

# Open Budget Survey 2021

Questionnaire

Malaysia

May 2022

# Country Questionnaire: Malaysia

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

(a) <http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf> (MTFF 2021-2023)

(b) <https://ppp.treasury.gov.my/pindaan/selepas/372/muat-turun> (Garis Panduan)

(c) Discussion with National Budget Office (15 September 2020)

Comment:

The treasury published the Garis Panduan Bagi Penyediaan Cadangan Anggaran Perbelanjaan Persekutuan Tahun 2021, a circular for all line ministries that outlines the budget preparation process). This document does not meet the OBS requirement of the PBS. While it sets the policy objective of the 2021 budget, it does not set the ceiling for the 2021 budget, neither nor provide projection for the next two years.

Malaysia also published Medium Term Fiscal Framework (MTFF) 2021-2023 that may be consistent with the PBS requirement. But this document is published in the Fiscal Outlook and Federal Government Revenue Estimates 2021 (one of Malaysia's EBPs), 3 months after the PBS is supposed to be published (at least one month before the Executive Budget Proposal is submitted to the legislature).

Based on our discussion with the National Budget Office (NBO), the treasury produces an internal document that met the PBS requirements, but it is not available to the public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

PBS-2. When is the PBS made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.*

Answer:

d. The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Source:

Discussion with NBO, (15th September 2020)

Comment:

The treasury published the Garis Panduan Bagi Penyediaan Cadangan Anggaran Perbelanjaan Persekutuan Tahun 2021, a circular for all line ministries that outlines the budget preparation process). This document does not meet the OBS requirement of the PBS. While it sets the policy objective of the 2021 budget, it does not set the ceiling for the 2021 budget, neither nor provide projection for the next two years.

Malaysia also published Medium Term Fiscal Framework (MTFF) 2021-2023 that may be consistent with the PBS requirement. But this document is published in the Fiscal Outlook and Federal Government Revenue Estimates 2021 (one of Malaysia's EBPs). This document was tabled with the EBP, which is beyond the timeline for the PBS.

Based on our discussion with the NBO, the treasury produces an internal document that meets the PBS requirements, but it is not available to the public.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
N/A

Source:  
N/A

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:  
n/a

Source:

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: As noted, the PBS is not published in Malaysia

Government Reviewer  
Opinion:

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: NA

Comments: No response from the researcher, but i will read it N/A (in view of previous responses)

Government Reviewer

Opinion:

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

d. Not applicable

Source:

Discussion with NBO (15 September 2020)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

PBS-6a. If the PBS is not publicly available, is it still produced?

*If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

Option "d" applies if the document is not produced at all.  
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

c. Produced for internal purposes/use only

Source:

Discussion with NBO, (15 September 2020)

Comment:

Based on our discussion with the National Budget Office, the treasury produces an internal document that meets the PBS requirements, but it is not available to the public.

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. Not produced at all

Comments: The circular is used to aid budget preparation process. As it merely outlines the budget preparation process- not the governmental policies and priorities, or the executive's expenditure ceilings for the budget year it cannot be considered as PBS .

Government Reviewer

Opinion:

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

Based on our discussion with the NBO, the treasury produces an internal document that meets the PBS requirements, but it is not available to the public.

Source:

Discussion with NBO, (15 September 2020)

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: The officials were probably referring to the circulars and guidelines issued for the purpose. To my mind these do not meet the PBS criteria.

Government Reviewer

Opinion:

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2021 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2020/21."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:  
n/a

Source:  
Discussion with NBO, (15 September 2020)

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

PBS-8. Is there a "citizens version" of the PBS?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:  
b. No

Source:  
Discussion with NBO, (15 September 2020)

Comment:  
We came to conclude there is no PBS publicly available but only published internally for the FY 2021.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:  
FY 2021

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EBP-1b. When is the EBP submitted to the legislature for consideration?

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
6/11/2020

Source:

(a) <https://www.parlimen.gov.my/portal/takwim-dewan-rakyat.html?&uweb=dr&id=3&ssid=3&lang=en>

(b) <https://www.thestar.com.my/news/nation/2020/11/16/taled-in-parliament-tax-breaks-to-help-tide-over-pandemic-blues>

Comment:

The Minister of Finance delivered the budget speech on 06 November 2020 and tabled the Supply Bill in parliament at the same time. The Finance Bill (which is the bill for taxation purposes) was tabled on 16 November 2020.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EBP-2. When is the EBP made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.*

*The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.*

*The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:*

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:

<http://belanjawan2021.treasury.gov.my/index.php/en/>

Comment:

The EBP was made available to the public on the day the Minister of Finance, Dato' Sri Tengku Zafrul Tengku Abdul Aziz tabled the document to the

parliament (6 November 2020). The Budget 2021 eventually underwent its final reading and vote in Parliament (Dewan Rakyat) on 15 December 2020, around 1 month since the initial tabling and less than two months before the start of the fiscal year on January 2021.

The EBP was made available to the public on the above website after the Minister of Finance delivered the budget speech (marking the tabling of the EBP to the parliament).

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.*

Answer:  
6/11/2020

Source:  
<http://belanjawan2021.treasury.gov.my/index.php/en/>

Comment:  
EBP documents were published after the budget speech was delivered by the Minister of Finance on 06 November 2020.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:  
I checked the Budget 2021 official website which hosted the 2021 EBP documents after the budget speech delivered by the Minister of Finance.

Source:  
<http://belanjawan2021.treasury.gov.my/index.php/en/>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer



Opinion:

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.*

Answer:

<http://belanjawan2021.treasury.gov.my/index.php/en/> and <https://www.mof.gov.my/en/>

Source:

Mainly found from the Budget 2021 official website and the Ministry of Finance (MoF) web portal:

(a) <http://belanjawan2021.treasury.gov.my/index.php/en/>

(b) <https://www.mof.gov.my/en/>

(c) <https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&>

Comment:

The Budget Speech, Estimates Federal Expenditures, The Fiscal Outlook and Federal Government Revenue Estimates, Economic Outlook are available on the Budget 2021 website and the MoF website.

The Supply Bill 2021 and the Finance Bill 2020 are available in the Parliament Website under List of Bills.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

(a) <https://www.treasury.gov.my/index.php/fiskal-ekonomi/data-ekonomi.html> (previous Treasury site, confirmed through Wayback Machine)

(b) <https://www.mof.gov.my/en/economy/fiscal-economic-data> (new web portal)

Comment:

This answer shows a deterioration in performance in comparison with the OBS 2019 answer.

The MoF portal publishes machine readable Fiscal & Economic Data at the above website including

- the Consolidated Public Sector Financial Position,

- Federal Government Financial Position,

- Revenue,

- Operating Expenditure,

- Development Expenditure, Debt,

- GDP and Balance of Payments.

The latest information is from 2020. The programme-level data in Anggaran Perbelanjaan Kerajaan Persekutuan is not available in machine readable data.

The Ministry of Finance launched a new website on 02 February 2021. The machine-readable date are not available in this new portal (as of 4 February 2021).

Peer Reviewer

Opinion: Agree

Comments: I checked several important budget documents like Economic Outlook, 2021 Fiscal Outlook, 2021 and Estimated Federal Expenditure, 2021 available at <http://belanjawan2021.treasury.gov.my>. Based on this I can confirm that they are all in PDF format.

Government Reviewer

Opinion:

EBP-6a. If the EBP is not publicly available, is it still produced?

*If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

(a) <https://www.mof.gov.my/en/>

(b) <http://belanjawan2021.treasury.gov.my/index.php/en/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer  
Opinion:

Government Reviewer  
Opinion:

EBP-7. If the EBP is produced, please write the full title of the EBP.

*For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2020-21, produced by the Ministry of Finance, Planning and Economic Development."*

*If there are any supporting documents to the EBP, please enter their full titles in the comment box below.*

*If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

Malaysia's EBP is a collection of several documents (refer to comment for full list)

Source:

- (a) <https://www.mof.gov.my/en/>
- (b) <http://belanjawan2021.treasury.gov.my/index.php/en/>
- (c) <https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&#>

Comment:

Malaysia's EBP is a collection of several documents:

- (a) Expenditure: Anggaran Perbelanjaan Kerajaan Persekutuan 2021 (Estimated Federal Expenditure 2021)
- (b) Revenue: Tinjauan Fiskal dan Anggaran Hasil Kerajaan Persekutuan 2021 (Fiscal Outlook and Federal Government Revenue Estimates 2021)
- (c) Supporting Documents which provide additional information on revenue, expenditures, fiscal assumption, borrowing and debt:
  1. Tinjauan Economy 2021 (Economic Outlook 2021)
  2. Teks Ucapan Bajet 2021 (The Budget 2021 Speech)
  3. Rang Undang-Undang Perbekalan 2021 (The Supply Bill 2021)
  4. Rang Undang-Undang Kewangan 2020 (The Finance Bill 2020)

Peer Reviewer

Opinion: Agree

Comments: Simply known as Budget 2021

Government Reviewer

Opinion:

EBP-8. Is there a "citizens version" of the EBP?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

a. Yes

Source:  
<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

Comment:  
The Budget 2021 Touchpoints can also be considered as a citizen's version of the Budget 2021 Speech while also a Citizen Budget (CB) itself.

This answer demonstrates an improvement since the recorded answer from OBS 2019 as previously the Touchpoints were uploaded past the cut-off date for FY 2019.

Peer Reviewer

Opinion: Agree

Comments: While I agree with the researcher that the budget 2021 touchpoints available in Ministry of Finance website can rightly be regarded as citizen version of the budget, a qualification is in order. Budget documents in Malaysia are not made public at each and every stage of the budget cycle. Touchpoints are made available only after the budget is finalized and tabled in the Parliament.

Government Reviewer

Opinion:

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:  
FY 2021

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

EB-1b. When was the EB approved (enacted) by the legislature?

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
15/12/2020

Source:

- (a) <https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&>
- (b) <https://www.astroawani.com/berita-malaysia/dewan-rakyat-passes-supply-bill-2021-273267>
- (c) <https://www.thestar.com.my/news/nation/2020/12/23/dewan-negara-passes-budget-2021>
- (d) <https://www.nst.com.my/news/government-public-policy/2020/12/649859/finance-bill-2020-passed-public-enjoy-tax-breaks#:~:text=The%20bill%20provides%20that%20those,years%20of%202021%20and%202022.>

Comment:

The Supply Bill 2021 was passed by Dewan Rakyat on 15 December 2020 and by Dewan Negara on 23 December 2020.

The Finance Bill 2020 was passed on 16 December 2020.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EB-2. When is the EB made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.*

Answer:

b. Between two weeks and six weeks after the budget has been enacted

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:

The Supply Act 2021 was gazetted on 31 December 2020 and was made available on the Attorney General website since then. It is also available on the new MOF portal under the section 'Enacted Budget 2021'.

The Finance Act 2020 was gazetted on 31 December 2020 and was made available on the Attorney General website since then.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EB-3a. If the EB is published, what is the date of publication of the EB?

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

31/12/2020

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

Comment:

The Supply Act 2021 was gazetted on 31 December 2020 and was made available on the Attorney General website since then.

The Finance Act 2020 was gazetted on 31 December 2020 and was made available on the Attorney General website since then.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

I went to the website of the Attorney General Office to check whether the Supply Act 2021 and the Finance Act 2020 have been gazetted.

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:

The Supply Act 2021 was gazetted on 31 December 2020 and was made available on the Attorney General website since then. The Supply Act 2021 and its publication date details are also made available on the new MOF portal under section 'Enacted Budget 2021'.

The Finance Act 2020 was gazetted on 31 December 2020 and was made available on the Attorney General website since then.

Peer Reviewer

Opinion: Agree

Comments: This is also confirmed by other sources. See- <https://news.bloombergtax.com/payroll/malaysia-gazettes-2020-finance-act>

Government Reviewer

Opinion:

EB-4. If the EB is published, what is the URL or weblink of the EB?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

<https://www.mof.gov.my/en/budget/enacted-budget-2021> and  
[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF) (The Supply Act 2021)

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:  
The above links are to the Supply Act 2021 and the Finance Act 2020 respectively.

Peer Reviewer  
Opinion: Agree  
Comments: <http://belanjawan2021.treasury.gov.my/index.php/en/>

Government Reviewer  
Opinion:

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.*

Answer:  
c. No

Source:  
(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)  
(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)  
(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:  
The EB is only presentable in PDF format.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

EB-6a. If the EB is not publicly available, is it still produced?

*If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:  
e. Not applicable (the document is publicly available)

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EB-7. If the EB is produced, please write the full title of the EB.

*For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2018."*

*If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

The Supply Act 2021, The Finance Act 2020

Source:

(a)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b)[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(c) <https://www.mof.gov.my/en/budget/enacted-budget-2021>

Comment:

Peer Reviewer

Opinion: Agree



Government Reviewer  
Opinion:

EB-8. Is there a "citizens version" of the EB?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:  
b. No

Source:  
-

Comment:  
There is no citizen version of the EB.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: As noted previously, Touchpoints Budget 2021 may be considered as citizens version of the EB document although in a limited sense. Even though these are released before the enactment process is complete, very little change could be found in the EB.  
<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

Government Reviewer  
Opinion:

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

*If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.*

Answer:  
FY 2021

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology  
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

e. Not applicable (the document is publicly available)

Source:

(a) Infographics Budget 2021: <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

(b) Budget 2021 Touchpoints:

<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

Comment:

The Infographics Budget 2021 and Budget 2021 Touchpoints can be found on the official Budget 2021 website and on the MoF portal as well. The two are citizens versions of the EBP and incorporate visual elements for presenting key information of the annual budget to the general audience.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:  
26/11/2020

Source:  
(a) <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>  
(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:  
The date of publication is 26/11/2020 (Infographics) and 02/12/2020 (Touchpoints) respectively. Ideally, the Touchpoints should be published earlier however the date on page states the date as mentioned above. These dates are confirmed in the previous Treasury site where the date is published, the new MoF portal does not disclose the publication of date of these documents.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:  
I went to the Prime Minister Office's website to find the date of publication of the Infographics. I went to the treasury website and found the date of publication on the page along with the file for the Touchpoints.

Source:  
(a) <https://www.treasury.gov.my/index.php/en/budget/touchpoint-budget-2021.html>  
(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:

Peer Reviewer  
Opinion: I choose not to review this question  
Comments: The portals and websites do not show exact dates of the publication, there must be other ways of verifying this.

Government Reviewer  
Opinion:

CB-4. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf> and  
<http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Source:

(a) <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:

The Budget 2021 Touchpoints and Infographics Budget 2021 can be found on the official Budget 2021 website, the new MoF web portal and on the previous treasury site as well.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

CB-5. If the CB is produced, please write the full title of the CB.

*For example, a title for the Citizens Budget could be "Budget 2020 People's Guide" or "2021 Proposed Budget in Brief: A People's Budget Publication."*

*If the document is not produced at all, researchers should mark this question "n/a."*

*If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.*

Answer:

Budget 2021 Touchpoints & Infographics Budget 2021

Source:

(a) <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

*If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.*

Answer:

Executive's Budget Proposal (EBP)

Source:

(a) <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:

The Infographics Budget 2021 corresponds to the Executive Budget. It summarises the key allocations and initiatives from the EBP.

The Budget 2021 Touchpoints is based on the Budget 2021 Speech by the Minister of Finance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:

FY 2020

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-2. When are the IYRs made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.*

Answer:

c. At least every quarter, and within three months of the period covered

Source:

(a) <https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

(b) <https://www.mof.gov.my/pdf/ekonomi/indikator/>

Comment:

The latest quarterly report (3rd Quarter of 2020) was made available to the public on 17 November 2020. As of 09 February 2021, three of the Economic Quarterly Reviews of the FY 2020 have been published, thus the IYR is considered publicly available according to OBS guidelines. They are published approximately on the 2nd month after the quarter covered.

The government also publishes another document called "Economic Indicator" (<https://www.mof.gov.my/pdf/ekonomi/indikator/>). These reports published on a monthly basis. The latest report is from May 2020. The reports provide information on various indicators, such as federal government

finance (revenue, expenditure, debt), GDP and macroeconomic indicators. While the reports are published monthly, the contents are only updated quarterly or even annually.

Hence, we use the Malaysian Economic Quarterly reports as the Malaysia's IYRs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

*Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.*

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2020 should be entered as 05 September 2020. If the document is not published or not produced, please mark this question "n/a."*

Answer:

The most recent IYR, Malaysian Economy Third Quarter 2020 was made available online on 17 November 2020. The date was available in the previous Treasury site and the new MoF portal does not expressly disclose the date of publication.

Source:

(a) <https://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

(b) <https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

Comment:

Dates of earlier Quarterly reports confirmed by visiting previous Treasury site through Wayback Machine:

(a) The Malaysian Economy Second Quarter 2020 (21 August 2020)

(b) The Malaysian Economy First Quarter 2020 (20 May 2020)

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion:

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

I went to the Quarterly Malaysian Economic section of the Treasury website and found the date of the Malaysia Economy Third Quarter 2020 made available online along with the downloadable PDF file. Unfortunately, the publication date is not available in the new MoF portal.

Source:

(a) <https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

(b) <https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

Comment:

Peer Reviewer

Opinion: Agree

Comments: While Quarterly Reports on Malaysian Economy are all available via the MoF portal no publication dates could be found

Government Reviewer

Opinion:

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.*

*If the document is not published at all, researchers should leave this question blank.*

Answer:

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Source:

The link to the archive of 2012-2020 Quarterly Malaysian Economic is <https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option “d” applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.*

Answer:

c. No

Source:

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

The report is in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-6a. If the IYRs are not publicly available, are they still produced?

*If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

*For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2020."*



If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

The Malaysian Economy Third Quarter 2020

Source:

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

Earlier IYRs:

(a) The Malaysian Economy Second Quarter 2020 (21 August 2020)

(b) The Malaysian Economy First Quarter 2020 (20 May 2020)

Peer Reviewer

Opinion: Agree

Comments: The other Quarterly report is also available now at <https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/> Malaysian Economy Fourth Quarter 2020

Government Reviewer

Opinion:

IYRs-8. Is there a "citizens version" of the IYRs?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

There is no citizen version of the economic quarter report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2020

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

MYR-2. When is the MYR made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.*

Answer:

d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:

Engagement and Interview with the NBO

Comment:

The National Budget Office produces MYR. In 2019, the report was tabled to parliament. IDEAS was invited as an observer to the session in which the report was tabled. For 2020, such report was not tabled to parliament and was not released to the public either.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

Source:

Engagement and Interview with the NBO

Comment:

The National Budget Office produces MYR. In 2019, the report was tabled to parliament. IDEAS was invited as an observer to the session in which the

report was tabled. For 2020, such report was not tabled to parliament and was not released to the public either.

Peer Reviewer

Opinion: I choose not to review this question

Comments: I would read this N/A since this is not a regular practice in Malaysia. <https://www.thestar.com.my/business/business-news/2019/03/19/govt-plans-mid-year-budget-review-may-list-govt-entities>

Government Reviewer

Opinion:

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

n/a

Source:

Engagement and Interview with the NBO

Comment:

The National Budget Office produces MYR. In 2019, the report was tabled to parliament. IDEAS was invited as an observer to the session in which the report was tabled. For 2020, such report was not tabled to parliament and was not released to the public either.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

Source:

Engagement and Interview with the NBO

Comment:

The National Budget Office produces MYR. In 2019, the report was tabled to parliament. IDEAS was invited as an observer to the session in which the report was tabled. For 2020, such report was not tabled to parliament and was not released to the public either.

Peer Reviewer

Opinion: I choose not to review this question

Comments: NA

Government Reviewer

Opinion:

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

d. Not applicable

Source:

MYR isn't produced for the public.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

MYR-6a. If the MYR is not publicly available, is it still produced?

*If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

c. Produced for internal purposes/use only

Source:

Engagement and Interview with the NBO

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. Not produced at all

Comments: 2019 case was an exception rather than a rule.

Government Reviewer

Opinion:

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus

not produced at all.

*If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."*

Answer:

The National Budget Office produces MYR. In 2019, the report was tabled to parliament. IDEAS was invited as an observer to the session in which the report was tabled. For 2020, such report was not tabled to parliament and was not released to the public either.

Source:

Engagement and Interview with the NBO

Comment:

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion:

MYR-7. If the MYR is produced, please write the full title of the MYR.

*For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2019/20" or "Mid-Year Report on the 2020 National Budget."*

*If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: This answer confirms that MYR is not produced

Government Reviewer

Opinion:

MYR-8. Is there a "citizens version" of the MYR?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:  
FY 2019

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

YER-2. When is the YER made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.*

Answer:  
c. More than nine months, but within 12 months, after the end of the budget year

Source:  
<https://www.parlimen.gov.my/risalat.html?uweb=dr&>

Comment:  
Publication date is 06/11/2020 which is more than 9 months of the end of the reporting period of Dec 31, 2019 but within 12 months.

The 2017 YER (which was used in the 2019 OBS) was published earlier than the 2019 YER (within nine months or less but more than 6 months).

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

YER-3a. If the YER is published, what is the date of publication of the YER?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
6/11/2020

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The date is when the report was tabled to the parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

I looked up the date when the report was tabled to the parliament on the parliament website.

Source:

<https://www.parlimen.gov.my/risalat.html?uweb=dr&>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

YER-4. If the YER is published, what is the URL or weblink of the YER?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf> and <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The first link takes you to the parliament website. The second link takes you to the Accountant General's Department of Malaysia website. Both sites host the YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The report is in PDF format. The report is in both English and Malay, but the Malay version presents the most comprehensive data. Hence, reference will be made to both versions. The first link contains both versions of the doc, first Malay then at the end English.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

YER-6a. If the YER is not publicly available, is it still produced?

*If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*



Option "d" applies if the document is not produced at all.  
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a", "b", or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2020" or "Annual Report 2019 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Penyata Kewangan Kerajaan Persekutuan 2019

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The report in English is called Federal Government Financial Statements 2019.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

YER-8. Is there a "citizens version" of the YER?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:  
b. No

Source:

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:  
FY 2019

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

AR-2. When is the AR made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.*

Answer:

b. 12 months or less, but more than six months, after the end of the budget year

Source:

<https://www.audit.gov.my/index.php/muat-turun-lkan>

Comment:

The audit report was tabled in parliament on 05 November 2020 and made available on the same date.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

AR-3a. If the AR is published, what is the date of publication of the AR?

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

5/11/2020

Source:

<https://www.audit.gov.my/index.php/muat-turun-lkan>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

I looked up the Audit website and also found a media statement from the Auditor General discussing the audit report.

Source:

(a) <https://www.audit.gov.my/index.php/muat-turun-lkan>

(b) [https://www.audit.gov.my/images/media/Liputan\\_Media\\_LKAN/Pindaan%20KANM\\_KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20KAN%20PK2019.pdf](https://www.audit.gov.my/images/media/Liputan_Media_LKAN/Pindaan%20KANM_KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20KAN%20PK2019.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Verified by visiting Audit Department's portal

Government Reviewer

Opinion:

AR-4. If the AR is published, what is the URL or weblink of the AR?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

Source:

[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

<https://www.audit.gov.my/index.php/muat-turun-lkan>

Comment:

The audit report is in PDF format.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

AR-6a. If the AR is not publicly available, is it still produced?

*If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer  
Opinion:

Government Reviewer

Opinion:

AR-7. If the AR is produced, please write the full title of the AR.

*For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

Laporan Ketua Audit Negara Mengenai Penyata Kewangan Kerajaan Persekutuan Tahun 2019

Source:

(a) [https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

(b) [https://www.audit.gov.my/images/media/Liputan\\_Media\\_LKAN/Pindaan%20KANM\\_KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20LKAN%20PK2019.pdf](https://www.audit.gov.my/images/media/Liputan_Media_LKAN/Pindaan%20KANM_KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20LKAN%20PK2019.pdf)

(c) (a) Audit Report 2019 Archive on Audit Department Website  
<https://www.audit.gov.my/index.php/muat-turun-lkan>

Comment:

It is called the Auditor's General Report on Federal Financial Statement 2019 in English. Malaysia's audit report actually consists of numerous reports in series. However, the one cited above directly correlates with the budget documents (financial statement). The other documents can be found in the archive link.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

AR-8. Is there a "citizens version" of the AR?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN2019%20siri%201%20-%20infografik.mp4](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN2019%20siri%201%20-%20infografik.mp4)

Comment:

There is no citizens version to the Laporan Ketua Audit Negara Mengenai Penyata Kewangan Kerajaan Persekutuan Tahun 2019.

However, the National Audit Department has released a 5-minute video/powerpoint slideshow, called "INFOGRAFIK" (infographic in English). It presented summarised data of the reports from the Laporan Ketua Audit Negara Tahun 2019 Siri 1 which reports the result of the performance audit of selected government departments and attestation audits to the financial statement of the statutory bodies. It does not report the result of the attestation audit to the federal government financial statement (the main document that we refer to in this research as AR). It should be noted that this is a new initiative by the Auditor General to provide information in the AG reports in an easily understandable manner by the public.

Peer Reviewer  
Opinion: Agree  
Comments: The AR is available only in Malay

Government Reviewer  
Opinion:

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

*GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found ([www.orcamentofederal.gov.br](http://www.orcamentofederal.gov.br)). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.*

Answer:

a. Yes

Source:

(a) <http://belanjawan2021.treasury.gov.my/index.php/ms/> (the official Budget 2021 website, EBP and CB found here)

(b) <https://www.mof.gov.my/en/> (new web portal where you can find EBP documents and CB)

(c) <https://www.treasury.gov.my/index.php/> (previous Treasury site, confirmed through Wayback Machine)

(d) <https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&> (site where you can find reports and bills tabled and passed in Parliament)

(e) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan> (for YERs)

(f) <https://www.audit.gov.my/> (for audit reports)

Comment:

The Ministry of Finance launched a new web portal (b) on 02 February 2021. All the existing budget documents found on the previous Treasury site (c) can be found on the new web portal.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

*GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.*

Answer:

a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Source:

Revenue: [https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.3\\_Hasil\\_Kerajaan\\_Persekutuan\\_Nov.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.3_Hasil_Kerajaan_Persekutuan_Nov.xlsx)

Operating Expenditure:

[https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2019/1.4\\_Perbelanjaan\\_Mengurus\\_Kerajaan\\_Persekutuan\\_Dis19.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2019/1.4_Perbelanjaan_Mengurus_Kerajaan_Persekutuan_Dis19.xlsx)

Developing Expenditure:

[https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.5\\_Perbelanjaan\\_Pembangunan\\_Kerajaan\\_Persekutuan\\_Nov.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.5_Perbelanjaan_Pembangunan_Kerajaan_Persekutuan_Nov.xlsx)

Comment:

These can be found on the Fiscal & Economic Data page in the new MoF site: <https://www.mof.gov.my/en/economy/fiscal-economic-data>.

Machine readable program-level data is not available.

FY 2021 Revenue and Expenditure machine readable data is only available in February 2021, two months after the budget passed by parliament (or one month after the FY starts)

Peer Reviewer

Opinion: Agree

Comments: It must be noted that while revenue and expenditure data can be downloaded as consolidated files but they are not available in machine readable format.

Government Reviewer

Opinion:

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Source:

Revenue: [https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.3\\_Hasil\\_Kerajaan\\_Persekutuan\\_Nov.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.3_Hasil_Kerajaan_Persekutuan_Nov.xlsx)

Operating Expenditure:

[https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2019/1.4\\_Perbelanjaan\\_Mengurus\\_Kerajaan\\_Persekutuan\\_Dis19.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2019/1.4_Perbelanjaan_Mengurus_Kerajaan_Persekutuan_Dis19.xlsx)

Developing Expenditure:

[https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.5\\_Perbelanjaan\\_Pembangunan\\_Kerajaan\\_Persekutuan\\_Nov.xlsx](https://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2020/1.5_Perbelanjaan_Pembangunan_Kerajaan_Persekutuan_Nov.xlsx)

Comment:

These can be found on the Fiscal & Economic Data page in the new MoF site: <https://www.mof.gov.my/en/economy/fiscal-economic-data>.

Machine readable program-level data is not available.

FY 2021 Revenue and Expenditure machine readable data is only available in February 2021, two months after the budget passed by parliament (or one month after the FY starts)

Peer Reviewer

Opinion: Agree

Comments: While availability is not in question files are not in machine readable at present.

Government Reviewer

Opinion:

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.



Answer:

a. Yes

Source:

(a) <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

(b) <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

Comment:

The Infographics Budget 2021 and Budget 2021 Touchpoints can be found on the official Budget 2021 website and on the MoF portal as well. The two are citizens versions of the EBP and incorporate visual elements for presenting key information to the general audience. The Infographics summarise the key initiatives and allocations from the budget; The Touchpoints are based on the Budget Speech 2021 delivered by the Minister of Finance and contains information on expenditure and the COVID-19 Fund.

This answer shows an improvement in performance from the 2019 OBS answer.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

*GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://www.finance.gov.mk/files/u11/Audit%20law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.*

Answer:

a. Yes

Source:

(a) Federal Constitution Part VII (Financial Provisions)

<http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/FEDERAL%20CONSTITUTION%20ULANG%20CETAK%202016.pdf>

(b) Financial Procedure Act 1957 <http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2061.pdf>

(c) Audit Act 1957

<http://www.agc.gov.my/agcportal/uploads/files/Act%2062.pdf>

(d) Debt Management laws:

- Loan (Local) Act 1959

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%20637.pdf>

- Government Funding Act 1983

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%20275.pdf>

- External Loans Act 1963

Comment:

The above cited laws are laws that guide public financial management and audit in Malaysia. They do not have specific provisions on budget transparency and citizen participation in budget processes. The Audit Act however has one provision for transparency which states that the submission of the Audit Report by the Auditor General to the Minister of the Dewan Rakyat "shall cause the statement and report to be published" (Audit Act 1957, Article 9).

For debt management, there are several statutes governing Federal Government Debt. The statutory debt limit is found under the Loan (Local) Act 1959 and the Government Funding Act 1983; Federal Government offshore borrowings is governed under the External Loan Act 1963.

There are also circulars and Treasury Instructions which regulate the management of public finance. These regulations are not binding in law. (<https://www.treasury.gov.my/index.php/en/business/company-registration-information/item/1089-laws-and-regulations>)

In addition to the existing legislation, parliament has passed the Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) 2020 Act last year. The act is temporary in nature and aims to increasing the debt ceiling amount, establish the COVID-19 Fund, allowing the monies allocated in COVID-19 Fund to be applied and appropriated for the purpose of economic stimulus packages and recovery plan, and allow proceeds from Loan (Local) Act 1959 and the Government Funding Act 1983 to finance the COVID-19 Fund.

Peer Reviewer

Opinion: Agree

Comments: The researcher has provided a fairly comprehensive list of laws/regulations pertaining to public financial management

Government Reviewer

Opinion:

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

*The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. More information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, can be found here: <http://www.right2info.org/laws/constitutional-provisions-laws-and-regulations#section-1>.*

Answer:

b. No

Source:

(a)<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2088.pdf>

(b)<https://www.nst.com.my/news/nation/2018/11/427522/2019-budget-fiscal-responsibility-act-be-tabled-2021>

Comment:

Access to information in Malaysia is restricted by the Official Secret Act 1972 (Act 88). The Act provides discretion to public officials to classify any documents, information, materials secret. The Act also penalizes those who owns, stores and obtains the secrets unlawfully. Laws that guide the public finance management does not have provisions for budget transparency and citizen participation.

The government has, however, promised to table the Fiscal Responsibility Act this year (2021) to institutionalise fiscal prudence, governance and transparency based on global best practices.

Peer Reviewer

Opinion: Agree

Comments: I am glad that the researcher has raised the Official Secret Act 1972 (Act 88). This, together with other laws, restricts the access to and dissemination of information. At times this is used to punish the critics and political opponents for revealing vital information on irregularities and mismanagement within the public sector.

Government Reviewer

Opinion:

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

**GUIDELINES:**

*Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Supply Bill (p2-3)

<https://www.parlimen.gov.my/bills-dewan-negara.html?uweb=dn&lang=en>

Comment:

Expenditure of the annual budget in Malaysia classified by the administrative unit can be found in the Estimated Federal Expenditure document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

*GUIDELINES:*

*Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.*

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

(a) Estimated Federal Expenditure 2021, p.1 - 13  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p. 117-128

<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

Comment:

The Federal Government Expenditure (operating and developing) are classified according to sectorial purposes, including social, economy, security, general administration and others. The operating expenditure is further classified by economic components as well, such as emoluments, asset acquisitions, supplies and services and more.

The COVID-19 Fund which is now incorporated into Budget 2021 is also elaborated in Section 3 of the Fiscal Outlook document. A list of programs and allocations was mentioned as according to the Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Act 2020. This enables the listed programs and projects under the economic stimulus packages and recovery plan to be fully funded .

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

**GUIDELINES:**

*Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.*

*The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>*

*COFOG can be viewed at [https://unstats.un.org/unsd/publication/SeriesM/SeriesM\\_84E.pdf](https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf) or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.*

**Answer:**

a. Yes, the functional classification is compatible with international standards.

**Source:**

(a) Estimated Federal Expenditure 2021, p.1 - 13

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p. 117-128

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

**Comment:**

The expenditures are classified into 5 sectors (functional):

(a) General Administration (General Services, Foreign Services, refunds and reimbursements, Repairs and Renovation)

(b) Economy (Agriculture and Rural Development, Mining Development, Trade and Industry, Transport, Communication, Energy and Public Facilities, Feasible Study, Research and Development, Finance, and Environment)

(c) Social (Education and Training, Health and Population, Information, Housing, Culture, Youth and Sports, Local Councils, Rural and Community Development, National Unity and Indigenous People)

(d) Security (Defense and Domestic Security)

(e) Other Sectors (e.g. Pensions, Bonuses, Loan Payments)

These sectors are not identical to COFOG, but the categories can be mapped to it.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

**GUIDELINES:**

*Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.*

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

(a) Estimated Federal Expenditure 2021

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran\\_c.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran_c.pdf)

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran\\_c1.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran_c1.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.118

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

Comment:

Only the operating expenditure was classified by economic components, such as emoluments, asset acquisitions, supplies and services and more. Developing expenditure was only classified according to sector.

Peer Reviewer

Opinion: Agree

Comments: No economic classifications for development expenditure

Government Reviewer

Opinion:

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

*GUIDELINES:*

*Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).*

Answer:

b. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran\\_c.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran_c.pdf)

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran\\_c1.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran_c1.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.118

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

Comment:

The classification does not completely follow the IMF standard. However, there are several items that match the standard such as emoluments (compensation to employees) and subsidies.

Peer Reviewer

Opinion: Agree

Comments: Although expenditures are presented by economic classification.

Government Reviewer

Opinion:

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

*GUIDELINES:*

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Ministry of Foreign Affairs Estimated Expenditure

[belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/BP.13.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/BP.13.pdf)

Comment:

Operating expenditure for each ministry was broken down into programmes and further divided into activities. For example, the operating expenditure from the Ministry of Foreign Affairs (BP.13) was broken down to 4 programmes: management, diplomatic relations and multilateral cooperation, policy, strategy and research planning, and bilateral cooperation. Each programme is then sub-divided into activities, such as for management, it was further divided into law, management service, general administration, and protocol.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p. 117-128  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

(c) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium Term Fiscal Framework 2021-2023, p.101-102  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

**Comment:**

EBP documents do not present expenditure for a multi-year period beyond the budget year 2021 but does compare with previous budget years of 2019 and 2020.

There is a Medium Term Fiscal Framework 2021-2023 which provides a very general macro-fiscal projection over three years and set targets for revenue and expenditure will serve as guidance for the Government's medium-term fiscal path.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

**Answer:**

None of the above

**Source:**

(a) Estimated Federal Expenditure 2021, p. 37- 497

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p. 117-128

<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

(c) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium Term Fiscal Framework 2021-2023, p.101-102

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

**Comment:**

The EBP only presents the estimates of expenditures for the budget year (FY 2021).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

**GUIDELINES:**

*Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional*

classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p. 117-128  
<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

(c) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium Term Fiscal Framework 2021-2023, p.101-102  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

Comment:

The EBP only presents the estimates of expenditures for the budget year (FY 2021).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

**GUIDELINES:**

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

b. Yes, individual sources of tax revenue accounting for at least two-thirds of, but not all, tax revenues are presented.

Source:

(a) Fiscal Outlook and Federal GOvernment Revenue Estimates 2021  
- Section 2, p.110  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section2.pdf>  
- TREASURY MEMORANDUM ON THE FEDERAL GOVERNMENT REVENUE ESTIMATES FOR 2021,  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/memorandum.pdf>

Comment:



There are two sources of revenue: tax and non-tax. The tax revenue is broken down into direct and indirect taxes. These two categories are further broken down. For direct taxes, it consists of companies income tax (CITA), individual income tax, petroleum income tax (PITA), and other direct tax collections, including stamp duty and Real Property Gains Tax (RPGT). For indirect tax, it is subdivided into Sales Tax and Service Tax, excise duties, import duty and export duty.

'Other' sources of revenue are more than 3%, score stands at B.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

**GUIDELINES:**

*Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.*

Answer:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 212-217  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

Non-tax revenue is divided into licences, registration fees and permits, service fees, proceeds from sales of goods, rental, interest and return on investments, fines and penalties, contributions and compensation from overseas and local contributions, and income from exploration of oil and gas MTJA.

"Other" sources of non-tax revenue are less than 3%.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

**GUIDELINES:**

*Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.*

Answer:

b. No, multi-year estimates of revenue are not presented by category.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 212-217  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium Term Fiscal Framework 2021-2023, p.101-102  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

Comment:

EBP documents do not present revenue for a multi-year period beyond the budget year 2021 but do compare with previous budget years of 2019 and 2020.

There is a Medium Term Fiscal Framework 2021-2023 which provides a very general macro-fiscal projection over three years and set targets for revenue and expenditure will serve as guidance for the Government's medium-term fiscal path.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

*GUIDELINES:*

*Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.*

Answer:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 212-217  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium Term Fiscal Framework 2021-2023, p.101-102  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

Comment:

The EBP only presents the revenue estimates for the budget year (FY 2019) while the Medium-Term Fiscal Framework only presents the total revenue in the next three years (2021-2023).

Peer Reviewer

Opinion: Agree

Comments: However, presenting the estimate of the budget year together with revenue from individual sources for current year and the previous year is a common practice. For example 2021 revenue estimates are presented alongside the 2019 figures and the revised 2020 estimates. See-Fiscal Outlook and Federal Government Revenue Estimates 2021, p.110

Government Reviewer

Opinion:

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- the amount of net new borrowing required during the budget year;
- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies no information on borrowing and debt is presented for the budget year.*

**Answer:**

b. Yes, two of the three estimates related to government borrowing and debt are presented.

**Source:**

(a) New Borrowing (Deficit and Deficit Financing)

(i) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 1, p.101

(ii) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4, p. 131-132

Deficit is presented as "overall balance". Both the absolute and percentage of GDP amount are presented on p173, Table 1.1 "Federal Government Finance" of Public Finance Statistics.

(b) Interest Payment (Debt service charges): Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, 3.1 Federal Government Operating Expenditure by Component, p.175

[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(c) Total debt Outstanding of BY: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4, p. 135

[://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf)

(d) Estimated Federal Expenditure 2021, T.13 Perbelanjaan Kerana Hutang Negara

<http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/T.13.pdf>

**Comment:**

For interest payment, the Fiscal Outlook does present estimates on debt service charges in p.175. For the amount of net new borrowing, the Fiscal Outlook presents the 2020 information on fiscal deficit and deficit financing in Section 4 (Debt Management). There are brief projections on deficit level for 2021 in Section 1 (Fiscal Policy Overview).

There is no total debt outstanding at the end of the budget year. The latest information on the government's total debt burden is only available until 2020.

**Peer Reviewer**

Opinion: Agree

Comments: Researcher's comment on unavailability of year-end debt estimates is noted.

**Government Reviewer**

Opinion:

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

The amount of net new borrowing required during the budget year

The interest payments on outstanding debt for the budget year

Source:

(a) New Borrowing (Deficit and Deficit Financing)

(i) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 1, p.101

(ii) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4, p. 131-132

(b) Interest Payment (Debt service charges): Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, 3.1 Federal Government Operating Expenditure by Component, p.175

[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(c) Total debt Outstanding of BY: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4, p. 135

[:/belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf)

(d) Estimated Federal Expenditure 2021, T.13 Perbelanjaan Kerana Hutang Negara

<http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/T.13.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

**GUIDELINES:**

*Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:*

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

*The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.*

*Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.*

Answer:

d. No, information related to composition of total debt outstanding is not presented.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, p. 178  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4: Debt Management, p. 131-151  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf>

Comment:

The requested information for composition of the total debt outstanding at the end of the budget year 2021 is not available in the above cited documents. The information is available only up to estimates of 2020. The page cited in source (a) presents information of the net borrowing, but again the latest information presented was from 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are presented in the Executive's Budget Proposal:

Answer:

None of the above

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, p. 178  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4: Debt Management, p. 131-151  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf>

Comment:

The requested information for composition of the total debt outstanding at the end of the budget year 2021 is not available in the above cited documents. The information is available only up to estimates of 2020. The page cited in source (a) presents information of the net borrowing, but again the latest information presented was from 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

*GUIDELINES:*

*Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:*

- *nominal GDP level:*

- inflation rate;
- real GDP growth; and
- interest rates.

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

(a) Nominal GDP: Economic Outlook 2021, p.145 <https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(b) Real GDP Growth: Economic Outlook 2021, p.145  
<https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(c) Inflation Rate (Consumer Price Index): Economic Outlook 2021, p.163  
<https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(d) Interest Rate, Economic Outlook 2021, p.170 (Only until 2020)

Comment:

The Economic Outlook 2021 does present forecast information on nominal and real GDP growth. There is information on the inflation interest rate but it is only until August 2020 and no forecast data on 2021.

- 1) The GDP at purchaser's price (at 2015 base price) is on p145 of Economic Outlook.
- 2) On page 101 of Fiscal Outlook, there is an estimate of nominal GDP growth rate for 2021-23. (so not exactly nominal gdp level for the budget year. but there is no harm in mentionong, as all numbers for 2021 are assumptions. )
- 3) An improtant indicator for citizens is economic growth (which is not the same, but calculated using GDP). It is mentioned in the Budget Speech in point 14.
- 4) For 'inflation', page 102 of economic outlook notes 'In 2021, inflation is expected to normalise at 2.5% in line with better economic prospects and higher crude oil prices'

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

Nominal GDP level  
Real GDP growth  
Inflation rate

Source:

(a) Nominal GDP: Economic Outlook 2021, p.145 <https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(b) Real GDP Growth: Economic Outlook 2021, p.145

<https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(c) Inflation Rate (Consumer Price Index): Economic Outlook 2021, p.163  
<https://belanjawan2021.treasury.gov.my/pdf/economy/2021/economic-outlook-2021.pdf>

(d) Interest Rate, Economic Outlook 2021, p.170 (Only until 2020)

Comment:

The Economic Outlook 2021 does present forecast information on nominal and real GDP growth. There is information on the inflation interest rate but it is only until August 2020 and no forecast data on 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

*GUIDELINES:*

*Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:*

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

*A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?*

*As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.*

Answer:

d. No, information related to different macroeconomic assumptions is not presented.

Source:

(a) Economic Outlook 2021, Chapter 3: Macroeconomic Outlook, p.71-114  
<http://belanjawan2021.treasury.gov.my/pdf/economy/2021/Chapter-3.pdf>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 1: Fiscal Policy Overview, p. 93-105  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

(c) Fiscal Outlook and Federal Government Revenue Estimates 2021: Medium-Term Fiscal Framework 2021-2023, p.101-102  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section1.pdf>

Comment:

Chapter 3 of the Economic Outlook 2021 discusses the overview of the prospects for the Malaysian Economy. However, it does not directly discuss how the changes in the outlook may affect the budget.

In the Fiscal Outlook document, it is stated that the Medium-Term Fiscal Framework 2021-2023 (MTFF) which is based on updated macroeconomic and fiscal assumptions is used to ensure appropriate resource allocation and forecast beyond the annual planning horizon over the 2021-2023 period. However, there is little information on how the MTFF has influenced the annual budget directly. The MTFF includes projection on revenue, expenditure, nominal and real GDP growth.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

**GUIDELINES:**

*Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.*

*Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.*

**Answer:**

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

**Source:**

(a) Budget Speech 2021

<http://www1.treasury.gov.my/pdf/speech/2021/bs21.pdf>

(b) Estimated Federal Expenditures 2021

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

**Comment:**

Estimated Federal Expenditure document has items called 'ONE-OFF' for one-off activities in several ministries' expenditure budget. The Budget Speech 2021 also discussed new policies, such as a new tax incentive for the establishment of Global Trading Centre (p. 36). However, it does not discuss the impact on many policies on the expenditures.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

**GUIDELINES:**

*Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.*



Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer “a,” the Executive’s Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer “b” for either question, the Executive’s Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A “c” response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer “d” applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

(a) Federal Government Revenue (After Taking into Account Budget Measures Proposed in 2021 Budget, Fiscal Outlook and Federal Government Revenue Estimates 2021, p.223

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

(b) Budget Speech

<http://www1.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

The source above listed the estimates of gain from implementing the budget 2021 measures. The document however only shows the gain generally, it does not show individual sources. Narrative discussion on the gains is also not included.

The Budget Speech (page 67 - 109) includes 23 appendices on tax measures proposed in Budget 2021. This includes proposals on tax sources such as extension of stamp duties, tax relief for medical treatments, tax incentives for investments, review of existing tax structures and others. However, the information includes current position, proposal and effective start date. It does not include the impact on revenue estimates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

19. Does the Executive’s Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer “b,” expenditure estimates for BY-1 must be presented by two of these three classifications. A “c” answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer “d” applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional

classification).

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 118 & 120  
<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

Comment:

The Estimated Federal Expenditures 2021 presented estimates of operating expenditures for 2020-2021 by administrative and economic classification. The estimates of development expenditures for 2020 is by administrative classification only.

The Fiscal Outlook and Federal Government Revenue Estimate 2021 presented estimates of operating expenditure by economic classification and development expenditures by functional classification for 2019-2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

**GUIDELINES:**

*Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

Comment:

The Estimated Federal Expenditure 2021 presents expenditures for individual programs for the year (2020) preceding Budget 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

**GUIDELINES:**

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

**Answer:**

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

**Source:**

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

**Comment:**

Updated expenditure estimates for 2020 (BY-1) are presented in the Estimated Federal Expenditure document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

**Answer:**

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

(a) Administrative: Estimated Federal Expenditure 2021, p.17 - 31  
[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan\\_sebenar.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan_sebenar.pdf)

(b) Economic: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.118  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

(c) Functional: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.120  
<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2>

(d) Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, p.171-187  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

**Comment:**

Expenditure estimates for BY-2 (2019-2020) are presented for all three expenditure classifications in EBP documentation. Only the operating expenditure was classified by economic component. Both are classified by administration and functional (sector).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:

Administrative classification  
Economic classification  
Functional classification

Source:

(a) Administrative: Estimated Federal Expenditure 2021, p.17 - 31

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan\\_sebenar.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan_sebenar.pdf)

(b) Economic: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.118

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

(c) Functional: Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 3, p.120

<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2>

(d) Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, p.171-187

[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

Comment:

Expenditure estimates for BY-2 (2019-2020) are presented for all three expenditure classifications in EBP documentation. Only the operating expenditure was classified by economic component. Both are classified by administration and functional (sector).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

**GUIDELINES:**

*Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

Answer:

d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

Comment:

The Estimated Federal Expenditures 2021 only presents up to BY-2 (2019) for projects under Development Expenditures. See for example Development Expenditure form Jabatan Perdana Menteri at p. 107. It shows 2019.  
<https://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/BP.6.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

*GUIDELINES:*

*Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

Answer:

a. Two years prior to the budget year (BY-2).

Source:

(a) Estimated Federal Expenditure 2021, Actual Summary

[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan\\_sebenar.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/ringkasan_sebenar.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Public Finance Statistics, p. 175-177

[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

Comment:

The Estimated Federal Expenditure 2021 presents 2018-2019 's actual expenditure by administrative classification. The Fiscal Outlook and Federal Government Revenue Estimates 2021 discloses actual expenditure from 2017-2019 by economical and functional classification (table 3.1 - 3.3)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Details of Federal Government Revenue, p. 207-219

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The Fiscal Outlook 2021 discloses tax and non-tax revenue from 2019 (actual) - 2020 (revised estimate).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Details of Federal Government Revenue, p. 207-219  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The Fiscal Outlook 2021 all individual sources of revenue from 2019 (actual) - 2020 (revised estimate).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 207-219  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The revenue estimates have been updated from the original enacted level. But it is not the actual revenue collection number yet. The amounts presented for BY-1 (2020) are only revised estimates of the original.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 207-219  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The document presents actual tax and non-tax revenue collection from 2019 (BY-2) onwards.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 207-219  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The document presents individual sources of revenue from 2019 (BY-2) onwards.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 207-219  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

**Comment:**

The document presents actual revenue collection from 2019 (BY-2) onwards.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

**GUIDELINES:**

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- total debt outstanding at the end of BY-1;
- amount of net new borrowing required during BY-1;
- interest payments on the debt;
- interest rates on the debt instruments;
- maturity profile of the debt; and
- whether it is domestic or external debt.

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

**Answer:**

b. Yes, the core information is presented for government debt.

**Source:**

(a) Table 4.1 - 4.3, in Public Finance Statistics in Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 178 - 181  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4, p. 131-132

**Comment:**



The tables 4.1 - 4.3 in Public Finance Statistics have outlined the total debt outstanding at the end of BY-1, the interest payments on the debt and whether it is domestic or external debt. For the amount of net new borrowing, the Fiscal Outlook presents the 2020 information on fiscal deficit and deficit financing in Section 4 (Debt Management).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements.

Comments: The EBP documents do not provide information on maturity profile of govt debt and interests

Government Reviewer

Opinion:

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

*GUIDELINES:*

*Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

*It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.*

Answer:

a. Two years prior to the budget year (BY-2).

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 4: Debt Management, p. 131-132  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section4.pdf>

(b) Sub-Section 4.1 - 4.3, in Public Finance Statistics in Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 178 - 181  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>

Comment:

The above cited document presents the actual federal government debt and external debt of BY-2, BY-3, BY-4, and BY-5 (2016-2019).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

*GUIDELINES:*

*Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:*

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*

- estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

d. No, information related to extra-budgetary funds is not presented.

Source:

(a) Table 6.4 Consolidated Statutory Bodies' Financial Position, Public Finance Statistics from Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 186  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(b) Table 6.5 Consolidated Non-Financial Public Corporations Financial Position, Public Finance Statistics from Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 187  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(c) chapter B.12 'allocation to statutory bodies' of the Estimated Federal Expenditures

Comment:

EBP documentation includes consolidated financial position of Statutory Bodies and Non-Financial Public Corporations (NFPCs). The EBP presents the aggregate financial position of statutory bodies and NFPCs from BY-1 to BY-5. There is information on revenue, expenditure, balance and sources of financing.

However, there is no information from the current budget year (2021) but only until 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

**GUIDELINES:**

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018):

<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>. For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

a. Yes, central government finances are presented on a consolidated basis.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 6: Consolidated Public Sector, p. 163 - 167  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section6.pdf>

(b) Table 6.4 Consolidated Statutory Bodies' Financial Position, Public Finance Statistics from Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 186  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(c) Table 6.5 Consolidated Non-Financial Public Corporations Financial Position, Public Finance Statistics from Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 187  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

Comment:

A consolidated report on central government finances, including both budgetary and non-budgetary finances can be found in Section 6 of the Fiscal Outlook 2021 document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

**GUIDELINES:**

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

c. Yes, estimates of some but not all intergovernmental transfers are presented.

Source:

(a) Table 3.1 Federal Government Operating Expenditure by Component, Public Finance Statistics from Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 175  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(b) Full list of intergovernmental transfers 2019, Estimated Federal Government Expenditure 2021, p.515  
[http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran\\_e.pdf](http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/lampiran_e.pdf)

(c) Pemberian dan Serahan Kepada Negeri-Negeri <http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/T.12.pdf>

Comment:

Table 3.1 presents estimates of intergovernmental transfers under "Grants and transfers to state governments", but a narrative discussion is not included and the information is very brief which consist of the total estimates which are made up of "constitutional grants" and "other grants/transfers".

The second document reports the full detailed list of intergovernmental transfers but are only for transfers for the year 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

**GUIDELINES:**

*Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.*

*For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.*

*The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"*

*(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,*

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661465/distributional\\_analysis\\_autumn\\_budget\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf))*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.*

Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497

<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Section 3 Federal Government Expenditure, Fiscal Outlook and Federal Government Revenue Estimates 2021, p.117-128

<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

Comment:

The Estimated Federal Expenditure 2021 only presented estimates of expenditures by administrative, functional, and economic classification.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:  
None of the above

Source:  
Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Section 3 Federal Government Expenditure, Fiscal Outlook and Federal Government Revenue Estimates 2021, p.117-128  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section3.pdf>

Comment:  
The Estimated Federal Expenditure 2021 only presented estimates of expenditures by administrative, functional, and economic classification.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

**GUIDELINES:**

*Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.*

*Please provide in the comments a list of all known public corporations.*

Answer:  
c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:  
(a) Estimated Federal Expenditures 2021, Perkhidmatan Am Perbendaharaan  
<http://belanjawan2021.treasury.gov.my/pdf/perbelanjaan/2021/B.11.pdf>

Comment:

The above cited document presents transfers to public corporations for BY-2021. Among them are KTMB, MAHB, BPMB. However, it is likely not all transfers to public corporations are presented in the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

**GUIDELINES:**

*Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:*

- *A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);*
- *The identification of intended beneficiaries of the quasi-fiscal activity.*

*The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.*

*The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.*

*Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.*

*If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.*

Answer:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

(b) Budget Speech 2021, p. 29 & 45  
<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

The Estimated Federal Government Expenditures 2021 does not have a specific section reporting quasi-fiscal activities. The Budget Speech does talk about providing soft loans, such as the TEKUN Sports scheme and soft loan funds and grants under the stimulus packages (which have been incorporated into the annual budget through the COVID-19 fund).

The Budget speech provides reasons and intended beneficiaries of these activities. But since the Budget only provides an overview of the overall budget, it is unclear whether it captures all quasi-fiscal activities in the Budget Year.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

**GUIDELINES:**

*Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:*

- *A listing of the financial assets; and*
- *An estimate of their value.*

*Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.*

*Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.*

**Answer:**

d. No, information related to financial assets is not presented.

**Source:**

(a) Table 2.1 Federal Government Revenue, Public Finance Statistics, Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 174  
[http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st\\_finance.pdf](http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/st_finance.pdf)

(b) Details of Federal Government Revenue Estimates, p. 216  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/memorandum.pdf>

**Comment:**

The Public Finance Statistics from Fiscal Outlook 2021 presents information about non-tax revenue from investments, but they do not present financial assets owned by the government.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

**GUIDELINES:**

*Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.*

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

(a) Details of Federal Government Revenue Estimates, Fiscal Outlook and Federal Government Revenue Estimates 2021, p. 201  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/memorandum.pdf>

Comment:

The cited document presents revenue generated from non-financial assets such as land, building, machinery and equipment. The document however does not list the assets.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

**GUIDELINES:**

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

d. No, estimates of expenditure arrears are not presented.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 5 p. 158  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section5.pdf>

Comment:

The cited document presents information on "97 Public Private Partnership projects involving financial commitments from the Government up to the year 2047 estimated at RM119 billion". This data the outstanding financial commitment is of end-September 2020. No estimates were presented for the budget year.



Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

**GUIDELINES:**

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

**Answer:**

c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

**Source:**

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 5  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section5.pdf>

**Comment:**

Section 5 of the Fiscal Outlook 2021 presents some information on fiscal risks posed by government contingent liabilities. However, the data is only up to end-September 2020 and does not present information for the budget year itself.

The report provides information about the major types of contingent liabilities and the policy rationale for each. For example, in p.156-157, information about government guarantee and the total outstanding guarantee by the end of 2019 as well as the major recipients of the loan guarantees were provided. Another example is the government's outstanding financial commitment in Public Private Partnership Projects involving RM 119 billion.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IBP Comment

For cross country consistency, IBP revised to answer choice C (from D). Section 5 of Fiscal Outlook Estimates 2021 mostly provides detailed information on outstanding government guarantees as of September 2020 (with budget proposal submitted to parliament in October 2020). However, Figure 5.2 shows the maturity profile of existing loan guarantees, reflecting exposure to fiscal risks posed in the coming years including the budget year.

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

*GUIDELINES:*

*Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:*

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.*

*The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.*

*Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.*

*For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances*

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

(a) Fiscal Outlook and Federal Government Revenue Estimates 2021, Section 5  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/section5.pdf>

Comment:

The government provided some information about risks posed in the next 10-30 years through outstanding commitments for 97 Public Private Partnership projects (p. 158) as well as maturity profiles of loan guarantees (p. 159) albeit brief.

There is no presentation on sustainability of finances using different macroeconomic or demographic assumptions.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

**GUIDELINES:**

*Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.*

**Answer:**

c. Yes, estimates of some but not all sources of donor assistance are presented.

**Source:**

(a) Details of Federal Government Revenue Estimates, p. 216-217  
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/memorandum.pdf>

**Comment:**

The cited document presented contributions and compensation from overseas and local contributions, however, there is no discussion included in the EBP reports stating where exactly did they come from.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

**GUIDELINES:**

*Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:*

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

*Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.*

*Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal*

Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

c. Yes, information is presented, but it excludes some core elements or some tax expenditures.

Source:

(a) The Budget Speech 2021 Appendices, p. 67-110  
<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

A statement of purpose or policy rationale is provided and a listing/description of the intended beneficiaries are provided. The extent of detail provided varies. However, an estimate of the revenue foregone is not provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

*GUIDELINES:*

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

c. Yes, estimates of some but not all earmarked revenues are presented.

Source:

(a) The Budget Speech 2021  
<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

The Budget Speech does briefly talk about some earmarked revenues:

- (a) Returns from the wakaf fund will be channelled to the wakaf projects of national interest that will be identified by Permodalan Nasional Berhad (p. 22)
- (b) a High Technology Fund worth 500 million ringgit will be provided by Bank Negara Malaysia (BNM) to support high technology and innovative companies (p. 36)
- (c) SME Bank will provide Lestari Bumi financing facility scheme with funds amounting to 300 million ringgit to encourage Bumiputera micro and small businesses to move up and transform to a higher category (p. 45)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

**GUIDELINES:**

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

**Answer:**

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

**Source:**

(a) The Budget Speech 2021

<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

(b) Budget 2021 Touchpoints:

<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

**Comment:**

The Budget Speech and Touchpoints presented the budget objectives: citizens' wellbeing, business continuity and economic resilience of which are further subdivided into strategies. The documents also listed expenditure programs and initiatives which fall under these three broad objectives. (main policy initiatives).

For example, under the first budget objective: citizens' well-being, strategy 1 is stated to be the COVID-19 pandemic and public health which contains budget initiatives, such as allocating RM475 million for the purchase of reagent, test kits, and consumables for Ministry of Health's usage. This was said to stem the third wave of COVID-19.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

**GUIDELINES:**

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue

and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

Source:

(a) The Budget Speech 2021

<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

There is a strategy under the third objective (economic resilience) called Development Agenda under the 12th Malaysia Plan (2021-2025). Under the strategy, there are about several expenditure initiatives. However, the budget as a whole does not link policy goals for a multi-year period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

**GUIDELINES:**

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

*Inputs* - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

*Outputs* - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

*Outcomes* - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

(a) The Budget Speech 2021

<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

(b) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

Comment:

The Budget Speech does not present any comprehensive nonfinancial data on inputs for the budget year.

The estimated federal expenditures do present scattered information on number of staff personnel, buildings etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

**GUIDELINES:**

*Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.*

Answer:

a. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

Comment:

Outcomes and their respective indicators are provided for each programme funded by the budget under each ministry. For example, under the Ministry of Education (p. 471), a programme called 'strengthening educational operations' was said to produce two outcomes: relevant and sufficient educational resources by measuring the supply of adequate learning and teaching material as well as national curriculum based assessment materials.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

**GUIDELINES:**

*Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.*

Answer:

a. Yes, performance targets are assigned to all nonfinancial data on results.

Source:

(a) Estimated Federal Expenditure 2021, p. 37- 497  
<http://belanjawan2021.treasury.gov.my/index.php/en/ap-2021>

Comment:

Outcomes and their respective indicators are provided for each programme funded by the budget under each ministry. The targets are provided beside the indicators. The document cited above provides targets for 2020 and 2021 as well as the actual target achieved from 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

*GUIDELINES:*

*Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such as the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.*

*The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"*

*(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.*

*For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. ([http://www.finance.gov.pk/budget/mtbf\\_2018\\_21.pdf](http://www.finance.gov.pk/budget/mtbf_2018_21.pdf) and [http://www.finance.gov.pk/survey\\_1718.html](http://www.finance.gov.pk/survey_1718.html)).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.*

Answer:

a. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

Source:

(a) Budget Speech 2021  
<http://belanjawan2021.treasury.gov.my/pdf/speech/2021/bs21.pdf>

Comment:

The Budget Speech provides information on various initiatives aimed at helping the B40 group along with its budgetary allocations: Perlindungan Tenang Voucher Programme, Jaringan Prihatin Programme, enhancing Targeted Loan Repayment Assistance, establishing Community Centers as transit centres for children to attend after school, expanding the iTEKAD programme.

However, EBP documents do not provide any specific consolidated report on the scope of such policies, budget estimate or the percentage of this assistance within the overall budget. Because of that, we believe this warrants a c. answer.



Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

IBP Comment

IBP revised the guidelines for this indicator. Per the revised guidelines, this indicator is revised to A (from C score in previous rounds). Federal Estimates include programs (with outcomes, indicators, activities and their corresponding functions) below administrative level. Programs that relate to poverty alleviation are covered through various programs across multiple ministries. For e.g. Ministry of Women and Community Development includes programs to cater for women empowerment, child poverty etc (see page 442-443).

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

**GUIDELINES:**

*Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.*

*To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.*

Answer:

d. No, a timetable is not issued to the public.

Source:

(a) Timetable from Treasury Site (Was available previously)  
<http://www.treasury.gov.my/index.php/bajet/proses-penyediaan-bajet.html>

(b) New MoF portal  
<https://www.mof.gov.my/ms/>

Comment:

The timetable was previously available on the old Treasury site which provides a timeline comprising a monthly schedule for the budget preparation process. However, the Treasury site has now been deactivated and a new MOF portal has been online in replacement of the old Treasury site. The switch to MOF portal was done on 02 February 2021.

As of the date of answering the question, we could not find the timetable published on the MOF portal and revisiting the Treasury site to see the old timetable is not feasible as the Treasury site is now shut down (even with Wayback Machine). Hence, we put our answer to be d.

Peer Reviewer  
Opinion: Agree

Comments: Treasury appears to have stopped making information about budget preparation schedule/timeline public

Government Reviewer  
Opinion:

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

**GUIDELINES:**

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

d. No, information related to the macroeconomic forecast is not presented.

Source:

PBS is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

**GUIDELINES:**

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

d. No, information related to the government's expenditure policies and priorities is not presented.

Source:

PBS is not publicly produced.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

**GUIDELINES:**

*Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:*

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

*Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.*

*To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.*

Answer:

d. No, information related to the government's revenue policies and priorities is not presented.

Source:

PBS is not publicly produced.

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

*Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:*

- *the amount of net new borrowing needed in the upcoming budget year;*
- *the central government's total debt burden at the end of the upcoming budget year; and*
- *the interest payments on the outstanding debt for the upcoming budget year.*

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.*

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

PBS is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

*GUIDELINES:*

*Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.*

*To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.*

Answer:

b. No, multi-year expenditure estimates are not presented.

Source:

PBS is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer “a,” the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer “b,” expenditure estimates must be presented by two of the three classifications. A “c” answer applies if expenditure estimates are presented by one of the three classifications. Answer “d” applies if expenditure estimates are not presented by any of the three classifications.

Answer:

c. Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.

Source:

(a) The Supply Act 2021

<https://www.mof.gov.my/pdf/budget/supply-act-2021.pdf>

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

Comment:

The Supply Act only presents authorised supply expenditures for each administrative function (by ministry).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification

Source:

(a) The Supply Act 2021

<https://www.mof.gov.my/pdf/budget/supply-act-2021.pdf>

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

Comment:

The Supply Act only presents authorised supply expenditures for each administrative function (by ministry).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

60. Does the Enacted Budget present expenditure estimates for individual programs?

**GUIDELINES:**

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term “program,” and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term “program” to mean any level of detail below an administrative unit, such as a ministry or department.

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.*

Answer:

d. No, the Enacted Budget does not present expenditure estimates by program.

Source:

(a) The Supply Act 2021

<https://www.mof.gov.my/pdf/budget/supply-act-2021.pdf>

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

Comment:

The Supply Act 2021 does not present program-level estimates. The documentation provides information about the amount of money allocated for each ministry for supply expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

*GUIDELINES:*

*Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Enacted Budget must present revenue estimates classified by category.*

Answer:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

(a) The Finance Act 2020

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021

<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

Comment:

The Finance Act 2020 does not present revenue estimates by category. The Finance Act only presents the amendments to tax-related policies such as the Income Tax Act, the Real Property Gains Tax, the Stamp Act, the Petroleum (Income Tax) Act, and the Labuan Business Activity Tax Act.

Details of estimates of the revenue (tax and non-tax) are presented in the Fiscal Outlook and Federal Government Revenue Estimates 2021. However, that is an EBP document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

62. Does the Enacted Budget present individual sources of revenue?

**GUIDELINES:**

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

d. No, the Enacted Budget does not present individual sources of revenue.

Source:

(a) The Finance Act 2020

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

(b) Fiscal Outlook and Federal Government Revenue Estimates 2021

<http://belanjawan2021.treasury.gov.my/index.php/en/tf-2021>

Comment:

The Finance Act 2020 does not present revenue estimates by individual source. The Finance Act only presents the amendments to tax-related policies such as the Income Tax Act, the Real Property Gains Tax, the Stamp Act, the Petroleum (Income Tax) Act, and the Labuan Business Activity Tax Act.

Details of estimates of the revenue (tax and non-tax) are presented in the Fiscal Outlook and Federal Government Revenue Estimates 2021. However, that is an EBP document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;
- the total debt outstanding at the end of the budget year;
- the interest payments on the outstanding debt for the budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

(a) The Supply Act 2021

<https://www.mof.gov.my/pdf/budget/supply-act-2021.pdf>

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_A1626\\_BI\\_WJW015xxx%20BI.PDF](http://www.federalgazette.agc.gov.my/outputaktap/20201231_A1626_BI_WJW015xxx%20BI.PDF)

(b) The Finance Act 2020

[http://www.federalgazette.agc.gov.my/outputaktap/20201231\\_AKTA%20831\\_BI\\_WJW015xxx%20BI.pdf](http://www.federalgazette.agc.gov.my/outputaktap/20201231_AKTA%20831_BI_WJW015xxx%20BI.pdf)

Comment:

The Supply Act 2021 and the Finance Act 2020 does not present information on government borrowings.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

*GUIDELINES:*

*Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:*

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

*To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.*

Answer:

a. The Citizens Budget provides information beyond the core elements.

Source:

(a) Infographics Budget 2021: <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

(b) Budget 2021 Touchpoints:

<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

[https://dbook.penerangan.gov.my/dbook/dmdocuments/intipati\\_belanjawan\\_2021\\_en/mobile/index.html#p=7](https://dbook.penerangan.gov.my/dbook/dmdocuments/intipati_belanjawan_2021_en/mobile/index.html#p=7)

(c) Budget 2021 infographics by Department of Information

<https://www.penerangan.gov.my/japenv2/index.php/tag/belanjawan-2021/>

Comment:

Both documents mainly present how the funds will be distributed to various segments and industries nationwide (expenditure totals). Both do not disclose the revenue total.

The Budget 2021 Touchpoints are more in depth and touches on the budget objectives: citizens' wellbeing, business continuity and economic resilience of which are further subdivided into strategies. The Touchpoints listed expenditure programs and initiatives which fall under these three broad aims (main policy initiatives). The Touchpoints provided some information on GDP growth and how some of the budget initiatives will contribute to 4 percentage points to GDP growth in 2021 on page 24 (macroeconomic forecast). The last page of the Touchpoint provides ample contact information to the Ministry of Finance.



Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

65. How is the Citizens Budget disseminated to the public?

**GUIDELINES:**

*Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.*

*To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.*

Answer:

b. A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.

Source:

Comment:

To be confirmed with reply from National Budget Office.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. A Citizens Budget is disseminated only by using one means of dissemination.

Comments: <http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

Government Reviewer

Opinion:

IBP Comment

IBP worked with researcher to select answer choice B. The Citizens Budget is mainly disseminated through multiple online streams - Ministry of Finance, Department of Information. In addition, the head of Budget Department gave a podcast interview - <https://www.bfm.my/podcast/morning-run/the-breakfast-grille/scrutinising-budget-2021> .

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

**GUIDELINES:**

*Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.*

*To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.*

*Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly*

designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

Comment:

To be confirmed with reply from National Budget Office.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Comments: No response provided by the researcher. I would select D

Government Reviewer

Opinion:

IBP Comment

As a follow up, researcher confirms score of D. The invitation sent to the public to submit memorandum does not include questions on the type of information that the public wants the government to publish. The government invited many organisations to submit memorandum through this link: <https://budgetmemorandum.treasury.gov.my>

67. Are "citizens" versions of budget documents published throughout the budget process?

*GUIDELINES:*

*Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.*

*To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.*

Answer:

c. A citizens version of budget documents is published for at least one stage of the budget process.

Source:

(a) Infographics Budget 2021: <http://belanjawan2021.treasury.gov.my/index.php/ms/galeri/infografik-belanjawan-2021>

(b) Budget 2021 Touchpoints:

<http://belanjawan2021.treasury.gov.my/pdf/touchpoints/budget-2021-touchpoints-en.pdf>

(c) INFOGRAFIK on audit website

[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN2019%20siri%20-%20infografik.mp4](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN2019%20siri%20-%20infografik.mp4)

Comment:

The Infographics Budget 2021 and Budget 2021 Touchpoints are citizens versions of the EBP and incorporate visual elements for presenting key information on budget formulation to the general audience.

A noteworthy improvement is the National Audit Department's release of a 5-minute video/powerpoint slideshow, called "INFOGRAFIK" (infographic in English). It presented summarised data of the reports from the Laporan Ketua Audit Negara Tahun 2019 Siri 1 which reports the result of the performance audit of selected government departments and attestation audits to the financial statement of the statutory bodies. However, it does not report the result of the attestation audit to the federal government financial statement (the main document that we refer to in this research as AR). As such it is not being considered as a Citizens version of the audit report.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.*

*Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.*

**Answer:**

d. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

**Source:**

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

**Comment:**

The IYR provides actual expenditure in economic classifications. For example, in the Malaysian Economic Third Quarter 2020, a brief statement on grants and transfers, emoluments and retirement charges, outlays for supplies and services, and debt service charges were provided for each. However the information is in narrative form and it does not account for all expenditures.

The Economic Quarterly documents report about the state of economy and are not really a fiscal report. But, it has some information about expenditure and revenue. However, the information about expenditure is only partial and for that reason, we have put the answer to be d. instead of c.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

**Answer:**

None of the above

**Source:**

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

The Economic Quarterly documents report about the state of economy and are not really a fiscal report. But, it has some information about expenditure and revenue. However, the information about expenditure is only partial.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

69. Do the In-Year Reports present actual expenditures for individual programs?

*GUIDELINES:*

*Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.*

Answer:

d. No, the In-Year Reports do not present actual expenditures by program.

Source:

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

The Economic Quarterly documents do not provide program-level actual expenditures, but present some expenditures in economic categories as mentioned in the comment in Q.68.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

*GUIDELINES:*

*Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for expenditures presented in the In-Year Reports*

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

The IYR provides a comparison of actual expenditures with quarterly data for the reporting year (2020) including the same periods for the previous year (2019). For example in the Malaysian Economic Third Quarter, 3 quarters of expenditure for the year 2019 and 2020 were compared in a table.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

*GUIDELINES:*

*Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," In-Year Reports must present revenue estimates classified by category.*

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

The IYR provides brief one-line statements on actual revenue data for broad tax (direct and indirect) and non-tax in the narrative discussion. For example, in the Malaysian Economic Third Quarter 2020, a short explanation was given as to why revenue has dropped significantly in the third quarter of 2020 due to the adverse impact of COVID-19 pandemic. It then presents data on how much revenue has decreased based on broad categories of tax/non-tax and the total for the two broad categories for the quarter.

Peer Reviewer

Opinion: Agree

Comments: It must be stated that this remains very brief/minimum to be useful, as noted above.

Government Reviewer

Opinion:

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

*GUIDELINES:*

*Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies*

to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

c. Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.

Source:

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

For example, in the Malaysian Economic Third Quarter 2020, revenue and its drop were revealed for the two categories: tax (direct & indirect) and non-tax. Examples of individual sources were cited to be companies income tax, sales tax and service tax. However, these numbers add up to less than two-thirds of the revenue cited in the quarter.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, In-Year Reports do not present individual sources of actual revenue.

Comments: While IYRs like Quarterly Reports on Malaysian Economy present net revenue under broad categories (direct, indirect, tax and non-tax), they do not present breakdowns of revenues generated from specific items/sources

Government Reviewer

Opinion:

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

*GUIDELINES:*

*Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for revenues presented in the In-Year Reports.*

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 7-8

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

Comment:

Similarly, the IYR provides a comparison of actual revenue with quarterly data for the reporting year (2020) including the same periods for the previous year (2019).

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

**GUIDELINES:**

*Question 74 asks about three key estimates related to borrowing and debt:*

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.*

**Answer:**

b. Yes, two of the three estimates related to government borrowing and debt are presented.

**Source:**

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 8-9

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

**Comment:**

For example, in the Malaysian Economic Third Quarter 2020, the document presents two estimates related to government borrowing and debt. For net new borrowing so far, the deficit figure of RM27.6 billion from the quarter can be used as a proxy for net new borrowing. Gross borrowing also reported a total of RM49.2 billion raised during said quarter of which RM 28.3 billion is used to finance principal repayments and the remaining to for deficit financing. For the central government's debt burden, it was reported to be RM874.3 billion.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

**GUIDELINES:**

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

**Answer:**

c. Yes, information is presented, but it excludes some core elements.

**Source:**

(a) Quarterly Malaysian Economic Archive

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/>

<https://www1.treasury.gov.my/index.php/fiskal-ekonomi/ekonomi-malaysia-suku-tahunan.html>

(b) Malaysian Economic Third Quarter 2020, p.g. 8-9

<https://www.mof.gov.my/pdf/ekonomi/suku-tahunan/202003/>

**Comment:**

In the Malaysian Economic Third Quarter 2020, it only presented whether the proportions of the debt being domestic or external: 96.7% or RM845 billion of the total debt comprises of domestic debt while the remaining were revealed to be market and project loans.

No information is provided for either the maturity profile or interest rates on debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

**GUIDELINES:**

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the



differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

**GUIDELINES:**

*Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.*

Answer:

d. No, expenditure estimates have not been updated.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

**GUIDELINES:**

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaille*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

*GUIDELINES:*

*Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.*

Answer:

d. No, revenue estimates have not been updated.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Comments: No MYR is produced

Government Reviewer

Opinion:

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

*GUIDELINES:*

*Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must present revenue estimates classified by category.*

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

*GUIDELINES:*

*Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.*

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

*GUIDELINES:*

*Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.*

*Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:*

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

d. No, estimates of government borrowing and debt have not been updated.

Source:

The Mid-Year Review is not publicly produced.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

**GUIDELINES:**

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Operating Expenditure: p.g.16-17, 65-73

(ii) Developing Expenditure: p.g. 20, 74-78

Comment:

Estimates presented in the document are the original numbers enacted budget, revised numbers from the enacted budget and the actual numbers.

The Federal Government Financial Statements provides separate reporting operating expenditure and development expenditure. For operating expenditure, data can be found from page 65-73. Narrative discussion can be found on page 16-17. For developing expenditure, data can be found from page 74 - 78. Narrative discussion can be found on page 20.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.*

**Answer:**

b. Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

**Source:**

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Operating Expenditure: p.g. 65-73

(ii) Developing Expenditure: p.g. 74-78

**Comment:**

For both expenditures, the data is classified according to administrative classification (by ministry). However, only the operating expenditure is further classified to economic classification (emoluments, supplies and services, assets, grants and other fixed charges). None of the two were presented in functional classification in the report.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

**Answer:**

Administrative classification

Economic classification

**Source:**

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Operating Expenditure: p.g. 65-73

(ii) Developing Expenditure: p.g. 74-78

**Comment:**

For both expenditures, the data is classified according to administrative classification (by ministry). However, only the operating expenditure is further classified to economic classification (emoluments, supplies and services, assets, grants and other fixed charges). None of the two were presented in functional classification in the report.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

86. Does the Year-End Report present expenditure estimates for individual programs?

**GUIDELINES:**

*Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.*

**Answer:**

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

**Source:**

Federal Government Financial Statement 2019 (Malay Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Operating Expenditure: p.g. 65-163

(ii) Developing Expenditure: p.g. 164-202

**Comment:**

Under both types of expenditure which are mainly presented under administration classification, under each ministry there are further details below the ministry and how the spending was divided.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

**GUIDELINES:**

*Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.*

*To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.*

**Answer:**

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

**Source:**

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>  
(i) Tax & Non-Tax Revenue: p.g. 14-15, 48-49

**Comment:**

Estimates presented in the document are the original numbers enacted budget, revised numbers from the enacted budget and the actual numbers. The narrative discussion can be found in p.g. 14-15.

**Peer Reviewer**

Opinion: Agree

Comments: Very brief and basic though- the documents do present some narratives.

**Government Reviewer**

Opinion:

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

**GUIDELINES:**

*Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Year-End Report must present revenue estimates classified by category.*

**Answer:**

a. Yes, the Year-End Report presents revenue estimates by category.

**Source:**

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Tax & Non-Tax Revenue: p.g. 14-15, 48-49

**Comment:**

Revenue numbers were presented in two broad categories of tax (direct & indirect) and non-tax.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

89. Does the Year-End Report present individual sources of revenue?

**GUIDELINES:**

*Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.*

*To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.*

**Answer:**

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

**Source:**

Federal Government Financial Statement 2019 (English Version)



<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Tax & Non-Tax Revenue: p.g. 14-15, 48-49

**Comment:**

The report presents most individual sources of revenue, such as Customs Duties, Excise Duties, Sales Tax, Service Tax, Levy and so on under indirect tax revenue. There is an item, "other direct taxes" under direct tax revenue which takes up about 3% of the total actual revenue. This item was not broken down in the table but was explained in the narrative discussion to be stamp duty collection and real property gains tax with their numbers and estimates clearly stated in the explanation.

**Peer Reviewer**

Opinion: Agree

Comments: The document can be accessed through Accountant General's Department: <https://www.anm.gov.my/images/dokumen/arkib/penyata-kewangan/penyata-kewangan-2019.pdf>

**Government Reviewer**

Opinion:

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

**GUIDELINES:**

*Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:*

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

*Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:*

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

**Answer:**

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

**Source:**

Federal Government Financial Statement 2019 (English Version)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(i) Consolidate Loan Account (p.g.17 - 18)

(ii) Federal Debt (p.g. 26 -28, 91-94)

(iii) Statement of Financial Performance (where overall deficit and deficit funded by can be found, p.g. 44)

**ATTACHMENT 5 STATEMENT OF MEMORANDUM ACCOUNT OF LIABILITY - FEDERAL DEBT**

<https://www.anm.gov.my/images/dokumen/arkib/penyata-kewangan/penyata-kewangan-2019.pdf>

(i) Maturity rates (page 91 - 94)

**Comment:**

The Financial Statements do present the amount of net new borrowing required, central government's total debt burden, interest rates on debt and whether the debt is domestic and external.

Maturity profile is presented in attachment 5 as 'redemption date' and interest rates associated with govt. issues securities (domestic debt), market loans as well as foreign (bilateral and multilateral) loans.

The Financial Statements do not present on interest payments on outstanding debt for the budget year. The statements also presented the estimates of new borrowing by showing the original estimates of deficit, which was funded by borrowing.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year  
Maturity profile of the debt  
Whether the debt is domestic or external  
Interest rates on the debt

Source:

Federal Government Financial Statement 2019 (English Version)  
<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>  
(i) Consolidate Loan Account (p.g.17 - 18)  
(ii) Federal Debt (p.g. 26 -28, 91-94)  
(iii) Statement of Financial Performance (where overall deficit and deficit funded by can be found, p.g. 44)

Comment:

The Financial Statements do present the amount of net new borrowing required, central government's total debt burden, interest rates on debt and whether the debt is domestic and external.

The Financial Statements do not present on interest payments on outstanding debt for the budget year and maturity profile of the debt. The statements also presented the estimates of new borrowing by showing the original estimates of deficit, which was funded by borrowing.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

**GUIDELINES:**

*Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The YER document does not have a specific section that analyses differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The YER document does not have a specific section that analyses differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

**GUIDELINES:**

*Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The YER document does not provide estimates of original estimates of non-financial data on inputs and the actual outcome.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

**GUIDELINES:**

*Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).*

*Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

Source:

Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

Comment:

The YER document does not provide estimates of original estimates of non-financial data on results and the actual outcome.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

**GUIDELINES:**

*Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.*

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

b. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, but a narrative discussion is not included.

Source:

(a) Federal Government Financial Statements 2019, p. 106

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

Comment:

YER documentation provides the differences between the enacted estimates, revised estimates and actual expenditure for each programme under administrative function of the year concerned. This includes programs that benefits the poor, for example on p.106 under the Ministry of Rural Development, enacted estimates, revised estimates and actual expenditure for the programme, Bantuan Sara Hidup Bekas Kakitangan Kontrak KEMAS (cash assistance) was provided.

However, similar to the EBP, the YER does not have a specific section that show the difference between the enacted budget for all programs for the poor with the actual expenditure.

Peer Reviewer

Opinion: Agree

Comments: Verified using the source cited.

Government Reviewer

Opinion:

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

**GUIDELINES:**

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

(a) Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

Comment:

Extra-budgetary funds for Malaysia in survey refers to statutory bodies and Non-Financial Public Corporations.

Transfer to statutory bodies is part of expenditure for Grants and Fixed Charges. The YER provides information on the estimates and actual expenditures for this purpose (p. 17 & 43). but no specific amount for statutory bodies and corporations. Additionally, the YER provide information of the actual loans and investment to statutory bodies (p. 56). But it does not give their estimates, nor provide a consolidated actual and estimate funds managed by various statutory bodies.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

**GUIDELINES:**

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

**Answer:**

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

**Source:**

Federal Government Financial Statements 2019 (English Version), p.g 34 - 125

(a) <https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(b) <http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/167/1?page=1>

**Comment:**

Malaysia's YER is a financial statement of the federal government.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

**GUIDELINES:**

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

**Answer:**

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:

(a) Audit Report 2019 Archive on Audit Department Website  
<https://www.audit.gov.my/index.php/muat-turun-lkan>

(b) Laporan Ketua Audit Negara Mengenai Penyata Kewangan Kerajaan Persekutuan Tahun 2019 / Auditor's General Report on Federal Financial Statement 2019  
[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

(c) Laporan Ketua Audit Negara 2019: Aktiviti Kementerian/Jabatan Kerajaan Persekutuan dan Badan-Badan  
[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN2019%20Siri1\\_Aktiviti%20Kerajaan%20Persekutuan.pdf](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN2019%20Siri1_Aktiviti%20Kerajaan%20Persekutuan.pdf)

(d) Laporan Ketua Audit Negara 2019: Pengurusan Syarikat Kerajaan Persekutuan Tahun 2019  
[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf)

Comment:

All three types of audits are performed. However, the cited AR from Section 1, Auditor's General Report on Federal Financial Statement 2019 only presents financial and compliance audit. This report is directly related to the Federal Financial Statement.

Malaysia's audit report actually consists of numerous reports. Performance audit is covered in Laporan Ketua Audit Negara 2019: Aktiviti Kementerian/Jabatan Kerajaan Persekutuan dan Badan-Badan Berkanun Persekutuan Tahun 2019. There is also the Laporan Ketua Audit Negara 2019: Pengurusan Syarikat Kerajaan Persekutuan Tahun 2019 which reports on compliance audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

*GUIDELINES:*

*Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.*

*The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.*

*Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.*

*To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.*

Answer:

b. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

Source:

(a) Audit Act 1957  
<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2062.pdf>

(b) Audit (Accounts of Companies) Order 2017  
[http://www.federalgazette.agc.gov.my/outputp/pua\\_20170930\\_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20(A)%20294%202017.pdf)

(c) Laporan Ketua Audit Negara Mengenai Penyata Kewangan Kerajaan Persekutuan Tahun 2019 / Auditor's General Report on Federal Financial Statement 2019  
[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

(d) Laporan Ketua Audit Negara 2019: Pengurusan Syarikat Kerajaan Persekutuan Tahun 2019  
[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf)

sekutuan.pdf

Comment:

Section 5 of the Audit Act 1957 provides the power to the Auditor General to 'examine, enquire into and audit:

- (a) the accounts of accounting officers of the Federation and of the States;
- (b) the accounts of any separate fund established in a State or the Federal Territory under Article 97(3) of the Federal Constitution notwithstanding any law to the contrary;
- (c) the accounts of any other public authority or body if it is so provided by law in any case; and, where it is not so provided, at the request of that authority or body and with the consent of the Minister of Finance to be notified in the Gazette;
- (d) the accounts of any other body, including a company registered under the Companies Act 1965 [Act 125], in receipt of a grant or loan from the Federation or a State, and including also a company where more than half its paid-up share capital is held by the Federation, a State or a public authority or is so held in the aggregate by two or more of them: Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution and notwithstanding any law relating to the audit of the accounts of any such body;
- (e) (Deleted by Act A558);
- (f) the accounts of any other public authority if the Minister of Finance is satisfied that the public interest requires that the accounts of the authority shall be examined, inquired into and audited by the Auditor General notwithstanding any law relating to the accounts and audit of any such authority: Provided that the Minister shall not cause the accounts of any such authority exercising powers vested in it by State law to be so examined, inquired into and audited unless he shall first have consulted the Menteri Besar or Chief Minister of that State.

The Auditor General Report 2019 presents audit of the following:

1. Financial Statement of Federal Government;
2. Financial Statement of Statutory Bodies , Trust Funds and Government Agencies;
3. Accounts of government companies.

The number of companies audited is small compared to the number of companies in the gazetted list. However, considering the substantial number of statutory bodies and trust funds audited, as well as the fact that these institutions represent at least four out of five types of institutions that are mandated to be audited in the Audit Act, the researcher chose answer (b).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

*GUIDELINES:*

*Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.*

*The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.*

*To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.*

Answer:

b. Extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Source:

(a) Audit Act 1957

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2062.pdf>

(b) Audit (Accounts of Companies) Order 2017

[http://www.federalgazette.agc.gov.my/outputp/pua\\_20170930\\_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20(A)%20294%202017.pdf)

(c) Laporan Ketua Audit Negara Mengenai Penyata Kewangan Kerajaan Persekutuan Tahun 2019 / Auditor's General Report on Federal Financial Statement 2019

[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)



(d) Laporan Ketua Audit Negara 2019: Pengurusan Syarikat Kerajaan Persekutuan Tahun 2019 [https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN%202019%20Siri%201%20%E2%80%93%20Pengurusan%20Syarikat%20Kerajaan%20Persekutuan.pdf)

**Comment:**

The Auditor General Report 2019 presents audit of the following:

1. Financial Statement of Federal Government;
2. Financial Statement of Statutory Bodies , Trust Funds and Government Agencies;
3. Accounts of government companies.

The number of companies audited is small compared to the number of companies in the gazetted list. However, considering the substantial number of statutory bodies and trust funds audited, as well as the fact that these institutions represent at least four out of five types of institutions that are mandated to be audited in the Audit Act, the researcher chose answer (b).

**Peer Reviewer**

Opinion: Disagree

Suggested Answer:

c. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Comments: Generally the number of GLCs/companies audited annually is small compared to huge number of such companies on the list. In view of this I would consider C as the most appropriate answer in this case.

**Government Reviewer**

Opinion:

**IBP Comment**

Many thanks to the peer reviewer for their comments. IBP worked with researcher to confirm answer choice B. For the OBS, statutory bodies and NPFs are considered as extrabudgetary (see indicator 33 for more). Based on this assessment, answer choice B applies.

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

**GUIDELINES:**

*Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.*

*To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.*

**Answer:**

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

**Source:**

(a) Auditor's General Report on Federal Financial Statement 2019 (p. xiii - xx)

[https://www.audit.gov.my/images/pdf/2020/2019\\_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf](https://www.audit.gov.my/images/pdf/2020/2019_PenyataKewangan/LKAN%20Penyata%20Kewangan%20Kerajaan%20Persekutuan%20Tahun%202019.pdf)

**Comment:**

Above source is the executive summary for the cited AR. In fact, all of the yearly audit reports have executive summaries.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

**GUIDELINES:**

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

**Answer:**

a. Yes, the executive reports publicly on what steps it has taken to address audit findings.

**Source:**

(a) Laporan Ketua Audit Negara 2019: Aktiviti Kementerian/Jabatan Kerajaan Persekutuan dan Badan-Badan  
[https://www.audit.gov.my/images/pdf/2020/2019\\_S1/LKAN2019%20Siri1\\_Aktiviti%20Kerajaan%20Persekutuan.pdf](https://www.audit.gov.my/images/pdf/2020/2019_S1/LKAN2019%20Siri1_Aktiviti%20Kerajaan%20Persekutuan.pdf)

**Comment:**

The Executives' responses to the audit evaluation including the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI) are included in the Auditor General Reports.

For example, on p. 2-11 onwards, various responses from the MoF were recorded in response to the audit findings of the new e-procurement system. The response are written in red and blue.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

**GUIDELINES:**

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

**Answer:**

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

**Source:**

(a) Auditor General's Dashboard Portal  
<https://agdashboard.audit.gov.my/#/>

**Comment:**

The Auditor General's Dashboard Portal shows the progress of actions taken by the executive to address audit recommendations. The Portal shows the number of cases that are being addressed (Dalam Tindakan), completely addressed (Selesai) and not addressed (Tiada Tindakan) and their details. The Portal also shows the aggregate number of unresolved cases based on ministry. Data available is up until 31 March 2021 as of the date answering.

**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion:

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

**GUIDELINES:**

*Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:*

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).*

*For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.*

*To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.*

*If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.*

Answer:

d. No, there is no IFI.

Source:

<https://www.thestar.com.my/business/business-news/2018/08/29/govt-to-set-up-two-committees-to-reduce-fiscal-deficit-says-guan-eng>

Comment:

In 2018, the previous Minister of Finance, Lim Guan Eng, announced the establishment of the Public Finance Committee and the Tax Reform Committee to tackle fiscal deficit problems. There is no public news and updates on whether these two committees are functioning after the change in government in March 2020.

After the change in government in March 2020 and the imposition of the Movement Control Order, budget oversight became relatively weaker. The new parliament did not meet in session until 18th May 2020 and any of the existing committees were idle.

Peer Reviewer

Opinion: Agree

Comments: Aside from the change of government, much of the time since then Malaysia has remained either under strict lockdowns (Movement Control Order) or under state of emergency due to COVID-19 pandemic. With no sittings Parliament has been virtually inactive. Worse more, under emergency it has remained suspended for much of 2021 which allowed the govt to rule by decrees/executive orders. Recently Malaysia saw the change in leadership once again; Tan Sri Muhyiddin Yassin has been replaced by his deputy Ismail Sabri as PM. Given all this, there was very little, if any, in terms of budget oversight.

Government Reviewer

Opinion:

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

**GUIDELINES:**

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

**Answer:**

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

**Source:**

**Comment:**

Malaysia does not have an IFI.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

**GUIDELINES:**

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

**Answer:**

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

**Source:**

**Comment:**

Malaysia does not have an IFI.

Peer Reviewer

Opinion: Agree

Government Reviewer  
Opinion:

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

**GUIDELINES:**

*Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.*

Answer:

d. Never, or there is no IFI.

Source:

Comment:

Malaysia does not have an IFI.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

**GUIDELINES:**

*Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)*

*A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.*

*To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.*

*Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.*

*Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.*

*In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then*

*please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).*

Answer:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:

(a) Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Bill 2020  
<https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&lang=en#>

(b) Opposition leaders met Finance Minister over pre-budget talks  
<https://www.malaysiakini.com/news/548959>  
<https://www.malaysiakini.com/news/549016>

Comment:

The actual policy debate in Malaysia's budgeting process takes place after the EBP is tabled during the policy stage. The full legislature will vote on the policy direction on the budget before deliberating on vote allocation. This is followed by the committee stage once the budget has passed the policy stage. During the committee stage, parliament will focus on the allocations for the 27 ministries, going through them one-by-one.

However, before the tabling of EBP in Parliament (6 November 2021), opposition leaders met the Finance Minister to discuss their Budget 2021 proposals on 1 November 2021. This meeting is not part of the formal Parliamentary sessions. The Finance Minister has assured that the suggestions from this meeting will be taken into consideration.

Additionally, prior to the tabling of the 2021 EBP, Dewan Rakyat debated and passed the Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Bill 2020. The bill establishes the COVID-19 Fund. The monies from the COVID-19 Fund would be used for the economic stimulus packages and economic recovery plans. This COVID-19 Fund was later incorporated into Budget 2021 as a new category of allocation along with the operating and developing expenditure.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

**GUIDELINES:**

*Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).*

*For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.*

*To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.*

Answer:

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

Source:

(a) Meeting with Speaker of Dewan Rakyat (2/9/2020)

(b) Supply Bill 2021's First Reading in Parliament  
<https://www.parlimen.gov.my/portal/takwim-dewan-rakyat.html?uweb=dr&id=3&ssid=3&lang=en>

Comment:

The MPs received the EBP documents on the day the Supply Bill 2021 underwent its first reading on 03 November 2020, which was 3 days before it was tabled and undergone its second reading on 06 November 2020.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

109. When does the legislature approve the Executive's Budget Proposal?

**GUIDELINES:**

*Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.*

*In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.*

*To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.*

**Answer:**

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

**Source:**

- (a) <https://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&>
- (b) <https://www.astroawani.com/berita-malaysia/dewan-rakyat-passes-supply-bill-2021-273267>
- (c) <https://www.thestar.com.my/news/nation/2020/12/23/dewan-negara-passes-budget-2021>
- (d) <https://www.nst.com.my/news/government-public-policy/2020/12/649859/finance-bill-2020-passed-public-enjoy-tax-breaks#:~:text=The%20bill%20provides%20that%20those,years%20of%202021%20and%202022.>

**Comment:**

The Supply Bill 2021 was passed by Dewan Rakyat on 15 December 2020 and by Dewan Negara on 23 December 2020.

The Finance Bill 2020 was passed on 16 December 2020.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

**GUIDELINES:**

*Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.*

*The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues.*

Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

(a) <https://www.theedgemarkets.com/article/cover-story-whats-next-budget-2021-after-being-passed-policy-stage>

(b) <https://www.thestar.com.my/news/nation/2020/12/10/budget-2021-comms-ministry-gets-its-allocation-via-voice-vote-039jasa039-funds-reduced>

(c) Standing Order of the Dewan Rakyat, Section 66 (Point No. 9 - 17) and Section 66A  
[https://www.parlimen.gov.my/images/webuser/peraturan\\_mesyuarat/PMDR-eng.pdf](https://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf)

(d) Hansard and News on The Debate on JASA RM85.5 Million Allocation in Dewan Rakyat (10/12/2020)  
<https://www.parlimen.gov.my/files/hindex/pdf/DR-10122020.pdf>  
<https://www.thestar.com.my/news/nation/2020/12/01/channel-jasa-funds-to-health-ministry>

(e) IDEAS (Tricia Yeoh and Sri Murniati) assisted YB Madius Tangau (MP for Tuaran-UPKO) during the budget debate to identify which budget items need to be amended.

Comment:

Based on the Standing Orders Section 66, the amendment can be proposed by the member of the legislature in the committee level debate. However, the amendment proposal is limited to reducing the sum allocated to the head of expenditures, and the member has to provide notice two days before the proposal is brought up in the debate. Furthermore, reallocation of expenditure can only be made through a motion by a Minister and not by any MP as stated in S66A.

For example, in the recent controversial Special Affairs Department (JASA) allocation debate during the committee stage of Budget 2021, MP for Tuaran, Datuk Seri Wilfred Madius Tangau sent a motion to the Speaker proposing for the RM85.5mil JASA allocation to be shifted to the Health Ministry instead. This motion did not succeed due to the S66A provision of the Standing Order.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

**GUIDELINES:**

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

(a) Policy Stage News  
<https://www.theedgemarkets.com/article/cover-story-whats-next-budget-2021-after-being-passed-policy-stage>

(b) <https://www.thestar.com.my/news/nation/2020/12/10/budget-2021-comms-ministry-gets-its-allocation-via-voice-vote-039jasa039-funds-reduced>



(c) Hansard and News on The Debate on JASA RM85.5 Million Allocation in Dewan Rakyat (10/12/2020)

<https://www.parlimen.gov.my/files/hindex/pdf/DR-10122020.pdf>

<https://www.thestar.com.my/news/nation/2020/12/10/budget-2021-comms-ministry-gets-its-allocation-via-voice-vote-039jasa039-funds-reduced>

<https://www.thestar.com.my/news/nation/2020/12/01/channel-jasa-funds-to-health-ministry>

<https://www.nst.com.my/news/nation/2020/11/644593/motion-cut-jasas-allocation-be-tabled>

(d) Motion to slash and reallocate the funds of PeKT programme to Universiti Malaya Sabah

<https://www.malaysiakini.com/news/554212>

(e) Miti's 2021 budget approved by 6-vote margin after heated exchange on Apec

<https://www.freemalaysiatoday.com/category/nation/2020/12/03/mitis-2021-budget-approved-by-6-vote-margin-after-heated-exchange-on-apec/>

<https://www.malaysiakini.com/news/553465>

Comment:

During the policy stage of this Budget 2021, the finance minister made additional allocations based on feedback from MPs from both sides of the aisle to get it passed at the policy stage by adding an extra RM500 million to the final figure of RM322.5 billion. This may be due to the unique nature of this year's Budget in dealing with the pandemic. The Finance Minister has also assured that the additional allocation is "... too small to have an impact on the budget deficit".

During the committee stage, these were some of the notable and controversial efforts by MPs in proposing amendments in the EBP of FY 2021:

(a) Two motions were filed in regards to the controversial Special Affairs Department (JASA) allocation. The motion filed by MP for Tuaran, Datuk Seri Wilfred Madius Tangau to reallocate the RM85.5 million to the Health Ministry failed; the other motion tabled by the Finance Minister himself to cut the RM85.5mil allocation for JASA to RM40.5mil on 10/12/2020 succeeded

(b) Two motions were filed by MP for Tuaran, Datuk Seri Wilfred Madius Tangau to defund the Housing and Local Government Ministry's Penggerak Komuniti Tempatan (PeKT) programme and reallocate the RM8,627,200.00 sum to Universiti Malaya Sabah (UMS). The Dewan Rakyat speaker rejected that motion on the grounds that it was not submitted in time - two days ahead.

(c) Another motion was filed to cut RM20 million from the International Trade and Industry Ministry's (Miti) online Apec conference budget from its original RM25 million allocation. This was following the large remainder of the previous year's funds due to the previous APEC meeting also being held online. The Miti's budget was approved through a bloc vote after a heated argument between opposition MPs and minister Mohamed Azmin Ali.

Peer Reviewer

Opinion: I choose not to review this question

Comments: I would consider it more symbolic (given the nature of amendments) than a real change to Malaysia's public budgeting process and the power of the legislature. In most cases the Supply Bill gets passed without amendments.

Government Reviewer

Opinion:

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

**GUIDELINES:**

*Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.*

*Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.*

*Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.*

Answer:

d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:

(a) Members of the Special Select Committee on Finance and Economy  
<https://www.parlimen.gov.my/jawatankuasa-pilihan-khas.html?&view=2100&uweb=dr&lang=en>

(b) Announcement and Formation of Special Select Committee of Finance and Economy  
<https://themalaysianreserve.com/2020/11/12/dewan-rakyat-passes-motion-on-9-special-select-committees/>  
<https://www.malaymail.com/news/malaysia/2020/11/02/speaker-proposes-setting-up-of-nine-parliamentary-select-committees/1918600>

(c) Hansard on Select Committees being Frozen, pg. 89  
<https://www.parlimen.gov.my/files/hindex/pdf/DR-22072020.pdf#page=89&zoom=100&search=Public%20Accounts%20Committee>

Comment:

During the Pakatan Harapan Government administration, the Speaker of that time established 6 new Select Committees, including a Budget Select Committee in 2018 to scrutinise the Malaysian federal budget and matters that may impact the budget execution. This government fell in March 2020 and was replaced by another coalition called the Perikatan Nasional. The new coalition replaced the Speaker of the Dewan Rakyat and disbanded all parliamentary select committees.

Additionally, due to the Movement Control Order and the political crisis last year, any of the existing Select Committees were 'frozen and paralysed' since March 2020 to July 2020 at least, hindering their work. This caused legislative oversight to be relatively weaker. The new parliament did not meet in session until 18th May 2020 and any of the existing committees were idle.

A new Special Select Committee on Finance and Economy was formed on 12 November 2020. This new parliamentary committee that was supposed to be tasked with deliberating the EBP was only formed after the budget was tabled in parliament on 06 November 2020. Hence, we consider the answer to be (d). Furthermore, there have been no reports and recorded sessions of the committee deliberating on Budget 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

**GUIDELINES:**

*Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.*

*Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.*

*Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.*

*For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.*

Answer:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

(a) Parliament webpage on Special Select Committees

<https://www.parlimen.gov.my/jawatankuasa-pilihan-khas.html?uweb=dr&>

(b) Announcement and Formation of New Special Select Committees

<https://themalaysianreserve.com/2020/11/12/dewan-rakyat-passes-motion-on-9-special-select-committees/>

<https://www.malaymail.com/news/malaysia/2020/11/02/speaker-proposes-setting-up-of-nine-parliamentary-select-committees/1918600>

(c) Hansard on Select Committees being Frozen, pg. 89

<https://www.parlimen.gov.my/files/hindex/pdf/DR-22072020.pdf#page=89&zoom=100&search=Public%20Accounts%20Committee>

Comment:

During the Pakatan Harapan Government administration, the Speaker of that time established 6 new Select Committees in 2018. This government fell in March 2020 and was replaced by another coalition called the Perikatan Nasional. The new coalition replaced the Speaker of the Dewan Rakyat and disbanded all parliamentary select committees.

Additionally, due to the Movement Control Order and the political crisis last year, any of the existing Select Committees were 'frozen and paralysed' since March 2020 to July 2020 at least, hindering their work. This caused legislative oversight to be relatively weaker. The new parliament did not meet in session until 18th May 2020 and any of the existing committees were idle.

Recently, 9 new Special Select Committees were formed on 12 November 2020:

- (a) Special Select Committee on Human Rights and Constitutional Affairs;
- (b) Special Select Committee on Finance and Economy;
- (c) Special Select Committee for Agencies under the Prime Minister's Department;
- (d) Special Select Committee on Safety;
- (e) Special Select Committee on Agriculture and Domestic Trade;
- (f) Special Select Committee on Infrastructure Development;
- (g) Special Select Committee on Education;
- (h) Special Select Committee on Health, Science and Innovation; and
- (i) Special Select Committee on Women's and Children's Affairs and Social Development.

These new parliamentary committees were only formed after the budget was tabled in parliament on 06 November 2020. Hence, we consider the answer to be (d). Furthermore, there have been no reports and recorded sessions of these committees deliberating on Budget 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

**GUIDELINES:**

*Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.*

*To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.*

*Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.*

*Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.*

*If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.*

*For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.*

Answer:

d. No, a committee did not examine in-year implementation.

Source:

(a) Hansard on Select Committees being Frozen, pg. 89

<https://www.parlimen.gov.my/files/hindex/pdf/DR-22072020.pdf#page=89&zoom=100&search=Public%20Accounts%20Committee>

Comment:

Due to the Movement Control Order and the political crisis last year, any of the existing Select Committees were 'frozen and paralysed' since March 2020 to July 2020 at least, hindering their work to examine in-year implementation of the last Budget 2020. This caused legislative oversight to be relatively weaker compared to other years. The new parliament did not meet in session until 18th May 2020 and any of the existing committees were 'sitting idle'.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

*GUIDELINES:*

*Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.*

*In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.*

*The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.*

*In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.*

Answer:

b. The executive obtains approval from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.

Source:

(a) Financial Procedure Act 1957, Section 15

[http://www.commonlii.org/my/legis/consol\\_act/fpa19571972252/](http://www.commonlii.org/my/legis/consol_act/fpa19571972252/)

(b) <https://www.thesundaily.my/local/reallocation-of-appropriated-expenditure-bill-2020-tabled-for-first-reading-IG2998578>

(c) Supply (Reallocation of Appropriated Expenditure) Bill 2020

[https://www.parlimen.gov.my/files/billindex/pdf/2020/DR/D.R%202\\_2020%20-%20eng.pdf](https://www.parlimen.gov.my/files/billindex/pdf/2020/DR/D.R%202_2020%20-%20eng.pdf)

Comment:

The Act is silent on transfer between administrative units. It only explicitly rules transfer between sub-administrative units. Transfer between sub-administrative units only requires Treasury approval. However, the Act suggests that any shifts between sub-division can be made "provided that the amount appropriated under any purpose of expenditure by a Supply Act or Enactment is not thereby exceeded". This provision seems to suggest that shifts between administrative units require parliamentary approval.

For the FY in question (FY 2020), the new Finance Minister had tabled a Supply (Reallocation of Appropriated Expenditure) Bill 2020 on 21 July 2020. The application for allocation was following the restructuring of a few ministries, establishment of several new ministries, and the dissolution of one ministry in line with the formation of the new cabinet. A reallocation of RM7.18 billion was made to facilitate the restructuring of the newly-formed Perikatan Nasional cabinet.

We believe this warrants the answer to be (a), a stark improvement from the 2019 survey.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

IBP Comment

IBP revised to answer choice B (from A). IBP acknowledges the change in practice whereby the Supply Bill was approved for reallocating expenditures in 2020. However, since this was a change in practice, and not a change in law, answer choice B applies - the executive obtained approval from the legislature prior to shifting funds between administrative units, but was not required to do so by law or regulation.

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

*GUIDELINES:*

*Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.*

*Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:

(a) Federal Constitution of Malaysia, Article 101

[https://www.constituteproject.org/constitution/Malaysia\\_2007.pdf?lang=en](https://www.constituteproject.org/constitution/Malaysia_2007.pdf?lang=en)

(b) Federal Government Financial Statements 2019

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

(c) The Supplementary Supply (2019) Act 2020

[https://www.parlimen.gov.my/files/billindex/pdf/2020/DR/D.R%201\\_2020%20-%20eng.pdf](https://www.parlimen.gov.my/files/billindex/pdf/2020/DR/D.R%201_2020%20-%20eng.pdf)

(d) News on Tabling of Supplementary Supply (2019) Act 2020

<https://www.nst.com.my/news/nation/2020/07/610377/govt-tables-rm7bil-supplementary-supply-bill-rm718bil-reallocation-bill>

Comment:

Article 101 of the Federal Constitution provides for cases of supplementary and excess expenditure. The provision states that if the government spends or is to spend more than what was "appropriated for that purpose by the Supply Act", they should table a supplementary bill to the parliament for the spent amount. In practice, most of the supplementary bills were laid before the house for the amount that had already been expended.

For the FY 2019, the government has tabled for approval a RM7 billion additional financial allocation for 2019 on 21 July 2020. This is to "authorised of a sum not exceeding RM7,005,753,850 (RM7.005 billion) from the Consolidated Fund for additional expenditure on the services and purposes specified in the Schedule for the year 2019 not provided for or not fully provided for by the Supply Act 2019".

The bill underwent its first reading almost 7 months past the concerned FY in question. Hence, we believe the answer is that the executive spends before obtaining legislative approval.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

**GUIDELINES:**

*Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.*

*Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.*

**Answer:**

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

**Source:**

(a) Financial Procedures Act

[http://www.commonlii.org/my/legis/consol\\_act/fpa19571972252/](http://www.commonlii.org/my/legis/consol_act/fpa19571972252/)

(b) Federal Constitution

[https://www.constituteproject.org/constitution/Malaysia\\_2007.pdf?lang=en](https://www.constituteproject.org/constitution/Malaysia_2007.pdf?lang=en)

**Comment:**

The Federal Constitution and The Financial Procedures Act do not have provisions for spending below the level in the Enacted Budget.

The Federal Government Financial Statements 2019 (YER) does publish the estimated and actual spending of each ministry and agency as well as the percentage of expenditure based on the estimates as well as the operating and developing expenditures as a whole. After cross-checking with the EBP and YER for the FY 2019, we found that several ministries have underspent its original and amended budgetary allocation. The actual expenditures are mostly within the ~90% range of the original or amended allocation from the Budget 2019. However, unlike for additional expenditure and reallocation, we found that no bill was tabled to parliament to obtain legislative approval for reduced spending or spending cuts.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

**GUIDELINES:**

*Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)*

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

(a) Standing Orders of Dewan Rakyat, 1.S.O 77(1)

[https://www.parlimen.gov.my/images/webuser/peraturan\\_mesyuarat/PMDR-eng.pdf](https://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf)

(b) Published Reports by PAC

<https://www.parlimen.gov.my/pac/publication-details.html?id=66>

(c) Treasury Instructions, Amendment 2008, P 304 (a)-(b)

Comment:

The Public Accounts Committee (PAC) in Malaysia has the legal mandate to examine:

(a) the accounts of the Federation and the appropriation of the sums granted by Parliament to meet the public expenditure;

(b) such accounts of public authorities and other bodies administering public funds as may be laid before the House;

(c) reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution; and

(d) such other matters as the Committee may think fit, or which may be referred to the Committee by the House.

Under the Treasury Instructions, "When a report of the Auditor General is received, the Secretary General of Treasury or State Financial Officer shall send a copy of each paragraph of the report to the responsible Controlling Officer for his comments. From the information received, a memorandum shall be prepared for the use of the Secretary General of Treasury or State Financial Officer at the meeting held by the Public Accounts Committee for the consideration of the report. The Committee may also require a Controlling Officer to give evidence before it." "When the Public Accounts Committee has delivered its report to the Legislative Body, a copy for each paragraph of the report shall also be sent to the responsible Controlling Officer. If the report requires for an action to be taken, the Controlling Officer shall take the necessary steps to comply. The Controlling Officer shall then report to the Secretary General of Treasury or State Financial Officer the current position of each paragraph that is referred to him. The Secretary General of Treasury or State Financial Officer shall then send to the Public Accounts Committee a final memorandum on the matters referred in the report of the Committee."

The PAC has published a total of 5 reports in 2020, but the reports were only pertaining examinations on selected cases reported in the Auditor General.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

**GUIDELINES:**

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

*Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.*

Answer:

b. No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Source:

(a) Federal Constitution, Article 105 (1)

[https://www.constituteproject.org/constitution/Malaysia\\_2007.pdf?lang=en](https://www.constituteproject.org/constitution/Malaysia_2007.pdf?lang=en)

(b) <https://www.thestar.com.my/opinion/columnists/reflecting-on-the-law/2018/08/02/the-king-reigns-he-does-not-rule-when-exercising-most-of-his-constitutional-functions-the-yang-diper>

Comment:

Malaysia does not involve legislature or judiciary in the appointment of the Auditor General. The mechanism of checks and balances is provided by the Yang Dipertuan Agong, the head of the state. There were efforts in 2019 by the last Prime Minister Tun Dr Mahathir Mohamad's administration to amend the Audit Act 1957 to strengthen the independence of the National Audit Department. One such effort was to ensure the Auditor-General should be answerable to Parliament and not just the Prime Minister. However, this did not come to fruition.

Article 105 (1) states that an auditor general "shall be appointed by the Yang di-Pertuan Agong on the advice of the Prime Minister and after consultation with the Conference of Rulers". Under this provision, the prime minister is required to propose candidates for the office to the King and the King, after consultation with the Conference of Rulers, appoints the candidate to the office.

Most of the constitutional experts agree that the Agong has to act upon the advice of the prime minister and the Conference of Rulers' consultation is not to seek consent. Therefore in a way, the Prime Minister's choice is final. However, the Yang Dipertuan Agong and the Conference of the Ruler may provide a check and balance mechanism to the decisions made by the prime minister.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

*GUIDELINES:*

*Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.*

*To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.*

Answer:

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:

(a) Federal Constitution, Article 105 (3) & Article 125

[https://www.constituteproject.org/constitution/Malaysia\\_2007.pdf?lang=en](https://www.constituteproject.org/constitution/Malaysia_2007.pdf?lang=en)

(b) News on Appointment of New Auditor-General

<https://www.theedgemarkets.com/article/madinah-mohamad-new-auditor-general>

<https://www.thestar.com.my/news/nation/2019/03/09/nik-azman-named-new-auditorgeneral/>

Comment:

The provision states that "The Auditor General may at any time resign his office but shall not be removed from office except on the like grounds and in the like manner as a judge of the Federal Court".

Judges of the Federal Court can only be removed by the recommendation of the tribunal appointed by Yang Dipertuan Agong (YDPA). According to



Article 125, the tribunal consists of "...not less than five persons who hold or have held office as judge of the Federal Court, the Court of Appeal or a High Court, or, if it appears to the Yang di-Pertuan Agong expedient to make such appointment, persons who hold or have held equivalent office in any other part of the Commonwealth...". Hence, the appointed judiciary persons by the YDPA has to give final consent before the head of the SAI can be removed.

The previous Auditor-General, Tan Sri Dr Madinah Mohamad retired after her two-year appointment. She was succeeded by Datuk Nik Azman Nik Abdul Majid whose two-year appointment took effect from 23 February 2019 until 22 February 2021.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

121. Who determines the budget of the Supreme Audit Institution (SAI)?

*GUIDELINES:*

*Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.*

*Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.*

Answer:

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

(a) Audit Act 1957

<https://www.audit.gov.my/index.php/en/2012-10-04-09-09-35/audit-act-1957>

(b) Federal Government Financial Statements 2019 (YER)

<https://www.parlimen.gov.my/ipms/eps/2020-11-06/ST.104.2020%20-%20ST%20104.2020.pdf>

Comment:

The National Audit Department, like other government agencies, is required to submit their budgets to the Ministry of Finance and the Ministry then will make the final decision on their budget. The Audit Act only regulates the remuneration of the Auditor General, not the allocation for the SAI.

The 2019 Federal Government Financial Statements (YER) showed that the SAI spent less than its allocation, indicating that their budget is broadly consistent with their needs. It spent RM773,263 out of its RM925,800 allocation (83.52% over its original amount).

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

*GUIDELINES:*

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

b. The SAI has significant discretion, but faces some limitations.

Source:

(a) Audit Act 1957, Section 5

<https://www.audit.gov.my/index.php/en/2012-10-04-09-09-35/audit-act-1957>

Comment:

Under Section 5 of the Audit Act 1957, the duties of the Auditor General are as follows: to examine, enquire into and audit:

- (a) accounts of federal and state governments;
- (b) accounts of federal or state funds established under Article 97(3) of the Federal Constitution;
- (c) public authorities and bodies;
- (d) state-owned companies (established under Companies Act);
- (e) other public authorities

For categories (c), (d), (e), the Act only allow audit of these categories "Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution", or "with the consent of the Minister of Finance to be notified in the Gazette" or if the Minister of Finance is satisfied that the public interest" respectively. These are the limitations concerned.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:

(a) Organisation Chart of the National Audit Department (updated 09 October 2020)

<https://www.audit.gov.my/images/cartaibupejabat/2020/CARTA%20UTAMA%20JAN.pdf>

(b) IDI-ASEANSI Cooperation on ISSAI-Based Cooperative Financial Audit  
<http://www.aseansai.org/2019/02/17/idi-aseansai-cooperation-on-issai-based-cooperative-financial-audit/>

Comment:

The National Audit Department has a Bahagian Hubungan Antarabangsa, Penyelidikan & QAR (Quality Assurance Review) Division. The Quality Assurance Unit has been set up since 2016 and has started internal assessment on the financial and performance audit since 2018.

The National Audit Department is also involved in implementing the International Standards of Supreme Audit Institutions (ISSAI). One such project in doing so was the 2018-2019 cooperative Financial Audit by ASEAN Supreme Audit Institutions (ASEANSI) in collaboration with INTOSAI Development Initiative (IDI). The programme provided regional support for participating SAIs to develop organizational and personal capacities for auditing in line with international standards (ISSAI).

There is a plan to have an independent assessment every five years in line with practises in private sectors in Malaysia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

*GUIDELINES:*

*Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.*

Answer:

a. Frequently (i.e., five times or more).

Source:

<https://www.parlimen.gov.my/pac/hansard-pac-list.html?>

Comment:

In the year 2020 and based on the PAC Hansard and Meeting Schedules of Parliament, the SAI took part in parliamentary activities for at least 5 times:

- (a) DR7/2020 - Pengurusan Projek Sekolah Sukan Malaysia (SSM) Perlis
- (b) DR2/2020 - Projek Sistem Kutipan Caj Jalan (RC) dan Rekod Kemasukan Kenderaan Asing (VEP)
- (c) DR8/2020 - Penjualan Tanah Milik Dewan Bandar Raya Kuala Lumpur (DBKL)
- (d) DR10/2020 - Aktiviti Kawalan Pekerja Asing
- (e) DR14/2020 - Pengurusan Educational Malaysia Global Services (EMGS)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

*GUIDELINES:*

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the*

executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See: [https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

(a) Budget 2021 Opinion Poll

<https://malaysia.gov.my/portal/content/30976>

<http://belanjawan2021.treasury.gov.my/index.php/en/> (confirmed through Wayback Machine)

(b) Budget 2021 Speech

<http://www1.treasury.gov.my/pdf/speech/2021/bs21.pdf>

(c) Ideas for Budget 2021 on Budget 2021 Microsite

<https://www.malaymail.com/news/malaysia/2020/08/15/finance-minister-launches-budget-2021-microsite-for-public-input/1894332>

<http://belanjawan2021.treasury.gov.my/index.php/ms/> (confirmed through Wayback Machine)

(d) Budget 2021 Consultation Roadshow

<https://www.malaymail.com/news/malaysia/2020/08/15/finance-minister-launches-budget-2021-microsite-for-public-input/1894332>

Comment:

Since 22 July 2020, the Ministry of Finance launched its Budget 2021 consultation roadshow, travelling state to state collecting views of all quarters before Budget 2021 is tabled. This was the ministry's attempt to go on the ground and listen to the problems faced by the people, industries, and associations which were submitted to the relevant ministries for further action.

From 15 August 2020 - 15 September, a microsite was launched by the Finance Minister to obtain public input for Budget 2021. The ministry said the public could submit their suggestions and feedback through the website. It was called Ideas for Budget 2021.

Between 28 September 2020 - 01 November 2020, leading up to Budget 2021, each week, an opinion poll ran and citizens could vote for the category or issue they felt should be prioritised. Citizens' choice was assured by the government that it would help decide priorities for Budget 2021. Citizens could tick mark their priorities.  
<https://web.archive.org/web/20200919103754/http://belanjawan2021.treasury.gov.my/index.php/ms/>

The score is based on the virtual mechanism through which citizens can express budget priorities.

Peer Reviewer

Opinion: Agree

Comments: While the process is not perfect and has seen some significant improvements, as the researcher has outlined above, the current arrangements are open for the members of the public to provide input to the annual budget formulation process.

Government Reviewer

Opinion:

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

*GUIDELINES:*

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.*

*Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.*

Answer:

b. The requirements for an "a" response are not met.

Source:

(a) Budget 2021 Opinion Poll

<https://malaysia.gov.my/portal/content/30976>

<http://belanjawan2021.treasury.gov.my/index.php/en/> (confirmed through Wayback Machine)

Comment:

In the Budget 2021 opinion poll, an 'Assistance for The Needy' category was made where citizens can vote on which of these issues should be prioritised by the government:

- Abandoned Babies
- Drug Addiction
- Mental Health
- Gender Bias/Domestic Violence
- Juveniles/Youth Crime

However, to our knowledge, the government does not actively seek out the views of vulnerable groups. The poll is also open to the whole public and not specifically looking for the inputs from vulnerable groups.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.*

**Answer:**

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

**Source:**

(a) Budget 2021 Opinion Poll

<http://belanjawan2021.treasury.gov.my/index.php/ms/undian> (confirmed through Wayback Machine)

**Comment:**

In the Budget 2021 opinion poll held during budget formulation stage, four categories were opened to citizens to vote on separately. Within those categories, citizens can vote on which issue they felt are the most important:

(a) Assistance for the Needy

- Abandoned Babies
- Drug Addiction
- Mental Health
- Gender Bias/Domestic Violence
- Juveniles/Youth Crime

(b) Addressing Social Issues

- Ensuring the Preservation of Art, Culture and Heritage
- Encouraging Recycling
- Strengthening Environmental Protection
- Pollution Prevention

(c) Cultivating a Caring Society

- Old Folks Homes
- Orphanages
- Health Assistance, e.g. Dialysis
- Community-Based Program
- Child Malnourishment
- Animals Shelter

(d) Focusing on NGO and Community Activities Towards a Quality Life

- Crime Prevention
- Equipping Rural Infrastructure
- Increase Income/ Job Creation for Single Mother, Refuges, Drug addiction, ex-prisoner, Indigenous
- Providing Education for the Poor
- Improving Food Waste Management
- Reducing Digital Divide

The Environmental Pollution Prevention category was announced to receive the highest number of votes.

Opinion: Agree

Comments: <https://ringgitplus.com/en/blog/personal-finance-news/finance-ministry-holds-weekly-polls-to-get-publics-opinion-on-budget-2021.html>

Government Reviewer

Opinion:

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.*

*To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:*

1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

*and/or*

2) *The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

*In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.*

*Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.*

*The researcher must present evidence to support selection of a "c" response.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.

Source:

(a) Public Complaints Website

<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/publicLogin.do>

(b) Examples of relevant agencies providing complaint mechanisms  
mySalam: [https://www.mysalam.com.my/b40/info/?url=contact\\_BM](https://www.mysalam.com.my/b40/info/?url=contact_BM)  
KWSP: <https://www.kwsp.gov.my/reach-us/connect-with-us>  
Bantuan Prihatin Rakyat: <https://bpr.hasil.gov.my/>  
My30: <https://www.myrapid.com.my/corporate-information/contact-us>

Comment:

The previous Treasury site and the new MoF portal have dedicated a special page where the public can provide feedback and complaints under 'Your Voice'. The section will take the user to another platform or website which hosts public complaints in general towards the MoF, including budget implementation.

Other than that, the public can provide inputs or feedback on matters through the mechanisms provided by agencies in charge of the respective project or initiative funded by the budget. These are usually in the form of a complaints section on their website.

Peer Reviewer

Opinion: Agree

Comments: The citizens can participate by using online feedback/complaints mechanisms available via the Ministry of Finance and other agency portals. Also, there are other dedicated institutions like Public Complaints Bureau (PCB) that receive public complaints and grievances including those relating to the implementation of budget-funded projects.

Government Reviewer

Opinion:

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

*GUIDELINES:*

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.*

*Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.*

Answer:

b. The requirements for an "a" response are not met.

Source:

(a) Public Complaints Website  
<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/publicLogin.do>

Comment:

The public complaints website is open to everyone. To our knowledge, the government does not actively seek out the views of vulnerable groups on this issue.

Peer Reviewer

Opinion: Agree

Comments: Sadly there are no specific arrangements to invite and gather inputs from the vulnerable/underrepresented groups.

Government Reviewer

Opinion:

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?



For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

**Source:**

(a) Public Complaints Website

<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/publicLogin.do>

(b) Examples of relevant agencies providing complaint mechanisms

mySalam: [https://www.mysalam.com.my/b40/info/?url=contact\\_BM](https://www.mysalam.com.my/b40/info/?url=contact_BM)

KWSP: <https://www.kwsp.gov.my/reach-us/connect-with-us>

Bantuan Prihatin Rakyat: <https://bpr.hasil.gov.my/>

My30: <https://www.myrapid.com.my/corporate-information/contact-us>

**Comment:**

The websites cited above offer opportunities for the public to provide feedback on the implementation of the programmes and any feedback related to policy development and decision-making process. In our opinion, the websites provide opportunities for the public to give feedback on the implementation of social spending and delivery of services.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

**GUIDELINES:**

*This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when*

they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

*Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.*

*Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.*

*Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.*

*Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.*

*Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.*

*Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.*

*Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.*

*Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.*

Answer:

b. Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).

Source:

(a) Ideas for Budget 2021 on Budget 2021 Microsite

<https://www.malaymail.com/news/malaysia/2020/08/15/finance-minister-launches-budget-2021-microsite-for-public-input/1894332>

(b) 25th LAKSANA Report (14 October 2020)

<https://pre2020.treasury.gov.my/pdf/Speech-25th-Laksana-Report-Implementation-Of-PRIHATIN.pdf>

(c) Scope of public complaints to be lodged

<https://treasury.spab.gov.my/eApps/system/index.do?showPage=faq>

Comment:

During the formulation stage, The Ministry of Finance launched a portal to obtain public input for Budget 2021 (purpose), called Ideas for Budget 2021. The timeline was revealed to be from 15 August 2020 - 15 September 2020 (process & timeline). The public could submit their suggestions and feedback on the portal but the scope and constraints were not mentioned. The Ministry also did not reveal what it hopes to achieve as a result of the engagement. It is also unknown how the Ministry has used the poll results in shaping the budget.

Additionally, in the 25th LAKSANA report (a weekly report on the implementation of the stimulus packages) it reported a Prihatin survey done to obtain public feedback on the impact of the implementation of the PRIHATIN stimulus package. The findings of the PRIHATIN Survey were assured to be used by the Government in formulating comprehensive measures under Budget 2021. Thus, we believe this falls under 'Intended Outcome' under the budget formulation stage. This would mean the budget formulation stage is comprehensive for containing information on "Purpose", "Process and timeline" and "Intended Outcome".

During the implementation stage, the information about complaints mechanisms available for the public identified in Q128) to provide feedback or complaints is not comprehensive either. The FAQ section of the complaints portal provides information on the purpose and scope, but no information on the intended outcomes as well as the constraints.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

*GUIDELINES:*

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.*

*By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.*

*Answer "a" applies when the executive provides a written document with:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

*Answer "b" applies when the executive provides a written document that includes:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

*Answer "c" applies when the executive provides a written document that includes:*

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) Public Complaints Website

<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/publicLogin.do>

Comment:

There is no public written record of the inputs received and how they were used by the government in formulating the budget.

Citizens' choice in the Budget 2021 Opinion Poll was assured by the government that it would help decide priorities for Budget 2021. From the opening of the Budget 2021 Speech released on 6 November 2020, the Finance Minister stated in preparing Budget 2021, for the first time ever, budget consultations covered all 14 states and involved more than 38 dialogues covering over 40 businesses and industries. The Ministry of Finance stated it had engagement sessions with leaders of all Federal ministries and State governments, various captains of industry, academicians, non-governmental organisations, political party leaders.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are take into account to improve budget monitoring, and how/why.*

*By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.*

*Answer "a" applies when the executive provides a written document with:*

- *The inputs (e.g., a written transcript) received from the public and*

- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)

Answer "b" applies when the executive provides a written document that includes:

- The inputs received (e.g., a written transcript) from the public and
- A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.

Answer "c" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

(a) Public Complaints Website  
<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/publicLogin.do>

Comment:

There is no public written record of the inputs received and how they were used by the government in monitoring the implementation of the budget.

However, the Public Complaint Bureau published annual reports in which they show the number of complaints, types, origins and to which ministry these complaints are directed to.

See page 35 for types/category  
[http://www.pcb.gov.my/pdf/laporantahunan\\_2020.html](http://www.pcb.gov.my/pdf/laporantahunan_2020.html)

Additionally, registrants are able to see the status of their complaint.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

**GUIDELINES:**

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

<http://www.treasury.gov.my/index.php/en/budget/budget-formulation-process.html> (confirmed through Wayback Machine)

Comment:

In the previous Treasury site, the page in which the Treasury displays information about the budget formulation process was not updated since 20 April 2016. The new MoF portal does not incorporate information on the budget formulation process as well.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

**GUIDELINES**

*While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.*

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:*

*1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.*

*and/or*

*2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

*In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.*

*The researcher must present evidence to support selection of a "c" response.*

*Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.*

Answer:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open

to everyone).

Source:

Discussion with NBO Staff (14 April 2019)

Comment:

During formulation, line ministries may have held their own consultation events to gain inputs from the public. But we did not see any specific platforms on their websites inviting the public to provide inputs for the budget.

During implementation, like the new MoF portal, some line ministries have established websites for the public to submit general complaints.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. The requirements for a "c" response or above are not met.

Comments: As the researcher says, some line ministries may have held their own consultation events to gain inputs and feedback from the public. But no specific platforms could be found on their websites inviting the public to provide inputs for the budget. Websites available to public to submit general complaints should not be treated as a dedicated mechanism for participation in budget process.

Government Reviewer

Opinion:

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

*GUIDELINES:*

*This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.*

*Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.*

*Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.*

*If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).*

*To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).*

*Answer "b" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

*Answer "c" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) Announcement and Formation of Special Select Committee of Finance and Economy

<https://themalaysianreserve.com/2020/11/12/dewan-rakyat-passes-motion-on-9-special-select-committees/>

<https://www.malaymail.com/news/malaysia/2020/11/02/speaker-proposes-setting-up-of-nine-parliamentary-select-committees/1918600>

Comment:

The public can follow the general parliamentary sessions but not the select committee sessions, through live television and read the Hansard made available on the parliament website. Individual MPs may also seek input from their constituents, but no record shows any MP expressly calling for anyone's testimony or opinion.

The new Special Select Committee on Finance and Economy was not established in time to deliberate on the budget formulation. It was formed on 12 November 2020, around 6 days after the EBP was tabled in parliament on 06 November 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.*

*Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) Parliament Calendar

<https://www.parlimen.gov.my/takwim-dewan-rakyat.html?uweb=dr&lang=en>

Comment:

The legislatures do not seek inputs formally from the public during budget deliberations. The parliamentary schedule does not show any agenda for public hearings. However, individual MPs seek inputs from the public during budget deliberation.

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion:

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.*

*Answer "a" applies when the legislature provides a written document with:*

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

*Answer "b" applies when the legislature provides a written document that includes:*

- *The inputs received from the public (e.g., a written transcript) and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

*Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:*

- *The inputs received from the public (e.g., a written transcript) or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) Parliament Calendar

<https://www.parlimen.gov.my/takwim-dewan-rakyat.html?uweb=dr&lang=en>

Comment:

The legislatures do not seek inputs formally from the public during budget deliberations. The parliamentary schedule does not show any agenda for public hearings.

Peer Reviewer  
Opinion: Disagree  
Suggested Answer:

d. The requirements for a "c" response or above are not met.

Comments: The legislatures do not use public participation mechanisms during the deliberations on the annual budget.

Government Reviewer  
Opinion:

IBP Comment

Many thanks to the peer reviewer. Score is revised to D (from E).

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public



deliberations on the Audit Report?

**GUIDELINES:**

*This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.*

*A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.*

*Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.*

*Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.*

*Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.*

*Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.*

*To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).*

*Answer "b" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

*Answer "c" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) Efforts to amend Standing Order 85 by PAC chairperson  
<https://www.malaysiakini.com/news/478236>

(b) The Standing Orders of the Dewan Rakyat (Section 85)  
[https://www.parlimen.gov.my/images/webuser/peraturan\\_mesyuarat/PMDR-eng.pdf](https://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf)

Comment:

The Public Accounts Committee (PAC) is tasked to examine audit reports. The proceedings of the committee are not open to the public despite past efforts by committee chairperson, Noraini Ahmad to amend Standing Order 85 which stipulates that no documents and statements can be made public or released by PAC before the official report is published and presented to the Parliament. As of today, Standing Order 85 is untouched.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

**GUIDELINES:**

*This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).*

*Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.*

**Answer:**

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

**Source:**

<https://www.audit.gov.my/index.php/ms/>

**Comment:**

The response is based on comparing previous years practice with the current one. In the previous Survey, based on the interview with Dr Haiza, the National Audit Department (NAD) received suggestions from the public and the Auditor General decided whether or not to carry out an audit based on the facts and circumstances of each case. However, the NAD does not maintain formal mechanisms to receive suggestions from the public on issues to be audited.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

**IBP Comment**

For cross country consistency, IBP revised to answer choice A. The Audit Institute started a new practice that allows citizens to make suggests or register complaints via their website. The link is - <https://www.audit.gov.my/index.php/component/rsform/form/1-complaint-inquiry-national-audit-department-of-malaysia>

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.*

*Answer "a" applies when the Supreme Audit Institution provides a written document with:*

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

*Answer "b" applies when the SAI provides a written document that includes:*

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

*Answer "c" applies when the SAI provides a written document that includes:*

- *The received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

<https://www.audit.gov.my/index.php>

Comment:

The website of the National Audit Department does not features any publicly written reports on public inputs for audit process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

*GUIDELINES:*

*This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.*

Answer:

b. The requirements for an "a" response are not met.

Source:

<https://www.audit.gov.my/index.php/component/rsform/form/1-complaint-inquiry-national-audit-department-of-malaysia>

Comment:

On the National Audit Department website, a formal section is created to receive complaints and feedback.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. The requirements for an "a" response are not met.

Comments: Other than the opportunity to share their views online no other formal mechanisms exist for the public to be involved in audit investigation. While I do not underestimate the value of citizens complaints, I will be reluctant to consider this one-way process as evidence of their involvement in the investigation (which often requires more than providing information)

Government Reviewer

Opinion:

IBP Comment

Many thanks to the peer reviewer. IBP agrees with their assessment, and revises to answer choice B.