URL: <https://www.intosai.org/ru/dokumenty/svobodnyi-dostup>

<sup>14</sup>Abidov M. MAIN DIRECTIONS OF IMPROVING STATE FINANCIAL CONTROL IN UZBEKISTAN //International Finance and Accounting. – 2020. – Т. 2020. – №. 5. – С. 2.

<sup>15</sup>Шохин С. О. Перспективные направления развития государственного финансового контроля //Финансовое право. – 2020. – №. 4. – С. 26-28.

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