

UK ‘relatively lax’ at scrutinising public spending

Kate Allen, Political Correspondent APRIL 18 2016

The UK is relatively lax, compared with other developed countries, at scrutinising its public spending, the OECD said, as MPs consider how to improve the system.

At present, the House of Commons authorises government spending plans. But in practice, the government’s requests are waved through by MPs with little detailed examination.

“It is notable that parliamentary capacity for financial scrutiny in the UK has tended to be relatively weak,” Jón Blöndal, head of the OECD’s budgeting and public expenditures division, wrote in a recent letter to Charles Walker, the chairman of the procedure committee of the House of Commons.

He said in other OECD countries there has been “a resurgence of legislative roles and responsibilities in budgeting”. The UK Parliament needs to “improve budget and [spending] estimates oversight”, Mr Blöndal added.

The committee will hear evidence from the OECD and other public sector finance experts this week.

Joachim Wehner, an associate professor at the London School of Economics, has submitted written evidence to the committee arguing that “in practice the House of Commons has little influence on [public spending decisions](#)”.

MPs have “limited powers” to make changes to legislation that involves financial measures and the government has “vast discretion” in how it spends public money, he said.

Parliament receives spending estimates months later than politicians in other OECD countries do, and has little specialist research capacity which in other countries enables MPs to carry out detailed analysis and scrutiny.

David Heald, a professor of public sector accounting at the University of Glasgow, said that “good technical processes [in the UK parliament] are marred by abusive political practices, creating distrust in official numbers”.

Specifically he cited as problems the “vast power” of the executive and “the well established practice of leaking and planting media stories that precedes most Budget, Autumn Statement and Spending Review announcements”.

Off-balance sheet financing arrangements such as PFI also obfuscated the government finance picture, Prof Heald said, while the treasury select committee, whose job is to scrutinise

government spending, was “overstretched” and “does not function as a spending and tax committee”.

Devolution of tax and spending may help to reform the situation by creating greater oversight and shifting powers away from Westminster, he added.

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