

Open Budget Survey 2021

Questionnaire

South Africa

May 2022

Country Questionnaire: South Africa

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 2021-22

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

Comment:

The PBS is titled the Medium Term Budget Policy Statement 2020 in South Africa and is dated 28 October 2020

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: financial year in orange says 2021/22 but the Medium-term budget policy statement being referred to is from 2020/21 financial year

IBP Comment

While the MTBPS is for the 2020/21 financial year, the sections/chapters that serve as South Africa's Pre-Budget Statement look forward to the 2021/22 financial year.

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:

a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

The PBS called the Medium Term Budget Policy Statement for 2020 is dated 28 October 2020 and is accessible at <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

Comment:

Parliament of RSA profiled the following days MTBPS via Youtube on 27 October 2020: <https://youtu.be/AxZP7Rj9v88>. The SABC (The state broadcaster) aired the speech and tabling on 28 October 2020 - see <https://youtu.be/rHg3qNdYcy4>. CNBC Africa broadcast the Minister speech in respect of the MTBPS on 28 Oct 2020 : <https://youtu.be/GaY2l3sy01l>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:
28/10/2020

Source:
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf> and see below links under Comment.

Comment:
The Parliamentary Monitoring Group noted according to [https://pmg.org.za/blog/2020MediumTermBudgetPolicyStatement\(MTBPS\)Explainer](https://pmg.org.za/blog/2020MediumTermBudgetPolicyStatement(MTBPS)Explainer) that the MTBPS and Minister's speech would be made public on 28 October 2020.

On 28 Oct 2020 Parliament invited interested parties to make written submissions on 2020 Medium Term Budget Policy Statement, noting that it would be made available from 14h00 on the same date: <https://www.gov.za/speeches/finance-committees-28-oct-2020-0000#>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
See the explanation provided in the Source section below. Researchers at the PSAM were able to download the PBS on the 28th October via <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

Source:
The Parliamentary Monitoring Group noted according to [https://pmg.org.za/blog/2020MediumTermBudgetPolicyStatement\(MTBPS\)Explainer](https://pmg.org.za/blog/2020MediumTermBudgetPolicyStatement(MTBPS)Explainer) that the MTBPS and Minister's speech would be made public on 28 October 2020.

On 28 Oct 2020 Parliament invited interested parties to make written submissions on 2020 Medium Term Budget Policy Statement, noting that it would be made available from 14h00 on the same date: <https://www.gov.za/speeches/finance-committees-28-oct-2020-0000#>

The following news articles dated 28 Oct 2020 reported on the Minister's Speech and the MTBPS delivered and released that same day and contained excerpts from the one or both documents:

<https://www.iol.co.za/news/politics/mtbps-tito-mboweni-medicine-for-ill-sa-173a3e1b-4cee-4b71-a820-0e50a926ac61>

<https://www.businessinsider.co.za/medium-term-budget-what-you-need-to-know-2020-10>

<https://ewn.co.za/2020/10/28/tito-mboweni-and-closing-the-hippo-s-mouth-mtbps-2020>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullIMTBPS.pdf>

Source:
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullIMTBPS.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
a. Yes, all of the numerical data are available in a machine readable format

Source:
<http://www.treasury.gov.za/documents/mtbps/2020/datasheet.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

e. Not applicable (the document is publicly available)

Source:

See earlier replies with sources confirming that it was publicly available from 28 Oct 2020.

<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullIMTBPS.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Source:

Comment:

Peer Reviewer

Opinion:

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:

Medium Term Budget Policy Statement 2020

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullIMTBPS.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

See comment below

Comment:

There is no official or formal citizens version. There is a 21 slide PowerPoint Presentation that is made available and which has various summarised points. It's not publicised as a citizens version of the PBS however. See the PowerPoint at <http://www.treasury.gov.za/documents/mtbps/2020/2020%20MTBPS%20presentation.pdf>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2020-21

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

A number of documents are released publicly for consideration and can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> - they include the Minister's Budget Speech; Budget Highlights; Key Budget Stats, a Budget Review, Estimates of National Expenditure; Appropriation Bill, Division of Revenue Bill, a Tax Pocket Guide; a People's Guide to the Budget; Data Sheets and more.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
26/02/2020

Source:
https://www.parliament.gov.za/storage/app/media/Programmes/parliamentary_programme_framework_2020.pdf

Also see further sources below.

Comment:
Parliaments Programme Framework for 2020 lists the date of the "Budget Speech (Tabling of the Fiscal Framework, Appropriations Bill and Division of Revenue Bill)" as 26 February 2020 - see
https://www.parliament.gov.za/storage/app/media/Programmes/parliamentary_programme_framework_2020.pdf

The Minister's Budget Speech is posted on 26 Feb 2020 at <https://www.gov.za/BudgetSpeech2020>

The Western Cape government website reported on the Ministers Budget Speech in a post dated 27 Feb 2020 in which it noted the speech being delivered on 26 Feb 2020 - see <https://www.westerncape.gov.za/general-publication/national-budget-speech-2020>

The following online news article reported on the tabling and budget speech on 26 Feb 2020: <https://www.iol.co.za/business-report/budget/budget-speech-2020-mboweni-announces-r396bn-allocation-for-education-sector-43519785>

A 54 minute video dated 26 Feb 2020 of the actual budget speech is viewable at <https://www.youtube.com/watch?v=Zt4rBoWJQk0> and was posted by the Presidency of South Africa's Youtube page.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> where you can access each part of the EBP.

A webcast of the Budget Speech delivered on 26 February 2020 is available at

<http://www.treasury.gov.za/documents/national%20budget/2020/webcast.aspx>

The Parliamentary Monitoring Group provided the public with the Speech and link to the webcast on the same day (26 Feb 2020) - see

<https://pmg.org.za/hansard/29916/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The budget speech was on 26 February 2020. That was the same day that the EBP was published and submitted to the National Parliament, however, and still less than two months before the start of the FY on 1 April 2020.

Government Reviewer

Opinion: Agree

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:

26/02/2020

Source:

The EBP was published 26 February 2020 along with an assortment of supporting documents - see

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The date of publication appears from material uploaded to <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> on 26

February 2020 when the writer was able to access them alongside other parties interested in accessing and engaging the material. Journalists were also able to access the same material on that date as the Minister commenced with his budget speech in parliament.

A news article that covered the EBP tabling and speech on 26 Feb 2020 and which contains excerpts including tables and data from EBP can be viewed as:

<https://www.timeslive.co.za/politics/2020-02-26-in-full-tito-mbowenis-budget-speech/>

Source:
See above

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Source:
<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
a. Yes, all of the numerical data are available in a machine readable format

Source:
<http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

See earlier feedback - EBP is publicly available.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Budget Review 2020

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Further supporting Docs accessible at:<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The budget review is supported by detailed information by departments in the Estimates of National Expenditure

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:

The People's Guide is produced in 5 of the official languages:

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20Zulu.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20Xhosa.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20Setswana.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20Afrikaans.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2020-21

Source:
<http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>
<http://www.treasury.gov.za/legislation/acts/2020/Division%20of%20Revenue%20Act%204%202020.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
19/06/2020

Source:
A timeline of the Bill's progression through Parliament culminating in its enactment can be followed at <https://pmg.org.za/bill/924/>

Bill passed by the National Assembly on 12 June 2020 and then by the NCOP on 19 June 2020 - so it is deemed to have been approved by both houses of the legislature as at 19 June 2020. It was then sent to the President for assent/signing which occurred on 22 June - the Act commenced on 23 June 2020 as per the above source material.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Two weeks or less after the budget has been enacted

Source:

The Appropriation Act No. 7 of 2020 can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2020S/default.aspx>

It can also be accessed at <https://pmg.org.za/bill/924/> which gives a timeline, including that: "

22 June 2020 Bill signed by the President and becomes Act 7 of 2020. Refer to GG 43468

23 June 2020 Act commenced on this date

Comment:

The Appropriation Act No. 7 of 2020 can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2020S/default.aspx>

It can also be accessed at <https://pmg.org.za/bill/924/> which gives a timeline, including that: "

22 June 2020 Bill signed by the President and becomes Act 7 of 2020. Refer to GG 43468

23 June 2020 Act commenced on this date

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

23/06/2020

Source:

See: http://www.gpwonline.co.za/Gazettes/Gazettes/43468_23-6-2020_AppropriationAct7of2020.pdf

Its also accessible via <http://www.gpwonline.co.za/Gazettes/Pages/Published-Separate-Gazettes.aspx?p=40> which reflects a date of publication of 23 June 2020.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 visited the Government Printing Works website and was able to go back and access the Appropriation Act No 7 of 2020 from their archives where it reflected a publication date of 23 June 2020 <http://www.gpwonline.co.za/Gazettes/Pages/Published-Separate-Gazettes.aspx?p=40> which date is corroborated by the timeline outlined at <https://pmg.org.za/bill/924/> where the same Act is also accessible

23 June 2020 is also the date reflected in the actual Government Gazette containing the Appropriation Act - click on the gazette numbered 43468 and dated 23/6/2020 in the first URL link above to see the date.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Source:

Available at: <http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Also accessible at: <http://www.gpwonline.co.za/Gazettes/Pages/Published-Separate-Gazettes.aspx?p=40> and <https://pmg.org.za/files/4346823-6-2020appropriationact7of2020a.pdf> and

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

I was unable to locate the EB in machine readable formats, as is the case with the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

Comments: The Enacted budget is a summary of the Estimates of the National Expenditure which forms part of the budget publications and it is machine readable

IBP Comment

IBP agrees with the researcher. EB is not machine-readable.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Appropriation Act No. 7 of 2020

Source:

<http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

There is no Citizen's version of the Enacted Budget, unlike the Executive's Budget Proposal which does contain such a version called the People's Guide - accessible at <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> in 5 different languages.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: The EBP and EB are considered the same budget so there is only one citizen's budget for both

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 2020/21

Source:
<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

All 5 language version accessible at: <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

26/02/2020

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> where the CB and various budget documents were uploaded on 26 February 2020 and accessed by the public including the writer and other members of civil society.

Hansard records confirm the tabling of the budget documents on 26 Feb 2020: <https://pmg.org.za/hansard/29916/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

See comments below

Source:

Comment:

The CB is released publicly on the same day as the Finance Minister tables the EBP. This has been the case for well over a decade in South Africa.

See <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx> where the CB and various budget documents were uploaded on 26 February 2020 and accessed by the public including the writer and other members of civil society on that day.

PMG and Hansard records also confirm the tabling of the budget documents on 26 Feb 2020: <https://pmg.org.za/hansard/29916/>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

Source:

For the English version see <http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

For all 5 language versions visit <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

People's Guide # RSABudget2020

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Its content is drawn from the the Executive's Budget Proposal

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Comments: Its content is significantly from the Budget Review document, one of several documents making up the EBP.

Government Reviewer
Opinion: Agree

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 2019-20 & FY 2020/21

Source:

Comment:

Peer Reviewer
Opinion: Agree

Comments: The source is: http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx Which is the site for the national government monthly and quarterly IYRs (as well as provincial and local government quarterly).

Government Reviewer
Opinion: Agree

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:

a. At least every month, and within one month of the period covered

Source:

Monthly 2019/20 IYRs are accessible at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2019.aspx

Monthly 2020/21 IYRs are accessible at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 final quarterly IY for 2019/20 had a date of publication of 30 April 2020 according to http://www.treasury.gov.za/publications/PiP/2019_20/Q4/Gazette%20-%20Provincial%204th%20Quarter%20Statement%20of%20Receipts%20and%20Payments%20ended%2031%20March%202020.pdf whereas the media statement in support thereof is dated June 2020 according to [http://www.treasury.gov.za/publications/PiP/2019_20/Q4/Media%20Statement%20-%20%204th%20Quarter%20Provincial%20Budgets%20and%20Expenditure%20Report%20\(Preliminary%20Outcome\).pdf](http://www.treasury.gov.za/publications/PiP/2019_20/Q4/Media%20Statement%20-%20%204th%20Quarter%20Provincial%20Budgets%20and%20Expenditure%20Report%20(Preliminary%20Outcome).pdf)

The first two quarterly IYR reports for 2020/21 had the following dates of publication:

31 July 2020 for the 1st quarter of 2020/21: http://www.treasury.gov.za/publications/PiP/2020_21/Q1/Gazette%20-%20Provincial%201st%20Quarter%20Statement%20of%20Receipts%20and%20Payments%20ended%2030%20June%202020.pdf

The related media statement reflects a date of 20 Aug 2020 - see

http://www.treasury.gov.za/publications/PiP/2020_21/Q1/Media%20Statement%20-%20%201st%20Quarter%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf

November 2020 for the 2nd Quarter of 2021 according to a consideration of the media statement accessible at:

http://www.treasury.gov.za/publications/PiP/2020_21/Q2/default.aspx

The monthly IYR reports for 2020 had the following dates of publication:

30 Jan 2019 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 December 2019 - see The dates of publication for the 2019 IYRs appears at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

28 Feb 2019 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 January 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 March 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 28 Feb 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 April 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 March 2020 -

see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

29 May 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 30 April March 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 June 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 May 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 July 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 30 June 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

28 Aug 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 30 July 2020 - see the dates of publication for the 2020 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 Sept 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 Aug 2020 - see the dates of publication for the 2020 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 Oct 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 30 Sept 2020 - see the dates of publication for the 2020 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 Nov 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 31 Oct 2020 - see the dates of publication for the 2020 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

30 Dec 2020 for the Statements of the National and Provincial Government's Revenue, Expenditure and National Borrowing as at 30 Nov 2020 - see the dates of publication for the 2019 IYRs at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Source:

The dates for quarterly IYRs for 2020/21 appear at: http://www.treasury.gov.za/publications/PIP/2020_21/default.aspx

The dates of publication for the 2019/2020 IYRs appears at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2019.aspx

The dates of publication for the 2020/2021 IYRs appears at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The dates of publication appear in the Government Gazette in cases where the IYR are gazetted. The IYR are also uploaded to the Treasury website on the dates reflected in accordance with the PFMA

Source:

<http://www.treasury.gov.za/publications/PIP/default.aspx>

http://www.treasury.gov.za/comm_media/press/monthly/default.aspx

Comment:

Section 32 of the Public Finance Management Act 1 of 1999 section states that: "Within 30 days after the end of each month, the National Treasury must publish in the national Government Gazette a statement of actual revenue and expenditure with regard to the National Revenue Fund".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.treasury.gov.za/publications/PiP/default.aspx> http://www.treasury.gov.za/comm_media/press/monthly/default.aspx

Source:

<http://www.treasury.gov.za/publications/PiP/default.aspx>

http://www.treasury.gov.za/comm_media/press/monthly/default.aspx

Comment:

Peer Reviewer

Opinion: Agree

Comments: To note that <http://www.treasury.gov.za/publications/PiP/default.aspx> is the site of the provincial monthly statements The URL provided is a link to FYs, which then provides further links to all the IYRs of that year. Understandable why the researcher did it that way, as not one of the links for any one monthly IYR is to the complete report: rather it is to revenue, expenditure, summary position etc tables. At the time of the peer review, the most recent IYR for revenue, expenditure and debt in machine readable data is at http://www.treasury.gov.za/comm_media/press/monthly/2109/Hardcoded%20database%20July%202021.xlsm.

Government Reviewer

Opinion: Agree

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:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Each month has an excel file of all data published and more tables - see these per month at

http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

STATEMENT OF THE NATIONAL and PROVINCIAL GOVERNMENTS REVENUE, EXPENDITURE AND NATIONAL BORROWING AS AT ISSUED BY THE DIRECTOR - GENERAL: NATIONAL TREASURY

Source:

http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2020-21

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Comment:

The Medium Term Budget Policy Statement read with the Adjusted Estimates of National Expenditure.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Six weeks or less after the midpoint

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Comment:

It was made available on 28 Oct 2020 - this date appears on the speech of the Finance Minister accessible at <http://www.treasury.gov.za/documents/mtbps/2020/speech/speech.pdf>

The MYR's tabling on 28 Oct 2020 was covered in the Hansard which includes a video recording of the speech and tabling: <https://pmg.org.za/hansard/31335/>

Peer Reviewer

Opinion: Agree

Comments: To note that the mid-point was 30 September 2020.

Government Reviewer

Opinion: Agree

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:

28/10/2020

Source:

It was made publicly accessible in the afternoon of 28 Oct 2020 - this date appears on the speech of the Finance Minister accessible at <http://www.treasury.gov.za/documents/mtbps/2020/speech/speech.pdf> and which the researcher downloaded on that date via the link.

The MYR's tabling on 28 Oct 2020 was also covered in the Hansard which included a video recording of the speech and tabling: <https://pmg.org.za/hansard/31335/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

The MYR was made publicly accessible in the afternoon of 28 Oct 2020 - this date appears on the speech of the Finance Minister accessible at <http://www.treasury.gov.za/documents/mtbps/2020/speech/speech.pdf> and which the researcher downloaded on that date via the link.

The MYR's tabling on 28 Oct 2020 was also covered in the Hansard which included a video recording of the speech and tabling:
<https://pmg.org.za/hansard/31335/>

Source:

Comment:

News articles covered in detail the tabling of the MYR on 28 Oct 2020: <https://www.businesslive.co.za/bd/national/2020-10-28-read-in-full-medium-term-budget-policy-statement-2020/>
<https://mg.co.za/business/2020-10-28-read-it-mbowenis-2020-medium-term-budget-policy-speech/>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Comments: To note that the Adjusted Estimates and MTBPS document and data links both lead from the webpage cited by the researcher.

Government Reviewer
Opinion: Agree

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:

a. Yes, all of the numerical data are available in a machine readable format

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>
see especially <http://www.treasury.gov.za/documents/mtbps/2020/datasheet.aspx>
<http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx>
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps.aspx>

Comment:

The MTBPS - which is largely a forward looking document and provides backward looking information at an aggregate macro-fiscal, tax and expenditure sector level as part of the tables - is available in machine readable format. The adjustment estimates, which provides the detailed expenditure data by department on adjustments to allocations and which reports performance data to date, are not available in machine readable format.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, all of the numerical data are available in a machine readable format

Comments: The full data are available -- it can be found from a link that is "2020 MTBPS and AENE data in Excel format" on the main page cited. The landing page for all the data is at <http://www.treasury.gov.za/documents/mtbps/2020/datasheet.aspx> and the Adjustment Estimates tables' data are at: <http://www.treasury.gov.za/documents/mtbps/2020/aene/AENE%20Introduction%20Table%201%20to%2010.xlsx> and the full Adjustments Estimates' database is at [http://www.treasury.gov.za/documents/mtbps/2020/aene/AENE%202020%20dataset%20\(Pivot\).xlsx](http://www.treasury.gov.za/documents/mtbps/2020/aene/AENE%202020%20dataset%20(Pivot).xlsx)

Government Reviewer

Opinion: Agree

Researcher Response

Answer revised to an A after consideration of the PR feedback.

IBP Comment

IBP and the researcher agreed with the PR. Response choice changed from "B" to "A".

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:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Source:

Comment:

Peer Reviewer
Opinion:

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:

Medium Term Budget Policy Statement 2020 and the Adjusted Estimates of National Expenditure 2020

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Comment:

Peer Reviewer
Opinion: Disagree

Suggested Answer: The Adjustment Estimates title is: 2020 AENE Adjusted Estimates of National Expenditure

Government Reviewer
Opinion: Agree

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: Agree

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 2018-19

Source:

Comment:

The Office of the Accountant-General page in the National Treasury website contains the 2019 Consolidated Report - see more at <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

where it explains as follows:

Office of the Accountant-General > Publications > 04. Consolidated Financial Statements > 16. For fin. year ending 31-03-2019

Peer Reviewer

Opinion: Agree

Comments: Please note that the researcher proposed 2018/19 here, in keeping I expect with cross-country comparability, but then assessed the 2019/20 Consolidated Financial Statement in the substantive survey questions later. Also, the individual Annual Reports should be cited here, as these form part of the YER assessed later.

Government Reviewer

Opinion: Agree

IBP Comment

IBP and the researcher agree with the PR. All the subsequent survey questions are revised on the basis of YER 2018-19.

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:

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

Source:

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

Comment:

Page 9 of the YER called the Consolidated Financial Statements for the year ended 31 March 2019 records as follows: "The Consolidated Financial Statements have been approved by the Accounting Officer and the Acting Accountant-General on 31 October 2019". Beyond this I was unable to establish an exact date when the YER appeared on the National Treasury website

Peer Reviewer

Opinion: Agree

Comments: Agreed, it is not possible to discern the exact publication date of the OAG publication of the Consolidated Annual Financial Statements. However, the 2018/19 Consolidated Financial Statements were uploaded to the National Treasury website on 10/12/2020: for this source the URL is <http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202019.pdf> As this is 6>9 months after the end of the FY, I agree with the score. Note too, however, that the YER assessed in the substantive OBS questions, include the individual ARs of individual departments. This is correct, as in the South African system, legally, the departments have decentralised accountability for financial and non-financial performance and therefore the reports are individual. The query is whether these were on time – generally yes, given that they needed to be reviewed by the sector committees in Parliament, before the MTBPs in November, and their Financial Statements needed to be on-time for inclusion in the General Report on Audit Outcomes of the SAI. The outstanding statements cited in this document, did not include departments. Furthermore, note that the Debt Management Report, published by the NT, is also considered later as part of the evidence on YER reporting on debt statistics. This document should also be cited, and its publication date noted. For the 2018/19 FY, it is not clear when the report was published, as the Javascript method to ascertain when last PDFs were updated, indicate a date in 2021. This does not mean it was not published on time in 2019. If it is in keeping with previous years and 2020, it would have been published in November 2019.

Government Reviewer

Opinion: Agree

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:

28/11/2019

Source:

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

Comment:

As explained in the previous answer - Page 9 of the YER called the Consolidated Financial Statements for the year ended 31 March 2019 records as follows: "The Consolidated Financial Statements have been approved by the Accounting Officer and the Acting Accountant-General on 31 October 2019". Beyond this I was unable to establish an exact date when the YER appeared on the National Treasury website. - the date i have provided above is drawn from the YER's pdf whose metadata records a created dated of 28 Nov 2019.

Peer Reviewer

Opinion: Disagree

Suggested Answer: While it is not possible to discern the exact publication date of the OAG publication of the Consolidated Annual Financial Statements, the 2018/19 Consolidated Financial Statements were uploaded to the National Treasury website on 10/12/2020 (using the "javascript:alert(document.lastModified)" method for determining the last time a PDF was modified): for this source the URL is

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202019.pdf>

Government Reviewer
Opinion: Agree

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:

Please see the preceding answer.

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Typing in "javascript:alert(document.lastModified)" into the search box for a PDF on a website provides the date it was last modified.

Government Reviewer

Opinion: Agree

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://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

[RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

Source:

[https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

[RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

Comment:

Peer Reviewer

Opinion: Agree

Comments: The OAG site is indeed a location of the Consolidated Financial Statements. The main Treasury site, however, URL is:

<http://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%202019.pdf>

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Consolidated Financial Statements for the year ended 31 March 2019

Source:

[https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

[RootFolder=%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018-19

Source:
<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>

Comment:

Peer Reviewer
Opinion: Agree
Comments: Please note that the researcher used this as the evaluated year here, but then assessed the 2019/20 Audit Reports.

Government Reviewer
Opinion: Agree

IBP Comment
IBP and the researcher agree with the PR. All the subsequent survey questions are revised on the basis of AR 2018-19.

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.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>
<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/MR/2019%20PFMA%20media%20release.pdf>

Comment:
The media release is dated 20 November 2019 and the report was uploaded on to the AGSA website on that date. PSAM staff were able to access/download the said report on that date.

Interestingly the AGSA appeared before Parliament's Standing Committee on Public Accounts to brief that committee on the PFMA 2018-19 Consolidated General Report - see <https://pmg.org.za/committee-meeting/29139/>

Peer Reviewer
Opinion: Agree
Comments: I believe the Consolidated General Report on Audit Outcomes should not be cited / considered as the only reference for the Audit Reports

of National government. This is because this report does not actually provide the Audit Reports of national government departments and entities etc, but rather provides an analysis of the outcomes of these reports. The actual Audit report is fragmented into individual Audit Reports, and these reports are published, as approved by the SAI, in the Annual Reports of each individual department and entity. So, a check on these reports should also be done (that they are published in the timeframe of the IBP OBS to be considered). I would assess this as yes: given that the outstanding audits are few, and detailed mostly as enterprises rather than departments. The appearance before the Committee was on 23 October 2020 (just to complete the reviewer's sentence).

Government Reviewer
Opinion: Agree

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:
20/11/2019

Source:
<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/MR/2019%20PFMA%20media%20release.pdf>
<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>
<https://www.dailymaverick.co.za/article/2019-11-21-the-worst-soe-audits-ever-act-now-on-accountability-auditor-general-makwetu-tells-government/>

Comment:
The Report and media release were publicly accessible on the AGSA website on 20 Nov 2019 when the researcher and other staff at www.psam.org.za were able to download copies for research and advocacy purposes.

A news article dated 21 Nov 2019 drew upon the publication of the report: <https://www.dailymaverick.co.za/article/2019-11-21-the-worst-soe-audits-ever-act-now-on-accountability-auditor-general-makwetu-tells-government/>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
The researcher was able to download the publication from the AGSA website on 20 November 2019 in order to analyze same and respond to media questions that were forthcoming on that date.

A news article the following day (<https://www.dailymaverick.co.za/article/2019-11-21-the-worst-soe-audits-ever-act-now-on-accountability-auditor-general-makwetu-tells-government/>) references the Wednesday (20 Nov. 2019) media briefing by the AG.

Source:
<https://www.dailymaverick.co.za/article/2019-11-21-the-worst-soe-audits-ever-act-now-on-accountability-auditor-general-makwetu-tells-government/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>

Source:

<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>

Comment:

Peer Reviewer
Opinion: Agree

Comments: The PDF of the report is at: <https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>

Government Reviewer
Opinion: Agree

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:

No publicly available in machine readable format.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Document is publicly available

Comment:

See above

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Consolidated General Report on National and Provincial Audit Outcomes - PFMA 2018/19

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>

Comment:

Consolidated General Report on National and Provincial Audit Outcomes - PFMA 2018/19

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/PFMA%202018-19%20Citizen%20Report.pdf>

Comment:

A 40 page report with illustrations and less complex terminology is produced and accessible on the AGSA website at the same time that the complete full report is released.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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). 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:

Comment:

The following websites contain pertinent information:

www.treasury.gov.za

An open budget portal has also been developed by National Treasury in collaboration with www.imaliyethu.org.za (a civil society coalition for open budgets) - see www.vulekamali.gov.za

Local government level budget information is accessible at www.municipalmoney.gov.za with more detailed info accessible at www.treasury.gov.za - especially the sub-site <http://mfma.treasury.gov.za/Pages/Default.aspx>

For tax related info see: www.sars.gov.za

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

See:

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

<http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx>

<https://data.vulekamali.gov.za/dataset>

<https://vulekamali.gov.za/datasets>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Yes, for 2011 see <http://www.treasury.gov.za/documents/national%20budget/2011/review/excel.aspx>

and <http://www.treasury.gov.za/documents/national%20budget/2011/enebooklets/excel.aspx>

For 2012 see <http://www.treasury.gov.za/documents/national%20budget/2012/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2012/enebooklets/excel.aspx>

For 2013 see <http://www.treasury.gov.za/documents/national%20budget/2013/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2013/enebooklets/excel.aspx>

For 2014 see <http://www.treasury.gov.za/documents/national%20budget/2014/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2014/enebooklets/excel.aspx>

For 2015 see <http://www.treasury.gov.za/documents/national%20budget/2015/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2015/enebooklets/excel.aspx>

For 2016 see <http://www.treasury.gov.za/documents/national%20budget/2016/review/excel.aspx> and <http://www.treasury.gov.za/documents/national%20budget/2016/enebooklets/excel.aspx>

For 2017 see <http://www.treasury.gov.za/documents/national%20budget/2017/default.aspx> which has links to even more detailed datasheets such as:

<http://www.treasury.gov.za/documents/national%20budget/2017/excelFormat.aspx>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/ENECSV.zip>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/ENE%20Summary%20Tables.zip>

<http://www.treasury.gov.za/documents/national%20budget/2017/ene/AllENETables.zip>

For 2018 see <http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx> which has links to even more detailed datasheets such as:

<http://www.treasury.gov.za/documents/national%20budget/2018/excelFormat.aspx>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENECSV.zip>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/ENE%20Summary%20Tables.zip>

<http://www.treasury.gov.za/documents/national%20budget/2018/ene/AllENETables.zip>

For 2019 see: <http://www.treasury.gov.za/documents/national%20budget/2019/excelFormat.aspx> which will take readers to a range of detailed datasets dating back over many years.

For 2020 see: <http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx> which will take readers to a range of detailed datasets dating back over many years

Comment:

See Source for details

Peer Reviewer

Opinion: Agree

Comments: Worth noting that any one year's download of National Treasury main website tables (the ones cited here) will cover seven years of information. Three outcomes, one current, and three forward years. Also, while the researcher cites the tables above, there is also a fully searchable flatfile database of the national estimates of expenditure that can be downloaded:

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/Budget%202020%20-%20ENE%20and%20Appropriation%20Pivot.xlsx> As well as of the consolidated national and provincial expenditure by function group:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Budget%202020%20-%20Consolidated%20account%20Pivot.xlsx>

Government Reviewer

Opinion: Agree

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:

See for example

<https://vulekamali.gov.za/2020-21/national/departments/basic-education/>

<https://vulekamali.gov.za/2020-21/national/departments/public-works-and-infrastructure/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

<http://www.treasury.gov.za/legislation/PFMA/default.aspx>

<https://www.agsa.co.za/AboutUs/Legislation.aspx>

Comment:

Yes, the Public Finance Management Act 1 of 1999 (read with its Treasury Regulations) and the Public Audit Act No. 25 of 2004 are the primary laws relating to PFM and auditing. Links to both laws:

Section 32 of the PFMA places publication obligations upon the National Treasury that promote budget transparency. See also section 40 and section 41 that outlines the accounting officer's reporting and submitting responsibilities

The SA Constitution at Chapter 13, especially s214 and s.215 places clear budget transparency obligations upon National Treasury, Parliaments and Provincial Legislatures. Section 195 of the Constitution contain the principles relating to the Public Administration, which include that accountability and transparency must be fostered.

Neither the PFMA or the Public Audit Act contain specific provisions to advance participation.

The Public Service Act and Regulations require that the public service consult with its actual and potential customers during the development of government plans.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: As there is no researcher completed answer, it is not that I disagree as such. But, I would cite the Public Service Act and Regulations here, which require that the public service consult with its actual and potential customers during the development of government plans. I would propose that the Constitution with its provisions for transparency and accountability, should be cited here, as it is not PFM legislation.

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: Not sure what the answer the researcher chose but the answer is a. Yes Constitution provides for access to information Section 32 of the RSA Constitution: state that all citizens has the right of access to information held by the state and that legislation must be enacted to that effect Promotion of Access to Information Act no.2 of 2000(PAIA) The Money Bills Amendment Procedure and Related Matters Act requires Parliament to hold public hearings on the various money bills. https://www.gov.za/sites/default/files/gcis_document/201809/b28-2018moneybillsamendmentprocedure.pdf <https://www.justice.gov.za/legislation/acts/2000-002.pdf> <https://www.justice.gov.za/legislation/constitution/saconstitution-web-eng.pdf>

IBP Comment

IBP and the researcher agree with the PR and GR. Response should be "Yes".

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:

The Executive's Budget Proposal is presented by administrative classification in the: "Estimates of National Expenditure 2020" detailed information by vote/administration can be accessed,

- as a collective doc <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FULLENE.pdf>

- by individual administrative unit via <http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Budget proposal presentation by functional classification is available in the National Treasury Budget Review, at Statistical Tables 6 and 8 which can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx>

Table 6 direct link: <http://www.treasury.gov.za/documents/national%20budget/2020/TimeSeries/Excel/Table%206%20-%20Consolidated%20nat,%20prov%20and%20SSF%20-%20GFS%20function.xlsx>

Table 8 direct link: <http://www.treasury.gov.za/documents/national%20budget/2020/TimeSeries/Excel/Table%208%20-%20Consolidated%20gov%20expend%20-%20GFS%20function.xlsx>

The link to the full Budget Review (that includes the Statistical Tables) and that forms part of the EBP is accessible at: <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The flatfile consolidated national and provincial expenditure database is also structured by function:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Budget%202020%20-%20Consolidated%20account%20Pivot.xlsx>

Government Reviewer

Opinion: Agree

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 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:

The functional classification within the Statistical Tables of the Budget Review appear consistent with international standards. See the classification material at at Statistical Tables 6 and 8 which can be accessed at <http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx>

The link to the full Budget Review (that includes the Statistical Tables) and that forms part of the EBP is

<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Expenditures by economic classification can be found in the 2020 Budget Review, Statistical Table 5 "Consolidated national, provincial and social security funds expenditure: economic classification" See <http://www.treasury.gov.za/documents/national%20budget/2020/TimeSeries/Excel/Table%205%20-%20Consolidated%20nat,%20prov%20and%20SSF%20-%20Economic.xlsx>

The Estimates of National Expenditure (ENE) also provide detailed economic classification information by Department and Programme - see <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

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

Source:

Yes - see the 2020 National Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Also see Annexure W2: Structure of Governments Accounts:
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W2.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

To access detailed information per vote and by program see the 2020 Estimates of National Expenditure accessible via
<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Individual votes and their program level budget detail can be accessed via
<http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Multi year expenditure estimates are presented by all three expenditure classifications in the 2020 National Budget Review: Statistical Tables. See Tables 4, 5, 6 at <http://www.treasury.gov.za/documents/national%20budget/2020/excelFormat.aspx> or via <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Multi year expenditure estimates are presented by all three expenditure classifications in the 2020 Estimates of National Expenditure - see <http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Administrative classification

Economic classification

Functional classification

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FULLENE.pdf>

Comment:

All three expenditure classification levels across multi years are presented. See the links above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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 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:

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

Source:

Expenditure estimates for the current financial year and two outer years are provided by programme and sub-programme. Information is available according to each vote and can all accessible in one document: <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

The 2020 National Budget Review presents sources of tax revenue in Statistical Table 3 "Main budget: estimates of national revenue – Detailed classification of revenue. See Table 3 on page 14/190 onwards of <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Various individual sources of non - tax revenue are presented in the 2020 National Budget Review, Statistical Table "Main Budget: Estimates of national revenue: Detailed Classification of Revenue" within Statistical Table 3 at page 14 of <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, multi-year estimates of revenue are presented by category.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Comment:

Table 2 (at page 189 in the hard copy version or page 201 in the electronic pdf version) of the 2020 Budget Review presents multiyear estimates of revenue by category with the information presented from 2002/03 up to 2022/2023.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Source:

Table 4.2 of Chapter 4 of the 2020 Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf> especially Table 2 accessible at page 189 of the hard copy version or page 201 of the electronic version.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

The various Tables in Chapter 7 of the 2020 Budget Review provide info on debt instruments; maturity profile of the debt; and whether it is domestic or external debt (see <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>)

Table 10 within the Statistical Tables of the 2020 Budget Review provide a breakdown of Total debt of Government for the period 1995/96 to 2022/23 - see this table at <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Also See Table 11 on "Net loan debt, provisions and contingent liabilities" at the same link as immediately above.

Comment:

Peer Reviewer

Opinion: Agree

Comments: In the main chapters, Table 7.2 provides the gross borrowing requirement for the budget year + 2 outer years, with the first line of the table proving net new borrowing required (the main budget balance). Table 7.6 provides end of fiscal year national government debt Table 7.8 provides the debt service cost

Government Reviewer

Opinion: Agree

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 central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:

See the Tables in Chapter 7 of the Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the core information is presented for the composition of the total debt outstanding.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Comment:

While the Tables in Chapter 7 of the 2020 Budget Review contain info on debt instruments; maturity profile of the debt; and whether it is domestic or external debt, specific interest rate information is presented only for the start of the period, not the end of the period (table 7.1), and only for long-term borrowing.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

Comments: The score should be A or C, contingent on what the cross-country threshold is for information on interest rates. Table 7.1 presents the risk benchmarks and estimates for the debt position for the year, not just the start of the year, and its information on interest rates is indirect. The information is about the share of the portfolio for different instruments, and the estimated weighted term to maturity of fixed rate and inflation-linked bonds, in years. The Chapter and tables provides information on the interest rates on debt (but not in table form), on the maturity profile of debt and on domestic versus foreign debt. Arguably, the information on interest rates is limited, but this relates to a portfolio made up out of multiple debt issuances and auctions over many years, with a variety of fixed and variable interest rates and bond yields (90% of debt in 2020/21 was expected to be marketable). The discussion on interest rates and their sensitivity to macro-variables like inflation and exchange rates provides some information. I would argue for an "a" score because of additional information (against the examples cited): whether interest rates are fixed or variable: Yes, see table 7.6 whether debt is callable: No the currency of the debt: No (although the US equivalent is provided of foreign debt -- 90a% of debt is domestic) profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.): yes especially for domestic debt (which is the bulk of debt): see Figure 7.3 an analysis of the risk associated with the debt; see Table 7.1 and Figure 7.1 and surrounding discussion and where appropriate, what the debt is being used to finance: no (as there is very limited use of earmarked loans) However, if in comparison to other countries -- and considering that the SA government debt profile does not include typical developing country loans -- the IBP deems the debt interest rate information provided to be inadequate for an A score, the score should be C.

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees with the researcher. Answer choice "B" maintained -- though information on interest rates is incomplete, there is additional "beyond the core" information given.

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:

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

See the tables in Chapter 7 of the 2020 Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: I disagree on both options for the previous question. If A is deemed on a cross-country basis to be correct, the answer should include Information beyond core elements. If C is deemed correct, then Interest Rates on Debt should not be ticked.

Comments: See proposed answer and comment on previous question.

Government Reviewer

Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%202.pdf>

Also see Chapter 3 of the 2020 Budget Review, especially "Table 3.1 Macroeconomic performance and projection" viewable at

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%203.pdf>

Also see "Table W1.1 Medium-term macroeconomic assumptions" at

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W1.pdf>

Comment:

Within Chapter 2 there is a section dealing with "Macroeconomic assumptions" which is immediately preceded by certain projections together with a consideration of GDP trends; there is also a section considering "Forecast Trends" across certain expenditure areas and sectors. Inflation is also considered with Figures 2.9 and 2.10 providing certain details. There is some brief reflection on global interest rates.

Also see Chapter 3 and Table W1.1. via the links in the Source.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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
Inflation rate
Real GDP growth
Interest rates
Information beyond the core elements (please specify)

Source:
Also see Chapter 3 of the 2020 Budget Review, especially "Table 3.1 Macroeconomic performance and projection" viewable at <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%203.pdf>

Also see "Table W1.1 Medium-term macroeconomic assumptions" at <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W1.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Comments: I would cite Chapter 2 as per researcher's answer in the previous question. Chapter 2 discusses the macro-economic outlook underpinning the fiscal forecast. Table 2.2 has GDP, inflation, GDP growth. Interest rates are covered in the narrative, but not as a separate line in the table. rate of employment and unemployment; in narrative: see page 19 (backward looking only) GDP deflator: Table 2.2 Price of oil and other commodities: Yes, see page 17 Current account: yes, see page 20 Exchange rate: no Composition of GDP growth: yes, see Table 2.2 and 2.3

Government Reviewer
Opinion: Agree

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:

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

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%202.pdf>

Comment:

Within Chapter 2 of the 2020 Budget Review, National Treasury has modelled two economic growth scenarios.

•In scenario A, mounting distress at state-owned companies erodes the fiscal position further, raising borrowing costs and reducing confidence and investment. This is coupled with worsening global growth due to deteriorating international trade relations and less favourable bilateral trade conditions.

•In scenario B, reforms outlined in the discussion document Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa are implemented at a moderate pace and help to raise growth. However, weak levels of confidence and continued load-shedding reduce the impact of these reforms. Faster implementation of electricity-sector reforms could result in even higher growth.

At figure 2.5 the GDP implications of scenario's A and B are shown.

The Chapter also considers inflation, noting the following: "Weak domestic demand continues to limit firms' ability to pass higher prices on to consumers – a trend reinforced by low global inflation. Consumer price index (CPI) inflation and core inflation averaged 4.1 per cent in 2019. CPI inflation is expected to rise to 4.5 per cent in 2020, mainly due to rising meat and electricity prices, and is forecast to remain about 4.6 per cent over the medium term. Inflation expectations remain well-anchored. There is a risk that higher administered prices and exchange-rate depreciation could put upward pressure on inflation. Downward pressure could emanate from weaker-than-expected global inflation and continued pressure on retailer margins."

There is very brief consideration of the likely impacts of interest rates.

Under such circumstances and considering the Guidelines for this question, a score of C is appropriate.

Peer Reviewer

Opinion: Agree

Comments: The key information missing is that the sensitivity analysis is only for growth, but the impact on the budget variables (revenue, expenditure and deficit) is not presented.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.

Comments: GDP growth scenarios are presented in Chapter 2 of every recent Budget documents. In the 2021 Budget Review on page 19, economic scenarios in addition to the baseline forecast are presented. GDP growth and gross debt-to-GDP scenarios around the baseline economic forecast are presented in the fiscal risk statement of every recent MTBPS document. In the 2019 and 2020 MTBPS, the fiscal scenarios around the baseline economic forecast are presented on pages 48 and 51, respectively. Sensitivity in debt stock and debt-service costs in 2020/21 was published in the Fiscal Risk Statement of 2019 MTBPS on page 49. The sensitivity of the debt portfolio to changes in interest rate, exchange rate and inflation assumptions was presented. The analysis shows that in the case of a 10 per cent change in any category, the government would continue to finance its borrowing requirement, but at greater cost. State-owned companies, however, would likely struggle to refinance existing debt or issue new debt.

Source: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%202.pdf>

<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Annexure%20A.pdf> Sensitivity analysis in debt stock and debt-service costs

<http://www.treasury.gov.za/documents/mtbps/2019/mtbps/Annexure%20A.pdf>

IBP Comment

IBP agrees with the researcher.

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:

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%205.pdf>

Comment:

Chapter 5 of the Budget Review for 2020 provides details on the Consolidated Spending Plans but this material does not appear to contain finer details on all new policy proposals.

Within a section dealing with "Revisions to main budget spending plans" the following is noted: "The 2020 Budget proposes total baseline reductions of R261 billion over the medium term, as shown in Table 5.1. The reductions were partially offset by baseline reallocations and additional allocations to state-owned companies, mainly Eskom." Table 5.1 then considers "Adjustments to main budget non-interest expenditure since 2019 Budget

Thereafter the following is emphasized: "Non-compensation baseline reductions mainly affect conditional grants to provinces and municipalities, and national and provincial programme spending. As far as possible, reductions were made in underperforming or underspending programmes. The largest reductions are made to the human settlements and public transport sectors. Reductions in government programmes imply the need to review programmes, possibly resulting in closure or downscaling over the medium term, and to use allocated budgets more efficiently. In addition, reductions on goods and services may negatively affect maintenance of government facilities and information communications technology infrastructure, and lead to increased accruals

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

Comments: The Budget Review and Estimates of National Expenditure together provides the detailed information on the EBP. In South Africa for 2020/21 the budget is about reallocations: funding that has been shifted in a smaller overall envelope. The policy proposals in this budget were as much policies about where cuts could be made, as which new priorities and policies should be funded, or existing priorities increased. Table 5.1 provides the comprehensive perspective (losses and gains and main sources and allocations). The Budget Review provides information on the largest reductions and reallocations (see table 5.2 which presents the bulk of reallocations), and 5.3 which is the largest reductions. In Table 5.1 is a line which is about programme reallocations (7.4 billion worth): these are set out in detail in the ENE (the line before is about reallocations relating to cross-function change, which is explained in the footnote). See in the ENE for example, by function from page VII, detailed information on which programmes gained and which programmes lost money. In my view, this level of detail should earn an A score.

Government Reviewer

Opinion: Agree

IBP Comment

For cross country comparability, this answer has been adjusted to A. Information on the impact of new policies are included in Chapter 5 and the ENE.

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:

a. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

Source:

Chapter 4 of the 2020 Budget Review deals with "Revenue trends and tax policy" and is accessible via <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%204.pdf>

Comment:

I was unable to obtain sufficient information and assurance within the EBP material to show how all new policy proposals affect revenue. Some information of relevance is presented in Chapter 4 supporting a score of "C".

Peer Reviewer

Opinion: Agree

Comments: I would be interested in the government reviewer's take on this question. The chapter sets out the different tax proposals, summarised on page 34 in bullet points. There are 8 measures ranging from adjustment in PIT brackets, to increases in excise taxes and changes to tax rules for businesses. It then provides a table (4.3) which purports to provide an overview of how different proposals affect tax take (for 2020/21). Not all the bullet points are covered in the table, but it is not clear whether those mentioned are expected to be tax neutral, with changes in rules and tariffs affecting the behaviour of tax payers and consumers. I would therefore lean towards agreeing with the researcher.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

Comments: Annexure C "Additional tax policy and administrative adjustments" published on National Treasury website elaborates on some of the proposals contained in Chapter 4, clarifies certain matters and presents additional technical proposals arising from the annual tax policy process. Chapter 4 of the 2020 Budget Review deals with "Revenue trends and tax policy" and is accessible via <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%204.pdf> Annexure C "Additional tax policy and administrative adjustments" which can be viewed on: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20C.pdf>

IBP Comment

For cross country comparability, this answer has been adjusted to A. Information on the impact of new policies are included in Chapter 4 and Annexure C.

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:

<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

Expenditure estimates for the year prior to the budget year are presented in all three expenditure classifications. See both the 2020 Budget Review and the Estimates of National Expenditure

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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-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:

See the 2020 Estimates of National Expenditure at <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>
<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Comment:

Within the 2020 Estimates of National Expenditure, at "Table 2 - Expenditure by national vote: 2016/17 to 2022/23" readers can consider the Audited Outcomes for each Vote for the 3 year period 2016/17 to 2018/19, followed by the Adjusted Appropriation for 2019/20 alongside Revised Estimates for the same year and again for each Vote, followed by the Medium Term Estimates for each Vote for the 3 outer years (2020/21 to 2022/23). See this at page 35/xvii of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Furthermore, detailed information per vote on revised estimates by programmes and sub-programmes is also contained in the 2020 Estimates of National Expenditure via <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

See also the 2020 National Budget Review, Statistical Table 1 viewable at:
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Please see the "2020 Estimates of National Expenditure". This document shows expenditure outcomes and estimates over a seven-year period, by vote programme, by economic classification and by functional classification -
<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

The 2020 Budget Review Statistical Tables also contain relevant and the necessary level of detail - see
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
Please see the "2020 Estimates of National Expenditure". This document shows expenditure outcomes and estimates over a seven-year period, by vote programme, by economic classification and by functional classification -
<http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

The 2020 Budget Review Statistical Tables also contain the necessary level of detail to support the score - see
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment
IBP agrees with the response of the researcher.

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:
a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

The 2020 Estimates of National Expenditure (detailed information per vote) publication provides more detailed expenditure per vote by programmes and sub-programmes for more than one year preceding the budget year. See more at <http://www.treasury.gov.za/documents/national%20budget/2020/booklets.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Within the 2020 Estimates of National Expenditure, the Audited Outcomes for 2016/17 to 2018/19 are provided by each national vote at "Table 2 Expenditure by national vote: 2016/17 to 2022/23" - see more at page 34/xxvii of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Please consider the 2020 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue –detailed classification of revenue, 2016/17 to 2020/21" which contains numerous tax and non tax revenues for the preceding budget year and also years prior to that: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Yes - Please see the 2020 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue –detailed classification of revenue, 2016/17 to 2020/21" accessible via: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Yes, see 2018 National Budget Review, Statistical Tables: Table 1 - "Main budget: Revenue, expenditure, budget balance and financing, 2013/14 to 2022/23"

Also see Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2002/03 to 2022/23.

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Yes - see in this regard, Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2002/03 to 2022/23.

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Yes - see in this regard, Table 2 "Main budget: estimates of national revenue - Summary of revenue"

Also see Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

See the 2020 National Budget Review at Table 1: "Main budget: revenue, expenditure, budget balance and financing, 2013/14 to 2022/23"

Also see : Table 2 "Main budget: estimates of national revenue - Summary of revenue"

Also see : Table 3 "Main budget: estimates of national revenue - detailed classification of revenue"

Link to all tables: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for government debt.

Source:

Please see the 2020 National Budget Review, Chapter 7, especially:

- Table 7.3, "Financing of national government gross borrowing requirement" p.5/81;

Also see Table 7.6. "Total national government debt 2018/19 - 2022/23", p.8./84

Also see Table 7.8. "National government debt-service costs" at page 9/85

Link to the above is <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2020 National Budget Review via <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Please see the 2020 National Budget Review, Chapter 7, especially:

- Table 7.3, "Financing of national government gross borrowing requirement" p.5/81;

Also see Table 7.6. "Total national government debt 2018/19 - 2022/23", p.8./84

Link to the above is <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2020 National Budget Review via <http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for all extra-budgetary funds.

Source:

Please see Ch.3 Fiscal Policy of the 2020 National Budget Review

(<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%203.pdf>) which provides details of "The consolidated budget includes the main budget framework and spending by provinces, social security funds and public entities financed from their own revenue sources." - see p.7/29.

Chapters of the Estimates of National Expenditure (ENE) also contain details of Extra-Budgetary Funds, for example:

Chapter 11 dealing with the National Department of Employment and Labour has info beyond the core elements for:

- the Unemployment Insurance Fund
- the Compensation Fund.

See more at <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2031%20Employment%20and%20Labour.pdf> - p.16/490 & p.13/487

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Chapter 3 titled Fiscal Policy in the 2020 Budget Review includes consolidated tables that present a consolidated budget balance (see table 3.7) at p.8/30. - <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%203.pdf>

Also see Annexure W2 <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W2.pdf> from page 5 which describes what is included in the consolidated government account.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

Chapter 6 of the 2020 National Budget Review deals with "Division of revenue and spending by provinces and municipalities" - see <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%206.pdf>

"Table 6.1 Division of nationally raised revenue" contains a breakdown of transfers between the three spheres covering the period 2016/17 to

2022/23

There is also narrative content.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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)*
- *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:

c. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

Source:

The 2020 National Budget Review gives readers a breakdown of how the equitable share is distributed to the 9 provinces - see <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%206.pdf>

Much more could be done to provide useful breakdowns of expenditure by especially gender, age, and income, so as to better show the financial impact and target of policies on different groups of citizens.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Also, annexure W1: Explanatory memorandum to the division of revenue (in main document and available at: <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W1.pdf>)

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

Comments: Annexure W1 "Explanatory memorandum to the division of revenue" details how it takes account of the matters listed in sections 214(2) (a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities. This memorandum complements the discussion of the division of revenue in Chapter 6 of the Budget Review. It has six sections: [?] Part 1 lists the factors that inform the division of resources between national, provincial and local government. [?] Part 2 describes the 2020 division of revenue. [?] Part 3 sets out how the FFC's recommendations on the 2020 division of revenue have been taken into account. [?] Part 4 explains the formula and criteria for dividing the provincial equitable share and conditional grants among provinces. [?] Part 5 sets out the formula and criteria for dividing the local government equitable share and conditional grants among municipalities. Part 6 summarises issues that will form part of subsequent reviews of provincial and local government fiscal frameworks. Source Annexure W1 can be accessed via this link <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W1.pdf>

IBP Comment

IBP agrees with the response of the researcher.

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:

Other displays of expenditure (please specify)

Source:

Displays of expenditure by province/geographic region.

Comment:

Only the distribution of the equitable share by province was identified as an alternative way of displaying the allocation of funding. See link in preceding answer.

Peer Reviewer

Opinion: Agree

Comments: Please also note the discussion on health and education expenditure by region etc. in Annexure W1, in the main document and available at <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20W1.pdf> This annexure is part of the budget documentation.

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees.

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:

a. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

Source:

See the 2020 Budget Review, Chapter 8, "Financial Position of Public- Sector Institutions" Table 8.3 "Borrowing requirement of selected state owned companies" p.5/93 of <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%208.pdf>

Each vote details its transfers to public corporations - see for instance Vote 11, Public Enterprises within the 2018 Estimates of National Expenditure, especially "Table 10.2 Vote expenditure trends by programme and economic classification" viewable at p.3/145 of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2010%20Public%20Enterprises.pdf>

A narrative discussion of such entities does tend to be provided. See page 143 of the link for an example in this regard.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the core information is presented for all quasi-fiscal activities.

Source:

Please see Chapter 8 of the 2020 Budget Review (<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%208.pdf>) which includes a section on Development finance institutions with "Table 8.4 Financial position of selected development finance institutions" that lists the selected entities total assets, total liabilities and net asset value for the period 2016/17 to 2018/19.

There is also "Table 8.5 Borrowing requirement for development finance institutions" followed by narrative content for various state banks. See pages 8/96 of the above link.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Comments: While the chapter cited does provide information in the narrative on quasi fiscal activities – e.g. noting that the Landbank provides concessional credit to small and medium scale emerging farmers, there is not a table provided that estimates the value of all quasi fiscal activities. The tables in the chapter merely provides information on the financial status of state-owned enterprises. There is no means of ascertaining whether all quasi-fiscal activities are mentioned, and no information on their value in the budget and subsequent years. I would therefore score a "c".

Government Reviewer

Opinion: Agree

IBP Comment

For comparability across time and countries, answer choice B is maintained. While more specific information on individual QFAs could be produced and published, the entirety of the information published is enough to qualify for a B response.

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:

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

Source:

Within Chapter 7 of the 2020 Budget Review there is a section on "Cash Balances" - see <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf> at page 7/83 which has a narrative followed by various Tables. The narrative notes as follows at the outset: "Government's total cash holdings consist of deposits held at the commercial banks and the Reserve Bank. At the end of 2019/20, these balances stood at R238.8 billion. About 74.2 per cent, or R177.2billion, of these holdings constitutes official foreign exchange reserve deposits made with the central bank, which is available as bridging finance. Over the medium term, foreign-currency deposits will remain slightly below US\$7.5 billion, in line with government's commitment to the Reserve Bank."

At page 11/87 it is also noted as follows: "GGovernment's largest contingent asset is the Gold and Foreign Exchange Contingency Reserve Account. This account reflects profits and losses on gold and foreign exchange reserves, held by the Reserve Bank, to meet foreign exchange obligations and to maintain liquidity in the presence of external shocks. The balance on this account is split into transactions with cash flow and non-cash flow

valuations. Due to the appreciation of the rand, unrealised gains are expected to amount to R278.1 billion by end-March 2020, a decrease of R7.6 billion compared with 2018/19. In 2019/20, government settled a realised loss of R131.7 million. Losses of R97.9 million are projected for 2020/21."

Within Chapter 8 of the 2020 Budget Review there is "Table 8.1 Combined balance sheet of state owned entities" which includes their Total Assets & Total Liabilities and Net Asset Values. (<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%208.pdf>)

A detailed listing of the assets is not provided.

Note however that information on the financial assets of all government entities are presented as a matter of routine tables in the entities' sections associated with their main national government departments in the on-line booklets for each of the departments - see <http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Source:

See page 535 of the 2020 ENE which contained some information related to the National Homebuilders Registration Council - <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>. I was unable to locate information on non-financial assets held by various main government departments. However, for each of the entities information is presented, due to the standard table including a statement of all entities' financial position, which includes a statement on financial and non-financial assets.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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/qfs/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:

e. Not applicable/other (please comment).

Source:

There is no information in the 2020 Budget Review on national government arrears.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: Arrears are negligible in the South African national and provincial finances. For example, in the year prior to the FY2020/21, current payables were R8 billion, against an expenditure of R1.4 trillion (see Consolidated financial statements 2019/2020). It is not covered in the Budget Review, because it is not an issue.

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: The Treasury Regulations introduced to give effect to the PFMA general require that creditors be paid within 30 days. Treasury Regulation 8.2.3 provides as follows: "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement". The prescribed period referred to in section 38(1)(f) of the PFMA is 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement, as provided in Treasury Regulation 8.2.3" See further:

[https://oag.treasury.gov.za/Publications/10.%20Instruction%20Notes/For%20fin%20year%202011-12/20111130%20Instruction%20Note%2034%20-%20Effecting%20payments%20within%2030%20days%20from%20receipt%20of%20an%20invoice%20\(TR8.3.2\).pdf](https://oag.treasury.gov.za/Publications/10.%20Instruction%20Notes/For%20fin%20year%202011-12/20111130%20Instruction%20Note%2034%20-%20Effecting%20payments%20within%2030%20days%20from%20receipt%20of%20an%20invoice%20(TR8.3.2).pdf)

IBP Comment

IBP agrees with the PR and GR. Response choice changed from "D" to "E".

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:

a. Yes, information beyond the core elements is presented for all contingent liabilities.

Source:

Considerable information is made available. This includes a narrative supported by estimates, tables and projections. See Chapter 7 of the 2020 Budget Review at <http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%207.pdf>

Also see Statistical Table 11 (<http://www.treasury.gov.za/documents/national%20budget/2020/review/Statistical%20tables.pdf>) which is preceded by the following narrative:

"Net loan debt, provisions and contingent liabilities (Table 11)

Provisions are liabilities with uncertain payment dates or amounts. The provisions for multilateral institutions are the unpaid portion of government's subscriptions to these institutions, which are payable on request. Contingent liabilities are obligations that only result in expenditure when an uncertain future event occurs. Both explicit and implicit contingent liabilities are disclosed. Implicit contingent liabilities are mostly the actuarial deficits of social security funds, while explicit contingent liabilities are mostly guarantees for state-owned companies, public-private partnership projects and the Renewable Energy Independent Power Producer Programme. In the case of guarantees for state-owned companies, the exposure disclosed is the amount borrowed against a guarantee, any related revaluation adjustments on inflation-linked bonds and any related interest on this amount, if guaranteed. The National Treasury published detailed information on provisions and contingent liabilities in the annual consolidated financial statements of national departments."

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.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:

The 2020 Budget Review only includes information to the end of the medium-term period.
<http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Table 7.2 of the budget review shows core information for the medium-term period

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:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

Each Department/Ministry is expected to provide information on donor funding. An example would be the Health Department which details Donor Funding at Table 7.C under the "Donor" tab of the Excel Spreadsheet titled "ENE20-Vote 18_Chapter Tables accessible via

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/All%20ENE%20Excel%20Vote%20Tables.zip>

While the information is presented in a table, there is sufficient detail (including "Project", "Programme"; "Period of Commitment"; "Amount Committed"; "Main Economic Classification"; "Spending Focus" and "Audited Outcome") to qualify as a narrative for an "A" answer.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Information regarding Tax Expenditure is presented from page 119 to 124 of the 2020 National Budget Review which is titled "Tax Expenditure Statement". See <http://www.treasury.gov.za/documents/national%20budget/2020/review/Annexure%20B.pdf>

The Tax Expenditure Statement does not contain the level of detail for the budget year to score an answer higher than "C" as it excludes some core elements and some tax expenditures.

Comment:

Peer Reviewer
Opinion: Agree

Comments: The discussion appears to be comprehensive of all tax expenditures, and provides a narrative discussion. However, the key issue is that forward estimates are not provided (only impact up to 2018) and that beneficiaries are not systematically discussed.

Government Reviewer
Opinion: Agree

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:

a. Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

Source:

Main earmarked revenues appear with a narrative discussion within the EBP.

These include for instance the Road Accident Fund (see page 96 of the 2020 Budget Review viewable at <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf>) together with page 29/703 of the 2020 Estimates of National Expenditure: <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2040%20Transport.pdf>

To see details of the Unemployment Insurance Fund see p.97 of <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf> and page 16/490 of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2031%20Employment%20and%20Labour.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Detailed information on the link between the budget and the government's stated policy goals is presented, including both a narrative discussion and quantitative estimates. See Chapter 5 of the 2020 National Budget Review:
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%205.pdf>

Furthermore, the 2020 Estimates of National Expenditure goes into more detail under each budget vote and describes by administrative unit what plans and programmes will be carried out against the budget: <http://www.treasury.gov.za/documents/national%20budget/2020/booklets.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

Source:

Detailed information on the link between the proposed budget and the government's stated policy goals for a multi-year period, including a narrative discussion are contained in Chapter 5 of the 2020 National Budget Review:
<http://www.treasury.gov.za/documents/national%20budget/2020/review/Chapter%205.pdf>

There is additional detail provided in the various Chapters of the 2020 Estimates of National expenditure, that elaborate on each budget vote and discuss by administrative unit

what plans will be carried out by the budget over a multi year period year period:
<http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, nonfinancial data on inputs are provided for each program within all administrative units (or functions).

Source:

The non-financial data on inputs is presented in the Estimates of National Expenditure under each budget vote. See information such as personnel/human resources. Select a Vote to see such non-financial data by going to the following:

<http://www.treasury.gov.za/documents/national%20budget/2020/booklets.aspx>

This document also contains performance information for each budget vote.

See for instance Health Department Personnel Information at page 16/6 within Table 18.4 of

<http://www.treasury.gov.za/documents/national%20budget/2020/enebooklets/Vote%2018%20Health.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2018%20Health.pdf>

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2008%20National%20Treasury.pdf>

Comment:

Not all programs contain non-financial data on results. For instance, the Health Department provides "Selected Performance Indicators" for only 3 of its 7 programs - see Table 18.1 at <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2018%20Health.pdf>

National Treasury provides "Selected Performance indicators by programme and related priority" for 3 of its 9 programs - see page 2 of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2008%20National%20Treasury.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Performance targets are assigned to all non financial data on results in each budget vote within the 2020 Estimates of National Expenditure - <http://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 and 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:

See for instance pages 348/294 and 293/239 for examples within <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

Comment:

While some information is contained or presented, it is not highlighted and a reader needs to search the voluminous material to locate such information which is scattered within the EBP material. For these reasons a score of C is deemed most accurate.

Peer Reviewer

Opinion: Agree

Comments: The examples cited are of the number of beneficiaries of specific programmes (like social grant entitlements), where the programme as a whole benefits the most impoverished populations. This would count for some "estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations". However, there is no consolidated table of how the most impoverished benefits across all expenditure.

Government Reviewer

Opinion: Disagree

Suggested 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.

IBP Comment

For comparability across time and countries, answer choice A has been selected. As the guidelines note, 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 ENE provides this information, albeit not in a consolidated way.

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:

a. Yes, a detailed timetable is released to the public.

Source:

The budget timetable is published in the Medium Term Expenditure Framework Guidelines which is published nine months or so before the start of the fiscal year.

<http://www.treasury.gov.za/publications/guidelines/2020%20MTEF%20Technical%20Guidelines.pdf>

Comment:

ANNEXURE A: RESOURCE ALLOCATION PROCESS STEPS

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

Please see the complete 2020 Medium Term Budget Policy statement <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>.

In particular, Table 1.1 at page 12/6 contains Macroeconomic Projections; a "Macroeconomic performance and projections" table numbered 2.2 appears at page 21/15 and considers GDP and CPI inflation. Food inflation is considered in table 2.3 and overall inflation is considered in a narrative at page 22/16 of the 2020 MTBPS.

Table A1 at page 58/52 of the 2020 MTBPS contains a projection of "Sensitivity in debt stock and debt-service costs, 2019/20" were there to be a 10% rise in interest rates, Rand/Dollar Exchange Rate and Headline Inflation.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

Source:

See the 2020 Medium Term Budget Policy Statement in particular Chapter 4 thereof:
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%204.pdf>

Expenditure Priorities are considered including estimates of total expenditure and expenditure over the medium term.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the government’s revenue policies and priorities.

Source:

Please see the 2020 Medium Term Budget Policy Statement at <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FulIMTBPS.pdf>

Includes tables detailing:

- Medium-term revenue framework (3.5) at page 35/29
- Main budget framework and financing requirements (3.6) at page 36/30
- Division of revenue framework (4.5) at page 50/44

The 2020 MTBPS also includes Figures with Main budget revenue and non-interest spending.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I do not agree with the citation. The Division of revenue framework is not applicable to the question (the third table cited). The main information is from page 26-29.

Government Reviewer

Opinion: Agree

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:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

See: <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FulIMTBPS.pdf>

- amount of net new borrowing required: Table C.3 at page 70/64
- total debt outstanding: Table C.3 at page 70/64
- interest payments on the debt - See Table C.3 at page 70/64. Also see Table 4.2 at <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%204.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, multi-year expenditure estimates are presented.

Source:

Yes estimates of total expenditures for a multi year period (2021/22, 2022/23 and 2023/24) are presented in the PBS - see the 2020 Medium Term Budget Policy Statement, Table 1.3 at p.13/7.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.

Source:

This question relates to the Enacted Budget (as opposed to the EBP). The Appropriation Act No. 7 of 2020 presents national expenditure estimates by administrative and economic, but not functional classification. See:

<http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Economic classification

Source:

The Appropriation Act No. 7 of 2020 presents national expenditure estimates by administrative and economic, but not functional classification. See:

<http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

The Appropriation Act No. 7 of 2020 presents estimates for programs accounting for all expenditures. See: <http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: In fact the appropriations are to programmes.

Government Reviewer

Opinion: Agree

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:

Comment:

While the ENE and Budget Review provide certain revenue estimates by category, these are part of the EBP, as opposed to the EB which does not include such level of detail.

Peer Reviewer

Opinion: Agree

Comments: The Appropriation Act is for expenditure. The equivalent is the proposed amendments to the various revenue laws, which are available in the Government Gazette, but not presenting revenue estimates by category.

Government Reviewer

Opinion: Agree

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:

Comment:

The Enacted Budget is the Appropriation Act, which has no individual sources of revenue information in it. The revenue proposals are enacted through a series of changes to different tax laws (e.g. the income tax act) which are passed separately by Parliament, but without a consolidation of

the revenue estimates based on actual amendments passed.

Peer Reviewer

Opinion: Agree

Comments: The researcher's comment here is a better formulation for the previous question too.

Government Reviewer

Opinion: Agree

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:

Comment:

Estimates related to government borrowing and debt are presented in the Budget Review, the Pre-budget statement for 2020/21 which is called the Medium Term Policy Budget Statement.

Such information is not presented in the 2020 Enacted Budget which is titled the The Appropriation Act 7 of 2020 and therefore a score of "D" is selected. See <http://www.treasury.gov.za/legislation/acts/2020/Appropriation%20Act%207%202020.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

National Treasury have produced a People's Guide to the 2020 Budget in 5 of the official languages. See the English version at: <http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

National Treasury's also releases a document called Budget Highlights which contains some of the core information: macroeconomic outlook, tax proposals, spending programmes and consolidated government expenditure, and contact - see more at <http://www.treasury.gov.za/documents/national%20budget/2020/sars/Budget%202020%20Highlights.pdf>

Expenditure and revenue totals: 2020 Budget Highlights, page 1; 2020 People's Guide, page 3

The main policy initiatives in the budget: 2020 Budget Highlights, page 1; 2020 People's Guide, page 1-4

The macroeconomic forecast upon which the budget is based: 2020 Budget Highlights, page 1

Contact information for follow-up by citizens: 2020 People's Guide, page 1

Information beyond the core: Expenditures by sector: 2020 Budget Highlights, page 2; details on changes to taxes: 2020 People's Guide, page 4.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

Source:

The Citizen Budget is distributed using the following web-based platforms of National Treasury:

- 1) <http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>
- 2) Via www.vulekamali.gov.za where the People's Budget can be downloaded in 5 different languages:
<http://www.treasury.gov.za/documents/national%20budget/2018/default.aspx>

Comment:

National Treasury also advise that they distribute the Citizen's Budget via a range of newspapers in commercial/mainstream and community media.

3) Social media: National Treasury issued tweets related to the Citizen's Budget on 28 Feb 2020 advising amongst others that "Look out for the People's Guide document to be circulated in @VukuzenzeleNews newspapers from 2 March 2020." See :

<https://twitter.com/TreasuryRSA/status/1233312922908188672?s=20> and <https://twitter.com/TreasuryRSA/status/1233311897866338312?s=20>

4) National Treasury also advise that hard copies are distributed to the public from all SARS offices and via all the 9 provincial treasuries.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

While the National Treasury have consistently produced a Citizen's Budget, I was unable to locate any recent material or mechanism that evidences that they have identified the public's requirements for budget info in the Citizen's budget. I was also unable to locate the Budget Tips platform that was previously available to the public.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.

Comments: <https://web.archive.org/web/20200217091026/http://www.treasury.gov.za/> this is an archived page showing that in 2020 the link to the budget was accessible to all

IBP Comment

The document cited by the GR is related to engagement in the budget-making process. Not related to Citizens Budget. So, IBP agrees with the response of the researcher.

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:

b. A citizens version of budget documents is published for at least two of the four stages of the budget process.

Source:

<http://www.treasury.gov.za/documents/national%20budget/2020/guides/2020%20Peoples%20Guide%20English.pdf>

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/PFMA%202018-19%20Citizen%20Report.pdf>

Comment:

I was able to access a Citizen's Budget for 2020 produced by National Treasury and a Citizens Report for the PFMA 2018/19 produced by the Auditor-General who is the Supreme Audit Institution for South Africa.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees with the researcher.

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:

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

Source:

The In-Year reports titled "Monthly statements of national revenue, expenditure and borrowing" are released monthly, approximately 30 days after the end of each month. These reports present a table of national estimates of expenditure by economic classification and administrative classification. The 2020 monthly statements can be accessed via: http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx See also http://www.treasury.gov.za/comm_media/news_archive_2020.aspx

Comment:

Administrative and economic classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Administrative classification
Economic classification

Source:

http://www.treasury.gov.za/comm_media/news_archive_2020.aspx and
http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx to access the monthly statements of national revenue, expenditure and borrowing containing administrative and economic classification detail.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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," 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:

Monthly statements of national revenue, expenditure and borrowing only provide revenue and expenditure estimates by administrative classification and do not provide program level detail: http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Please see Table 2 of http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx or directly via http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%202.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Yes, see the tables via http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx and especially the following table: http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%201.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:

http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%201.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Please see the Monthly statements of revenue, expenditure and borrowing which compare the actual year to date revenues with the budget estimate.

http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx - especially Table 1 accessible via

http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%201.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

The monthly reports provide information on the net borrowing requirement and borrowing, and debt interest cost, and the total debt burden at that point in the year.

See: http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%202.pdf and
http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%203.pdf
<https://www.resbank.co.za/content/dam/sarb/publications/quarterly-bulletins/quarterly-bulletin-publications/2020/9797/01Full-Quarterly-Bulletin---March-2020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

Source:

See http://www.treasury.gov.za/comm_media/press/monthly/2101/Table%203.pdf

In the 2019 round of the OBS, reliance was placed on Quarterly Bulletins of the SA Reserve Bank to access information that would warrant a score of "A" - IBP advise that this can be regarded as an acceptable In-Year Report - so please see <https://www.resbank.co.za/en/home/publications/publication-detail-pages/quarterly-bulletins/quarterly-bulletin-publications/2020/10091>) and more specifically: <https://www.resbank.co.za/content/dam/sarb/publications/quarterly-bulletins/quarterly-bulletin-publications/2020/9797/01Full-Quarterly-Bulletin--March-2020.pdf>

Comment:

SARB Quarterly Bulletin's provide the relevant information on the debt portfolio.
National Treasury monthly reports provide information on the new debt issues or debt redeemed for the month.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Source:

Please see the various chapters of the MYR (called the Medium Term Budget Policy Statement) accessible via <http://www.treasury.gov.za/documents/mtbps/2020/default.aspx> especially Chapter 1 - 3 and Annexure A. For instance Chapter 2 dedicates a detailed narrative to the macroeconomic outlook and factors influencing it. Chapter 3 considers Fiscal Policy.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The main issue is that differences are not explained between the main budget forecast, and the review offered in the MTBPS.

Government Reviewer
Opinion: Agree

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:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

Source:

Please see the 2020 Adjusted Estimates of National Expenditure which provides an extensive and detailed discussion of expenditure to date, marginal changes to allocations and reasons for adjusting expenditure: <http://www.treasury.gov.za/documents/mtbps/2020/aene/FullAENE.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Please see Tables 4.1 and 4.2 at <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%204.pdf>

Also see <http://www.treasury.gov.za/documents/mtbps/2020/aene/FullAENE.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
Administrative classification
Economic classification
Functional classification

Source:
<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%204.pdf>
<http://www.treasury.gov.za/documents/mtbps/2020/aene/FullAENE.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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 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:
a. Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.

Source:
The Medium Term Budget Policy Statement (the MYR) is submitted together with the Adjusted Estimates of National Expenditure (AENE) which presents estimates for programs. The more detailed mid-year report is effectively the Adjustment Estimates, which provides detailed information by programme :
<http://www.treasury.gov.za/documents/mtbps/2020/aene/FullAENE.pdf> &

<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

Source:

Chapter 1 of the 2020 MTBPS has "Table 1.2 Consolidated government fiscal framework" while Chapter 3 considers fiscal policy (<http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>) and includes narrative and tables that elaborate on "the Medium term revenue framework" and "Revised revenue projections." to name a few.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Source:

See page 9/29 where there is a table titled "Table 3.5 Medium-term revenue framework" - <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%203.pdf>

Also see the Table on page 70/64 titled "Table C.3 Main budget framework and financing requirements" accessible via <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Source:

Please see Tables 3.3 and 3.5 of the MTBPS: <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%203.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Score is correct, but it is only table 3.3 that presents the update on individual sources of revenue. This table however covers only tax revenue. Individual sources of tax revenue and non-tax revenue as a category is also presented in the updated fiscal framework, Table C3 on page 64. As non-tax revenue is 3% or less of total revenue, an A score however still holds.

Government Reviewer

Opinion: Agree

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:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Source:

Please see "Table 3.10 Total national government debt" and "Table 3.8 National government gross borrowing requirement and financing" in the 2020 MTBPS - These tables contain the outcome for the previous year, the budget and revised estimate for 2021/22 and medium term estimates of govt. borrowing and debt for the 3 outer years. Direct link: <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/Chapter%203.pdf> and entire MTBPS link: <http://www.treasury.gov.za/documents/mtbps/2020/mtbps.aspx>

Maturity profile (long term versus short term) and domestic and foreign, and whether fixed or inflation-linked debt for the long-term domestic borrowing is provided in summary form at high level.

Interest payments and expenditure are detailed in Fig.1 and Table 3.1 of Chapter 3 of the MTBPS

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

Comments: The tables do not present information on the differences between the original and updated main debt parameters. It only presents information on the updated estimates. 2020/21 original budget is not reflected in one of the tables. Table 3.1 is on non-interest expenditure, not interest expenditure. Table 3.6 provides interest expenditure, but this is not mentioned in the guidance as a core information element. Updated information on interest rates is not provided in tables but discussed in the narrative. Table 3.9 provides interest rates on the first DFI loans taken out in 2020 (which were not in the Budget Review). On balance, a C rather than B score is merited.

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees with the researcher.

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:

Please see Table 6 at page 25/16 and the narrative that follows of the Consolidated Financials for the year ended 31 March 2020:
<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financiancial%20Statements%202020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: I am unclear why the assessment has shifted to the YER for 2019/2020 rather than 2018/19, for which the publication date etc was ascertained in earlier questions. The 2019/20 YER could have been assessed rather than the 2018/19, as it was available in December 2020, but my assumption was that 2018/19 was assessed to keep SA in line with other countries assessed. The score stays, but in the 2019/20 CFS the reference should be to table 6 on page 17.

Government Reviewer

Opinion: Agree

Researcher Response

I am in agreement with the PR. The 2018/19 YER is applicable - accessible via <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View=%7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d> and see in particular table 6 on page 17.

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:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

See Tables 3, 6, 7 and 8 of the Consolidated Financials for the year ended 31 March 2020 together with its various Graphs:
<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financiancial%20Statements%202020.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

Comments: A B score is correct as long as the requirement is not for enacted budget and actual outcomes (the question is confusing – the YER would present expenditure actual outcomes not estimates? And the guidance does not specify enacted budget as well as outcomes, only outcomes?). I propose B rather than A as the cluster outcomes table (Table 8 for high level functional (by functional cluster of departments) on page 19) is technically not a functional outcome as defined in GFS. The cluster is a representation of how the administrative classification by department, would sort into broad clusters, which mimics a high level functional classification, but is not actually one. To illustrate, expenditure on health under the defence department budget, would fall in the justice cluster, not in the social cluster where it should sort if the table presented actual outcomes by function. References for the 2018/19 YER are: Table 6 for administrative Table 7 for high level economic on page 18 Table 8 for high level functional (by functional cluster of departments) on page 19 Table 9 page 23 and Table 25 on page 34 for economic breakdowns. Tables and graphs

in between breaks down the economic classification.

Government Reviewer

Opinion: Agree

Researcher Response

The assistance provided by the PR is appreciated. Source corrected as follows: The 2018/19 YER is applicable - accessible via

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View=%7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d and see in particular: Table 6 for administrative Table 7 for high level economic on page 18 Table 8 for high level functional (by functional cluster of departments) on page 19 Table 9 page 23 and Table 25 on page 34 for economic breakdowns. Tables and graphs in between break down the economic classification.

IBP Comment

Based on the information available in the cited document, IBP changed the response to "A".

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

Functional classification

Source:

Please see Tables 3, 6, 7 and 8 of the Consolidated Financials for the year ended 31 March 2020 together with its various Graphs:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Administrative and economic

Comments: Please see comment in previous question, and please see adjusted references for FY ending 2018/19 in previous question, if this is the year assessed.

Government Reviewer

Opinion: Agree

Researcher Response

The assistance provided by the PR is appreciated. Source corrected as follows: The 2018/19 YER is applicable - accessible via

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?>

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View=%7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d and see in particular: Table 6 for administrative Table 7 for high level economic on page 18 Table 8 for high level functional (by functional cluster of departments) on page 19 Table 9 page 23 and Table 25 on page 34 for economic breakdowns. Tables and graphs in between break down the economic classification.

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 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 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:

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%20FY1920.pdf?ver=2020-11-06-165526-607>

http://www.health.gov.za/wp-content/uploads/2020/11/annual-report-4web_compressed_1.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: To add to the researcher's comments: individual department annual reports in aggregation, forms part of government YE reporting under the PFMA. All national departments and entities publish YE reports. I did not check whether all of these reports were on time, for the score here to be considered, but generally they would need to be for the Consolidated Financial Statements to be out on time. The citations should be of the 2018/19 reports, if this is the FY for which the YER is assessed.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback. Source should be

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%20%20Print%20Version%2027%20Sep%2009H27.pdf?ver=2019-11-14-121458-073>

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:

Please see for eg:

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%20FY1920.pdf?ver=2020-11-06-165526-607>

http://www.health.gov.za/wp-content/uploads/2020/11/annual-report-4web_compressed_1.pdf

<http://www.treasury.gov.za/publications/annual%20reports/national%20treasury/nt%20annual%20report%202019-20.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The references should be to the 2019/19 Annual Reports, if this is the FY for which the YER is assessed

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback. Correct source should be the 2018/19 Education Department Annual Report accessible via <https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%20%20Print%20Version%2027%20Sep%2009H27.pdf?ver=2019-11-14-121458-073>

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:

See the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2020 at page 60/68 via <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Reference should be to page 66 of the 2018/19 Consolidated Financial Statement if this is the year assessed.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the assistance in citing the correct source which is the 2018/19 Consolidated Financial Statements accessible at <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View=%7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d> See especially page 66.

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:

See <https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf> at page 60/68 onwards.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Reference should be to page 66 of the 2018/19 Consolidated Financial Statement if this is the year assessed.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the assistance in citing the correct source which is the 2018/19 Consolidated Financial Statements accessible at

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View=%7bEA6E6B15-593D-4839-A804-A91A49CB20A0%7d>

See especially page 66.

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:

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020>

Comment:

While certain borrowing information - see for instance Tables 36 and 37 (at page 48/40) within the Consolidated Financial Statements for 2019/20 this is presented at the outcome level for each financial year, rather than at the enacted and actual levels for each year.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Comments: I am presenting my response in two parts: 1) if the key reference document is the Debt Management Report for 2018/19 and this report counts as part of the YER. And 2) if the key reference document is only the Consolidated Financial Statements. 1. I am proposing that B should be the score, because judging by the previous OBS final questionnaire, this report counts. (see

<http://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202018-19.pdf> for 2018/19, assuming this is the year assessed for cross-country comparability). This report includes comparisons between budget estimates and outcomes for some but not all statistics. Although the narrative discussion is extensive, the fact that interest rates, for example is only discussed in terms of the outcomes, means that an A score cannot be given. Following the previous OBS, given the extensive nature of the information provided in the DMR, a B is merited. 2. If the DMR does not count, the CFS tables cited only presents the outcomes, and key elements are missing entirely, such as interest rates. If the DMR does not count, therefore, a D answer is merited. Please see my discussion in the next question on the query whether the debt management report for 2018/19 (if this is the year assessed) was on time, but the proposal of a B answer assumes it was.

Government Reviewer
Opinion: Agree

Researcher Response

Having considered the PR feedback I am in agreement to revise the score to a B if IBP approve of the 2018/19 Debt Management Report being viewed as a component of the YER?

IBP Comment

For cross-country comparability, answer choice "B" has been selected. While some core elements are missing, a great deal of "beyond the core" information are presented, which according to OBS guidelines allows for a "B" response

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
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year
Maturity profile of the debt
Whether the debt is domestic or external

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

<http://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202019-20.pdf>

Comment:

The 2019/20 Debt Management Report (DMR) at pages 36 to 38 show the original budget, revised budget, and preliminary outcome for total debt outstanding and debt service costs.

Details of breakdown between foreign and domestic debt appear at page 281/273 of the YER/CFS.

Figure 24 at page 41 of the DMR displays the debt maturity profile but with no distinction between original and actual debt are presented.

Peer Reviewer

Opinion: Agree

Comments: I agree only if the DMR counts. The Debt Management Report was not cited in the previous question -- and not cited as part of the YER in the YER preliminary questions. To use it in this question to confirm the assessment for the previous question is therefore incongruous. If the Debt Management Report is to be counted as part of the YER, then for 2019/20 YER (as well as the 2018/19 YER if published on time), the information presented in this report would move the score on the previous question to a B, as this report discusses all the core debt statistics required in terms of the guidance, except for interest rates, which was not presented in comparison to the EBP. As I've gone with a B score in the previous question, this means I agree with the answer, but the citations should change to 2018/19, assuming this is the year assessed for cross-country comparison purposes. This is with the proviso that the 2018/19 DMR was on time to count. The Javascript method for the 2018/19 Debt Management Report indicates that it was either published or updated in 2021 -- if one assumes updated, it is not clear when it was originally published. If it follows the pattern of other years' DMRs, it would have been in November 2019, ie within 9 months after the end of the fiscal year. If the Debt Management Report does not count, then the answer here is incorrect, as the core debt statistics covered in the Consolidated Financial Statement does not show both the original estimates and the actual outcomes for the statistics.

Government Reviewer
Opinion: Agree

Researcher Response

Agree that the 2018/19 Debt Management Report should be cited (see <http://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202018-19.pdf>) if IBP feels it is part of their definition of a YER and can be included in addition to the CFS. I am unable to take matters further regarding the publication date of the DMR and align myself with the PR views.

IBP Comment
IBP agrees with the researcher.

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:

c. Yes, 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.

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

While some information regarding the macroeconomic forecast is provided in National Treasury's Consolidated Financial Statement for the year ended 31 March 2020 it does not contain information that would warrant a B or A score.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

The source should be updated to reference the 2018/19 Consolidated Financial Statements rather than the 2019/20 that were publicised after the cut off date of 30 Dec 2020 for the survey. 2018/19 CFS can be accessed at <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}>

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:

Real GDP growth

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

Within the executive summary of the CFS there is consideration of nominal GDP levels and real GDP growth or decline -- see pages 9, 13 & 14 for instance. Inflation rates and their impact are also considered - see page 24 and 40.

However, only the real GDP growth data contained the differences between the original forecast and the actual outcome for the year.

Peer Reviewer

Opinion: Agree

Comments: The citation should be for 2018/19. In this year's report, the information is from page 19.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the PR feedback - agree that the source should be updated to reference the 2018/19 Consolidated Financial Statements rather than the 2019/20 that were publicised after the cut off date of 30 Dec 2020 for the survey. 2018/19 CFS can be accessed at [https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0} See page 19 onwards.

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:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, along with a narrative discussion.

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

I was unable to locate material in the YER that presents the differences between the original estimates of non-financial data on inputs and the actual outcome. Such information is contained in the Year End Reports of individual govt departments.

Peer Reviewer

Opinion: Agree

Comments: To note that the 2018/19 CFS presents information on cost per employee. As statistics on personnel was presented in the EBP assessment on non-financial data, the comparative statistics in the ARs are of start of year personnel, and end of year personnel information.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the PR feedback - agree that the source should be corrected to reference the 2018/19 Consolidated Financial Statements rather than the 2019/20 that were publicised after the cut off date of 30 Dec 2020 for the survey. 2018/19 CFS can be accessed at [https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?](https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

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:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

Source:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

National Treasury's Consolidated Financial Statement for 2020 presents certain year end financial information. Year end reporting on non-financial data is not presented in one single document by the Treasury. Year end reporting on non financial data is produced by government departments in their individual year end reports called "Annual reports". For examples of year end reporting which discusses at length the original estimates of non financial data on results and the actual income see:

http://www.health.gov.za/wp-content/uploads/2020/11/annual-report-4web_compressed_1.pdf - especially Part B from pages 14 - 59

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

The source should be updated to reference the 2018/19 Consolidated Financial Statements rather than the 2019/20 that were publicised after the cut off date of 30 Dec 2020 for the survey. The 2018/19 CFS can be accessed at <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}>

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:

a. 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, along with a narrative discussion.

Source:

Comment:

The Consolidated Financial Statements (CFS) do not present information on outcome versus enacted levels of policies aimed at the most impoverished populations. As noted by the peer reviewer for the 2019 OBS, the closest that would come in the CFS (YER) is where individual programmes or sub-programmes are considered to be as a whole, equal to pro-poor policies - I do agree that this would be a stretch of the intent behind this question. If, in comparison to other countries, such presentation is comparable to other countries, then, at best, it would be a "c" score.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Link to 2018/19 Consolidated Financial Statements <https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019>

019

IBP Comment

For comparability across countries and time, answer choice A is selected. As the guidelines in Q52 note, in general this question is asking whether the YER 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 CFS does not provide this information, however the individual annual reports produced by each MDA do provide substantial information on pro-poor policies, albeit not in a consolidated manner across all of government.

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:

a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

Source:

https://www.gov.za/sites/default/files/gcis_document/201911/labour-annual-report201819.pdf

Comment:

This info would appear in the Annual Reports of each institution with extra-budgetary funds, and would provide the original budget and outcome information. For examples please see:

https://www.gov.za/sites/default/files/gcis_document/201911/labour-annual-report201819.pdf and especially p.70 and p85 that provides details on the Compensation Fund, while p.71 also has info on the Unemployment Insurance Fund. There is some narrative discussion.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://oag.treasury.gov.za/Publications/04.%20Consolidated%20Financial%20Statements/17.%20For%20fin.%20year%20ending%2031-03-2020/6.%20Consolidated%20Financial%20Statements%202020.pdf>

Comment:

See the Consolidated Financial Statement for the year ended 31 March 2020 at the link above. Financial statements are also part of the individual department YERs

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Correct source should be the 2018/19 Consolidated Financial Statements accessible at

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F16%2E%20For%20fin%2E%20year%20ending%2031%2D03%2D2019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}>

019&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

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:

<https://www.agsa.co.za/AuditInformation/AuditTerminology.aspx>
<https://www.agsa.co.za/AuditInformation/AuditReporting.aspx>
<https://www.agsa.co.za/Reporting.aspx>
<https://www.agsa.co.za/AboutUs/Legislation/PublicAuditAct.aspx>
<https://www.agsa.co.za/AuditInformation/PerformanceAuditing.aspx>

Comment:

South Africa's SAI (the Auditor-General of South Africa) undertake all three types: <https://www.agsa.co.za/AuditInformation/AuditReporting.aspx>
<https://www.agsa.co.za/Reporting.aspx>

Also these three types are permitted by the AGSAs enabling law - the Public Audit Act:
<https://www.agsa.co.za/AboutUs/Legislation/PublicAuditAct.aspx>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. All expenditures within the SAI's mandate have been audited.

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>

Comment:

According to the AGSA 2019/20 PFMA Report at page 25: "We set the cut-off date for inclusion of audit outcomes in this report as 30 November 2020, at which date 44 audits were still outstanding. Therefore, when studying the figures, please note that the percentages are calculated based on all completed audits of 383 auditees, unless indicated otherwise...."

In section 5, we also highlight the outcomes of audits concluded since our initial cut-off date of 30 November 2020."

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. All expenditures within the SAI's mandate have been audited.

Comments: My proposed different answer is contingent on whether the AR refers only to the Consolidated General Report of the Auditor General, or also the individual reports on all departments, entities and off-budget funds contained in their individual Annual Reports. In the South African system the AG does not publish separate individual reports. Instead, the signed and approved AG report for individual departments etc, is included in these departments' ARs. If the individual department Annual Reports are considered part of the YER, then the individual department Audit Reports should also be considered as part of national government's Audit Report. If this is the case, then A is the correct answer. This answer assumes that none audits were not done within the OBS cut-off date. SAA – a public enterprise – may not have been audited having not published audited financial statements. If this reasoning on why individual ARs should count is not accepted, then B is correct, if the question refers to audits included in the

analysis of the Consolidated Audit report (rather than done for the 2018/19 year) the answer is correct. Note that for these questions too, the citations are for the 2019/20 Audit Report, rather than the 2018/19 Audit Report which was indicated in the preliminary questions as the report assessed. I am assuming that for cross-country comparability, the citations should be to the 2018/19 Report, as in previous OBSs. In that case, 49 audits were outstanding for inclusion in the Consolidated Reports, as per info in Section 6 of the report. (page 85 of the online PDF).

Government Reviewer
Opinion: Agree

Researcher Response

Thanks for the feedback. Score revised to an A after considering the PR feedback and assuming IBP are in agreement and don't see the 44 outstanding audits which were delayed (due to auditees conduct) being an issue. The source should be corrected to be the 2018/19 Report accessible via: <https://www.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>

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:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf> especially page 25 which notes that 44 auditees had not yet been audited - the SAI managed to audit 376 entities so more than two thirds.

Comment:

In view of the score, source documents and quote provided in the previous question a score of "B" is assigned

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Comments: Please refer to my reasoning under previous question as to why the Audit Report should include individual audit reports for extra-budgetary funds, published as part of the EBFs' own Annual Report. Even if only the Consolidated General Report counts, the answer should be A, as none of the outstanding audits listed are an extrabudgetary fund.

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to an A after consideration of PR feedback - also see my Response in the preceding question. Source should be: <https://www.agsa.co.za/Reporting/PFMAReports/PFMA2018-2019.aspx>

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:

<https://www.agsa.co.za/Reporting/AnnualReport.aspx>

Comment:

See pages 4 and 5 - while note titled an executive summary they provide an overview of snapshot of the AG's Annual Report for 2019/20

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Source should be <https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/PFMA2018-19%20-%20Section%201.pdf> where the 2018/19 Audit Report executive summary can be downloaded.

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:

b. Yes, the executive reports publicly on most audit findings.

Source:

Comment:

Annual Reports of government departments contain a section with the report of the Audit Committee and a report from the Auditor General. Some but not all department's discuss how issues raised by the Auditor General have been or will be addressed. To some extent, this information may be found in the department's Annual Reports. It is not always comprehensive.

See an example at page 26/19 of http://www.health.gov.za/wp-content/uploads/2020/11/annual-report-4web_compressed_1.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2019-2020.aspx>

<https://www.agsa.co.za/Reporting/PFMAReports.aspx>

Comment:

The SAI reports publicly on its audit recommendations - besides releasing a detailed report and speaking to it at media briefings, a press release is also issued providing a summary of findings and recommendations. A citizens report is also produced.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Comments: The Consolidated General Report on Audit Outcomes includes chapter on irregularities and follow-up by executive on recommendations (section 4). See for example from page 29.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the PR feedback - score revised to an A - source doc with material listed at pages 28 onwards accessible at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>

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:

a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

Source:

<http://www.ffc.co.za/>

<https://www.parliament.gov.za/parliamentary-budget-office>

Comment:

The Finance and Fiscal Commission was established in accordance with the Constitution and its mandate is to make recommendations to Parliament, provincial legislatures, organised local government and other organs of state on financial and fiscal matters as envisaged in the Constitution and other national legislation.

The Money Bills Amendment Procedure and Related Matters Act No.9 of 2009 provides for the establishment of the Parliamentary Budget Office. Section 15(1) of the Act reads as follows: "There is hereby established a Parliamentary Budget Office headed by a Director, the main objective of which is to provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills."

Concerns have been raised that the PBO is not sufficiently independent, alongside other concerns : <https://pmg.org.za/committee-meeting/24753/>; <https://pmg.org.za/committee-meeting/27139/>; <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/181009submission.pdf>; <https://pmg.org.za/committee-meeting/31101/>; <https://www.groundup.org.za/article/concerns-over-appointment-process-new-head-parliamentary-budget-office/>

The answer options do not allow for an answer that distinguishes between two types of IFI's and the extent to which one may or may not be sufficiently independent.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c, No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.

Source:

https://ffc.co.za/wp-content/uploads/2021/05/Submission_on_the_2020_Fiscal_framework_and_Revenue_Proposals_02_March_2020_Final.pdf

https://www.parliament.gov.za/storage/app/media/PBO/Budget_Analysis/Nov_2020_MTBPS_Analysis_03_Nov_2020_Joint_Committees_Finance_and_Appropriations.pdf

Comment:

In the FFC's 2020 Submission on the executive's fiscal framework and revenue proposal there is some assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.

It appears from the PBO's webpage that the last occasion they produced a dedicate report assessing the executive's revenue forecasts was in 2018 - select the Forecast Audit Reports tab under the Publications tab on <https://www.parliament.gov.za/parliamentary-budget-office>

There is an assessment of the executive's forecasts contained in

https://www.parliament.gov.za/storage/app/media/PBO/Budget_Analysis/Nov_2020_MTBPS_Analysis_03_Nov_2020_Joint_Committees_Finance_and_Appropriations.pdf - see page 9 onwards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, the IFI publishes its own costings of a limited number of new policy proposals.

Source:

https://www.parliament.gov.za/storage/app/media/PBO/Occasional_Papers/Oct_2020_Draft_Public_Procurement_Bill.pdf

<https://ffc.co.za/policy-briefs/>

Comment:

The PBO produced an overview presentation to Parliament on the Draft Public Procurement Bill which includes some "Limitations and Concerns" with the Bill in its current form.

Policy Briefs produced by the FFC during 2020 appear on their website and are listed as follows:

- Covid-19 and the Fiscal Framework
- Health Care Financing Reform and NHI Implementation in South Africa
- Improving Service Delivery through the Intergovernmental System
- Incorporating Learners with Special Educational Needs into the Education System
- Pricing and Costing Health Care in South Africa: A Primer
- Reducing Barriers to Inclusive Early Learning Education
- Strengthening Interventions in Family and Community Welfare Services
- Towards a Growth and Reconstruction Plan for South Africa

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Frequently (i.e., five times or more).

Source:

See as follows:

<https://pmg.org.za/committee-meeting/31514/>
<https://pmg.org.za/committee-meeting/31451/>
<https://pmg.org.za/committee-meeting/31352/>
<https://pmg.org.za/committee-meeting/31355/>
<https://pmg.org.za/committee-meeting/30972/>
<https://pmg.org.za/committee-meeting/30940/>
<https://pmg.org.za/committee-meeting/30777/>
<https://pmg.org.za/committee-meeting/30630/>
<https://pmg.org.za/committee-meeting/30561/>
<https://pmg.org.za/committee-meeting/30105/>
<https://pmg.org.za/committee-meeting/30176/>
<https://pmg.org.za/committee-meeting/29954/>
<https://pmg.org.za/committee-meeting/30027/>
<https://pmg.org.za/committee-meeting/29878/>
<https://pmg.org.za/committee-meeting/29932/>

Comment:

Both the PBO and FFC appeared on numerous occasions (in excess of 5 times) in 2020 before various committees of Parliament to give briefings, submissions and answers to MPs questions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the full legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

Source:

<http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

<https://www.parliament.gov.za/storage/app/media/Docs/hansard/8abb55bd-5992-4c2c-907f-0c2d6d7e12b5.pdf>

Comment:

Immediately prior to the EBP (i.e. a few days or weeks before) the legislature does not debate budget policy. However during the Pre-Budget Statement (PBS) - ordinarily introduced in late October - when the Medium Term Budget Policy Statement (MTBPS) is tabled, the full legislature gets an opportunity to debate budget policy and any proposed adjustments and make recommendations.

This then culminates in the tabling of an Adjustments Appropriation Bill and Division of Revenue Amendment Bill that legalise adjustments recommended by the Finance Ministry and Treasury and ultimately agreed to by the Legislature when they pass these Adjustment and Amendments Bills. See further in this regard: <http://www.treasury.gov.za/documents/mtbps/2020/default.aspx>

Peer Reviewer

Opinion: Agree

Comments: The assessment is correct. An additional note is that the full legislature debates each vote of the EBP, and debates the fiscal framework (linked to the Finance Committee Report in the National Assembly), the division of revenue (linked to the passing of DORA in both houses) and the budget framework (linked to the Appropriation Committees' Report in each house).

Government Reviewer

Opinion: Agree

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:

<http://www.treasury.gov.za/documents/national%20budget/2020/speech/speech.pdf>

Comment:

Parliament received the 2020/21 EBP on 26 February 2020 - see the following source material:

<http://www.treasury.gov.za/documents/national%20budget/2020/speech/speech.pdf>

<https://www.parliament.gov.za/storage/app/media/Docs/hansard/d5ee1466-5bfc-498f-9487-0f9fd04d2c4d.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.

Source:

Section 10 (7) of the Money Bills Amendment Procedure and Related Matters Act of 2009 makes provision for Parliament to pass, with or without amendments, or reject the Appropriation Bill within four months after the start of the financial year to which it relates.

http://www.gov.za/sites/www.gov.za/files/32127_426.pdf (http://www.gov.za/sites/www.gov.za/files/32127_426.pdf). This Act was revised in 2019 as per https://www.parliament.gov.za/storage/app/media/Pages/2020/january/28-01-2020_ncop_permanent_delegates_training/Money_Bills_amendment_procedure_and_related_matters_amendment_act1_3of_2018.pdf but section 10(7) was not revised with extended or reduced timeframes.

Section 29 of the Public Finance Management Act makes provision for spending to occur before the annual budget is approved.

<http://www.treasury.gov.za/legislation/pfma/act.pdf> (<http://www.treasury.gov.za/legislation/pfma/act.pdf>)

Parliament's Standing Committee on Appropriations adopted its report (<https://pmg.org.za/committee-meeting/30417/>) on the Appropriations Bill on 9 June 2020 and issued a media statement (https://pmg.org.za/files/200609appropMEDIA_STATEMENT.docx) advising that its report "will be tabled for consideration and debate scheduled to take place in the National Assembly on Friday, 12 June 2020 at 10 am"

For a detailed breakdown of the Appropriation Bills passage through Parliament see: <https://pmg.org.za/bill/924/>

Comment:

On 12 June 2020 the Appropriations Bill was passed by the National Assembly and referred to the National Council of Provinces for concurrence - see <https://pmg.org.za/hansard/31064/>

On 19 June 2020 the NCOP passed the Bill and sent it to the President for assent: <https://pmg.org.za/hansard/30486/>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It is important to note that although the approval takes place more than one month after the start of the financial year, this does not in any way affect the implementation of the budget and new policies as the PFMA provides for Departments to start to spend before approval 45 per cent of last year's budget. This is to allow for proper consultation with all stakeholders. And the part about how Or does not approve the budget is not applicable This is punishment for consulting.

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:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

The legislature has authority in law: Section 10 of the Money Bills Amendment Procedure and Related Matters Act of 2009 provides procedures, guidelines norms and standards for amending bills so in that sense there are some limitations:
https://www.gov.za/sites/default/files/gcis_document/201409/32127426.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.

Source:

<https://pmg.org.za/committee-meeting/30417/> for the minutes of the committee's sitting and
https://pmg.org.za/files/200609appropMEDIA_STATEMENT.docx for the committee's media statement.

Comment:

The Standing Committee on Appropriations met on 9 June 2020 to adopt its report on the 2020 Appropriations Bill - their report is not available on www.pmg.org.za - only their media statement is accessible. Consideration of the minutes and media statement do not reveal any proposals to amend or any actual decision taken to amend the EBP. Under the circumstances answer "C" has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested 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.
Comments: Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal. Comments: The legislature has unlimited authority: it can change revenue, deficit and expenditure proposals, provided that it does so in the right sequence. More specifically, it cannot go back and change the fiscal framework proposals, once it starts considering detailed allocations within the aggregate expenditure ceiling. Then it has to work on a pay as you go basis. Section 10 of the Money Bills Amendment Procedure and Related Matters Act 2009 provides procedures, guidelines norms and standards for amending bills

IBP Comment

IBP agrees with the researcher.

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:

a. Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Source:

See sources below

Comment:

Following the tabling of the Budget in February 2020, the Standing Committee on Appropriations held various hearings/briefings and meetings during March, April, May and June 2020 regarding the Division of Revenue Bill and the Appropriations Bill - see for instance:

<https://pmg.org.za/committee-meeting/29954/>
<https://pmg.org.za/committee-meeting/30038/>
<https://pmg.org.za/committee-meeting/30046/>
<https://pmg.org.za/committee-meeting/30055/>
<https://pmg.org.za/committee-meeting/30129/>
<https://pmg.org.za/committee-meeting/30147/>
<https://pmg.org.za/committee-meeting/30176/>

<https://pmg.org.za/committee-meeting/30385/>
<https://pmg.org.za/committee-meeting/30409/>
<https://pmg.org.za/committee-meeting/30417/>

Peer Reviewer

Opinion: Agree

Comments: To add to the comment: The Finance Committee examines the fiscal framework (which is part of the EBP).

Government Reviewer

Opinion: Agree

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:

a. Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Source:

<https://pmg.org.za/committee-meeting/30334/>
<https://pmg.org.za/committee-meeting/30329/>

Comment:

Parliament's Committee on Basic Education met on 28 May 2020 to consider and adopt the Committee's Budget Vote Report: Budget Vote 16: Basic Education.

On the same day (28 May 2020) the Committee on Health met to consider and adopt its report on the Health Budget vote:
<https://pmg.org.za/committee-meeting/30329/>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, a committee examined in-year implementation on at least three occasions during a fiscal year, and it published reports with findings and recommendations.

Source:

<https://pmg.org.za/committee-meeting/30008/>
<https://pmg.org.za/committee-meeting/30474/>
<https://pmg.org.za/committee-meeting/30979/>

Comment:

On 9 March 2020 the Appropriations Committee were briefed by its Committee Staff on the 3rd Quarter expenditure Performance - their Powerpoint to the Committee is accessible at https://pmg.org.za/files/200311LIST_OF_PROPOSED_Q3.pptx

On 17 June 2020 the Appropriations Committee were briefed by National Treasury on the 4th Quarter expenditure results and on the performance of State Owned Companies - see <https://pmg.org.za/committee-meeting/30474/>

On 1 Sept 2020 the Standing Committee on Appropriations received a briefing from National Treasury on Quarter 1 spending - see <https://pmg.org.za/committee-meeting/30979/> - in addition, the minutes reveal that the briefing included "expenditure by government in terms of the Covid-19 Relief package, and on the financial position of Eskom, Denel, ACSA, SAPO, the SABC and Land Bank." over and above a briefing on spending in Quarter 1 of the 2020/21 financial year. Treasury's presentation's are accessible at https://pmg.org.za/files/200901SCoA_-_NT_presentation_-_1Q2020-21_presentation_consolidated.pdf; https://pmg.org.za/files/200901SCoA_-_NT_presentation_1st_Q_expend_-_SOC_Update_01_September_2020.pdf; <https://pmg.org.za/files/200901C000EF7F-9FB6-4438-8165-248FCFDC929.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

Source:

<http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf>

Comment:

The PFMA requires an Adjustment Appropriation Bill to be tabled before Parliament for consideration and which proposes changes to the original budget tabled. See section 30 of the PFMA:

<http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Source:

Section 30(2) (a) of the PFMA is the authority for answer (a): See this section via <http://www.treasury.gov.za/legislation/PFMA/default.aspx> (<http://www.treasury.gov.za/legislation/PFMA/default.aspx>)

Comment:

Section 30 2 (a) of the Public Finance Management Act of 1999 provides that the Minister is obliged to obtain approval for adjustments required due to any significant and unforeseeable economic and financial events (positive or negative) affecting the fiscal targets set by the annual budget; <http://www.treasury.gov.za/legislation/PFMA/default.aspx> (<http://www.treasury.gov.za/legislation/PFMA/default.aspx>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Section 30 of the PFMA provides specific instances when the Enacted Budget may be adjusted. See <http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf>

Comment:

It should be noted that it is only when amounts are shifted to cover expenditure elsewhere, that the adjustment budgets may include it. The section is explicitly formulated to include all provisions that may be included in the adjustment budgets, and it does not include when less than an enacted amount is spent.

Peer Reviewer

Opinion: Agree

Comments: The issue is about releasing less than the expected amount in cash to spending departments, less about underspending appropriations. But the score is correct.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive obtains approval from the legislature prior to reducing spending below enacted levels, but is not required to do so by law or regulation.

Comments: 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. a. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice. b. The executive obtains approval from the legislature prior to reducing spending below enacted levels, but is not required to do so by law or regulation. c. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature. 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. e. Not applicable/other (please comment). RESEARCHER Source: Section 30 of the PFMA provides specific instances when the Enacted Budget may be adjusted. See <http://www.treasury.gov.za/legislation/PFMA/Public%20Finance%20Management%20Act%20No%201%20of%201999%20Government%20Gazette%2038735%20dated%2030%20April,%202015.pdf> It should be noted that Departments are required through the adjustments process to declare saving which will mean their allocations will be less than what was enacted.

Researcher Response

Thanks for the feedback. I remain of the view that the score should be a D.

IBP Comment

IBP agrees with the researcher.

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:

a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Source:

<https://pmg.org.za/committee-meeting/29139/>

https://pmg.org.za/files/191023SCOPAMEDIA_STATEMENT.docx

The press release relating to this Audit Report by the AGSA is dated 20 Nov. 2019 and can be accessed at

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/MR/2019%20PFMA%20media%20release.pdf> while the actual Audit Report is accessible at: <https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/2018-19%20PFMA%20Consol%20GR.PDF>

Comment:

On 23 October 2019 the Auditor-General of South Africa (AGSA) appeared before Parliament's Standing Committee on Public Accounts (SCOPA) to report on the 2018/19 Audit Outcomes of National and Provincial Depts and State Owned Entities - they delivered a 43 slide Powerpoint which is accessible at https://pmg.org.za/files/191023_PFMA_-_AG_Roadshow.PPTX. A summary of the AGSA briefing was captured as followed by the Parliamentary Monitoring Group: "Of the 432 entities that were audited, 100 had received unqualified audit opinions with no findings, or "clean audits. The audit opinions for 182 were unqualified, with findings. Eighty-six received qualified opinions, four received adverse opinions and there were disclaimers of opinion at 11 entities. Financial statements for 49 entities had not been submitted by the cut-off date of September 2. Seven of these were SOEs.

Annual fruitless and wasteful expenditure decreased from R2.57 billion to R1.42 billion, but total annual irregular expenditure increased from R50.97 billion to R61.35 billion.

There were concerns about the quality of financial statements submitted for auditing. Of the departments which received unqualified audits, 31%

received them only because they corrected misstatements identified during the audit.

Information technology (IT) was an area that required "prominent attention." 88% of auditees had weak IT controls which increased the risk of fraudulent transactions; and 73% had weak IT security which made them vulnerable to cyber attacks.

Among the root causes of the lack of improvement in audit outcomes was a lack of urgency by managers and oversight bodies in responding to risks flagged by AGSA. Other causes were prolonged instability and vacancies in key management positions, and inadequate consequences for dereliction of duty.

The hearing was told that AGSA's mandate had been extended to allow it to take action against accounting officers who failed to act on material irregularities identified in audits. Certificates of debt could be issued against them if they ignored AGSA's recommendations."

A joint media statement by SCOPA and the Standing Committee on Appropriations regarding the AGSA audit outcomes for 2018/19 is accessible at https://pmg.org.za/files/191023SCOPAMEDIA_STATEMENT.docx and was dated 23 Oct 2019.

I was unable to locate a report however by SCOPA with findings and recommendations flowing from the Audit Report of the Annual Budget - there is no answer that can be selected that aligns with this state of affairs.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Comments: The reported committee meeting occurred on 19 October 2019, so prior to the publication in fact. However, this is not the substantive meeting of SCOPA on the AG report, which is why the committee does not publish a report. Similar to the YER, the AG's reports are also dispersed with an individual report for each department, published with the department's AR. The Consolidated report is just an analysis of the individual findings, and therefore not part of SCOPA's mandate to consider and make recommendations agains formally. So, the substantive meeting of the public accounts committee on the AR, is in fact a series of meetings with the departments, considering their individual AG reports – these meetings take place after the Departmental (and entity) annual reports are tabled in parliament by end September. These meetings and reports may be several months later, some starting as soon as within three months and others after six months. My argument for a however is as follows: the question asks about 'a' committee of parliament. The Audit reports for each Department is considered by the sector committees for each department with substantial committee reports (BRRRs) tabled in parliament, published by parliament and sent to the relevant minister before 30 days after the tabling of the MTBPS. In 2019 the MTBPS was tabled end October, so before end November, a committee of parliament would have considered the AG's report for each department and published a report on it. This is within two months after the AG reports were submitted to Parliament with the Annual Reports for each Department. A check in a few BRRRs show that the committees consider and comment on the AG's reports.

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Comments: The AG Report was made available for 20 Nov. 2019. The reported committee meeting occurred on 23 October 2019, so prior to the publication in fact. However, this is not the substantive meeting of SCOPA on the AG report, which is why the committee does not publish a report but meeting summary is published <https://pmg.org.za/committee-meeting/29139/>. Similar to the YER, the AG's reports are also dispersed with an individual report for each department, published with the department's AR. So, the substantive meeting of the public accounts committee on the AR, is in fact a series of meetings with the departments, considering their individual AG reports – these meetings take place after the Departmental (and entity) annual reports are tabled in parliament by end September. Moreover, the Audit reports for each Department is considered by the sector committees for each department with substantial committee reports (BRRRs) tabled in parliament, published by parliament and sent to the relevant minister before 30 days after the tabling of the MTBPS. In 2018 the MTBPS was tabled end October, so before end November, a committee of parliament would have considered the AG's report for each department and published a report on it. This is within two months after the AG reports were submitted to Parliament with the Annual Reports for each Department. A check in a few BRRRs show that the committees consider and comment on the AG's reports

Researcher Response

I would appreciate guidance from IBP regarding the most suitable answer to this question. South Africa has numerous mechanisms, processes and committee sittings in Parliament, and the AGSA prepare National Departmental Audit Reports together with a Consolidated Audit Report which make it less than straight forward to conclude which Audit Report is appropriate and which Committee of Parliament's report meets the criteria for producing a report of their own with F&Rs?

IBP Comment

IBP agrees with the PR and GR. Response choice changed from "C" to "A".

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:

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:

The SAI for South Africa (SA) is known as the Auditor-General (AG). According to s.193(4) of the SA Constitution, Parliament recommends to the President who should be appointed as the AG for a fixed term of between five and ten years. Records of the National Assembly Ad Hoc Committee that considered applications and eventually recommended the current AG can be accessed at: <https://pmg.org.za/committee/12/>

Section 193(5) provides the procedure for the recommendations of the head of the SAI. Section 195(6) allows for the involvement of civil society in the recommendation process.

Section 194 describes the process for the removal of the AG.

Comment:

While my answer is a Yes to Question 119, option (a) does not align with the process in South Africa (SA) for the following reasons: While the SA legislature recommends to the executive who should be appointed, the President appoints them on a clear reading of section 193(4) of the SA Constitution. The latter essentially gives final consent as opposed to the Legislature.

In the Guideline above it is explained that "alternative approaches may also be acceptable" and that "if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could also be considered.

Mindful of the above and that there have not been noteworthy concerns raised in the public domain that the appointment process for the head of the SAI is not sufficiently independent of the executive, I have selected an answer of (a).

The answer is not option (b) for the reasons described above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

https://www.constituteproject.org/constitution/South_Africa_2012.pdf?lang=en

Section 194 of the SA Constitution provides as follows:

- (1) The Public Protector, the Auditor-General or a member of a Commission established by this Chapter may be removed from office only on—
- (a) the ground of misconduct, incapacity or incompetence;
 - (b) a finding to that effect by a committee of the National Assembly; and
 - (c) the adoption by the Assembly of a resolution calling for that person's removal from office.
- 2) A resolution of the National Assembly concerning the removal from office of—
- (a) the Public Protector or the Auditor-General must be adopted with a supporting vote of at least two thirds of the members of the Assembly; or
 - (b) a member of a Commission must be adopted with a supporting vote of a majority of the members of the Assembly.
- (3) The President—
- (a) may suspend a person from office at any time after the start of the proceedings of a committee of the National Assembly for the removal of that person; and
 - (b) must remove a person from office upon adoption by the Assembly of the resolution calling for that person's removal.

Comment:
See details in the Source above

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. The SAI determines its own budget (i.e., 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 by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

In terms of section 38 of the Public Audit Act of 2004 (accessible via <https://www.agsa.co.za/AboutUs/Legislation.aspx>) the Auditor General prepares a budget and business plans for consideration by the National Assembly and National Treasury:

38. (1) The affairs of the Auditor-General must be conducted in accordance with a budget and business plan prepared by the Auditor-General for each financial year which must include—

- (a) estimates of revenue and expenditure, for the year to which it relates;
- (b) projected revenue and expenditure for the two financial years following the year to which the budget and business plan relates; and
- (c) the basis on which audit fees for the year to which the budget relates and the following two years are to be calculated.

(2) The Auditor-General must at least six months before the start of a financial year submit the budget and business plan referred to in subsection (1) to—

- (a) the oversight mechanism; and
- (b) the National Treasury, for planning of and preparing the national annual budget.

(3) The oversight mechanism must consider the budget and business plan and within two months of receipt thereof submit its recommendations to—

- (a) the Speaker for tabling in the National Assembly; and

(b) the National Treasury.

(4) The Auditor-General may, after consultation with the National Treasury and by agreement with the oversight mechanism, at the end of a financial year retain for working capital and general reserve requirements, any surplus as reflected in the financial statements or a portion thereof. The portion of a surplus not retained must be paid into the National Revenue Fund.

The AGSA briefing Parliament's Standing Committee on the AG regarding its 2019/20 Budget and Strategic Plan on 25 Oct 2019 - see <https://pmg.org.za/committee-meeting/29158/>

Comment:

See details in the Source above.

Peer Reviewer

Opinion: Agree

Comments: An additional note is that the SAI is funded by charging auditees audit fees, rather than from an allocation from the Revenue Fund.

Government Reviewer

Opinion: Agree

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:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

The Auditor General is given wide parameters to audit in accordance with section 188 of the Constitution and sections 4, 5 & 29 of the Public Audit Act of 2004 (<https://www.agsa.co.za/AboutUs/Legislation.aspx>) . The Public Audit Amendment Act (also accessible at <https://www.agsa.co.za/AboutUs/Legislation.aspx>) has given the AG additional powers during audit processes.

Comment:

See details above in the Source section.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.

Source:

Parliament's Standing Committee on the Auditor-General (SCoAG) adopted its report following consideration of the the AGSA Integrated Annual Report of 2019/20 as per <https://pmg.org.za/taled-committee-report/4427/>.

The SCoAG report makes the point that: "The Public Audit Act (the PAA) requires the Auditor-General (AG) to submit the annual report, the financial statements and the audit report on those statements within six months after the end of the financial year to which they relate, to the Standing Committee on Auditor-General (SCOAG) through the parliamentary processes.

The AG satisfied the afore-said requirements by submitting the Auditor-General of South Africa's (AGSA) annual report, financial statements and audit report to the Speaker for tabling in the National Assembly and for referral to the SCOAG on 30 September 2020.

In exercising its responsibility, the SCOAG invited the AG, his management team and the Independent Audit Committee to make a presentation on the AGSA's Integrated Annual Report for 2019/20 financial year on 25 November 2020. Flowing from that interaction, the SCOAG highlighted and deliberated on some key issues raised in those interactions with regard to the 2019/20 Integrated Annual Report of AGSA."

At page 47 of the AGSA's Annual Report for 2019/20 the following regarding external assurance is stated: External assurance on this report

Organisation's policy and practice on seeking external assurance. We adhere to a majority of the principles of good governance outlined in the King IV code. Our combined assurance model defines the various role players that provide assurance to the AGSA, which include management, internal specialists, actuaries, internal audit, the audit committee and external audit.

An independent external auditor audits our financial statements, financial management and performance information, and assures the information on the selected sustainability performance indicators.

The assurance on this report was conducted according to the International Standard on Assurance Engagements 3000 (ISAE 3000: revised), issued by the International Auditing and Assurance Standards Board. The external auditor's report is on page 163 of this report."

Access this Annual Report via <https://www.agsa.co.za/Reporting/AnnualReport.aspx>.

An independent external audit of the AGSA's financial statements is also publicly available from page 122 onwards of the AGSA Integrated Annual Report for 2017/18 as per the link immediately above.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.agsa.co.za/Reporting/AnnualReport.aspx>

Comment:

At page 95 of the AGSA's Integrated Annual Report for 2019/20 (available via <https://www.agsa.co.za/Reporting/AnnualReport.aspx>) they advise that:

"We prioritised 127 constitutional stakeholders for 287 interactions to help influence change, improve or maintain strong financial management systems, and implement corrective action where necessary. However, we exceeded our planned interactions by holding 292 engagements with these stakeholders for the year. Our interactions with constitutional stakeholders focused on audit outcomes, audit action plans, preventative controls, consequence management and the implications of the amended PAA. The range of audit topics included:

- audit strategy and risk assessment
- SoRR (discussions and feedback)
- service level checklists
- tracking and implementing audit action plans
- quality of financial statements
- reducing qualification areas.

We engage with constitutional stakeholders to ensure their buy-in and commitment. Overall, we believe that our engagements helped stakeholders"

Consideration of Parliamentary Portfolio Committee meetings accessible via www.pmg.org.za confirm the above interactions of the AGSA with committees of the National Parliament and Provincial Legislatures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

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:

On 29 January 2020 the Treasury issued a media advisory (http://www.treasury.gov.za/comm_media/press/2020/2020012901%20Media%20advisory%20-%20Budget%20Tips%202020.pdf) stating amongst others that: ". It is in this context that Minister Mboweni invites South Africans to share their views about economic conditions and other issues they would like government to highlight in the Budget on 26 February 2020. In particular, the Minister would like public views on, among others: [?] What can government do to achieve faster and more equitable economic growth? The Minister, Tito Mboweni looks forward to your contributions. NB: Contributions can be sent through: Twitter: @TreasuryRSA with the hashtag #TipsForMinFin and #Budget2019 National Treasury website: www.treasury.gov.za on the home page under the heading Tips Email: BudgetTips@treasury.gov.za

National Treasury and Imali Yethu (www.imaliyethu.org.za) have also developed a budget portal accessible via www.vulekamali.gov.za and which provides contact email details should visitors wish to provide "Feedback and questions about Vulekamali" (see <https://vulekamali.gov.za/about#your-contribution>). The site also provides the following contact details: <https://vulekamali.gov.za/about#contacts>

Logged in users of Vulekamali may contribute material (budget analysis research etc) to Vulekamali - see <https://vulekamali.gov.za/datasets/contributed>. This does in some way allow users to share their views on passed or proposed budgets.

While the public is able to provide inputs on the budget, the current mechanisms do not allow the public and government officials to exchange views on the budget as envisaged by the Guidelines to this question, therefore a score of "b" is assigned.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I agree on the assumption that this refers to the year assessed, namely the process for FY 2020/21. The current process should score an A: see <https://www.gov.za/speeches/treasury-invites-public-participate-pre-budget-consultations-10-sep-2021-0000>. But this process was not in place when the researcher completed the questionnaire, so on balance, the B score is correct.

Government Reviewer

Opinion: Agree

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:

Comment:

I was unable to locate source material that shows that the executive has taken concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

http://www.treasury.gov.za/comm_media/press/2020/2020012901%20Media%20advisory%20-%20Budget%20Tips%202020.pdf

http://www.treasury.gov.za/comm_media/press/2019/2019012401%20Media%20advisory%20-%20Budget%20Tips.pdf

Comment:

In a media advisory dated 20 January 2020 the Finance Minister invited inputs on the 2020/21 Budget with particular interest in: What can government do to achieve faster and more equitable economic growth?

In 2019, the media advisory inviting budget tips from the public, the Minister emphasized that he would like public views on, among others:

How South Africa can achieve faster and more equitable growth.

What government can do differently in support of faster and more equitable growth.

Considering the above, an answer of "C" has been selected.

Peer Reviewer

Opinion: Agree

Comments: Again, on assumption that the process for FY 2022/23 is not applicable.

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees with the researcher.

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

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:

d. The requirements for a "c" response or above are not met.

Source:

See <https://vulekamali.gov.za/datasets/contributed> where National Treasury profile civil society analysis of budget implementation.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. The requirements for a "c" response or above are not met.

Comments: The mechanism cited invites datasets for inclusion in the portal. The purpose of the portal is to provide information on budgets to citizens/the public and CSOs and other commentators. There is no evidence presented that the National Treasury uses it as a public participation mechanism on budget implementation in the spirit of the question.

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to a D after further consideration of the PR response.

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:

Comment:

I was unable to locate any concrete steps by National Treasury to specifically receive inputs from vulnerable and or under-represented parts of the population relating to implementation of the annual budget.

Peer Reviewer

Opinion: Disagree

Suggested Answer: c. Not applicable/other (please comment).

Comments: Suggested change is in keeping with my review of the previous question. If there are no public participation mechanisms, then the question is not applicable?

Government Reviewer

Opinion: Agree

IBP Comment

OBS methodology requires this question to be answered "B" as question 128 was answered "D."

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:

d. The requirements for a "c" response or above are not met.

Source:

The Treasury release monthly statements of national revenue, expenditure and borrowing - see these for 2020 at:
http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Treasury also release certain quarterly provincial data on social spending and revenue collection - see these at
http://www.treasury.gov.za/publications/PiP/2019_20/default.aspx and http://www.treasury.gov.za/publications/PiP/2020_21/default.aspx

Treasury also releases monthly "Provisional Financing Figures" see for example
http://www.treasury.gov.za/comm_media/press/monthly/monthly_2020.aspx

Comment:

While the executive does engage with citizens on a number of these topics during its budget formulation, this question specifically relates to engagement on the listed topics during budget implementation.

Logged in users of Vulekamali may contribute material (budget analysis research etc) to Vulekamali - see
<https://vulekamali.gov.za/datasets/contributed>. This does allow users a mechanism to profile their monitoring of budget implementation using Vulekamali. You will note that such contributed data tends to relate to topics 2, 3, and 4.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: As noted in question 128, the opportunity to upload analysis and datasets for consideration by the public and other CSOs and commentators, is not the same as a public participation mechanism in the spirit of the questions. That analysis and research has been done randomly on a few of the topics cited in the guidance, does not equal government engaging with citizens on these topics.

Government Reviewer

Opinion: Agree

IBP Comment

OBS methodology requires this question to be answered "D" as question 128 was answered "D."

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 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:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

http://www.treasury.gov.za/comm_media/press/2019/2019012401%20Media%20advisory%20-%20Budget%20Tips.pdf

http://www.treasury.gov.za/comm_media/press/2020/2020012901%20Media%20advisory%20-%20Budget%20Tips%202020.pdf

Comment:

In 2019, prior to the tabling of the EBP, the Finance Minister's media advisory to the public explained as follows:

ADVISORY BUDGET TIPS – MAKE YOUR VOICE COUNT

Finance Minister Tito Mboweni will deliver the 2019 Budget on 20 February. There is, as usual, a balance that must be struck to give attention to competing priorities. It is in this context that Minister Mboweni invites South Africans to share their views about economic conditions and other issues they would like government to highlight in the Budget on the 20 February 2019.

In particular, the Minister would like public views on, among others:

How South Africa can achieve faster and more equitable growth.

What government can do differently in support of faster and more equitable growth. The Minister looks forward to your contribution.

Contributions can be sent through:• Twitter: @TreasuryRSA with the hashtag #TipsForMinFin and #RSABudget2019• National Treasury website: www.treasury.gov.za on the home page under the heading Budget Tips.

Issued by the Ministry of Finance

Date: 24 January 2019

In 2020, prior to the tabling of the EBP, the Finance Minister's media advisory to the public explained as follows:

ADVISORY: BUDGET TIPS – MAKE YOUR VOICE COUNT

The Minister of Finance Tito Mboweni will deliver the 2020 National Budget on 26 February. As usual the budget allocation always aims to strike a balance amongst competing national spending priorities. It is in this context that Minister Mboweni invites South Africans to share their views about economic conditions and other issues they would like government to highlight in the Budget on 26 February 2020. In particular, the Minister would like public views on, among others: What can government do to achieve faster and more equitable economic growth? The Minister, Tito Mboweni looks forward to your contributions.

NB: Contributions can be sent through: Twitter: @TreasuryRSA with the hashtag #TipsForMinFin and #Budget2019 National Treasury website: www.treasury.gov.za on the home page under the heading Tips Email: BudgetTips@treasury.gov.za

Issued by: Ministry of Finance
Date: 20 January 2020

The above material relate to budget formulation. I was unable to locate examples that illustrate the case during budget implementation and therefore a score of C is assigned.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Comment:

I was unable to locate such a written record. In the Finance Minister's Budget speech for 2020 I was able to locate the following remark:

"Mr President, the National Treasury asked members of the public to provide tips to guide our thinking as we shaped this Budget. Today we are joined by Ms. Akhona Mgwele from Gauteng who advised us to "support greater local economic development in municipalities." We agree with her! I am therefore pleased to announce that local government is allocated R426 billion from nationally-raised funds over the MTEF."

Unfortunately no list of inputs or report or summary on how public inputs were used, is made available to the public.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 taken 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:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

I was unable to locate such a written record.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: In keeping with the suggested change for the score to 128, the answer should be E.

Government Reviewer

Opinion: Agree

IBP Comment

OBS methodology requires this question to be answered "B" as question 128 was answered "D."

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.za/comm_media/press/2020/2020012901%20Media%20advisory%20-%20Budget%20Tips%202020.pdf

Comment:

Whilst a schedule for formulating the Executives Budget Proposal is published in the Estimates of National Expenditure Guidelines (<http://www.treasury.gov.za/publications/guidelines/2020%20ENE%20Guidelines.pdf>) consideration of this timetable reveals that its is directed towards state departments and entities. It does not contain an explicit public participation mechanism during the budget formulation stage that "enables citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated" into the EBP.

While National Treasury and the Finance Ministry used to have an online budget tips mechanism platform available this is no longer available - instead the public need to access and respond to media advisories such as http://www.treasury.gov.za/comm_media/press/2020/2020012901%20Media%20advisory%20-%20Budget%20Tips%202020.pdf. This allows for annual ad-hoc inputs as opposed to systematized and timetable oriented participation mechanisms that could occur at more timeous and opportune periods during the formulation process, and where such inputs from the public can receive proper consideration and where feedback can be provided explaining and justifying what is and is not prioritized in budget lines across state departments and entities.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

I was unable to locate or become aware of any such mechanisms within line ministries that are functioning. Rather, civil society organisations such as www.psam.org.za and others within the Budget Justice Coalition (www.budgetjusticesa.org) seek to foster such levels of engagement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 deliberations on the annual budget

Answer:

c. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Source:

The Money Bills Amendment Procedure and Related Matters Act requires Parliamentary committees to hold public hearings for the adoption of the preliminary and final Fiscal Framework, the Division of Revenue Bill and the Appropriation Bill. Certain Parliamentary committees engage with sectors of the public and provide information in advance of the engagements. The Parliamentary Budget Committee hold hearings on the Medium Term Budget Policy Statement and report back to Parliament. The public can make submissions/petitions/representations on the budget during the formulation phase to provincial legislatures or to Parliament.

Section 59 (1) (a) of the Constitution supports to some extent the involvement of citizens in the processes of the Assembly and its committees. Section 56 (d) and 69 (d) of the Constitution provides for the National Assembly and the National Council of Provinces to receive petitions, representations or submissions from any interested persons or institutions. Petitions and submissions by citizens, hearings on legislation, committee discussions on strategic plans and annual reports give to some extent the public an opportunity to participate.

However, actual public hearings where testimony is provided through open mechanisms does not occur. Rather, Parliament accommodates or invites oral submissions and testimony from specific individuals or groups in its current limited participation mechanisms.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, but contributions from the public are received through other means.

Comments: CSO representative submit written submissions and some are provided the opportunity to testify

IBP Comment

IBP agrees with the researcher.

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:

a. The legislature seeks input on all six topics.

Source:

Parliament does not prescribe or specifically seek inputs on these 6 topics, rather inviting open ended submissions, some of which covered these topics alongside others not listed. I have accordingly scored this question an (a) in view of the open ended invitation. See also https://static.pmg.org.za/200306NT_Budget_Review_response.pdf which profiles the submissions made to the Legislature and which supports the score of A.

Parliament's Standing Committee on Finance considered written and oral submissions from multiple parties on the budget, during a sitting on 4 March 2020: <https://pmg.org.za/committee-meeting/29959/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the legislature provides a written record which includes both the list of inputs received and a summary of the how the inputs were used.

Source:

Minutes of public hearings <https://pmg.org.za/committee-meeting/29959/>

Response to public hearings: <https://pmg.org.za/committee-meeting/29972/> and here for the NT PowerPoint:

https://static.pmg.org.za/200306NT_Budget_Review_response.pdf

Comment:

Consideration of minutes and records of the Finance Standing Committee, prepared by the PMG, show that there is a written record of inputs received, and some engagement by the Committee - including that they will facilitate National Treasury's response to input received from stakeholders.

National Treasury responses (on 6 March 2020) are reported at <https://pmg.org.za/committee-meeting/29972/> but do not evidence how they are used by the Executive and especially the Legislature who have yet to exercise their powers to amend budgets despite having such powers legislated to them.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the legislature provides a written record which includes both the list of inputs received and a summary of the how the inputs were used.

Comments: The Appropriations Committee's report provides detailed information on the inputs received, and a summary of its views and recommendations that reflect some of the inputs received. See <https://pmg.org.za/tables-committee-report/4206/>

Government Reviewer

Opinion: Agree

Researcher Response

Having considered the PR feedback and especially the Appropriations Committee material the score is revised to a B - thanks for the feedback.

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 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.

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:

Comment:

While Parliamentary Committees hold public sittings to review and scrutinize a wide range of Audit Reports relating to state departments and entities following the Auditor-General's submission of such Reports as required by section 188 (3) of the RSA Constitution, no testimony is provided by the public during such sittings nor are there mechanisms being used by Parliament to foster public contributions in an open manner. It remains up to the public to claim such space and to seek avenues for participation in this area.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Comments: Parliamentary Committee's hold public sittings to review and scrutinize a wide range of Audit Reports relating to state departments and entities following the Auditor-General's submission of such Reports as required by section 188 (3) of the RSA Constitution, however, no testimony is provided by the public during such sittings nor are there mechanisms being used by Parliament to foster public contributions in an open manner. It remains up to the public to claim such space and to seek avenues for participation in this area.

Researcher Response

Score to remain a (d) - the GR has merely restated my Comment above which explains the reasons for a D score.

IBP Comment

IBP agrees with the researcher.

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:

b. The requirements for an "a" response are not met.

Source:

In terms of s.5(1)(d) of the Public Audit Act, the South African SAI may: "carry out an appropriate investigation or special audit of any institution referred to in section 4 (1) or (3), if the Auditor-General considers it to be in the public interest or upon the receipt of a complaint or request."

In terms of s.5(2)(a) of the Public Audit Act, the South African SAI may: "In addition to subsections (1), (1A) and (1B), the Auditor-General—(a) may cooperate with persons, institutions and associations, nationally and internationally".

Comment:

While the Public Audit Act read with s.188 of the Constitution gives the SAI legal authority to cooperate with the public - this has not yet resulted in a formal mechanism for the public enabling them to bring "ideas on agencies, programs, or projects that could be audited" It remains up to the public to approach the SAI who can then elect or decline to act upon the suggestion or request made by the public, provided the SAI proceeds in accordance with its legislated powers.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

First hand accounts and experiences by the researcher

Comment:

The AGSA has provided oral feedback to the researcher and representative of organisations that have made inputs and explained how they are or were used.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Comment:

I was unable to locate material that would support a score of "a" that evidences the existence of such formal mechanisms where the public can contribute to audit investigations.

Whilst there is a permissive legislative basis for public participation in audit investigations (see section 5(2)(a) of the Public Audit Act), this remains at the discretion of the Auditor General, and currently there are no formal mechanisms in place.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree