

Concepts and Main Actors of Financial Oversight in the Security Sector



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Tool **2**

Tool 2

Concepts and Main Actors of Financial Oversight in the Security Sector

Lena Andersson



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About DCAF

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) promotes good governance and reform of the security sector. The Centre conducts research on good practices, encourages the development of appropriate norms at the national and international levels, makes policy recommendations and provides in-country advice and assistance programmes. DCAF's partners include governments, parliaments, civil society, international organisations and the core security and justice providers such as police, judiciary, intelligence agencies, border security services and the military.

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- Ministry of Finance
- Ministry of Interior
- Central Military Financial Administration
- Palestinian Anti-Corruption Commission
- Palestinian National Security Forces

Introduction

Why is financial oversight in the security sector important?

Financial oversight in the security sector is a key instrument for ensuring that public funds allocated by the state for the security of the people are spent in a transparent and accountable manner.

However, the financial management of security sector institutions is often characterised by opacity rather than transparency. Even in established democracies, the budgets and financial operations of law-enforcement, military and intelligence organisations are often concealed from public scrutiny and sometimes even from formal external oversight by parliament or audit institutions. Furthermore, in many developing countries, disproportionate security expenditures prevent the use of public funds for socio-economic development.

Why this Toolkit?

Building the conceptual and technical capacities of specialised practitioners is a crucial step towards strengthening financial oversight in the security sector. This Toolkit is designed for financial oversight practitioners who wish to:

- Gain access to best international practice in financial oversight of the security sector
- Improve their professional ability to financially oversee security sector institutions
- Acquire a more proactive attitude toward conducting thorough financial oversight activities of security sector institutions
- Assert their authority in scrutinising budgets and financial operations conducted by security sector institutions.

How was this Toolkit developed?

The exercises and training material included in this Toolkit were developed in the framework of the Geneva Centre for the Democratic Control of Armed Forces (DCAF)'s work in the occupied Palestinian territory in 2013-2014 to promote strengthening of financial oversight in the security sector. In 2013, DCAF facilitated a training needs assessment of financial oversight practitioners, followed by a training course in 2014 for employees from key financial oversight institutions in the occupied Palestinian Territory. DCAF developed this training material in cooperation with international experts and with the financial support of the European Union.

The tools that are part of this training manual contain a generic component to be used in virtually any country where financial oversight practitioners in the security sector require capacity building. The tools also contain a locally adapted component, which offers examples from the Palestinian training course and suggestions for how to adapt activities and materials to suit the trainer's own context.

Other DCAF publications on financial oversight in the security sector

In addition to this Toolkit, DCAF has published other reference material on financial oversight in the security sector. These publications include:

1. Guidebook: Strengthening Financial Oversight in the Security Sector, 2012.
2. A Palestinian Legal Collection: Financial and Administrative Oversight in the Security Sector, 2013 [English edition forthcoming]
3. Financial Oversight in the Security Sector: A Compilation of International Standards, 2015.

To download these or other publications please visit: www.dcaf.ch/publications

Using the Training Toolkit

Overview

The training toolkit has been designed to be used as a whole training course, which covers six different topics relevant to financial oversight and security sector governance. The six topics may also be used individually as 'stand-alone' training sessions.

What does the Toolkit include?

The training Toolkit includes one introductory tool (Tool 1) and six training tools on financial oversight in the security sector. Each tool has a three-hour generic component. The generic material is internationally applicable and can be used without adaptation in any training context. In addition, there are suggestions and example activities for further localised material. This material is designed to be adapted by the trainer to engage with local issues specific to the trainer's own context. It is envisaged that the localised session would take two hours, but it can be as long as the trainer deems necessary.

The toolkit contains the following seven tools (including this one):

Tool 1. Using the Toolkit and Acquiring Trainings Skills

Tool 2. Concepts and Main Actors of Financial Oversight in the Security Sector

Tool 3. Medium-term Strategic Financial Planning for Security Sector Institutions: Tools and Techniques

Tool 4. The Budget Cycle and the Security Sector

Tool 5. Building Integrity of Security and Defence Institutions and the Audit Function

Tool 6. Handling Legal Gaps while Practicing Financial Oversight in the Security Sector

Tool 7. Financial Oversight of Intelligence Agencies

These tools may be used for individual training workshops on each topic or as a comprehensive training course.

The toolkit user

The training sessions in the Toolkit are intended to be read and used by trainers with expertise in financial oversight and security sector governance and reform.

The target audience

The target audience for the training course outlined in the Toolkit is mainly practitioners involved in financial oversight of public institutions, including security sector organisations. These practitioners include specifically, but not exclusively:

- Parliamentarians and their staffers who are involved in financial oversight and budget control activities
- Members of supreme audit institutions (SAIs) who provide expertise and support in financial oversight activities
- Strategic-level members of security and defence institutions in charge of preparing and executing budgets
- Representatives of executive authorities, including ministries who oversee the preparation and execution of security and defence budgets
- Officers and auditors working in core security and justice institutions whose role is to perform internal controls and audits.

The ideal number of participants for the course is around 15 participants. However, the course may be used with more participants.

Using the toolkit in the trainer's own context

As mentioned above, the tools in this toolkit consist of generic training sessions and locally adapted training sessions. The generic training sessions included in the toolkit have been developed to be used in any context. However, if possible, the trainer should conduct some form of needs assessment in his/her own context. Based on the results of the analysis, the trainer can understand which training sessions to use, which to prioritise, and which to adapt. The localised training sessions also give examples and offer suggested objectives for use in the trainer's own context.

When choosing which of the sessions in the toolkit to use, the trainer can choose to use only part of a session or to rearrange the order of the activities if desired. However, the trainer should be aware that some of the activities in a session follow each other, and one activity may often build on a previous activity.

The structure of a generic training session

A generic training session consists of the following five elements:

1. **The introduction** lists the learning objectives and focus questions for the session. It also lists the handouts and trainer resources that are used in the session.
2. **The session plan** gives a full overview of the training session. It is a guide for the trainer to get a quick understanding of the session. It is also used as a quick reference to help the trainer to keep track of activities and of timing during the training.
3. **The description of activities** explains in more detail how to carry out the activities listed in the session plan individually.
4. **The handouts** are given to the participants during the activities in the sessions. They are easily photocopied and can include:
 - Worksheets with tasks for the participants to complete

- Hardcopies of PowerPoint presentations
- Summaries of key information
- Extracts of, or references to, publications

5. The trainer resources provide supporting information for the trainer. They can include:

- Summaries of international best practices
- Answer sheets

Types of activities

The types of activities in the sessions are designed to involve and engage the participants. The participants are expected to build their own understanding of the concepts and issues presented. Often this means encouraging participants to work and provide feedback in groups rather than 'teaching' them topics in a non-participative way.

Trainers might nevertheless be advised to make PowerPoint presentations. The training tools do include handouts with PowerPoint presentations, which may be adapted by the trainer as required. However, the trainers are encouraged to use a minimum number of slides. It is also recommended that they use images or other types of documents that are likely to trigger participants' attention and active participation. The trainer may provide the participants with a hardcopy of the presentation before or after it is shown. The trainer may also ask the participants to discuss a question in pairs before asking for feedback.

The structure of a local training session

A local training session contains example materials and objectives for the local sessions to cover. It is given as an example for the trainer to draw on in his or her own context when devising his or her own localised sessions and materials.

A local training session consists of the following four elements:

1. **Session objectives:** These are objectives that can be addressed by the trainer in his or her own context.

2. **Suggested content** to be covered: This content addresses the objectives and can be adapted by the trainer to fit his or her own context.
3. **Example activity(ies):** The example activity(ies) include time, materials and a description of the activity.
4. **Suggested sources:** The suggested sources are references for the trainer to use when adapting these example activities.

Concepts and main actors of financial oversight in the security sector: the training session

Learning objectives

This session aims to give participants a working knowledge of what the security sector and what security sector governance (SSG) are and an understanding of who the main actors in financial oversight are. The session allows participants to understand their role in the financial oversight process. The specific learning objectives include:

- Becoming familiar with the main actors of the security sector and their roles
- Understanding the main principles of security sector governance and security sector reform
- Becoming familiar with the main actors involved in financial oversight in the security sector, their roles and responsibilities and the main tools of financial oversight they use

- Learning from other experiences of financial oversight practice in the security sector

Focus questions

The following questions are addressed through the activities in this session:

- What is the security sector?
- What is security sector governance?
- What is the role of financial oversight in the security sector?
- Why is financial oversight in the security sector important?
- Who are the main financial oversight actors?
- How do these financial oversight actors interact?

Overview

Session Plan 2 Concepts and main actors of financial oversight in the security sector

Description of Activities

Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector

Handout 2.2 Worksheet: Layers of the security sector

Handout 2.3 A list of actors in the security sector

Handout 2.4 Worksheet: Financial oversight actors' matrix

Handout 2.5 Worksheet: Police operations' matrix

Trainer Resource 2.1 A list of actors in the security sector

Trainer Resources 2.2 Answers to Handout 2.4: Worksheet: Matrix of financial oversight actors

Trainer Resources 2.3 Answers to Handout 2.5: Worksheet: Matrix of police operations spending

Trainer Resource 2.4 Answer Sheet to Handout 2.5: Worksheet: Matrix of Police Operations's Spending

Trainer Resource 2.5 The Financial Oversight Role of Parliament and its Tools

Trainer Resource 2.6 Parliamentary Committees in Several European Countries and Their Roles in Approving the Defense Budget and Overseeing Its Execution

Trainer Resource 2.7 World Bank Database on Governance Indicators

Session Plan

| Concepts and main actors of financial oversight in the security sector | | | | |
|--|---|-------------------------|---|---|
| Learning objectives | Participants will be able to: <ol style="list-style-type: none"> 1. Become familiar with the main actors of the security sector and their roles 2. Understand the main principles of security sector governance and security sector reform 3. Become familiar with the main actors involved in financial oversight in the security sector, their roles and responsibilities and the main tools of financial oversight they use 4. Learn from other experiences of financial oversight practice in the security sector | | | |
| Content to be covered | <ul style="list-style-type: none"> • Clarifying concepts of the security sector, security sector governance and security sector reform • Understanding the role and importance of financial oversight in the security sector • Knowing the main actors in financial oversight in the security sector • Discussing the functions of parliament and other financial oversight actors and the tools available to them when executing financial oversight in the security sector | | | |
| Time | 180 minutes | | | |
| Activity | Time | Description of activity | Grouping and materials | Session objectives |
| 1. | 15 min | Introduction | Trainer to whole group and pairs Flipchart | <p>-</p> <p>The trainer introduces her/himself presenting his/her expertise and experience of the topic.</p> <p>The trainer overviews the session (relevance, focus questions addressed, activities and timing). The trainer proposes the following guiding questions:</p> <ul style="list-style-type: none"> • What does security sector reform mean? • What does financial oversight in the security sector mean? • Who are the main actors in financial oversight? • What are their roles in practising financial oversight? • How and to whom do they report? <p>Participants are asked to list three expectations for this training session. The trainer writes a selection of their expectations on a flipchart.</p> |

| Activity | Time | Description of activity | Grouping and materials | Session objectives | Comments |
|----------|--------|---|--|--------------------|--|
| 2. | 10 min | PowerPoint presentation: <i>Strengthening financial oversight in the security sector</i> (slide 1) | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slide 1) | Obj. 1 | The trainer presents slide 1 of the PowerPoint presentation (Handout 2.1). Slide 1 contains a layered presentation of the security sector and its actors (in the shape of an onion) with the following four layers (from bottom to top): 1) core security and justice providers, 2) executive authorities, 3) legislative oversight bodies, 4) civil society and media. The trainer goes through the different layers and explains which actors are considered being part of the security sector and why layers 2, 3, and 4, as well as justice providers are included in the broad definition of the security sector. |
| 3. | 30 min | Discussion: <i>Placing actors in the security sector</i> | In pairs Handout 2.2 Worksheet: Layers of the security sector Handout 2.3 A list of actors in the security sector | Obj. 1, 3 | Participants work in pairs. They are given 10 minutes to place the actors (Handout 2.3, to be cut into pieces) in the different layers of the security sector 'onion' (Handout 2.2). Pairs then compare their answers with other pairs before giving feedback to the whole group. The trainer should ensure that all participants have the correct answers at the end of the activity. |
| 4. | 10 min | PowerPoint presentation: <i>Strengthening financial oversight in the security sector</i> (slides 2 - 4) | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slides 2-4) | Obj. 2, 3 | The trainer presents slides 2 - 4 of the PowerPoint presentation (Handout 2.1). These three slides of the PowerPoint presentation address the following questions: • What does security sector governance and reform mean? • What does financial oversight in the security sector mean? • What is good governance? The trainer may ask questions of the participants and may also encourage questions from them. |
| 5. | 15 min | Presentation: <i>Governance indicators for Sweden, Lebanon and Jordan</i> | Trainer to whole group Trainer Resource 2.7 World Bank Database on Governance Indicators World Bank web page: http://info.worldbank.org/governance/wgi/index.aspx#home In case an Internet connection is not available, the trainer should print out the relevant governance indicators for this session. | Obj. 2 | The trainer presents to the group the World Bank website for governance indicators (Trainer resource 2.7). He/she selects the governance indicators for Sweden, Lebanon and Jordan and explains in detail what they represent and what the scores mean. The trainer also reflects with the group on the differences between the countries and what the reasons behind these differences could be. |

| Activity | Time | Description of activity | Grouping and materials | Session objectives | Comments |
|----------|--------|---|--|--------------------|--|
| 6. | 5 min | <i>PowerPoint presentation: Strengthening financial oversight in the security sector (slide 5)</i> | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slide 5) | Obj. 3, 4 | The trainer presents slide 5 of the PowerPoint presentation (Handout 2.1) which lists the three layers of the security sector 'union' that contain the main actors in financial oversight in the security sector. The trainer then introduces the following group exercise (Activity 7). |
| 7. | 20 min | <i>Discussion: Identifying internal or external and formal or informal financial oversight actors</i> | Small groups Handout 2.4 Worksheet: Matrix of financial oversight actors | Obj. 3, 4 | In small groups, participants are invited to discuss and identify the main financial oversight actor (formal and informal, internal and external) in their country. They are given empty cards and asked to write down the names of the identified actors on the cards (one actor per card). Participants work together in their small groups to place each card in one of the four squares of the matrix on the handout (Handout 2.4). The small groups then present their answers to the whole group, and the trainer uses the flipchart to collect the answers of all groups in one matrix. |
| 8. | 15 min | <i>PowerPoint presentation: Strengthening financial oversight in the security sector (slides 7 - 9)</i> | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slides 7-9) | Obj. 3, 4 | The trainer presents slides 7 - 9 of the PowerPoint presentation (Handout 2.1) to complete the list of actors developed by the small groups in Activity 7, by going through the three main layers of financial oversight actors (executive, legislative, civil society and media). The trainer also explains their roles in financial oversight and performance issues (for additional information, see Trainer Resource 2.3) The trainer may ask questions of the participants and may also encourage questions from them. |
| 9. | 20 min | <i>Discussion: Measuring and reporting on police operations from a performance perspective</i> | Small groups Handout 2.5 Worksheet: Police operations' matrix | Obj. 3 | Working again in small groups, the trainer asks participants to discuss and write down three ways of measuring and reporting on police operations from a performance point of view. The trainer also asks the groups to discuss and write down what types of costs they would like to have specified in a report on the spending of a police force. (Handout 2.5) |
| 10. | 10 min | <i>PowerPoint presentation: Strengthening financial oversight in the security sector (slides 12-13)</i> | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (slides 12-13) | Obj. 4 | The trainer presents slide – 12-13 of the PowerPoint presentation (Handout 2.1) which address the function and tools of Parliament for practising financial oversight. The trainer may ask questions of the participants and may also encourage questions from them. |

| | | | | | |
|-----|--------|--|--|--------|--|
| 11. | 20 min | <i>Presentation: A Swedish parliamentary hearing related to defence operations</i> | Trainer to whole group Resource: 'Chapter 3. In Guidebook: <i>Strengthening Financial Oversight of the Security Sector</i> , DCAF 2011 | Obj. 4 | Trainer leads participants through a Swedish parliamentary hearing. Participants refer to table 3 on page 20 of the DCAF publication, <i>Guidebook: Strengthening Financial Oversight of the Security Sector</i> (2011). Participants compare the Swedish case with the other countries' parliamentary committee structures for dealing with the security and defence budgets. |
| 12. | 10 min | <i>Conclusion, re-cap PowerPoint presentation: Strengthening financial oversight in the security sector (slide 14)</i> | Trainer to whole group Handout 2.1 PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slide 14) | - | The trainer presents slide 14 of the PowerPoint (Handout 2.1) which introduces why financial oversight in the security sector is important to achieve transparency and accountability. The trainer asks participants to list the two most important things they have learnt in the session. |



Description of activities

This section describes in more detail the activities listed above in the Session Plan.

Activity 1. Introduction

This activity introduces the trainer, the session and the participants. It also allows the participants to state their expectations for the session.

The trainer introduces her/himself and her/his relevant expertise and experience of the topic. The trainer overviews the session (relevance, focus questions addressed, activities and timing) and poses the following guiding questions:

- What does security sector reform mean?
- What does financial oversight in the security sector mean?
- Who are the main actors in financial oversight?
- What is their role in practising financial oversight?
- How and to whom do they report?

The trainer invites participants to introduce themselves and their institutions. He/she asks them to list three expectations for this training session. The trainer writes down a selection of these expectations on a flip-chart for them to be returned to later in the concluding activity.

Materials:

- Flipchart

Activity 2. PowerPoint presentation: Strengthening financial oversight in the security sector (slide 1)

The trainer presents slide 1 of the PowerPoint presentation (**Handout 2.1**). Slide 1 contains a layered presentation of the security sector and its actors/institutions (in the shape of an onion) with the following four layers (from bottom to

top): 1) core security and justice providers, 2) executive authorities, 3) legislative oversight bodies, 4) civil society and media.

The trainer goes through the different layers and explains which actors are considered being part of the security sector and why layers 2, 3, and 4, as well as justice providers are included in the broad definition of the security sector.

The trainer may ask specific questions to the participants and encourage them to provide their answers, even if they are not sure they know the answers.

Materials:

- Computer, projector
- **Handout 2.1** PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector (Slide 1)

Activity 3. Discussion: Placing actors in the security sector

Participants work in pairs. They are given approximately 10 minutes to place the security sector actors (**Handout 2.3**, to be cut into pieces) in the different layers of the security sector 'onion' (**Handout 2.2**). For the remaining 20 minutes, pairs compare their answers with those of other pairs and then give feedback to the whole group. The trainer answers questions or encourages a discussion about the inclusion or exclusion of certain actors.

Materials:

- Flipchart
- **Handout 2.2** Worksheet: Layers of the security sector
- **Handout 2.3** A list of actors in the security sector: to be cut into pieces, one handout per group
- **Trainer resource 2.1** A list of actors in the security sector, sorted by layer

Activity 4. PowerPoint presentation: Strengthening financial oversight in the security sector (slides 2 - 4)

The trainer presents slides 2-4 of the PowerPoint presentation (**Handout 2.1**). These slides address the following questions:

- What does security sector reform and governance mean?
- What does financial oversight in the security sector mean?
- What is good governance?

The trainer may invite the participants to ask questions.

Materials:

- **Handout 2.1** PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector

Activity 5. Presentation: Governance indicators for Sweden, Lebanon and Jordan

The trainer presents the website of the World Bank database on governance indicators to the whole group. The URL is:
<http://info.worldbank.org/governance/wgi/index.aspx#home>

The trainer leads the group through the World Bank website for governance indicators. He/she selects the governance indicators for Sweden, Lebanon and Jordan and explains in detail what they represent and the scores mean.

The trainer also reflects with the group on the differences between the countries and what the reasons behind these differences might be.

In case an Internet connection is not available, the trainer should print out the relevant governance indicators for this session and distribute them as a hand-out.

Materials:

- Computer, Internet connection, projector

- **Trainer resource 2.7** World Bank database on governance indicators
- World Bank website: <http://info.worldbank.org/governance/wgi/index.aspx#home>

Activity 6. PowerPoint presentation: Strengthening financial oversight in the security sector (slide 5)

The trainer presents slide 5 of the PowerPoint presentation (**Handout 2.1**) which lists the three layers of the security sector 'onion' that contain the main actors of financial oversight in the security sector.

The trainer then introduces the following group exercise (Activity 7)..

Materials:

- **Handout 2.1** PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector

Activity 7. Discussion: Identifying internal or external and formal or informal financial oversight actors

In small groups, participants are invited to discuss and identify the main financial oversight actors in their country or countries. They are given empty cards and are asked to write the names of the identified financial oversight actors (formal and informal, internal and external) on the cards (one actor per card).

In their small groups, the participants then place the identified financial oversight actors in the four squares of the matrix on the handout (**Handout 2.4**).

Once all the groups are ready, they present their actors and matrix to the whole group.

During the group presentations, the trainer notes down the actors on a flipchart. He/she collects the answers of all the groups in one collective matrix.

Materials:

- Empty cards

- **Handout 2.4** Worksheet: Matrix of financial oversight actors
- Flipchart

Activity 8. PowerPoint presentation Strengthening financial oversight in the security sector (slides 7 - 9)

The trainer presents slides 7-9 of the PowerPoint presentation (**Handout 2.1**) to complete the list of actors developed by the small groups in Activity 7, by going through the three main layers of financial oversight actors (executive, legislative and civil society and media branches). –The trainer also present the roles of the main actors in conducting financial oversight in the security sector. See **Trainer Resource 2.3** for additional information on the financial oversight roles of these various actors.

He/she introduces the importance of reporting of performance and financial issues.

The trainer may invite the participants to ask questions.

Materials:

- **Handout 2.1** PowerPoint presentation hardcopy Strengthening financial oversight in the security sector

Activity 9. Discussion: Measuring and reporting on police operations from a performance perspective

The trainer introduces the exercise in which the participants will play the role of financial oversight controllers. The objective of this activity is give an example of how one can measure the performance of the police and how to report it to his/her supervisor.

The trainer asks the groups to discuss and write down three ways of measuring and reporting on police operations from a performance point of view. Measuring performance of the police might be conducted using quantitative and qualitative methods and other cross-cutting analyses.

The trainer also asks the groups to discuss and write down what types of costs they would like to have specified in a report on the spending of a police force. (**Handout 2.5**)

Materials:

- **Handout 2.5** Worksheet: Matrix of police operations spending

Activity 10. PowerPoint presentation: Strengthening financial oversight in the security sector (slides 12 - 13)

The trainer presents slides 12-13 of the PowerPoint presentation (**Handout 2.1**). Slides 14-15 address the function and tools of Parliament in practising financial oversight. As the legislative authority, the Parliament establishes and amends the legal framework for financial accountability of the security and defence institutions. The legislative branch also has the power to approve the state budget. Ideally, the Parliament has access to the budget of the security institutions and can scrutinize this budget before approving it. For more information, see **Trainer Resource 2.5**.

The trainer may invite the participants to ask questions.

Materials:

- **Handout 2.1** PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector
- **Trainer Resource 2.5** The Financial Oversight Role of Parliament and its Tools

Activity 11. Presentation: A Swedish parliamentary hearing related to defence operations

The trainer leads participants through the process of a Swedish parliamentary hearing. The trainer and participants examine a real case of an open parliamentary hearing in the Swedish parliament related to defence operations. They go through the whole process, including:

- government decisions,

- auditing and subsequent reporting to the parliament by relevant parliamentary committees,
- parliamentary hearing,
- government decisions based on parliamentary hearings and audit reports by relevant parliamentary committees,
- auditing follow-up on previous findings by relevant parliamentary committees, and
- new parliamentary hearings.

For more information, trainer and participants refer to Chapter 3 of the DCAF publication, *Guidebook: Strengthening Financial Oversight in the Security Sector* (2011).

Materials:

- Resource: 'Chapter 3. Guidebook: Strengthening Financial Oversight in the Security Sector, DCAF 2011

Activity 12. Conclusion and re-cap, final slide of PowerPoint presentation: Strengthening financial oversight in the security sector (slide 14)

The trainer presents slide 14 of the PowerPoint presentation (**Handout 2.1**). This slide offers a general overview of the importance of financial oversight as a tool for achieving transparency and accountability of the security sector's expenditures.

Financial oversight in the security sector is important because it holds service providers in the field of security and defence accountable for their use of public funds. Properly enacted, financial oversight in the security sector ensures that:

- resources are allocated according to the security needs of the citizens;
- expenditures for security and defence are made in a transparent and efficient manner;

- core security and justice providers do not act as a state within the state and remain financially accountable to their oversight institutions and affordable for society; and
- public funds allocated for security and defence do not infringe on programmes aiming at reducing poverty and promoting sustainable social and economic development.

The trainer also asks the participants to write down on a piece of paper the two most important things they have learnt in the session. The trainer then asks selected participants to share their two points with the whole group. The trainer refers back to the expectations listed in Activity 1 and discusses with the participants if they have been met.

Materials:

- **Handout 1.1** PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector



Handout 2.1

PowerPoint presentation hardcopy: Strengthening financial oversight in the security sector



What is security sector reform?

To change for the better the ability to meet security needs within democratic norms and sound principles of governance, transparency and rule of law.

What is security sector governance?

Good security sector governance means that the security sector provides state and human security, effectively and accountably, within a framework of democratic civilian control, rule of law and respect for human rights.

Actors in Financial Oversight of the Security Sector

What is financial oversight in the security sector?

A tool for ensuring that funds allocated for the security of the people are spent in correctly in a transparent, accountable manner.

Effective financial oversight in the security sector ensures that:

- formal and informal oversight institutions systematically monitor how the armed, police and security forces make use of public funds;
- parliamentary, judiciary and audit authorities detect, investigate and address flaws and violations by security and defence actors of
- financial accountability laws, regulations and policies;
- administrative or criminal proceedings are enacted against security and defence personnel found guilty of corruption;
- civil society and academic centres conduct inclusive public debates and research to estimate the costs of the country's past and future human, economic and security needs.

What is Good Governance?

- Voice and accountability
- Political stability and absence of violence
- Government effectiveness
- Regulatory quality
- Rule of law
- Control of corruption

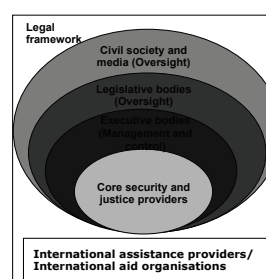
Source: Six dimensions of good governance as defined by the World Bank.

Actors in Financial Oversight of the Security Sector

Who are the actors of financial oversight in the security sector?

- Executive branch
- Legislative branch
- Civil Society
- Media

Formal actors and informal actors



Group Exercise

| | External | Internal |
|----------|----------|----------|
| Formal | | |
| Informal | | |

Executive branch

- Ministry of Finance or Treasury
- Ministry of Defence
- Ministry of Interior
- Ministry of Justice
- Ministry of Planning
- Council of Ministers
- Office of the President
- Inspector Generals
- Internal Auditors
- Armed Forces Specific Ombudsman

Legislative branch

- Parliament
- Defence Committee
- Security and Interior Committee
- Budget and Finance Committee
- Public Accounts Committee
- Supreme Audit Institution

Civil Society

- Think tanks
- Academic and research centres
- Human rights and similar organisations

Media

- Press councils
- Written press
- Audio-visual and web-based outlets
- Social media
- Media development organisations

Reporting on financial issues

- Budget execution compared to allocated budget
- Distribution of budget line for a budget user
 - For example personnel costs, equipment, investments
 - Using benchmarks, for example number of employees, inhabitants, crime rates and so on.
- Comparisons over time:
 - Budget allocation / execution both amount and percentage of overall budget
 - Budget execution compared to budget allocated

Reporting (continued)

- Reporting on performance issues
 - Number of activities
 - Quality of activities
- Reporting on performance/financial issues
 - Cost / activity

Parliament's two functions

- Legislative function
- Oversight function

Parliament's toolbox for financial oversight

- Questions and interpellations
- Parliamentary committee hearings
- Ad hoc parliamentary commissions of inquiry
- Monitoring
 - Procurements, policies, appointments

Why is financial oversight in the security sector important?

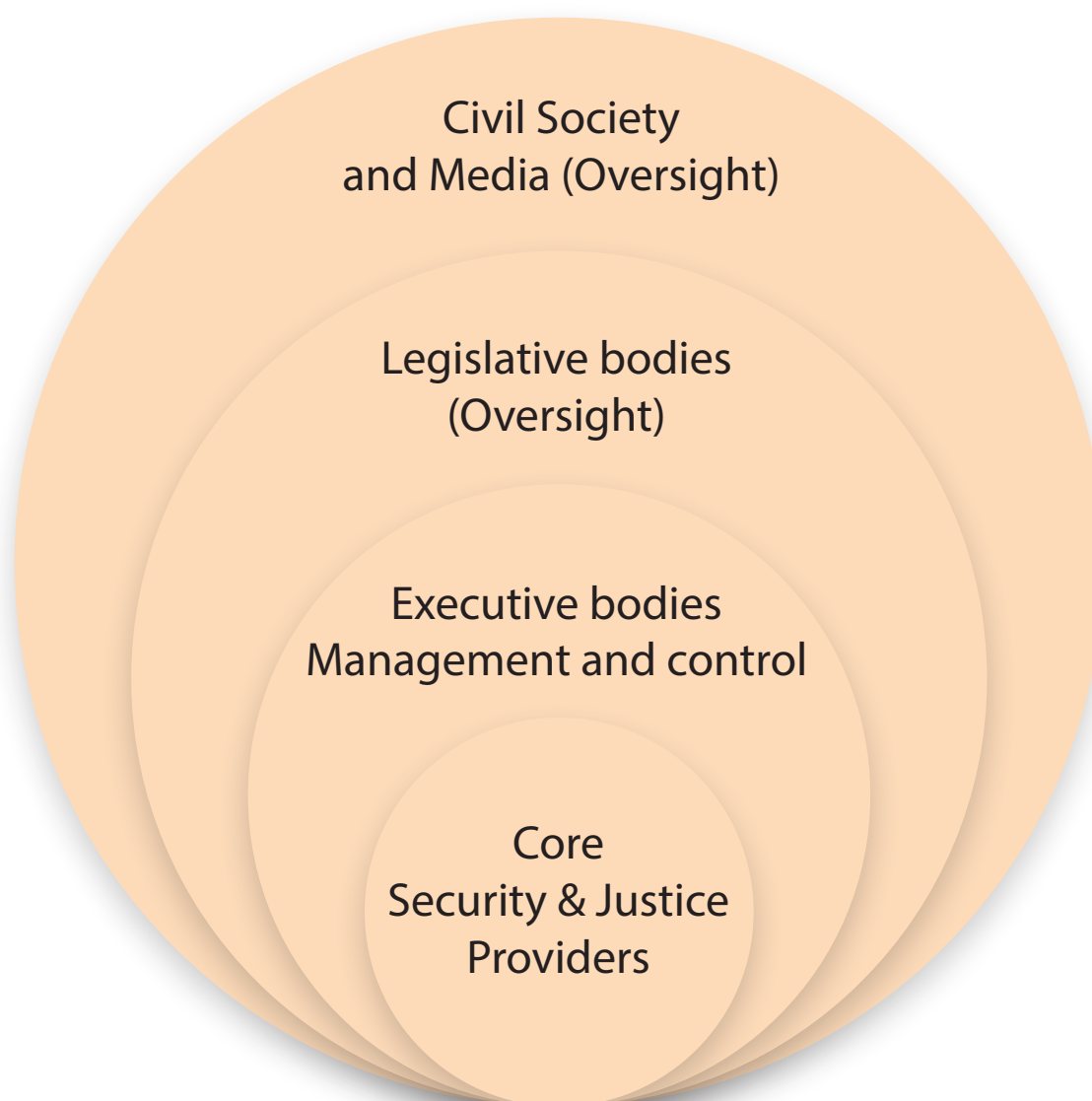
- Ensure sustainable resource allocation
- Transparent spending of funds
- Hold core security and justice providers accountable



Handout 2.2

Worksheet: Layers of the security sector

Legal framework



International assistance providers



Handout 2.3

A List of Actors in the Security Sector

In groups

These security sector actors are to be placed on the respective layers of the security sector ('onion') in Handout 2.2.

To be cut along the dotted lines into individual pieces of paper

| | | |
|--|---|--|
| Human rights organisations | Financial management bodies | Religious communities |
| Private sector / Business community | Armed Forces | Humanitarian aid organisations |
| Intelligence agencies | Academia | National Security Council |
| Various ministries (Ministry of Defence, Interior, etc.) | Parliament and parliamentary committees | International development organisations |
| Militias | Media outlets and organisations | Think tanks |
| Courts | Private security companies | Public prosecution |
| Trade unions | Civil society organisations | Police |
| Prisons | Political parties | Presidency |
| Council of Ministers/ Cabinet | Liberation armies | (Optional: Tribal reconciliation mechanisms) |



Handout 2.4

Worksheet: Matrix of financial oversight actors

Work in small groups. Identify and discuss internal and external, as well as formal and informal financial oversight actors in your country/countries. Write them down into the appropriate square of the matrix below.

| | External | Internal |
|----------|---|---|
| Formal | <ul style="list-style-type: none">••••••••• | <ul style="list-style-type: none">••••••••• |
| Informal | <ul style="list-style-type: none">••••••••• | <ul style="list-style-type: none">••••••••• |



Handout 2.5

Worksheet: Matrix of police operations' spending

List three ways of measuring and reporting on police operations from a performance point of view:

1.

2.

3.

As the financial controller, what types of costs would you like to have specified in an expenditure report of a police force?

•

•

•

•

•



Trainer Resource 2.1

Answer Sheet to Handout 2.2: A List of Actors in the Security Sector

Civil Society and Media

- Civil society organisations
- Human rights organisations
- Political parties
- Religious groups
- Trade unions
- Think tanks
- Academia
- Media outlets and organisations
- Private sector/ Business community

Legislative Oversight Bodies

- Parliament and parliamentary committees

Executive Management and Oversight Bodies

- Presidency
- Cabinet/ Council of Ministers
- National Security Council
- Various ministries (Ministry of Defence, Ministry of Interior, etc.)
- Financial management bodies

Core Security & Justice Providers

- Armed Forces
- Police
- Intelligence agencies
- Public prosecution
- Courts
- Prisons
- Private security companies
- Liberation armies
- Militias



Trainer Resource 2.2

Answer Sheet to Handout 2.4: Worksheet: Matrix of financial oversight actors

| | External | Internal |
|-----------------|---|---|
| Formal | <ul style="list-style-type: none"> • Supreme Audit Institutions • Parliamentary budget and finance committees • Parliamentary public accounts committee • Council of Ministers • Ministry of Finance | <ul style="list-style-type: none"> • Internal control department • Internal audit units • Budget/ financial department • Management |
| Informal | <ul style="list-style-type: none"> • Media • CSOs • Research institutions | <ul style="list-style-type: none"> • Whistle-blowers |



Trainer resource 2.3

Additional Information on Financial Oversight Actors and their Roles (Slides 7-9 of the PowerPoint Presentation)

Who are the actors in the Executive branch?

- **Various ministries**, including: the Ministry of Finance (or Treasury) and its Budget Department, the Ministry of Defence, the Ministry of the Interior, the Ministry of Justice and the Ministry of Planning. These ministries prepare the budget to be allocated to core security and justice providers and control the execution of the budget. In addition, their primary duties include formulating national security policies and estimating their costs, and managing and checking expenditures of the core security and justice providers. They usually all report to the Cabinet/ Council of Ministers. In some cases, some ministries might report on certain issues directly to the President's Office.
- **Internal control officers and auditors working in core security and justice institutions:** These include inspectors general, internal auditors or an armed forces specific ombudsman. Their roles are to strengthen internal control procedures, to conduct internal audits and to conduct investigations into cases of misuse of funds, financial fraud or mismanagement by the security and armed forces.

Who are the actors in the Legislative branch?

- **Parliament and its specialised committees.** This includes elected members of parliament and relevant committees. The committees may include the Defence Committee, the Security and Interior Committee, the Budget and Finance Committee, and if applicable the Public Accounts Committee. Members of parliament are responsible for establishing the legal framework to enhance financial accountability of the security institutions. Through the committees, the members of parliament have the capacity to oversee the security expenditures and to conduct investigations over alleged misuses of public funds.
- **Supreme Audit Institutions (SAIs).** These are the national bodies responsible for carrying out external and independent audits of the security sector institutions. They scrutinise security sector spending and provide an independent opinion on how the core security providers and their oversight and management bodies use resources in their operations.

Who are the civil society actors involved in financial oversight?

Civil society organisations. Those active in financial oversight in the security sector are mainly think tanks, academic and research centres, human rights and similar organisations. They can:

- monitor the state's expenditures for security and defence;
- conduct independent analyses of the budget and its security components;
- check whether the budgets for security and defence support the stated national security priorities;
- lobby in favour of making security and defence budgeting processes more transparent and accountable;
- expose cases of corruption or misuses of funds by security and defence officers; and

- provide training for civil servants and authorities on financial management of the security sector.

What is the role of media organisations?

Media institutions involved in financial oversight in the security sector. These include press councils, the written press, audio-visual and web-based media outlets and media development organisations. The media can:

- conduct investigative research on the financial management of the security institutions;
- raise awareness among citizens about the security and defence budgeting processes;
- provide critical and independent information on the use of public funds for security and defence purposes; and
- publicise audit reports covering expenditures for security and defence.



Trainer resource 2.4

Answer Sheet to Handout 2.5: Worksheet: Matrix of Police Operations's Spending

List three ways of measuring and reporting on police operations from a performance point of view:

1. Quantitative methods: By measuring outputs, for example the number of traffic controls conducted or the number of crimes reported and solved, it is possible to analyse if the police focuses on the "right areas" and if they are able to increase the number of controls. Moreover by combining outputs, for example the number of traffic police officers with the number of detected drunk drivers or the number of crimes reported, one can analyse the effectiveness of the police force.

Examples:

- measuring how long it takes for the police to arrive at a crime scene.
- measuring the proportion of reported crimes to those that are solved.

2. Qualitative methods: Surveys are a useful tool and often produce results that can be interpreted more clearly than administrative records and statistics collected through quantitative methods. The qualitative methods are especially useful when measuring attitudes among the public toward the police in general or how well the public thinks the police perform their duties.

Examples:

- interviewing individuals who had called the police previously on their view of the responsiveness of the police.
- measuring the job satisfaction among police officers.
- measuring the generalised trust that the police force has.

3. Comparing performance across police agencies. This method shows how well local agencies are performing compared to similar agencies.

As the financial controller, what types of costs would you like to have specified in the expenditure report of a police force?

- Salaries
- Other personnel costs (for example training)
- Running costs/overheads (supplies, telephone, rent, fuel, electricity)
- Cost for police equipment (for example forensic equipment, weapons, uniforms)
- Cost for investments (for example cars, computer system, surveillance equipment, buildings)



Trainer resource 2.5

The Financial Oversight Role of Parliament and Oversight Tools Available to Parliament

In terms of financial control, parliaments have two functions:

1. **Legislative function:** Parliament establishes and amends the legal framework for financial accountability of the security and defence institutions. Furthermore, parliaments enact the yearly budget document in form of a law (budget law). Parliament also passes laws governing the management of the security institutions, including human and material resources, and laws regulating the mandates of their oversight bodies, for example the audit office.
2. **Oversight function:** Parliament scrutinizes the state budget and thus also the budget of the security institutions. In many countries, parliaments and its specialized committees have the right to amend the budget before it is approved. Many parliaments regularly discuss in plenary sessions whether the funding request submitted by the government is appropriate. This also involves comparing these requests with the threats to national security identified in national security policies and the country's fiscal situation. Parliaments can also question the spending policy of the government.

The Parliament's Toolbox for financial oversight

1. **Parliaments conduct plenary debates** on security and defence issues. These debates can occur especially in times where international relations and major events like a war or political, environmental or economic crises. Such events imply significant modification or allocations of funds. At this stage, parliament and its members can:
 1. Query government officials such as ministers about their plans and policy intentions in their respective field of operation.
 2. Debate and pass motions about the security and defence budget amendments and discuss audit reports on budget executions.
 3. Suggest or request special audits from the State Audit Office.
2. One way of questioning the spending policy of a security institution is to organize (public) parliamentary committee hearing sessions during which the officials in charge of specific security expenditures can be required to explain why and how these expenditures take place. Parliamentary committee hearings are a crucial instrument for parliamentary financial oversight. Depending on the sensitivity of the topics discussed the hearings can be open to the public or hold behind closed doors. Parliamentary committee hearings allow:
 1. Conducting inquiries into specific matters related to the financial management of security sector institutions.
 2. Scrutinising government activity including appropriations of funds for security and defence related operations.
 3. Calling the government or the security and defence institutions to account for their use of public funds.

3. **Parliament can form ad hoc parliamentary commissions of inquiry** by bringing together members of parliament with specialized knowledge. They can take evidence in the field, or statements under oath from ministers and civil servants. In some cases, high-ranking military officers or police commanders can be questioned about their usage of public funds in the framework of their operations. In cases of sensitive security-related testimonies, the commission can choose to sit behind closed doors and respect the strictest rules of confidentiality.
4. **Monitoring:** In addition, during the fiscal year, parliament has formal or informal obligations to monitor acts by the government that result in financial commitments. This can for example include larger procurements, appointments of personnel, and adoption of new policies.



Trainer resource 2.6

Parliamentary Committees in Several European Countries and Their Roles in Approving the Defense Budget and Overseeing Its Execution

At national level, various actors are involved in democratic control and supervision of armed and security forces. Parliament has the biggest oversight mandate to oversee the actions of the government as the management body of the armed and security forces. There are major differences between the powers of parliament vis-à-vis their respective governments: while some have extensive powers, others have very limited powers. Nonetheless, all European parliaments have in common that they have the final say in approving the defense budget.

The role of parliamentary committees in approving and overseeing expenditures by the government related to defense and security

This table presents the structure of parliamentary committees or other parliamentary bodies in charge of financial oversight. The trainer can guide the participants through a discussion about the different models and what the existing structure in their country(ies) looks like.

For a recapitulation of the oversight role of parliament and parliamentary committees, please see Trainer Resource 2.5: The Financial Oversight Role of Parliament and Oversight Tools Available to Parliament.

Parliamentary power in the budget approval phase

Unrestricted powers. In Sweden parliaments have the right to amend any budget items, including the ones concerning security and defense. They can do so even if this results in increasing the total amount of expenditures or creating new budget items.

Restricted powers. In cases like Switzerland and Spain, parliaments can make amendments to the budget but without modifying the total amount of expenditures budgeted.

Limited powers. Parliaments in the UK and Canada can only decrease budgeted expenditures.

Table 1. Budget Planning and Approval Phase

| Name of Country | Parliament | Relevant Parliamentary Committees (in the lower house if applicable) | Defense-relevant Planning Instrument | Powers of the Relevant Committee(s) with regards to the Defense Budget | Procurement |
|-----------------|--|---|--|--|--|
| France | Two chambers – Assemblée nationale – Sénat | – Finance Committee – Defense and Armed Forces Committee | – Every five years, the Government publishes a White Book outlining its military strategy. Members of Parliament and of Court of Audit take part in the drafting. The White Book is reviewed and commented by the Plenary. | Finance Committee: – Appoints special rapporteurs to examine the budget law in details, including items related to defense matters. Defense Committee: – makes recommendations to the Finance Committee – Has access to all defense budget documents – Has the right to amend and to allocate defense budget funds – Has the right to approve or disapprove any supplementary defense budget proposals | Parliament: – votes on appropriations for new acquisitions annually – defines and approves new equipment needs together with the Defense Committee |
| Germany | Two chambers – Bundestag – Bundesrat | – Budget Committee – Defense Committee (its President is often a member of the opposition) | – The Ministry of Defense regularly publishes a White Book outlining its military strategy. It is reviewed and commented by both the Defense Committee and the Plenary. | Budget Committee: – Has the power to scrutinise the budget line by line Defense Committee: – Has access to all defense budget documents – Has the right to amend and to allocate defense budget funds – Has the right to approve or disapprove any supplementary defense budget proposals | – In practice, the Parliament decides all contracts above EUR 25 Mio. |

Tool2: Concepts and main actors of financial oversight in the security sector

| Name of Country | Parliament | Relevant Parliamentary Committees (in the lower house if applicable) | Defense-relevant Planning Instrument | Powers of the Relevant Committee(s) with regards to the Defense Budget | Procurement |
|-------------------|--|--|---|--|---|
| Montenegro | One chamber | <ul style="list-style-type: none"> Committee on Economy Finance and Budget Defense and Security Committee | <ul style="list-style-type: none"> The Plenary approves the national security strategy and the defense strategy upon recommendation by the Defense and Security Committee. | <p>Defense Committee:</p> <ul style="list-style-type: none"> Can make recommendations and suggestions on all defense and security related budget lines | <ul style="list-style-type: none"> There is a Public Acquisitions State Commission held accountable in front of the Parliament. It is composed of 4 members designated by the Executive. The Parliament is not much involved in the financial oversight of military acquisitions. |
| Sweden | One chamber – Riksdag | <ul style="list-style-type: none"> Finance Committee Defense Committee | <ul style="list-style-type: none"> Multi-year defence policy, presented by the Ministry of Defence to the Riksdag | <ul style="list-style-type: none"> The Parliament has the right to amend any budget items, including the ones concerning security and defense. It can do so even if this results in increasing the total amount of expenditures or creating new budget items. The Committee on Finance sets the overall spending ceilings, while appropriations are handled by the other committees; in case of security and Defense matters, by the Committee on Defense. | <ul style="list-style-type: none"> The Committee on Defense prepares appropriations falling within the expenditure area "Defense and contingency measures." |
| Romania | Two Chambers – Chamber of Representatives – Senate | <ul style="list-style-type: none"> Committee on Defense, Public Order and National Security Budget Committee | <ul style="list-style-type: none"> The Defense Committee approves the National Security Strategy as well as the white book on security and defense. | <p>The Parliament and the two committees approve the budget. They can proceed to small amendments.</p> | <ul style="list-style-type: none"> The Parliament is consulted by the government but takes no decision. |

| Name of Country | Parliament | Relevant Parliamentary Committees (in the lower house if applicable) | Defense-relevant Planning Instrument | Powers of the Relevant Committee(s) with regards to the Defense Budget | Procurement |
|-----------------------|---|--|--|---|---|
| Switzerland | Two Chambers – National Council – Council of States | – Finance Delegation – Security Policy Committee | – N/A | The Finance Delegation : – Is responsible for the detailed examination and supervision of the entire financial budget – Can approve or disapprove any supplementary defense budget proposals The Security Policy Committee : – Has access to all defense budget documents – Has the right to amend and to allocate defense budget funds | Parliament – votes on appropriations for new acquisitions annually – defines and approves new equipment needs together with the Defense Committee |
| United Kingdom | Two Chambers – House of Commons – House of Lords | – House of Commons Select Defense Committee | Annual Statement on the Defense Estimates as a White Paper | The House of Commons Select Defense Committee – Issues regular reports addressing general policy themes, force structure issues and resources management. – Does NOT have access to all defense budget documents – Does NOT have the right to amend and to allocate defense budget funds – Does NOT have the right to approve or disapprove any supplementary defense budget proposals (only Plenary can do it) | – Parliament and its committees has no input or decision making ability on defence procurement |

Budget Execution Phase

The role of parliament during the budget execution phase is to ensure that the executive authorities properly implement the budget. Parliament does so by monitoring the actual spending during the fiscal year.

In case budget adjustments are needed during the year, parliament authorises supplementary budget proposals and exerts scrutiny over budget adjustments or requests to use contingency funds.

Parliaments use several tools to oversee budget execution. With regards to security and defense spending, the most common parliamentary oversight tools are the following:

- Questions and interpellations during plenary debates
- Parliamentary committee hearings. Depending on the sensitivity of the topics discussed, such hearings can be open to the public or held behind closed doors.
- Parliamentary committee hearings allow:
 - o conducting inquiries into specific matters related to the financial management of security and defense institutions
 - o scrutinising government activity, including appropriations of funds for security or defense related operations; and
 - o calling on the Government or the security and defense institutions to account for their use of public funds.
- Ad hoc parliamentary commissions of enquiry.
- Public enquiries

Table 2. Budget Execution Phase

| Name of Country | Parliament | Relevant Parliamentary Committees (in lower house is applicable) | Oversight Powers of the Relevant Committee(s) | Access to information (always based on the need-to-know) |
|-------------------|--|---|---|--|
| France | Two chambers - Assemblée nationale - Sénat | - Finance Committee - Defense and Armed Forces Committee | Defense Committee: - Can amend or rewrite draft defense laws - Can question relevant government representatives and summon them to Committee meetings to testify - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society - Can hold hearings on defense issues | - The President of the Defense Committee and the President of the Commission of Laws have access to all types of classified documents. Other members of the Parliament do not. |
| Germany | Two chambers - Bundestag - Bundesrat | - Budget Committee - Defense Committee | Defense Committee: - Can amend or rewrite draft defense laws - Can question relevant government representatives and summon them to Committee meetings to testify - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society - Can hold hearings on defense issues - Is the only committee that can turn itself into a Committee of Inquiry without prior authorization by the Plenary | - All members of Parliament have access to all types of classified documents based on the need to know. |
| Montenegro | One Chamber | - Committee on Economy Finance and Budget - Defense and Security Committee | Montenegro is one of the few countries in the world which issued law on parliamentary oversight of the defense and security sector. Defense and Security Committee: - Considers information on execution of the budget with regard to funds allocated to the institutions it oversees (see law) - Considers reports of the State Audit Institutions on financial operations of the institutions it oversees (see law) | - The Defense and Security Committee can request the institutions it oversees (see law) to provide data and information, with the exception of such data and information that may not be disclosed according to a special law. |

Tool2: Concepts and main actors of financial oversight in the security sector

| Name of Country | Parliament | Relevant Parliamentary Committees (in lower house is applicable) | Oversight Powers of the Relevant Committee(s) | Access to information (always based on the need-to-know) |
|--------------------|---|--|---|---|
| | | | <ul style="list-style-type: none"> - Can hold consultative hearings, control hearings and initiate parliamentary inquiries - Can question relevant government representatives and summon them to Committee meetings to testify - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society | <ul style="list-style-type: none"> - Employees of institutions or institutions themselves that hamper the good conduct of parliamentary oversight can be fined respectively up to 2000 and 2000 euros. |
| Sweden | One chamber - Riksdag | <ul style="list-style-type: none"> - Finance Committee - Defense Committee | Defense Committee: deals with all matters relating to security and defense. The meetings are usually held in camera (confidential) and the members are bound by an obligation of confidentiality concerning any classified information of which they become aware | <ul style="list-style-type: none"> - All members of parliament have access to all classified information based on the need to know. |
| Romania | Two Chambers: - Chamber of Representatives - Senate | <ul style="list-style-type: none"> - Committee on Defense, Public Order and National Security - Budget Committee | <p>Defense Committee:</p> <ul style="list-style-type: none"> - Can question and summon relevant government representatives - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society - Can hold hearings on defense issues - Can visit military premises upon prior notification of 24 hours | <ul style="list-style-type: none"> - All members of parliament have access to all classified information based on the need to know. |
| Switzerland | Two Chambers - National Council - Council of States | <ul style="list-style-type: none"> - Finance Delegation - Security Policy Committees | <p>The Security Policy Committee :</p> <ul style="list-style-type: none"> - Can amend or rewrite draft defense and security laws - Can question the relevant government representatives and summon them to Committee meetings to testify - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society - Can hold hearings on defense issues - Only the parliamentary investigations committees can carry out parliamentary inquiries. | <ul style="list-style-type: none"> - The access to classified information for parliamentarians can be limited on the basis of the exceptions specified by law. |

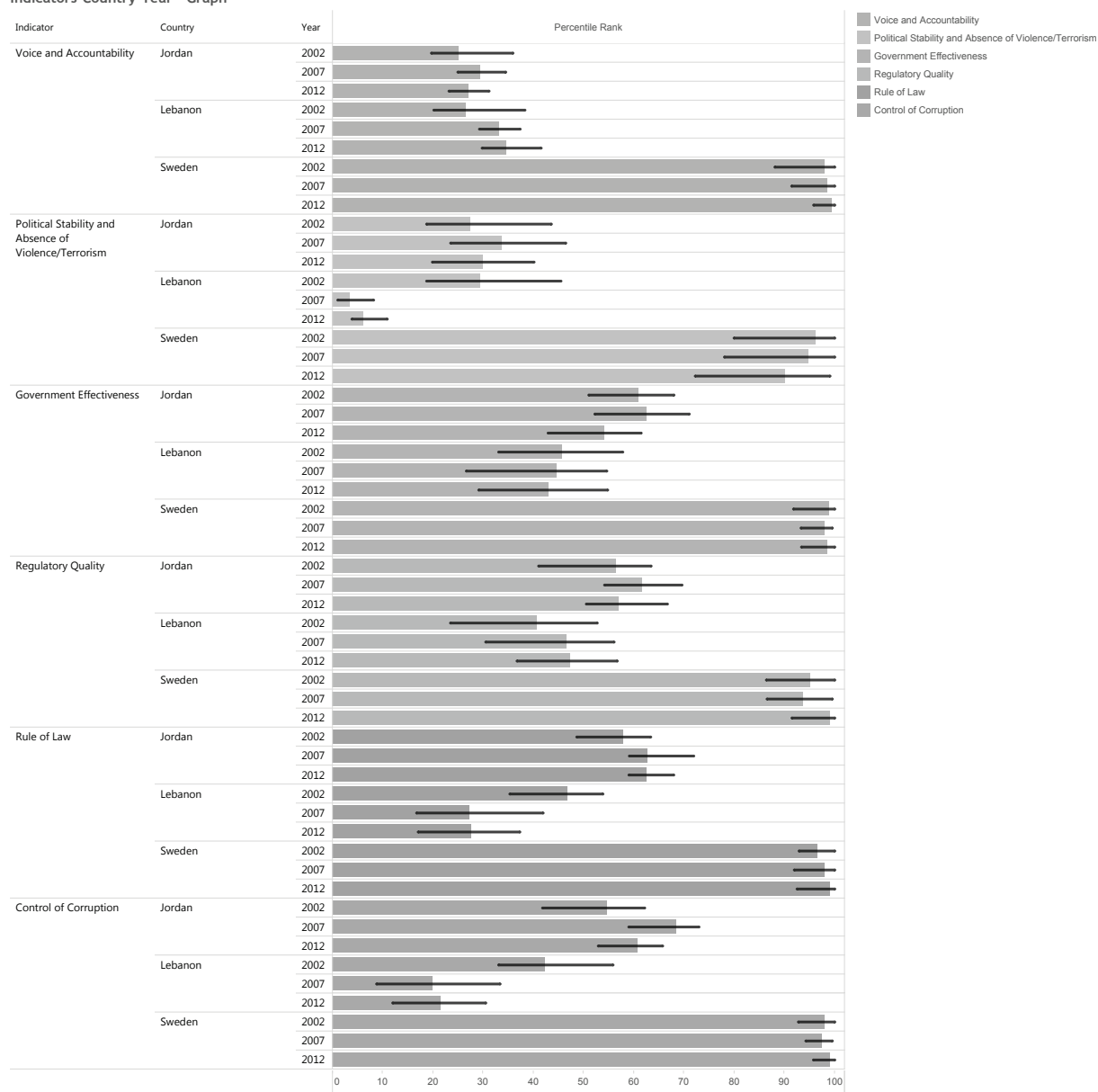
| Name of Country | Parliament | Relevant Parliamentary Committees (in lower house is applicable) | Oversight Powers of the Relevant Committee(s) | Access to information (always based on the need-to-know) |
|-----------------------|---|---|--|---|
| United Kingdom | Two Chambers <ul style="list-style-type: none"> - House of Commons - House of Lords | <ul style="list-style-type: none"> - House of Commons Select Defense Committee | <p>Defense Committee:</p> <ul style="list-style-type: none"> - Can question relevant government representatives and summon them to Committee meetings to testify - Can summon military and other civil servants to committee meetings and testify - Can summon experts from civil society - Can carry out parliamentary inquiries on defense issues - Can hold hearings on defense issues | <ul style="list-style-type: none"> - Only members of select parliamentary committees have access to the different types of classified information. |



Trainer resource 2.7

World Bank Database on Governance Indicators

Indicators-Country-Year - Graph



The trends of minimum of Percentile and minimum of High - Low for sum of Number of Records broken down by Label: Percentile Rank vs. Indicator, Type, Country and Year. For pane Minimum of Percentile: Color shows details about Color by. Details are shown for 'ICY Measures', Rec #. For pane Minimum of High - Low: Details are shown for Measurement. The data is filtered on Use Measure Record? and Country Filter. The Use Measure Record? filter keeps True. The Country Filter filter keeps Jordan, Lebanon and Sweden. The view is filtered on Indicator and Year. The Indicator filter keeps 6 of 6 members. The Year filter keeps 2002, 2007 and 2012.



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Annex A.

Concepts and main actors of financial oversight in the security sector: the local training session

The trainer can use the resources presented in this Annex as inspiration for developing his/her own contextualised training session. The localised training session contains a list of learning objectives, suggested content, example activities and suggested resources. It demonstrates how training material can be adapted to suit the particular political, cultural or social context of an audience.

Learning objectives

Participants will be able to:

- Identify the main actors working in financial oversight in the local security sector

- Understand the laws that regulate the security sector and the financial oversight actors in this sector.

Suggested content to be covered

- The key financial oversight actors in the local context
- The laws that regulate the key financial oversight actors

Overview

Example Activities

Handout L.2.1 Matrix of financial oversight actors in the Palestinian security sector

Handout L.2.2 Table for mapping the local legal framework relevant to financial oversight

Trainer resource L.2.1 List of Financial oversight actors in the Palestinian security sector



Example activities

The following example activities were developed for a training course conducted in the occupied Palestinian territory in March 2014. They can be used as a model or examples for the trainer to adapt the training course to his/her context if desired.

Activity 1. Group discussion: Identifying financial oversight actors in the Palestinian security sector

Time: 30 min

The participants work in small groups. The objective of this exercise is to group potential actors in the financial oversight institutions in Palestine in the four squares of the matrix presented on the slide (the four squares represent a distinction between formal and informal, as well as internal and external financial oversight actors). The trainer hands out paper copies for the participants to write on and draws the same matrix on a flipchart or on an overhead projector slide. The participants discuss and identify the potential actors and fill in the matrix (approximately 15 minutes).

After 15 minutes, the trainer asks the participants to provide their answers to the plenary and to justify their answers. The trainer then uses the participants' suggestions to fill in the matrix on the flipchart (approximately 15 minutes).

Materials:

- **Handout L.2.1** Matrix of financial oversight actors in the Palestinian security sector
- **Trainer resource L.2.1** List of Financial oversight actors in the Palestinian security sector

Activity 2. Discussion. Mapping the local legal framework relevant to financial oversight

Time: 60 min

The participants work in small groups. The trainer gives each group a sheet of flipchart paper with the table shown below on it (Handout L.2.2). The participants should analyse the following information:

- Mandate of the actors related to the Security Sector;
- Legal framework for involvement in financial oversight;
- Laws regulating the institution.

The trainer also gives each group a copy of the two publications A Palestinian Legal Collection: Financial and Administrative Oversight in the Security Sector and The Security Sector Legislation of the Palestinian National Authority. The members of the groups search for the relevant legal texts, discuss their selection and complete the table (approximately 30 minutes).

A spokesperson of each group then presents the results of his/her group to the whole group (approximately 30 minutes).

Materials

- **Handout L.2.2** Table for mapping the local legal framework relevant to financial oversight
- **Copies of the following publications:**
 - o A Palestinian Legal Collection: Financial and Administrative Oversight in the Security Sector, and
 - o The Security Sector Legislation of the Palestinian National Authority



Handout L.2.1

Financial Oversight Actors in the Security Sector Matrix

Group Exercise

| | External | Internal |
|----------|----------|----------|
| Formal | | |
| Informal | | |



| Handout L.2.2 Table for Mapping the Legal Framework Relevant to Financial Oversight | | | | | | |
|--|---------------------|--|------------|--|---------------------------------|--|
| Group Exercise | | | | | | |
| Government branch | Name of institution | Mandate related to the Security Sector | Reports to | Legal framework for involvement in financial oversight | Laws regulating the institution | |
| | | | | | | |



Trainer resource L.2.1

List of Financial Oversight Actors in the Palestinian Security Sector

The following formal and informal actors may be identified by participants as financial oversight actors in the Palestinian security sector. Their mandates are also shown. These serve as an example for the trainer to develop his/her own localised activities.

Actors involved in financial oversight in the Palestinian security sector:

Formal actors:

- Internal control officers and auditors working in core security agencies (Palestinian security forces: Civil Police, National Security Forces, General Intelligence, Civil Defence, Preventive Security) and justice institutions (Courts, Prosecution, Prisons)
- Legislative Oversight Bodies (Palestinian Legislative Council);
- Executive management and oversight bodies (Office of the President, Council of Ministers, Ministry of Interior, Ministry of Finance, (Military) Central Financial Administration);
- Supreme Audit Institution (State Audit and Administrative Control Bureau);
- Judiciary;
- Anti-Corruption Commission.

Informal actors:

- Civil society organisations (think tanks, research institutions, academia) ;
- Media outlets
- Private firms (audit companies)



Suggested Resources

- Andersson, Lena, Masson, Nicolas and Sala Aldin, Mohammed. Guidebook: *Strengthening Financial Oversight in the Security Sector*. Geneva: DCAF, 2011, Chapter 1.
- DCAF. *A Palestinian Legal Collection: Financial and Administrative Oversight in the Security Sector*. Geneva: DCAF, 2013, pp. 9-13.
- Friedrich, Roland, Luethold, Arnold and Milhem, Firas, eds., *The Security Sector Legislation of the Palestinian National Authority*, Geneva: DCAF, 2008, pp 15-26.
- OECD. "OECD Best Practices for Budget Transparency." *OECD Journal on Budgeting* (2002). Accessed 16 January 2015. doi: <http://www.oecd.org/dataoecd/33/13/1905258.pdf>.

