

Open Budget Survey 2023

Questionnaire

South Africa

May 2024

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 2023-24

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullIMTBPS.pdf>

Comment:

The PBS is titled the Medium Term Budget Policy Statement 2022 in South Africa and is dated 26 October 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullIMTBPS.pdf>

Comment:

The PBS is called the Medium Term Budget Policy Statement for 2022 is dated 26 October 2022 and is accessible at

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullIMTBPS.pdf>

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

26/10/2022

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf>

Comment:

The Parliamentary Monitoring Group noted according to [https://pmg.org.za/blog/2022MediumTermBudgetPolicyStatement\(MTBPS\)](https://pmg.org.za/blog/2022MediumTermBudgetPolicyStatement(MTBPS))

Explainer that the MTBPS and Minister's speech would be made public on 26 October 2022.

Parliament's press release on the eve of the release of the PBS can be accessed at <https://www.parliament.gov.za/press-releases/media-arrangements-2022-medium-term-budget-policy-statement>

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:

The date appears on the MTBPS and Speech delivered by the Minister when tabling it and the researcher was able to download the MTBPS on the said date.

Below are two links to separate news articles that aired the MTBPS speech on 26 Oct 2022.

There are also news articles on 26 Oct 2022 that cite from the MTBPS and which appear in the SOURCE below.

Source:

<https://www.moneyweb.co.za/in-depth/budget/live-finance-minister-enoch-godongwanas-mtbps-2022/>

<https://ewn.co.za/2022/10/26/watch-live-finance-minister-enoch-godongwana-delivers-mid-term-budget-speech>

<https://www.news24.com/fin24/economy/as-govt-looks-set-to-force-through-3-hike-godongwana-hints-at-wage-talk-reform-20221026>

<https://www.itweb.co.za/content/mQwkoq6YY3bM3r9A>

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:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf>

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.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:

<https://www.treasury.gov.za/documents/mtbps/2022/datasheet.aspx>

<https://bi.treasury.gov.za/Reports/powerbi/Consol/MTBPS2022%20Power%20BI%20Report%20-%20V1.1.1?rs:embed=true>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The link provided does not work directly, but takes one to the National Treasury's website. A better link might be

<https://www.treasury.gov.za/documents/mtbps/2022/datasheet.aspx> which takes one to the entry page in which the tables can be found in xls format, but also the time series data underlying the figures, and a pivot of the full expenditure dataset.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback - I see the link is no longer accessible - new link which is accessible as at 29/11/2023:
<https://www.treasury.gov.za/documents/mtbps/2022/datasheet.aspx>

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:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

Comment:

See earlier replies with sources confirming that it was publicly available from 26 Oct 2022.

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

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

Answer:

Medium Term Budget Policy Statement 2022

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.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:

Comment:

There is no official citizens version. There is a PowerPoint Presentation that is made available and which has various summarised points. It's not published as a citizens version of the PBS however - see

<https://www.treasury.gov.za/documents/mtbps/2022/MTBPS%202022%20Presentation%20-%20Stabilising%20the%20public%20finances%20to%20weather%20the%20global%20storm.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 2022-23

Source:

Comment:

A number of documents are released publicly for consideration and can be accessed at <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

23/02/2022

Source:

https://www.parliament.gov.za/storage/app/media/Programmes/2021/november/26-11-2021/2022_Parliamentary_Programme_Framework.pdf
<https://www.pa.org.za/blog/parliamentary-cycle-2022>
<https://www.treasury.gov.za/documents/national%20budget/2022/speech/speech.pdf>

Comment:

Parliaments Programme Framework for 2022 lists the date of the "Budget Speech (Tabling of the Fiscal Framework, Appropriations Bill and Division of Revenue Bill)" as 23 February 2022

The People's Assembly website gave an overview on 1 Feb 2022 of upcoming key dates including when the EBP would be publicly released, advising that it would be tabled on 23 Feb 2022, see : <https://www.pa.org.za/blog/parliamentary-cycle-2022>

The Budget Speech when downloaded reflects the date as 23 Feb 2022.

Peer Reviewer**Opinion:** Agree**Comments:** The Parliament link does not work anymore. The valid reference is the official parliamentary minutes and Hansard.<https://www.parliament.gov.za/storage/app/media/Docs/min/ba1f8069-4c38-463c-966c-61af70d4af9e.pdf> (minutes of proceedings) And<https://www.parliament.gov.za/storage/app/media/Docs/hansard/a70f61e6-2ebb-4330-aeba-90506648d62d.pdf>**Government Reviewer****Opinion:** Agree**Researcher Response**

Thanks for the feedback - links updated to <https://www.parliament.gov.za/storage/app/media/Docs/min/ba1f8069-4c38-463c-966c-61af70d4af9e.pdf> (minutes of proceedings) And <https://www.parliament.gov.za/storage/app/media/Docs/hansard/a70f61e6-2ebb-4330-aeba-90506648d62d.pdf>

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:**Comment:**

<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 23 February 2022 is available at <https://www.treasury.gov.za/documents/national%20budget/2022/webcast.aspx>

The Parliamentary Monitoring Group provided a link to the webcast on the same day - <https://pmg.org.za/briefing/34419/>

Peer Reviewer**Opinion:** Agree**Comments:** The fiscal year starts on 1 April. The budget is by tradition tabled on the third Wednesday in February, following the Westminster practice. The budget documents are tabled and released online on the same day. The javascript alert method shows that the webpage chapters of the budget review and ENE were last modified in the morning of 23 / 02 / 22. The full PDFs documents were most likely initially available on the same day, but the last modification by the NT was on 24 / 02 / 22, at 8 am.

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 2022 should be entered as 05/09/2022. 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:

23/02/2022

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Comment:

The EBP was published 23 February 2022 along with an assortment of supporting documents - see <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Peer Reviewer

Opinion: Agree

Comments: See previous comment about the timestamp of published documents.

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 <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx> on 23 February 2022 when the writer was able to access them alongside other parties interested in accessing and engaging with the material. Journalists were also able to access the same material on that date as the Minister commenced with his budget speech in parliament.

News articles that covered the EBP tabling and speech can be viewed at:

<https://www.news24.com/fin24/economy/budget-2022-long-term-grants-can-only-be-funded-by-revenue-spending-cuts-godongwana-20220223>

<https://mg.co.za/news/2022-02-23-budget-2022-eff-says-foreign-loans-are-a-death-trap/>

Source:

<https://www.news24.com/fin24/economy/budget-2022-long-term-grants-can-only-be-funded-by-revenue-spending-cuts-godongwana-20220223>

<https://mg.co.za/news/2022-02-23-budget-2022-eff-says-foreign-loans-are-a-death-trap/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: See previous comments for additional method of verifying time of publication.

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Comments: If the Budget Review, Estimates of National Expenditure, the Division of Revenue Bill and its explanatory schedules and the Appropriation are considered the main documents, other documents are: The Budget Speech A two page summary of the EBP highlights with visuals, and an online dashboard of the main data A presentation on the EBP The citizen budget in various languages All the data tables in xls format, as well as underlying longer time series data of the expenditure data A tax pocket guide

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/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:

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2022-23, 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 2022

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Comment:

Further supporting docs icro the Budget Review available at <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Peer Reviewer

Opinion: Agree

Comments: Technically, the EBP in SA consists of the Budget Review, which provides the summary of final fiscal policy and borrowing proposals, tax, revenue and borrowing proposals and background analysis and explanation, as well as - the Estimates of National Expenditure, which provides for each vote the information on how the vote breaks into programmes and economic classification alongside an explanatory chapter for each vote - the two key bills, namely the Division of Revenue Bill, and the Appropriation Bill. The division of revenue bill has extensive explanatory schedules and detail on conditional grants to subnational government, as well as the composition of the equitable shares or block grants. The full title of the Estimates is: Estimates of National Expenditure 2022

Government Reviewer

Opinion: Agree

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%20Peoples%20Guide%20English.pdf>

Comment:

The People's Guide is produced in 11 official languages and can be downloaded at <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

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 2022-23

Source:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

https://www.treasury.gov.za/legislation/acts/2022/46549_15-6_DivisionofRevenueAct52022.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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

23/06/2022

Source:

<https://pmg.org.za/bill/1068/>

Comment:

A timeline of the Bill's progression through Parliament culminating in its enactment can be followed at <https://pmg.org.za/bill/1068/>

The Bill was passed by the National Assembly on 14 June 2022 and then by the NCOP on 23 June 2022 - so it is deemed to have been approved by both houses of the legislature as at the latter date. It was then sent to the President for assent/signing which occurred on 6 July 2022 - the Act

commenced on 11 July 2022 as per the above source material.

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 2022 can be accessed at [The Appropriation Act No. 7 of 2020 can be accessed at http://www.treasury.gov.za/documents/national%20budget/2020S/default.aspx](http://www.treasury.gov.za/documents/national%20budget/2020S/default.aspx)

It can also be accessed at <https://pmg.org.za/bill/1068/> which gives a timeline, including that:

23 June 2022 Bill passed by the NCOP and sent to the President for assent

06 July 2022 Bill signed by the President and becomes Act 7 of 2022

11 July 2022 Act commenced on this date. Refer to GG 4669011

Comment:

Peer Reviewer

Opinion: Agree

Comments: I don't agree with the source. The bill as tabled is available at <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>, not the enacted bill. The Parliamentary Monitoring Group is not a government institution, but a not-for-profit organisation, and it making the bill available online should not count. But, the Act is published by government in the Gazette: all national Gazettes are available online immediately free of charge on the day of publication (11 of July 2022). <https://gpwonline.sharepoint.com/sites/gpw-web/Shared%20Documents/Forms/AllItems.aspx?ga=1&id=%2Fsites%2Fgpw%2Dweb%2FShared%20Documents%2FActs%2F46690%2011%2D7%20AppropriationAct7of2022%2Epdf&parent=%2Fsites%2Fgpw%2Dweb%2FShared%20Documents%2FActs> The official government website also publishes all Acts once gazetted: <https://www.gov.za/documents/appropriation-act-7-2022-english-sesotho-11-jul-2022-0000>. The NT published the Act on the 12 of July <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf> (javascript method to determine last modified date). This can be accessed through <https://www.treasury.gov.za/legislation/acts/2022/Default.aspx>, a different pathway to the one provided in the answer. The Parliamentary website also provides the enacted Act: https://www.parliament.gov.za/storage/app/media/Acts/2022/Act_No_7_of_2022_Appropriation_Act.pdf The Javascript alert method, however, shows this link was only activated on the 17th of July, which is more than 2 weeks after passing the bill, so this does not count for the answer of two weeks or less after the bill was passed by the National Assembly.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback - source updated as a result (some of the links in the feedback are not accessible. The following are however accessible as at 29 Nov 2023: According to the following source, the NT published the Act on the 12 of July - Source <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>; (javascript method to determine last modified date). The Act can also be accessed through <https://www.treasury.gov.za/legislation/acts/2022/Default.aspx> Another source for the Act: https://www.parliament.gov.za/storage/app/media/Acts/2022/Act_No_7_of_2022_Appropriation_Act.pdf

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

11/07/2022

Source:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Comment:**Peer Reviewer**

Opinion: Agree

Comments: Differing on the source. Assuming that publishing means made publicly available freely on a website, the government website makes the Gazettes of passed and ascended Acts available on the day of Gazetting (11 July 2022). The National Treasury made the document available on the 12th of July 2022.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback which is duly noted.

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:

It appears from the dates provided within the Enacted Act - see the links on the websites below.

Source:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

<https://pmg.org.za/bill/1068/>

Comment:**Peer Reviewer**

Opinion: Disagree

Suggested Answer: The timestamp on the official government website notice re the Appropriation Act Gazette is the 11th of July 2022.

<https://www.gov.za/documents/notices>

Comments:

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback - agree that the the timestamp on the official government website notice re the Appropriation Act Gazette is the 11th of July 2022. <https://www.gov.za/documents/notices>

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

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

Answer:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Source:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Also available at:

<https://pmg.org.za/bill/1068/>

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:

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

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: There is no machine readable version of EB, however, it can still be accessed on Vulekamali portal (<https://vulekamali.gov.za/>). The detailed allocations to government spheres and function is available on the portal.

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:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2023."

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

Answer:

Appropriation Act No. 7 of 2022

Source:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Act No. 7 of 2022: Appropriation Act, 2022

Government Reviewer

Opinion: Agree

IBP Comment

EB title updated

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

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

Answer:

b. No

Source:

Comment:

There is no Citizen'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 <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx> in 11 different languages.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2022-23

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%20Peoples%20Guide%20English.pdf> - the 10 other official language versions can be accessed at <https://www.treasury.gov.za/documents/national%20budget/2022/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:

<https://www.treasury.gov.za/documents/national%20budget/2022/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:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. 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:

23/02/2022

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

where the CB and various budget documents were uploaded on 23 February 2022 and accessed by the public including the writer and other members of civil society.

Hansard records confirm the tabling of the budget documents on 23 Feb 2022: <https://pmg.org.za/hansard/34421/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The answer is correct, but the reference is partly wrong. The Hansard does not mention the CB, only the documents that make up the EBP (the Budget Review, the Estimates of National Expenditure, and the two bills), as well as the Budget Speech.

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:

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 <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx> where the CB and various budget documents were uploaded on 23 February 2022 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 23 Feb 2022 - <https://pmg.org.za/hansard/34421/>

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

<https://pmg.org.za/hansard/34421/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: I agree that the documents are made available on the same day as tabling of the EBP, including the CB: the webpage of the NT with all the documents is accessible on that day. But, the Hansard does not mention the CB and is therefore not an appropriate source for this question.

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%20Peoples%20Guide%20English.pdf>

Source:

For the English version see <https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%20Peoples%20Guide%20English.pdf>

For all other 10 language versions visit <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 People's Guide" or "2023 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 # RSABudget2022

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%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 Executive's Budget Proposal and Budget Review documents

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Comments: To note, though, that the Budget Review is one document. Other documents of the EBP are the Estimates of National Expenditure and the two relevant bills.

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 2021-22 & FY 2022-23

Source:

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2023.aspx

Comment:

The source is as above - this is the sub-site for the national government monthly and quarterly IYRs (as well as provincial and local government quarterly reports).

Peer Reviewer

Opinion: Agree

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:

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.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 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

21 February 2022

The Third Quarter Year-to-Date Provincial Budgets and Expenditure Report IYR had a publication date of 21 Feb 2022 according to the Media Statement: https://www.treasury.gov.za/publications/PiP/2021_22/Q3/Media%20Statement%20-%20203rd%20Quarter%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf

22 November 2022

The Second Quarter Provincial Budgets and Expenditure Report for 2022/23 IYR had a publication date of 22 Nov. 2022 according to the media statement accessible at: https://www.treasury.gov.za/publications/PiP/2022_23/Q2/Media%20statement%20-%20Q2%202022%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf

14 February 2023

The Third Quarter Provincial Budgets and Expenditure Report for 2022/23 had a publication date of 14 Feb 2023 according to the media statement: https://www.treasury.gov.za/publications/PiP/2022_23/Q3/Media%20Statement-%20Q3%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf with the bundle of documents accessible at https://www.treasury.gov.za/publications/PiP/2022_23/Q3/default.aspx

Source:

https://www.treasury.gov.za/publications/PiP/2021_22/Q3/Media%20Statement%20-%20203rd%20Quarter%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf
https://www.treasury.gov.za/publications/PiP/2021_22/Q3/default.aspx

https://www.treasury.gov.za/publications/PiP/2022_23/Q2/Media%20statement%20-%20Q2%202022%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf

https://www.treasury.gov.za/publications/PiP/2022_23/Q3/Media%20Statement-%20Q3%20Provincial%20Budgets%20and%20Expenditure%20Report.pdf

https://www.treasury.gov.za/publications/PiP/2022_23/Q3/default.aspx

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: 7 of the 12 in the 21/22 period for which the IYRs were examined, and on which the previous answer is based are: 29/04/22

https://www.treasury.gov.za/comm_media/press/monthly/2205/press.pdf 30/03/22

https://www.treasury.gov.za/comm_media/press/monthly/2204/press.pdf 28/02/2022
https://www.treasury.gov.za/comm_media/press/monthly/2203/press.pdf 28 /01/ 22
https://www.treasury.gov.za/comm_media/press/monthly/2201/NT%20MEDIA%20STATEMENT%20DECEMBER%202021.pdf 29/12/21
https://www.treasury.gov.za/comm_media/press/monthly/2201/press.pdf 30/11/21
https://www.treasury.gov.za/comm_media/press/monthly/2112/press.pdf 29/10/21
https://www.treasury.gov.za/comm_media/press/monthly/2111/press.pdf

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the reviewer's comment. The FY 2021/22 and FY 2022/2023 are considered for this review.

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. 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".

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: The press releases are also time-stamped on the NT website

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> and 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

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
https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: We also publish the in year-monitoring for each department on Vulekamali portal. I have attached the Department of Basic Education, as an example, that shows in-year monitoring report (<https://vulekamali.gov.za/datasets/in-year-spending/>).

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 2022."

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 GOVERNMENT'S REVENUE,
EXPENDITURE AND BORROWING AS AT 30 NOVEMBER 2022
ISSUED BY THE DIRECTOR-GENERAL: NATIONAL TREASURY

Source:

https://www.treasury.gov.za/comm_media/press/monthly/2301/press.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: This is the standard title, but the one selected by the researcher to copy the title over is not part of the series published for the year reviewed.

Government Reviewer

Opinion: Agree

Researcher Response

The feedback is not understood - the title provided appears on the front page as the title of the IYR which is cited as the source - see https://www.treasury.gov.za/comm_media/press/monthly/2301/press.pdf

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 2022-23

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/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:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

Comment:

It was made available on 26 Oct 2022 - this date appears on the speech of the Finance Minister accessible at <https://www.treasury.gov.za/documents/mtbps/2022/speech/speech.pdf>

Here is a link to a news report which covered the MYR on 26 Oct. 2022: <https://www.youtube.com/watch?v=XxbA7ulfSMk>

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

26/10/2022 26/10/2022

Source:

It was made publicly accessible in the afternoon of 26 Oct 2022 - this date appears on the speech of the Finance Minister accessible at <https://www.treasury.gov.za/documents/mtbps/2022/speech/speech.pdf> and which the researcher downloaded on that date via the link.

The MYR's tabling on 26 Oct 2022 was also covered in the news:

<https://www.youtube.com/watch?v=XxbA7ulfSMk>

<https://youtu.be/fm8eG41mdKM>

<https://youtu.be/9YYSr9GdHhw>

<https://www.youtube.com/watch?v=g4IU6r3rhT8>

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:

It was made publicly accessible in the afternoon of 26 Oct 2022 - this date appears on the speech of the Finance Minister accessible at <https://www.treasury.gov.za/documents/mtbps/2022/speech/speech.pdf> and which the researcher downloaded on that date via the link.

The MYR's tabling on 26 Oct 2022 was also covered in the news:

<https://www.youtube.com/watch?v=XxbA7ulfSMk>

<https://youtu.be/fm8eG41mdKM>

<https://youtu.be/9YYSr9GdHhw>

<https://www.youtube.com/watch?v=g4IU6r3rhT8> See links below which evidence the date of publication.

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/speech/speech.pdf>

<https://www.youtube.com/watch?v=XxbA7ulfSMk>

<https://youtu.be/fm8eG41mdKM>

<https://youtu.be/9YYSr9GdHhw>

<https://www.youtube.com/watch?v=g4IU6r3rhT8>

Comment:

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:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx> <https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

Comment:**Peer Reviewer**

Opinion: Agree

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:

<https://bi.treasury.gov.za/Reports/powerbi/Consol/MTBPS2022%20Power%20BI%20Report%20-%20V1.1.1?rs:embed=true>

<https://www.treasury.gov.za/documents/mtbps/2022/datasheet.aspx>

Comment:**Peer Reviewer**

Opinion: Agree

Comments: <https://www.treasury.gov.za/documents/mtbps/2022/aene/AENEexcel.zip> for the Adjusted Estimates of National Expenditure, which is the much more detailed review of expenditure to date compared to the annexures in the MTBPs. I would in fact put it as the primary mid-year review document.

Government Reviewer

Opinion: Agree

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:

n/a

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2021/22" or "Mid-Year Report on the 2022 National Budget."

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

Answer:

Medium Term Budget Policy Statement 2022 and the Adjusted Estimates of National Expenditure 2022

Source:

<https://www.treasury.gov.za/documents/mtbps/2022/default.aspx>

Comment:

Peer Reviewer

Opinion: Agree

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:

FY2020-21

Source:

The National Treasury website contains the 2021 Consolidated Financial - see more at

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

where it explains as follows:

Comment:

Peer Reviewer

Opinion: Agree

Comments: I don't understand the Source explanation, but the whole explanation is not visible on this app so I might be missing some key words. Specifically, the part that reads "where it explains as follows: Office of the Accountant-General...." etc is incomprehensible what is meant. The reference refers to the 2018/19 statements, and is from a different website/URL than the Source reference. The source should also include a reference to the Annual Reports published by individual departments and agencies of government, which provides a lot of the detail that is required in the OBS, and which may not be provided in the Consolidated Financial Statements, which is at heart a statement on the financial status and reports of government from a public sector accounts perspective. Information that is not in the CAFS, such as information by programme, on inputs and non-financial performance target achievements, is in these reports. As the later answers in the survey reference these reports, they should be made explicit at this point as being part of the GoSA YER.

Government Reviewer

Opinion: Disagree

Suggested Answer: We are reviewing 2022/23 FY, It would have been of much value to also review the latest 2021/22 Consolidated Financial Statements (CFS)

(<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202022.pdf>) instead of 2020/21 CFS.

Researcher Response

Thanks for the feedback. The source remains as:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf> The 2021/22 Consolidated Financial Statements cannot be used as the source as these statements were signed off on 31 January 2023 and the cut-off date for OBS data is 31 Dec. 2022. I agree that the updated source should also include reference to the Annual Reports published by individual departments and agencies of government, which provides a lot of the detail that is required in the OBS, and which may not be provided in the Consolidated Financial Statements, which is at heart a statement on the financial status and reports of government from a public sector accounts perspective. Information that is not in the CAFS, such as information by programme, on inputs and non-financial performance target achievements, is in these reports.

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

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

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

Answer:

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

Source:

According to page 5 "The Consolidated Financial Statements are prepared on the going concern basis. They are based on accounting policies, which have been consistently applied and supported by reasonable and prudent judgements of estimates. The Consolidated Financial Statements have been approved by the Accounting Officer and the Acting Accountant-General on 3 December 2021."

Beyond this I was unable to establish an exact date when the YER appeared on the National Treasury website.

Another YER is the Debt Management Report

(<https://www.treasury.gov.za/publications/other/Debt%20Report/Debt%20Management%20Report%202020-21.pdf>) which reflects a signature date of 15 December 2021 at page 10 thereof.

Comment:

Peer Reviewer

Opinion: Agree

Comments: The answer is correct, but please see comment on next question re date. The publication dates of individual Departmental Annual Reports, as part of the YER, can be tracked on <https://www.gov.za/documents/annual-report?page=2> where in general they appear to be published for 2020/21 within nine months of year-end.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback - source updated with the following: The publication dates of individual Departmental Annual Reports, as part of the YER, can be tracked on <https://www.gov.za/documents/annual-report?page=2> where in general they appear to be published for 2020/21 within nine months of year-end.

IBP Comment

The YER for the year ended March 31, 2021, was published on January 24, 2022. This is More than nine months after the year-end. IBP revises the response to "C"

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

24/01/2022

Source:

See page 5 of

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf> where a sign off date of 3 Dec. 2021 is reflected. Unable to ascertain exactly whether this was in fact the publication date.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: 10/12/2022 Source: The National Treasury Annual Report for 2021/22 says that the CAFS for 2020/21 were only tabled in Parliament on 10 December 2021. By law, this is the date of publication.

<https://www.treasury.gov.za/publications/annual%20reports/national%20treasury/2021-22%20NT%20Annual%20Report.pdf>, page 161 However, the Parliament of South Africa order papers for 13th of December include the tabling of the CAFS. Order papers for the 10th do not.

<https://www.parliament.gov.za/storage/app/media/Docs/atc/6160efd2-f2c1-4b30-b49a-95c874f83460.pdf> It is possible that the documentation was submitted to Parliament for tabling on the 10th, but only made it on to order papers for the 13th. The proposed date of publication could therefore be said to be the 10/12/2021, if not 13/12/2021. For the individual Annual Reports of Departments, <https://www.gov.za/documents/annual-report?page=2> provides links with date stamps of publication.

Government Reviewer

Opinion: Disagree

Suggested Answer: We are reviewing 2022/23 FY, It would have been of much value to also review the latest 2021/22 Consolidated Financial Statements (CFS)

(<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20>

For%20the%20year%20ended%2031%20March%202022.pdf) instead of 2020/21 CFS.

Researcher Response

Thanks for the feedback - date revised based on the peer reviewer's feedback with links. As regards the Government Reviewer feedback, kindly note that the CFS 2021/22 cannot be used as it was published after the OBS cut off date of 31 Dec 2022.

IBP Comment

IBP appreciates the comments by the reviewers. The YER for the year ended March 31, 2021, was published on January 24, 2022, not December 10, 2021, as initially stated by the researcher. The response has been updated to reflect the accurate publication date. IBP notes that the CFS 2020/21 presented by the government was published in February 2023, after the OBS cut-off date, and such is not valid for review.

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:

See feedback in the preceding question

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: See feedback in preceding question Source:

<https://www.treasury.gov.za/publications/annual%20reports/national%20treasury/2021-22%20NT%20Annual%20Report.pdf> and <https://www.parliament.gov.za/storage/app/media/Docs/atc/6160efd2-f2c1-4b30-b49a-95c874f83460.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

IBP used the Javascript Code and other tools to determine the date.

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

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

Answer:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Links should also be provided to Annual Reports of departments, which form part of the YER and is assessed in the later parts of this survey by the researcher. The central government website provides links: <https://www.gov.za/documents/annual-report?page=2> For example: Department of General Education; https://www.gov.za/sites/default/files/gcis_document/202110/dbe-annual-report-202021.pdf Department of Health: https://www.gov.za/sites/default/files/gcis_document/202201/healthannualreport.pdf Department of Forestry, Fisheries and Environment: https://www.gov.za/sites/default/files/gcis_document/202203/dffe-annualreport20202021dffe.pdf

Comments: Also

Government Reviewer

Opinion: Agree

Comments: See previous suggestion on CFS

IBP Comment

IBP notes the reviewers' comments.

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:

Unable to locate such material in the format requested/required.

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: There is no machine-readable version of YER, however, numerical data can still be accessed on Vulekamali portal (<https://vulekamali.gov.za/>). The detailed allocations to government spheres and functions are available on the portal.

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:

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:

n/a

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2022" or "Annual Report 2021 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 2021

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Consolidated Financial Statements for the year ended 31 March 2021

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See previous suggestion on CFS

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 2020-21

Source:

<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2020-2021.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Comments: While the Audit Report for all of national government is the Consolidated General Report on National and Provincial Audit Outcomes referenced here, the answer should also reference the Annual Reports of individual departments of national government, which contain the Audited Financial Statement and the Auditor General's Report for that Department specifically. See for example, for the Department of Basic Education, https://www.gov.za/sites/default/files/gcis_document/202110/dbe-annual-report-202021.pdf page 282 The response of the researcher to later questions on the AR (e.g. on whether executive government reports on steps to implement audit recommendations) draws on these more diffuse ARs.

Government Reviewer

Opinion: Disagree

Suggested Answer: Since we are reviewing FY 2022/23, I would suggest we consider the latest- 2021/22 Audit report (<https://www.agsa.co.za/Reporting/PFMAReports/PFMA2021-22.aspx>) instead of 2020/21 Audit report as noted above.

Comments: FY 2021/22 should be considered instead of FY 2020/21.

IBP Comment

IBP appreciates the PR and GR comments. The FY 2020-21 Audit Report is the right report and has been updated accordingly. <https://www.agsa.co.za/Reporting/PFMAReports/PFMA2020-2021.aspx>

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/Portals/0/Reports/PFMA/202021/2021%20PFMA%20Media%20Release%20Final_8%20December%20edited.pdf?ver=2021-12-08-123805-567

Comment:

The media release is dated 8 Dec. 2021 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.

Here are 2 news articles covering the release of this report on 8 Dec. 2021: <https://www.news24.com/citypress/news/auditor-general-concerned-about-weak-financial-controls-in-soes-20211208>

<https://www.sowetanlive.co.za/news/south-africa/2021-12-08-auditor-general-unearths-r166bn-in-irregular-expenditure/>

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

8/12/2021

Source:

https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/2021%20PFMA%20Media%20Release%20Final_8%20December%20edited.pdf?ver=2021-12-08-123805-567

<https://www.news24.com/citypress/news/auditor-general-concerned-about-weak-financial-controls-in-soes-20211208>

<https://www.sowetanlive.co.za/news/south-africa/2021-12-08-auditor-general-unearts-r166bn-in-irregular-expenditure/>

Comment:

The media release is dated 8 Dec. 2021 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.

Here are 2 news articles covering the release of this report on 8 Dec. 2021: <https://www.news24.com/citypress/news/auditor-general-concerned-about-weak-financial-controls-in-soes-20211208>

<https://www.sowetanlive.co.za/news/south-africa/2021-12-08-auditor-general-unearts-r166bn-in-irregular-expenditure/>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See previous suggestion on which AR should be considered

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 AG's media release is dated 8 Dec 2021 (see

https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/2021%20PFMA%20Media%20Release%20Final_8%20December%20edited.pdf?ver=2021-12-08-123805-567) and news houses covered the results as released on that date in articles of the same date. See

<https://www.news24.com/citypress/news/auditor-general-concerned-about-weak-financial-controls-in-soes-20211208>

<https://www.sowetanlive.co.za/news/south-africa/2021-12-08-auditor-general-unearts-r166bn-in-irregular-expenditure/>

Source:

<https://www.news24.com/citypress/news/auditor-general-concerned-about-weak-financial-controls-in-soes-20211208>

<https://www.sowetanlive.co.za/news/south-africa/2021-12-08-auditor-general-unearts-r166bn-in-irregular-expenditure/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Please see previous suggestion on which AR should be considered

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/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Please see previous suggestion on which AR should be considered

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:

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:

Comment:

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:

n/a

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

PFMA 2021-21 CONSOLIDATED GENERAL REPORT ON NATIONAL AND PROVINCIAL AUDIT OUTCOMES

Source:

<https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Correction of FY: "PFMA 2020-21 CONSOLIDATED GENERAL REPORT ON NATIONAL AND PROVINCIAL AUDIT OUTCOMES"

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/202021/Citizen's%20Report%20PFMA%202020-21%20FINAL%20-%20no%20spine.pdf?ver=2022-02-22-161944-810>

Comment:

A 34 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 (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). 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:

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

Comment:

An open budget portal has been developed by National Treasury in collaboration with www.imaliyethu.org.za (a civil society coalition for open budgets) - see the open budget portal at 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 <https://vulekamali.gov.za/datasets>

Also see <https://www.treasury.gov.za/documents/national%20budget/2022/excelFormat.aspx>

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/excelFormat.aspx> which provides revenue and expenditure data all the way back to 2001/02. The format has been consistent.

The Consolidated Account of government with an Excel Pivot is available at

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Budget%202022%20-%20Consolidated%20account%20Pivot.xlsx>

Comment:

Peer Reviewer
Opinion: Agree

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.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:

a. Yes

Source:

<https://vulekamali.gov.za/2022-23/national/departments/health/>

Comment:

See for example <https://vulekamali.gov.za/2022-23/national/departments/health/>

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.xml?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.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:

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

<https://www.agsa.co.za/AboutUs/Legislation/PublicAuditAct.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.

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 s.214 and s.215 place 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 SADC Parliamentary Forum has developed and adopted (in mid-2022) a Model Law on Public Finance Management. National Treasury, the Finance Ministry and Parliament are encouraged to consider its provisions with a view to domesticating aspects that would improve the current provisions of the PFMA, especially as regards public participation.

While the Public Service Act and Regulations require that the public service consult with its actual and potential customers during the development of government plans, often this process is found inadequate.

Peer Reviewer

Opinion: Agree

Comments: I agree with the answer, but would cite the Money Bills Amendment Procedure and Related Matters Act 9 of 2009, which regulates the legislative phase of public financial management. On participation, the Act covers the pre-budget statement and executive budget proposal, as well as annual reports. It requires public hearings on the fiscal framework, the division of revenue bill, the appropriation bill and the tax proposals. See https://www.gov.za/sites/default/files/gcis_document/201409/9of2009ocr.pdf, Section 8.2; 9.5.b; 10.8.a; and 1.4.a. While this is not participation requirements by law on the executive, it is on the legislature. The OBS question does not specify the executive.

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. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.

Answer:

a. Yes

Source:

<https://www.gov.za/documents/constitution-republic-south-africa-1996>

<https://inforegulator.org.za/wp-content/uploads/2020/07/InfoRegSA-act-2000-002.pdf>

PAIA Regulations: <https://inforegulator.org.za/wp-content/uploads/2020/07/20210827-gg45057gon757-PAIAregulations-1.pdf>

<https://inforegulator.org.za/>

<https://www.gov.za/documents/constitution-republic-south-africa-1996-chapter-13-finance#215>

Comment:

The South African Constitution provides for the right of access to information at section 32 which states: Everyone has the right of access to—

- (a) any information held by the state; and
- (b) any information that is held by another person and that is required for the exercise or protection of any rights

The Promotion of Access to Information Act 2 of 2000 provides the legal framework to support realisation of this right. The Information Regulator is tasked with overseeing the laws implementation and has powers to investigate complaints

Section 215(2) of the SA Constitution requires that National Legislation must "must prescribe:

- a. the form of national, provincial and municipal budgets;
- b. when national and provincial budgets must be tabled; and
- c. that budgets in each sphere of government must show the sources of revenue and the way in which proposed expenditure will comply with national legislation."

National laws enacted to give effect to Section 215 include the PFMA, the annual Division of Revenue Bills and subsequent Acts and the Appropriations Bills and subsequent Acts

The Money Bills Amendment Procedure and Related Matters Act requires Parliament to hold public hearings on the various money bills.

Peer Reviewer

Opinion: Agree

Comments: I agree with the answer. The source is the <https://inforegulator.org.za/wp-content/uploads/2020/07/InfoRegSA-act-2000-002.pdf> Access to Information Act. It cannot be that the survey response can cite the Constitution here as an "additional law" and in the previous answer as one of the PFM acts. And I would put the MBAPRM Act with the previous section. It should be read with the PFMA and the Audit Act, for regulating the full cycle.

Government Reviewer

Opinion: Agree

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:

Comment:

The Executive's Budget Proposal is presented by administrative classification in the: "Estimates of National Expenditure 2022" detailed information by vote/administration can be accessed,

- as a collective doc <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

- by individual administrative unit via <https://www.treasury.gov.za/documents/national%20budget/2022/Estimates.aspx>

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: <https://www.treasury.gov.za/documents/national%20budget/2022/TimeSeries/Excel/Table%206%20-%20Consolidated%20nat,%20prov%20and%20SSF%20-%20GFS%20function.xlsx>

Table 8 link: <https://www.treasury.gov.za/documents/national%20budget/2022/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: <https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Agree

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 contained in the Statistical Tables of the 2022 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/2022/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/2022/review/FullBR.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Also see <https://www.treasury.gov.za/documents/national%20budget/2022/review/Annexure%20W2.pdf> which states that the functional classification is to be in line with GFS requirements.

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 2022 Budget Review, at Statistical Table 5 titled "Consolidated national, provincial and social security funds expenditure: economic classification" See -

<https://www.treasury.gov.za/documents/national%20budget/2022/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

<https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 National Budget Review: <http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Also see Annexure W2: Structure of Governments Accounts:

<https://www.treasury.gov.za/documents/national%20budget/2022/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 and consider detailed information per vote and by program see the 2022 Estimates of National Expenditure accessible via <http://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

Individual votes and their program level budget detail can be accessed via <http://www.treasury.gov.za/documents/national%20budget/2022/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 2022 National Budget Review: Statistical Tables. See Tables 4, 5, 6 at <http://www.treasury.gov.za/documents/national%20budget/2022/excelFormat.aspx> or via <http://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Multi year expenditure estimates are presented by all three expenditure classifications in the 2022 Estimates of National Expenditure - see <http://www.treasury.gov.za/documents/national%20budget/2022/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:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>
<https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

Comment:

All 3 expenditure classification levels across multi years are presented. Please 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 detaille*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

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

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

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

Answer:

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 reflected by programme and sub-programme. Information is available according to each vote and can be accessed in one document: <http://www.treasury.gov.za/documents/national%20budget/2022/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 2022 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 14/37 onwards of <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 National Budget Review, Statistical Table "Main Budget: Estimates of national revenue: Detailed Classification of Revenue" within Statistical Table 3 at page 14 of <https://www.treasury.gov.za/documents/national%20budget/2022/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:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Comment:

Please Table 2 (at page 211 in the electronic pdf version) of the 2022 Budget Review which presents multi year estimates of revenue by category with the information presented from 2004/05 up to 2024/2025.

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:

Please consider Table 4.2 of Chapter 4 of the 2022 Budget Review:

<http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

which is at page 54.

Also see Table 2 accessible at page 211 of the electronic version available at the link above.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The tables cited does not provide individual sources of revenue over the medium term for non-tax revenue. Table 2 on page 211 of the Budget Review breaks tax revenue down fully into individual sources over the medium-term. But not non-tax revenue, which is given only in aggregate (see page 201, the item marked with note 8). Table 3 in the statistical annex provides the individual sources of non-tax revenue, but not over the medium term (see page 205). Table 4.2 in the main text, provides selected individual sources of non-tax revenue but not all.

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the reviewer's comment, but based on Table 2, page 201, Table3, Table 4.2 and the OBS methodology of the "other" revenue information (In this case, Others plus non tax revenue) not exceeding 3% of total revenue, the response "A" is appropriate. Sufficient information is provided in the

tables to show the individual sources of revenue.

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 entire 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 entire 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 if no information on borrowing and debt is presented for the entire 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 2022 Budget Review provide info on debt instruments; maturity profile of the debt; and whether it is domestic or external debt (see <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>)

Table 10 within the Statistical Tables of the 2022 Budget Review provides a breakdown of Total debt of Government - see this table at page 32 of <https://www.treasury.gov.za/documents/national%20budget/2022/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

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:

Please see the Tables in Chapter 7 of the Budget Review:
<https://www.treasury.gov.za/documents/national%20budget/2022/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:

The Tables in Chapter 7 of the 2022 Budget Review contain info on debt instruments; maturity profile of the debt; and whether it is domestic or external debt, and specific interest rate information is presented for the start of the period, but not the end of the period (table 7.1), and only for

long-term borrowing.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Please refer to Table 7.2 and 7.7 of Chapter 7 of the Budget Review 2022 provides information on the total government debt split between domestic and foreign, short and long term debt as well as net and gross debt over the medium term. It is clear in terms of how much debt we need to raise over the medium term (<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>). So "a" would be an appropriate scoring for this question.

IBP Comment

IBP notes the reviewer's comments. However, the comment provided by the researcher is valid hence the choice "B".

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 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:

Only the aforesaid selected items appear in the tables in Chapter 7 of the 2022 Budget Review:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The guidance does not provide clues as to what the IBP would consider additional information. I would note the following for qualifying and therefore getting a nod: 1. Detailed breakdown of external loans, by institution with maturity profile and interest rates. 2. Analysis of whether changes in net borrowing requirement is from new borrowing-financed expenditure (i.e. budget deficit), or from interest and inflation rate changes, and restructuring of the debt portfolio.

Government Reviewer

Opinion: Disagree

Suggested Answer: Interest rate as an element of the composition of the total debt outstanding are are presented in the Executive's Budget Proposal. See comments below.

Comments: We publish that information on the schedule of domestic bonds monthly which can be accessed from our investor relations website (<https://investor.treasury.gov.za/pages/default.aspx>). The schedule is relating to domestic bonds, the maturity profile of domestic and foreign debt is available in the South African Reserve Bank's (SARB) quarterly report which can also be found on our investor relations website. Schedules of Domestic Debt - All Documents ([treasury.gov.za](https://www.treasury.gov.za)) in addition, table 10 of the 2022 budget review statistical annexure provides information on the debt profile and contingent liabilities <https://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

IBP Comment

IBP appreciates the comments from the reviewers but wants to state that the SARB Quarterly report is not a supporting document for the EBP.

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:

See <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%202.pdf>

Also consider Chapter 3 of the 2022 Budget Review, especially "Table 3.1 Macroeconomic performance and projections" viewable at <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%203.pdf>

Comment:

Within Chapter 2 of the Budget Review at page 9 there is a section dealing with "Macroeconomic assumptions" which is preceded by Table 2.2 that considers "Macroeconomic performance and projections". Inflation is also considered with Figures 2.6 and 2.7 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: Disagree

Suggested Answer:

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

Comments: I believe the researcher may have accidentally clicked the wrong button, as the next question details that they also see all elements being present, and then additional elements like the GDP deflator. Additional elements can also refer to estimates on the composition of GDP, imports and exports estimates over the full past, budget year and forward budget period, as well as assumptions about international commodity prices.

Government Reviewer

Opinion: Agree

IBP Comment

IBP welcomes the reviewer's comment. Response has been adjusted to "A"

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:

See Chapter 2 of the 2022 Budget Review where Table 2.2 considers "Macroeconomic performance and projections". Inflation is also considered with Figures 2.6 and 2.7 providing details. At page 9 there is a section dealing with "Macroeconomic assumptions". There is some brief reflection on interest rates.

Also see Chapter 3 of the 2022 Budget Review, especially "Table 3.1 Macroeconomic performance and projection" viewable at <http://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%203.pdf> - page 2/14.

Also see "Table W1.1 Medium-term macroeconomic assumptions" at <http://www.treasury.gov.za/documents/national%20budget/2022/review/Annexure%20W1.pdf> at page 6/56

Comment:

Peer Reviewer

Opinion: Agree

Comments: I would also cite Table 2.3 on page 18 of the Budget Review, that provides further additional elements.

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.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- The United States in its 2021 Budget Analytical Perspectives includes a section titled *Sensitivity of the Budget to Economic Assumptions* along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).
- The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," (<https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget (<https://www.dbm.gov.ph/images/pdf/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>).

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:

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

Source:

See Chapter 2 of the 2022 Budget Review - <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%202.pdf>

Comment:

Considering the Guidelines above and the material below a score of (b) is deemed appropriate.

Chapter 2 considers inflation, noting the following: "Headline inflation is projected at 4.8 per cent in 2022 and 4.4 per cent in 2023. Food and energy prices – especially municipal rates from rising electricity prices, high domestic food inflation and elevated fuel prices – are expected to be the key sources of inflationary pressure in 2022. Fuel prices were up 40.4 per cent in the year to December 2021 owing to higher global crude oil prices. Fuel prices are expected to ease during 2022, but remain elevated and above the 2019 average price level. Global supply-demand imbalances triggered an acceleration in the price of raw materials and intermediate inputs, which will continue to put upward pressure on consumer inflation.

Fig 2.6 considers contributions to headline inflation while Fig.2.7 considers Administered Price Inflation before the following is stated: "Medium-term risks to the inflation outlook are to the upside, primarily as a result of price pressures from food and non-alcoholic beverages, along with petrol, energy and other administered prices. Although the forecast assumes 2022 and 2023 electricity prices rise in line with Eskom's application for a tariff increase in 2022/23, there is a risk that electricity inflation may exceed the assumption due to increasing costs of ensuring electricity supply"

Table 2.3 considers "Assumptions informing the Macroeconomic Forecast" and includes various international commodities such as oil and is preceded by a brief narrative analysis.

Also within Chapter 2 of the 2022 Budget Review, two "Economic scenarios" are considered:

"Scenario A: Economic reform. This upside scenario assumes that the fiscal consolidation is complemented by accelerated economic reforms. These include ensuring energy security, reducing red tape and lowering the cost of doing business through improved transport and communication infrastructure. These reforms help create an enabling environment for improved private-sector participation. Confidence levels improve, supporting a marked easing of sovereign risk and lowering economy-wide borrowing costs. These changes bolster private investment levels and consumer demand. GDP increases above the baseline forecast and is 0.7 percentage points higher by 2024 (Figure 2.10). The cumulative effect of these gains is compounded over the long term, raising potential growth.

Scenario B: Weaker global growth and more persistent global inflation. This scenario quantifies the impact of slower global growth and persistent inflationary pressures. Higher global inflation leads to a rapid tightening of monetary policy. Mounting risk aversion takes its toll, as South Africa's risk premium and borrowing costs increase and feed into economy-wide borrowing costs. This in turn reduces local business investment and erodes consumer purchasing power. As weaker global demand depresses exports and commodity prices, GDP averages 0.4 percentage points below the baseline between 2022 and 2024. The delayed recovery entrenches scarring from the pandemic and reduces long-term potential growth. The weaker exchange rate, higher input costs and imported inflation push CPI inflation to 5.1 per cent in 2022, moderating to 4.5 per cent by 2024."

At figure 2.10 the GDP implications of scenario's A and B are shown.

Interest rates receive brief consideration in Chapter 2 and Chapter 3 of the 2022 Budget Review.

Peer Reviewer

Opinion: Agree

Comments: I agree. I would mainly cite though the box and figure 2.10, though. The other paragraphs and table cited either do not consider alternative scenarios at all but only provide single values for variables, or only notes risks without quantifying them.

Government Reviewer

Opinion: Agree

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 of the impact of the new policies, 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:

See Chapter 5 of the Budget Review: <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%205.pdf>.

There is also relevant content in Chapter 2: <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%203.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 of the impact of the new policies, 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 Budget Review contains some details in this regard
<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%204.pdf>

Comment:

Peer 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: Table 4.3 provides a detailed quantified reflection of the impact of the revenue proposals on revenue, and the paragraphs following discusses each proposal in narrative.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.

Comments: See table 4.3 of chapter 4 that shows how the tax measures are going to impact total tax revenue. Also table 4.5 shows estimates of individuals and taxable income impact of tax policy measures with brief narrative. More brief narratives on various tax measures on page 45 an 46 (<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullIBR.pdf>) combined should suffice for atleast a "b" scoring as shows required details for the question.

Researcher Response

After considering the feedback and reviewing the Table and narrative that follows in the subsequent pages, the score is revised to an "a"

IBP Comment

IBP welcomes the feedback from the reviewers. Based on further check, the response was revised to "A"

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

<https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

Comment:

Expenditure estimates for the year prior to the budget year are presented in all three expenditure classifications . See both the 2022 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:

These are presented in the 2022 Estimates of National Expenditure -

<https://www.treasury.gov.za/documents/national%20budget/2022/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/2022/ene/FullENE.pdf>
<http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

Comment:

See the 2022 Estimates of National Expenditure, at "Table 2 - Expenditure by national vote: 2018/19 to 2024/25" where readers can consider the Audited Outcomes for each Vote for the 3 year period 2018/19 to 2020/21, 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 (2022/23 to 2024/25). See this at page xviii of <http://www.treasury.gov.za/documents/national%20budget/2020/ene/FullENE.pdf>

In addition, detailed information per vote on revised estimates by programmes and sub-programmes is also contained in the 2022 Estimates of National Expenditure via <http://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

See also the 2022 National Budget Review, Statistical Table 1 viewable at:
<http://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Peer Reviewer
Opinion: Agree

Comments: Note that the final citation of the first para under the comment should be <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf> page from page xxix

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 consider the "2022 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/2022/ene/FullENE.pdf>

The 2022 Budget Review Statistical Tables also contain this level of detail - see <http://www.treasury.gov.za/documents/national%20budget/2022/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 consider the "2022 Estimates of National Expenditure" which 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/2022/ene/FullENE.pdf>

The 2022 Budget Review Statistical Tables also has this level of detail to support the score - see <http://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2022 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 <https://www.treasury.gov.za/documents/national%20budget/2020/Estimates.aspx>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Note that the citation should be <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

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 2022 Estimates of National Expenditure, the Audited Outcomes for 2018/19 to 2024/25 are provided by each national vote at "Table 2 Expenditure by national vote: 2018/19 to 2024/25" - see more at page 27/xviii of <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Three years prior to the budget year (BY-3).

Comments: The 2022 Estimates of National Expenditure (ENE) shows three audited outcome expenditure before the budget year estimates. See tables from Vote 1 to Vote 42 of the ENE (<https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>)

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 see the 2022 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue – detailed classification of revenue, 2018/19 to 2022/23" which contains numerous tax and non tax revenues for the preceding budget year and also years prior to that: <https://www.treasury.gov.za/documents/national%20budget/2022/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 - see the 2022 National Budget Review, Statistical Tables: Table 3 - "Main budget: estimates of national revenue – detailed classification of revenue, 2018/19 to 2022/23" accessible at: <https://www.treasury.gov.za/documents/national%20budget/2022/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:

Please see 2022 National Budget Review, Statistical Tables: Table 1 - "Main budget: Revenue, expenditure, budget balance and financing, 2015/16 to 2024/25"

Also see Table 2 "Main budget: estimates of national revenue - Summary of revenue" that lists Actual Collections for 2004/05 to 2024/25.

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

<https://www.treasury.gov.za/documents/national%20budget/2022/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 2004/05 to 2024/25.

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

<https://www.treasury.gov.za/documents/national%20budget/2022/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:

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"

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion:

Comments: I differ on the citation. Only table 3 gives individual sources for tax and non-tax revenue. Table 2 does not break down non-tax revenue into individual sources.

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 2022 National Budget Review at Table 1: "Main budget: revenue, expenditure, budget balance and financing, 2015/16 to 2024/25"

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: <https://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Three years prior to the budget year (BY-3).

Comments: Actual outcomes are reflected for three years prior the budget estimates

IBP Comment

IBP notes the government reviewer's comment but the question looks at the most recent year.

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:

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

Source:

Please see the 2022 National Budget Review, Chapter 7, especially:

- Table 7.2, "Financing of national government gross borrowing requirement" p.82;

Also see Table 7.7. "Total national government debt 2018/19 - 2022/23", p.87.

Also see Table 7.9. "National government debt-service costs" at page 88.

Link to the above is <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2022 National Budget Review via <https://www.treasury.gov.za/documents/national%20budget/2022/review/Statistical%20tables.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: There is no presentation on interest rates for all debt instruments in BY-1. The only presentation is on domestic long-term debt. As additional elements are presented for BY-1, but not all core, the answer should be B.

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the peer reviewer's comment. This is revised from "A" to "C" given that interest rates are missing for BY-1.

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:

See the 2022 National Budget Review, Chapter 7, especially:

- Table 7.2, "Financing of national government gross borrowing requirement" p.82;

Also see Table 7.7. "Total national government debt 2022/23 - 2024/25", p.87

Link to the above is <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>

Also see Statistical Tables 10 and 11 of the 2022 National Budget Review Statistical Tables: <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 National Budget Review (<https://www.treasury.gov.za/documents/national%20budget/2022/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 revenue sources." - see p.31.

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.
- Productivity Fund.

See more at <https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2031%20Employment%20and%20Labour.pdf>

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, including both revenues and expenditures, 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 2022 Budget Review includes consolidated tables that present a consolidated budget balance (see table 3.6) at p.30. - <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%203.pdf>

Also see Annexure W2 <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 National Budget Review deals with "Division of revenue and spending by provinces and municipalities" - see <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%206.pdf>

"Table 6.1 Division of nationally raised revenue" contains a breakdown of transfers between the three spheres covering the period 2018/19 to 2024/25.

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 budget 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 2022 National Budget Review gives a breakdown of how the equitable share is distributed to the 9 provinces - see <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%206.pdf>

Considerably more could be done to provide further 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: 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: In addition to the geographic impact of spending, Table 5.2 in the budget review also provides information on the social wage, which from different sector departments, considers the aggregation of spending on programmes that fund inputs which off-set the absence of wages, ie no-income households other than social protection transfers. I would consider that as a view by income.

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the reviewer's comment. However, the Social Wage table does not count as a display of wages. The response "C" remains valid.

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:

Impacts of budget policies by geographic region

Source:

The EBP displays expenditure by province/geographic region.
<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%206.pdf> AND

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Annexure%20W1.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Impacts of budget policies by income Other alternative displays of expenditure

Government Reviewer

Opinion: Agree

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:

2022 Budget Review, Chapter 8, "Table 8.3 Financial position of selected development finance institutions" and Table 8.4 "Borrowing requirement for development finance institutions " at p.98 of <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%208.pdf>

Each vote details its transfers to public corporations - see for instance Vote 10, Public Enterprises within the 2022 Estimates of National Expenditure, especially "Table 10.2 Vote expenditure trends by programme and economic classification" viewable at p.160 of <https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2010%20Public%20Enterprises.pdf>

A narrative discussion of such entities does tend to be provided. See page 159 - 150 of the link for an example in this regard.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I disagree with the source citation, however. Table 8.3 and 8.4 does not provide detail on estimated transfers, just their financial positions and borrowing requirements: the table for example, does not show the R7.4 billion that was transferred to the Land and Agricultural Bank of SA in 2020/21. This only shows up in the individual National Treasury vote discussion, on page 90 of the Estimates of National Expenditure. The source citation should be: Total transfers to public enterprises are in Table 5.5 of the 2022 Budget Review, page 57, <https://www.treasury.gov.za/documents/national%20budget/2021/review/Chapter%205.pdf> Individual chapters of the Estimates of National Expenditure provide information on transfers to public enterprises under their oversight. See for example, Table 44 of the Transport vote on page 875 of the Estimates of National Expenditure, which detail current and capital transfers to the Passenger Rail Agency and others. Special bailout appropriations are also made. These are reflected as Direct Charges against the National Revenue Fund. See for example Table 8.8 of the National Treasury vote, which details the special appropriation to the South African Land and Agriculture Bank in 2020/21 (as BY-2). <https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2008%20National%20Treasury.pdf> pg 90.

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:

Chapter 8 of the 2022 Budget Review (<http://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%208.pdf>) includes a section on Development finance institutions with "Table 8.3 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 2020/21.

There is also "Table 8.4 Borrowing requirement for development finance institutions" followed by narrative content for a selection state banks. See pages 98 of the above link.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: SA does not have many quasi fiscal activities, even if they are difficult to identify. The development finance institutions listed in the

Source and Comment, lends at commercial rates, in accordance with policy by the National Treasury. One such activity is of the Export Credit Insurance Corporation under the Department of Trade and Industry, where it provides support to exporters to lower the risk and cost for exporters, of exporting to risky environments. A consideration of the information provided shows that the reason for the activity is discussed convincingly, and that details on who benefits are provided, both in terms of targets in the narrative, and numbers in the performance indicators. It is not identified, however, as a quasi fiscal activity as such in the documentation. <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>, page g37. All activities are difficult to identify, however: one potential activity may be the lending programme of the Industrial Development Corporation to small businesses. Detailed information on the IDC is presented in the budget documentation, but information on whether it lends at commercial rates and if not why, and to whom is not presented. See <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>, page 840. But, the budget documentation also details on-budget transfers to the IDC and to the Small Business Enterprise Agency, which does provide blended finance concessional support to small enterprises, in which case even if there is lending below market rates, it is subsidised and a fiscal activity. On balance, however, I would propose a B answer.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for all quasi-fiscal activities.

Comments: Please advise on which core information is not included in Budget Review for the Developmental Financial Institutions (DFIs)

IBP Comment

IBP notes the reviewers' comments and agrees with the peer reviewer. Based on sufficient information provided, this is revised from "C" to "B".

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%208.pdf>

Comment:

In Chapter 7 of the 2022 Budget Review there is a section on "Cash Balances" - see page 85 which has a narrative followed by various Tables. The narrative notes as follows at the outset: "Cash balances - Government's cash holdings consist of deposits held at commercial banks and the Reserve Bank. The latter are sterilisation deposits - deposits that neutralise excess cash created in the money market - and foreign-currency accumulation deposits, relating to proceeds from foreign loans. Historically, sterilisation deposits were used as bridging finance to cover short-term obligations, providing a buffer against abrupt market changes. In 2020/21, a portion of these deposits was used to finance the higher gross borrowing requirement arising from the pandemic. To reduce domestic issuance in 2022/23, government will use the remaining deposits of R41.2 billion, which will decrease the stock of debt and debt-service costs. At the end of 2021/22, total cash balances stood at R290 billion. Over the medium term,

foreign-currency deposits will average US\$7.5 billion."

At page 90 it is also noted as follows: "Government's largest contingent asset is the Gold and Foreign Exchange Contingency Reserve Account. It 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. Due to the depreciation of the rand, unrealised gains are expected to amount to R370 billion by end-March 2022, an increase of R54.4 billion compared with 2020/21. In 2021/22, government settled a realised loss of R74.8 million. Losses of R56.1 million are projected for 2022/23."

Within Chapter 8 of the 2022 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. (<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%208.pdf>)

A detailed listing of the assets is not provided.

Peer Reviewer

Opinion: Agree

Comments: I would add to the comment: The budget documentation also presents information on the monetary value of non-financial assets of all national government agencies (and public enterprises), as a balance sheet is presented for each agency that details the carrying value of all assets, acquisition of new assets, and details on financial assets. This is in the individual chapters of the votes, where each agency under a vote has a section. See for example the SA National Roads Agency Limited, table 40.70 on page 922 of the Estimates of National Expenditure, <https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2040%20Transport.pdf>

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:

Please consider page 29 of <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf> where within table 3.18 relating to "Municipal Demarcation Board statements of financial performance, cash flow and financial position" where they report on "Acquisition of property, plant, equipment and intangible assets".

The same occurs at page 32 within the contents of "Table 3.22 Municipal Infrastructure Support Agent statements of financial performance, cash flow and financial position".

While for the aforementioned and other state owned 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. The same level of detailed reporting appears to not be required of main government departments as I was unable to locate information on non-financial assets for these departments.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I agree with the scoring, but not with the source citation and comment. I propose the following citation: 1. The budget documentation does not present any information on non-financial assets held by central budgetary government, ie for the votes/departments of the national government. 2. The budget document presents information on the monetary value of non-financial assets of all national government agencies (and public enterprises), as a balance sheet is presented for each agency that details the carrying value of all assets, acquisition of new assets, and details on financial assets. This is in the individual chapters of the votes, where each agency under a vote has a section. See for example the SA National Roads Agency Limited, table 40.70 on page 922 of the Estimates of National Expenditure, <https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2040%20Transport.pdf>

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/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

e. Not applicable/other (please comment).

Source:

<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>

<https://www.agsa.co.za/Portals/0/Media/Media%20Releases/2022/2022%20PFMA%20Media%20Release%2023112022%20final%20-%20interactive.pdf?ver=2023-05-10-131153-310&tamp=1683717197857>

Comment:

I could not locate estimates of expenditure arrears within the EBP documents that include the BR and ENE.

At page 11 of the 2022 Budget Review (BR) the following is stated: "A team tasked with cutting red tape has been set up in the Presidency to identify priority reforms for the year ahead, including mechanisms to ensure government departments pay suppliers within the required 30 days."

Then according to a Nov. 2022 media release by the Auditor-General: "At some auditees, poor payment practices such as late payments, overpayments and payments for goods not received resulted in (or are likely to result in) financial losses. The accounting officers and authorities were notified of these material irregularities. For example, it is common for government to have to pay interest on late payments, such as when auditees do not pay their creditors within 30 days."

The Treasury Regulations introduced to give effect to the PFMA require that creditors be paid within 30 days.

Peer Reviewer

Opinion: Disagree

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

Comments: The National Government of South Africa had no arrears to account for in the 2022 Budget Review and Estimates of National Expenditure. 1. That within the fiscal year, departments must pay within 30 days, does not equal that there will be arrears at the end of the year. Late payments within the financial year will incur interest penalties from suppliers. It is a mistake to equate the statements by the AG and the Presidency with arrears by year-end. 2. The proof that there were no outstanding bills at the end of 2021/22, is in the 2021/22 Consolidated Financial Statements of Government (the outstanding bills of which would have showed up as arrears on the 2021/22 statements) see, <https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20or%20the%20year%20ended%2031%20March%202022.pdf>, page 289. Total current liabilities of national government can be drilled down through notes 11 and 12. Note 12 is the current borrowings (ie outstanding tbills and bonds) of government. Note 11 is the other payables. None of these, if you drill down to the Working Papers, are arrears by departments.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.

Comments: We do not publish the estimates of expenditure arrears at the same time with the Executive Budget Proposal. However, reports on these estimates are published quarterly (atleast a month after end of the quarter) and annually (atleast two months after end of the financial year) (<https://www.treasury.gov.za/legislation/pfma/Compliance%20on%20Payment%20of%20Suppliers/default.aspx>). Hence, "a" is deemed as appropriate scoring for this question.

IBP Comment

IBP acknowledges the comments of the reviewers. This is revised 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:

Information beyond the core elements is made available. This includes a narrative supported by estimates, tables and projections. See Chapter 7 of the 2022 Budget Review at <http://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%207.pdf>

Also see Statistical Table 11 (<http://www.treasury.gov.za/documents/national%20budget/2022/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 due to inflation rate and/or exchange rate movements, 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/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.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:

Comment:

The 2022 Budget Review only includes information to the end of the medium-term period.
<http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>
Beyond that period and I could not find relevant information.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: In the Fiscal Policy Chapter of the 2022 Budget Review, information on the long-term future liability outlook is presented. See Figure 5.3 page 25 of the Budget Review. <https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%203.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the comments by the reviewer. However, the researcher's response "D" is valid.

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

c. Yes, estimates of some but not all sources of donor assistance are presented.

Source:

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:

I was unable to locate information on donor funding. A Table that used to appear under a Donor Tab within the "All ENE Excel Vote Tables" is no longer made available/accessible to the public.

If you compare the 2022 link (<https://www.treasury.gov.za/documents/national%20budget/2022/ene/All%20ENE%20Excel%20Vote%20Tables.rar>) to the 2020 link (<https://www.treasury.gov.za/documents/national%20budget/2020/ene/All%20ENE%20Excel%20Vote%20Tables.rar>) you will note that under for instance Vote 18, the Donor tab appears in the latter with details, but not within the former.

Peer Reviewer

Opinion: Agree

Comments: Proposed alternative source explanation (which looks up a specific grant that should have been on-budget for 2022): Up to 2020 the ENE on-line tables included a "donor" tab which detailed donor transfers. See for example in the link <https://www.treasury.gov.za/documents/national%20budget/2020/ene/All%20ENE%20Excel%20Vote%20Tables.rar> the table for Vote 8, the National Treasury. In the "donor" tab the EU Budget Support for the neighbourhood development grant is detailed. In the 2022 on-line tables for the National Treasury, however, there is no donor tab. We know this grant was still active, as can be seen in the RDP Fund Annual Financial Statement (<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/RDP%20Annual%20Financial%20Statement%20-%202022.pdf>) page 3: the RDP fund is the mechanism through which cash donor grants to the SA Government is managed. Link for vote 8 on-line tables in 2022: <https://www.treasury.gov.za/documents/national%20budget/2022/ene/All%20ENE%20Excel%20Vote%20Tables.rar>

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of some but not all sources of donor assistance are presented.

Comments: Some information on Donor funding is presented in Estimates of National Expenditure (ENE). For instance see Table 11.6 of ENE (<https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf>)

IBP Comment

IBP appreciates the comments from the government and peer reviewers. Further check shows that while the sources of donor funding and narratives are not provided, the estimate of donor funding is presented for the budget year in Table 11.6. Therefore, this is revised from "D" to "C".

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 on Tax Expenditure is presented from page 119 to 124 of the 2022 National Budget Review which is titled "Tax Expenditure Statement". See <http://www.treasury.gov.za/documents/national%20budget/2022/review/Annexure%20B.pdf>

The Tax Expenditure Statement does not contain the level of detail to score an answer higher than "C" as it excludes forward estimates nor are beneficiaries systematically discussed.

Comment:

Peer Reviewer

Opinion: Agree

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 individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual 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 Table 4.8 at page 44 of the 2022 Budget Review viewable at <http://www.treasury.gov.za/documents/national%20budget/2022/review/FuIIBR.pdf>) together with page 908 onwards of the 2022 Estimates of National Expenditure: <http://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2040%20Transport.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 2022 National Budget Review:
<http://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%205.pdf>

Furthermore, the 2022 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: <https://www.treasury.gov.za/documents/national%20budget/2022/Estimates.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:

Comprehensive 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 2022 National Budget Review:

<http://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%205.pdf>

There is further detail provided in the various Chapters of the 2022 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/2022/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:

Non-financial data on inputs is presented in the Estimates of National Expenditure (ENE) 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:
<https://www.treasury.gov.za/documents/national%20budget/2022/Estimates.aspx>

The ENE also contains performance information for each budget vote.

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/2022/ene/Vote%2018%20Health.pdf>
<https://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2008%20National%20Treasury.pdf>

Comment:

Not all votes/departments/programs contain non-financial data on results.

See for instance, the Health Department that provides "Selected Performance Indicators" for 3 of its 6 programmes at Table 18.1 on pages 305/306 of <http://www.treasury.gov.za/documents/national%20budget/2022/ene/Vote%2018%20Health.pdf>

National Treasury provides "Selected Performance indicators by programme and related priority" for 4 of its 9 programs - see page 88 of <https://www.treasury.gov.za/documents/national%20budget/2022/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 2022 Estimates of National Expenditure - <http://www.treasury.gov.za/documents/national%20budget/2022/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 for 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 Table 19.1 of <https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf> at page 340. A narrative follows the Table.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I agree with answer, but not citation. The table referenced does not present estimates of policies, but estimates of beneficiaries.

Alternative citation: The Budget Review presents a table that calculates the Social Wage expenditure in the budget, providing a summary of all expenditure in different functions that are on those who do not earn a living wage. See

<https://www.treasury.gov.za/documents/national%20budget/2022/review/Chapter%205.pdf> page 54. Moreover, the programme structure is such that individual programmes or sub-programmes isolate spending on impoverished populations. See for example, Table 19.8 of

<https://www.treasury.gov.za/documents/national%20budget/2022/ene/FullENE.pdf> on page 347 of the Estimates of National Expenditure, which is preceded by a narrative. Furthermore, Table 19.1 at page 340 provides information on the number of beneficiaries covered.

Government Reviewer

Opinion: Agree

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.

<https://www.treasury.gov.za/publications/guidelines/default.aspx> - see under the section titled "Budget Submission for 2022" where a reader can access various documents including: <https://www.treasury.gov.za/publications/guidelines/2022%20MTEF%20Guidelines.pdf>

Comment:**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 2022 Medium Term Budget Policy statement

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf>

In particular, Table 1.1 at page 7 (<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%201.pdf>) contains Macroeconomic Projections; a "Macroeconomic performance and projections" table numbered 2.2 appears at page 16 (<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%202.pdf>) and considers GDP and CPI 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:

Please see the 2022 Medium Term Budget Policy Statement in particular Chapter 4 thereof:
<https://www.treasury.gov.za/documents/mtbps/2022/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 2022 Medium Term Budget Policy Statement at <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf> especially pages 29 to 34.

Comment:

Peer Reviewer

Opinion: Agree

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/2022/mtbps/FullMTBPS.pdf>

See table C.5 at page 66 re total debt.

Also See Figure 3.1 at <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%203.pdf> which illustrates interest payments.

Re Gross borrowing - see table 3.7 at page 32 of the MTBPS.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: In the MTBPS 2022, <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%203.pdf>: 1. New net borrowing in the upcoming year: Is presented in Table 3.7 on page 32. 2. The central government's total debt burden at the end of the upcoming budget year: Is presented in Table 3.8 on page 33. 3. The interest payments on the outstanding debt for the upcoming budget year: Is presented in Table 3.5 on page 31. Table C5 at page 66 provides all three estimates in one table (see under non-interest spending, estimates of debt service costs in this table and in table 3.5).

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the reviewers' comments and based on further review, revises the response from "B" to "A"

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 (2023/24 to 2025/26) are presented in the PBS - see the 2022 Medium Term Budget Policy Statement, Table 1.3 at p.8 - link is <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf>

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:

The Appropriation Act No. 7 of 2022 presents national expenditure estimates by administrative and economic, but not functional classification. See: <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.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:

<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.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:
<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Comment:

Peer Reviewer

Opinion: Agree

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:

The EB does not include such level of detail- <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: It is true that the Appropriation Act does not provide information on enacted estimates of revenue, as it covers only expenditure appropriations from the National Revenue Fund. In addition, it is worth noting that the various revenue bills that are amended each year through various Revenue Amendment Acts, to provide the legal basis for raising revenues, do not contain such summaries either.

Government Reviewer

Opinion: Agree

Comments: The EB does not present revenue by category however, numerical data showing revenue by category can still be accessed on Vulekamali portal (<https://vulekamali.gov.za/>). The detailed of each revenue source is available

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 (<https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>), 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

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Comments: The EB does not present revenue by category however, numerical data showing revenue by category can still be accessed on Vulekamali portal (<https://vulekamali.gov.za/>). The detailed of each revenue source is available. Also the Budget Review have Annexure B from page 120 - 123 that shows difference tax expenditure sources (<https://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>)

IBP Comment

IBP notes the reviewer's comment, but the question seeks to assess the comprehensiveness of the EB. Given that the EB does not contain this information, the researcher's response "D" is maintained.

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 and the Pre-budget statement.

Such information is not presented in the 2022 Enacted Budget which is titled the The Appropriation Act 7 of 2022 and therefore a score of "D" is selected. See <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.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 2022 Budget in 11 official languages. See the English version at: <https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%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 <https://www.treasury.gov.za/documents/national%20budget/2022/sars/Budget%202022%20Highlights.pdf>

Expenditure and revenue totals: 2022 Budget Highlights and 2022 People's Guide

The main policy initiatives in the budget: 2022 Budget Highlights, & 2022 People's Guide

The macroeconomic forecast upon which the budget is based: 2022 Budget Highlights

Contact information for follow-up by citizens: 2022 People's Guide, page 1

Information beyond the core: Expenditures by sector: 2022 Budget Highlights

Details on changes to taxes: 2022 People's Guide, page 4, 2022 Budget Highlights, p1.

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) <https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

2) Via www.vulekamali.gov.za where the People's Budget can be downloaded in 5 different languages: <https://vulekamali.gov.za/datasets/people-s-guides/national-budget-people-s-guide-2022-23>

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: On 23 Feb 2022 National Treasury issued tweets like "#Budget 2022 documents are available on the National Treasury website:

<https://bit.ly/3pavgv0>." See: <https://twitter.com/TreasuryRSA/status/1496487551758184453>

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

Comment:

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 National Treasury are to be commended for having consistently produced a Citizen's Budget, I was not able to locate recent material or mechanism that evidences that they have identified the public's requirements for budget information in the Citizen's budget.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget; while these mechanisms are accessible they are not widely used by the public.

Comments: Public can make contribution to the budget through Budget Tips:

https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf. However, this mechanism still has some limitations. We are working toward having a more comprehensive and meaningful public participation mechanisms. In 2021 & 2022, we did a pilot on public participation. See: <https://vulekamali.gov.za/datasets/pre-budget-consultation/pre-budget-consultation-2022-23>

IBP Comment

IBP notes the government's response. However, the evidence does not support that the government seeks inputs from the public on the Citizen's Budget prior to publishing. As such, the response "D" is valid.

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/guides/2022%20Peoples%20Guide%20English.pdf>

<https://www.agsareports.co.za/wp-content/uploads/2022/09/Citizens-Report-on-national-and-provincial-government-2020-21.pdf>

I was able to access a Citizen's Budget for 2022 produced by National Treasury and a Citizens Report for 2020/21 produced by the Auditor-General who is the Supreme Audit Institution for South Africa.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

In-Year reports titled "Monthly statements of national revenue, expenditure and borrowing" are released 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 2022 monthly statements can be accessed via: https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

Comment:

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:

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

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 detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

d. No, the In-Year Reports do not present actual expenditures by program.

Source:

https://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx

Comment:

Monthly statements of national revenue, expenditure and borrowing only provide revenue and expenditure estimates by administrative classification and do not provide program level detail.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Information on of IYR can be accessed on Vulekamali portal (<https://vulekamali.gov.za/datasets>).

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_2022.aspx or directly via https://www.treasury.gov.za/comm_media/press/monthly/2301/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:

Please see the tables via http://www.treasury.gov.za/comm_media/press/monthly/monthly_2022.aspx and especially the following table:
https://www.treasury.gov.za/comm_media/press/monthly/2301/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:

https://www.treasury.gov.za/comm_media/press/monthly/2301/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:

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_2022.aspx - especially Table 1 accessible via
https://www.treasury.gov.za/comm_media/press/monthly/2301/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:

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: https://www.treasury.gov.za/comm_media/press/monthly/2301/Table%202.pdf
and
https://www.treasury.gov.za/comm_media/press/monthly/2301/Table%203.pdf
<https://www.resbank.co.za/en/home/publications/publication-detail-pages/quarterly-bulletins/current-account/2022/Balanceofpaymentscurrentaccountofthebalanceofpayments2>

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:

https://www.treasury.gov.za/comm_media/press/monthly/2301/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/2022/full-quarterly-bulletin--no-306--december-2022>

<https://www.resbank.co.za/content/dam/sarb/publications/quarterly-bulletins/quarterly-bulletin-publications/2022/december/01Full%20Quarterly%20Bulletin.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.

Comment:

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 consult the various chapters of the MYR (called the Medium Term Budget Policy Statement) accessible via <http://www.treasury.gov.za/documents/mtbps/2022/default.aspx> especially Chapter 1 - 3 and Annexure A. For instance Chapter 2 has a narrative on the economic outlook and factors influencing it. Chapter 3 considers Fiscal Policy.

Comment:

Peer Reviewer

Opinion: Agree

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 2022 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: <https://www.treasury.gov.za/documents/mtbps/2022/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 consider Tables 4.2 to 4.5 at <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%204.pdf>

Also see <https://www.treasury.gov.za/documents/mtbps/2022/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:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%204.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 detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

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

Source:

The Medium Term Budget Policy Statement (i.e. the MYR) is submitted together with the Adjusted Estimates of National Expenditure (AENE) and presents estimates for programs. The more detailed mid-year report is effectively the Adjustment Estimates, which provides detailed information by programme :
<https://www.treasury.gov.za/documents/mtbps/2022/aene/FullAENE.pdf> &
<https://www.treasury.gov.za/documents/mtbps/2022/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 2022 MTBPS has "Table 1.2 Consolidated government fiscal framework" while Chapter 3 considers fiscal policy (<http://www.treasury.gov.za/documents/mtbps/2022/mtbps/FullMTBPS.pdf>) and includes narrative, tables and sections that elaborate on " the "Medium term revenue framework" and "Financing and debt management strategy" 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:

Please consider page 30 where there is a table titled "Table 3.4 Medium-term revenue framework" - <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%203.pdf>

Also see the Table on page 66 titled "Table C.5 Main budget framework and financing requirements" accessible directly via <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Annexure%20C.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:

b. Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Source:

Please see Tables 3.3, 3.4 and Table C.5 of the MTBPS:

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%203.pdf>

<https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Annexure%20C.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Comments: The tables cited does not provide individual sources of revenue for non-tax revenue, only tax revenue. To be fair, non-tax revenue is only R52 billion of R1.6 trillion of revenue, ie about 3%. So A may still be considered appropriate.

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to a B after considering PR and GR feedback.

IBP Comment

IBP notes the peer reviewer's comment. The non-revenue source not broken down, accounts for 3.11% of the total revenue for the budget year. Based on OBS methodology and cross-country consistency, the response is revised from "A" to "B"

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:

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.

Source:

Please see:

"Table 3.7 National government gross borrowing requirement and financing" and "Table 3.8 Total national government debt" in Chapter 3 of the MTBPS - <https://www.treasury.gov.za/documents/mtbps/2022/mtbps/Chapter%203.pdf> but this does not contain info on the difference between the original and updated estimates, only on the "revised" as opposed to the original budget(s).

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

[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%2F18%2E%20For%20the%20year%20ending%2031%2D03%2D2021&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F18%2E%20For%20the%20year%20ending%2031%2D03%2D2021&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

Comment:

Please see Table 6 at page 17 and the brief narrative that follows within the Consolidated Financials for the year ended 31 March 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

[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%2F18%2E%20For%20the%20year%20ending%2031%2D03%2D2021&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0})

RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F18%2E%20For%20the%20year%20ending%2031%2D03%2D2021&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}

Comment:

See Tables 6, 7 and 8 for administrative, economic and functional respectively. Also see graphs 9 to 12 which breakdown per cluster.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://oag.treasury.gov.za/Publications/Forms/AllItems.aspx?RootFolder=%2FPublications%2F04%2E%20Consolidated%20Financial%20Statements%2F18%2E%20For%20the%20year%20ending%2031%2D03%2D2021&FolderCTID=0x0120007EBBC03F454D95408FB944B7B07F6166&View={EA6E6B15-593D-4839-A804-A91A49CB20A0}>

Comment:

Please see comment in answer to Question 85.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530>
https://www.dhs.gov.za/sites/default/files/u16/DHS%20AR%202020-21_FINAL%20usb_web.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all revenues are presented.

Source:

https://www.dhs.gov.za/sites/default/files/u16/DHS%20AR%202020-21_FINAL%20usb_web.pdf

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.

Comments: The source cited is just for non-tax revenue collected by these departments. Not all revenue. I indicated "d" because none of the reports counted in this survey as year-end reports provide information on all revenue collected against the estimates approved by parliament. This does not mean this information is not available. 1. Information not available in year-end reports as designated in answers to this survey. Non-tax revenue collected by departments is reflected in the Annual Reports of these departments. Tax revenue information is provided in the OAG Consolidated Financial Statements on the operating results of National Departments and the National Revenue Fund (from page 12, from page 275, and as part of the financial statements page 60 and page 296, as well as Working Papers 2b and 2c). None of the reflections on revenue in the CAFS, however, show the original enacted levels, only the outcomes. 2. Information on final enacted levels and the outcomes, is however available in reports after the year-end. Information on year-end performance of revenue can be found in the final in-year report for revenue and expenditure. See https://www.treasury.gov.za/comm_media/press/monthly/2301/Table%201.pdf If this can be counted as part of year-end reporting, the answer should be "a".

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to a D after considering the PR's feedback and observations.

IBP Comment

IBP notes the reviewer's comment. Given that some information on actual revenue and estimate is available in the cited documents, a "C" response is chosen.

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:

Please see the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2021 at page 60 of <https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 page 60 of the Consolidated financials for the year ended 31 March 2021: <https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20Year%20ended%2031%20March%202021.pdf> - see Tables 36 and 37 and Graph 33

<https://www.treasury.gov.za/publications/annual%20reports/Debt%20Management%20Reports/Debt%20Management%20Report%202020-21.pdf> - Tables 1 and 2.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Comments: 1. Why "A"? The Consolidated Annual Financial Statements include a narrative discussion with the tables. To quote from around Table 36 and 37 and Graph 33. "Government incurs debt when financing the shortfall between its expenditure and revenue. This shortfall is financed through raising loans in the domestic and international capital markets. The stock of debt is also influenced by inflation and currency movements. Table 36 splits the debt portfolio between current and non-current borrowings. Current borrowings represent debt with a remaining term not exceeding one year, of which Treasury bills account for the largest portion. Noncurrent borrowings consist of fixed rate and inflation-linked bonds and foreign loan with an outstanding term exceeding one year. Table 37 below shows government debt split between domestic and foreign debt. In addition, government's debt is also disclosed on a gross and net basis. Net loan debt consists of total domestic and foreign debt less the cash balances of the NRF. Gross government debt as per cent of GDP, has increased from 57.4% in 2019/20 to 70.7% in 2020/21. This was as a result of higher budget deficit following lower economic growth and the global economic effects of the COVID-19 pandemic." Also, the full debt management report is a discussion of the borrowing requirement, instruments used, change in debt, maturity rates and interest rates in detail. E.g. preceding table 1. "The 2020/21 fiscal year coincided with the global spread of COVID-19, with government's fiscal position weakening due to lower revenue and higher spending to finance essential health and economic measures to contain and mitigate the effects of the pandemic. Consequently, government's gross borrowing requirement - the budget deficit including maturing loans - increased significantly, from R432.7 billion initially budgeted in February 2019 to a preliminary outcome of R619.5 billion. To finance the higher gross borrowing requirement, government adjusted its financing strategy to lower the impact on debt and debt-service costs. This included drawing down on surplus cash balances, borrowing from international finance institutions at lower interest rates and increasing Treasury bill issuances to reduce the impact on the domestic bond market. Table 1 shows the preliminary

outcome of financing national government's gross borrowing requirement. This was financed through net issuance of domestic short-term loans of R95.3 billion, domestic long-term loans of R523.4 billion and foreign loans of R91.9 billion. Cash and other balances increased by R91.1 billion during the year." Between table 1 and table 2: "To finance the higher borrowing requirement and to compensate for revenue shortfall, in 2020/21 government issued an additional R74.6 billion in Treasury bills above the 2020 Budget projection of R48 billion. In 2020/21, National Treasury borrowed an average of R47.7 billion from the Corporation for Public Deposits (CPD) to address the short-term liquidity pressures. However, as shown in Table 2, government closed the financial year with a borrowing from the CPD of R70 million. Government conducts weekly Treasury bill auctions. The net changes in maturities of the Treasury bills show that issuance was concentrated in the longer-maturity bills. This assisted with managing refinancing risk as it extended the days-to-maturity for the Treasury bill portfolio. Details of the 2020/21 weekly Treasury bill auctions, including the allocated amount for each maturity, can be found in Annexures D and E." Etc. 2. Incomplete citation Annual Debt Report. I propose the following citation/source: From the Annual Debt Management Report 2020/21:

<https://www.treasury.gov.za/publications/annual%20reports/Debt%20Management%20Reports/Debt%20Management%20Report%202020-21.pdf> 1. the amount of net new borrowing required during the budget year; See Table 1, pg 17 the central government's total debt burden at the end of the budget year; See Table 10 page 40 the interest payments on the outstanding debt for the budget year. See Table 12 page 41 interest rates on the debt; See Table 7, 31, Table 6 page 30, Table 5 page 29, Table 4, page 20, narrative on fixed rates for fixed rate bonds as well as yields -- page 21 to 23, yields for inflation-linked bonds Figure 13, page 27. And, in detail by instrument and specific issuance, Annexure B,C and D. maturity profile of the debt; see discussion from page 20 onwards, which provides information in the narrative and tables on the maturity profile of different debt instruments. And on page 42 Figure 24 whether the debt is domestic or external. See table 10 page 40

Government Reviewer

Opinion: Agree

Researcher Response

Score revised to an A after considering the PR's feedback and source documents.

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
Interest rates on the debt

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

<https://www.treasury.gov.za/publications/annual%20reports/Debt%20Management%20Reports/Debt%20Management%20Report%202020-21.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested 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 Interest rates on the debt Maturity profile of the debt Whether the debt is domestic or external

Comments: As illustrated in comment on why the "A" score is correct in previous answer, all this information is available in the Annual Debt Report.

Government Reviewer

Opinion: Agree

Researcher Response

Score revised after considering the PR's feedback.

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 "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. 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://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

While information regarding the macroeconomic forecast is provided in National Treasury's Consolidated Financial Statement for the year ended 31 March 2021 it does not contain information that would warrant a "B" or "A" score.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Within the CFS there is consideration of nominal GDP levels and real GDP growth or decline. Inflation's impact is also considered. Only the real GDP growth data contained differences between the original forecast and the actual outcome for the year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Source:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20Year%20ended%2031%20March%202021.pdf>

Non-financial data on inputs is also presented in the Estimates of National Expenditure (that forms part of the EBP) 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:

<https://www.treasury.gov.za/documents/national%20budget/2022/Estimates.aspx>

The ENE also contains performance information for each budget vote.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Comments: The Consolidated Annual Financial Statements does present information on personnel numbers, but not in comparison to estimates of staff that were presented in the EBP. Up to this point, the BR and ENE of the subsequent year is not considered as part of YER reporting. If it is considered part, it changes the picture not just for this question, but others too. Even so, even if it is considered part of the YER, then the information provided in the ENE does not compared estimates with out-turns for inputs. It is correct that the Personnel Information reporting of the ENE by vote presents data for BY-1 to BY-4, but these tables also do not compare to the original estimates. B-1 provides just the revised estimate and not the actual outcome. BY-2 provides just the actual outcome, not the original or revised estimate. A third source, which has been considered as part of the YER to this point, is the Annual Reports by Departments. While these include a full chapter on personnel outcomes, which review in detail numbers, pay scales, recruitment etc, no table presents the outturns on inputs compared to the EBP estimates. See for example for Department of Basic Education: https://www.gov.za/sites/default/files/gcis_document/202110/dbe-annual-report-202021.pdf

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the reviewer's comment. Further review of the annual reports by departments (e.g. DHS and DBE) shows that there are a few inputs and actual outcomes indicated in the reports. As such, this is scored a "C".

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://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

And: <https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530>

Comment:

National Treasury's Consolidated Financial Statement for 2021 presents some year end financial information. Year end reporting on non-financial data is not presented in one single document however by the Treasury. Certain 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:

<https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Also see: <https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530>

Comment:

While the CFS does not provide all of this information, individual annual reports produced by each MDA (such as the Education Department source cited above) do provide substantial information on pro-poor policies, albeit not in a consolidated manner across all of government.

Peer Reviewer

Opinion: Agree

Comments: To add to the source and comment: the outturns of specific programmes and sub-programmes aimed at impoverished households are presented individually, with related performance information in the Annual Reports of individual departments.

Government Reviewer

Opinion: Agree

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:**Comment:**

This material appears in the Annual Reports of each institution with extra-budgetary funds and provides the original budget and outcome information. For examples please see:

https://www.gov.za/sites/default/files/gcis_document/202210/del-annual-report-20212022a.pdf that provides details on the Compensation Fund and the Unemployment Insurance Fund. There is some narrative discussion relating to both Fund's.

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://www.treasury.gov.za/publications/annual%20reports/Consolidated%20financial%20statements/Consolidated%20Financial%20Information%20For%20the%20year%20ended%2031%20March%202021.pdf>

Comment:

Please see the Consolidated Financial Statement for the year ended 31 March 2021 at the link above. Financial statements are also part of the individual department YERs

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) 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.agsareports.co.za/>

<https://www.agsareports.co.za/home-agsa-reports/pmfa/>

<https://www.agsareports.co.za/home-agsa-reports/special-reports/>

https://www.agsa.co.za/Portals/0/Legislation/Public_Audit_Act_25_of_2004_Amended.pdf

<https://www.agsareports.co.za/home-agsa-reports/about/>

https://www.agsa.co.za/Portals/0/Legislation/Public_Audit_Amendment_Act_No_5_of_2018.pdf

https://www.agsa.co.za/Portals/0/Legislation/Public_Audit_Act%2C_No_25_of_2004_Regu.pdf

Comment:

AGSA special reports

<https://www.agsareports.co.za/home-agsa-reports/special-reports/> explains that:

"These refer to real-time and performance audits, and other special investigations. Special audit reports are usually issued after an audit following a directive for the audit. Special audit reports can be issued on, for example:

According to <https://www.agsareports.co.za/home-agsa-reports/pmfa/> >

"National and provincial government reports

The national and provincial reports to Parliament are our audit analysis and insight on national and provincial government departments and state-owned enterprises, mostly based on the Public Finance Management Act (PFMA). We focus on auditing areas that matter to achieve the country's sustainable developmental goals and objectives. These focus areas use a majority of our public funds and have the greatest impact on the lives of our people. They therefore require stringent oversight to ensure that our people feel the benefit of these services and those funds are used in a way that creates the best value for money for the people of our country.

This report is meant to enable public accountability and empower citizens by informing them about how the national and provincial governments are managing public finances. It also provides an update on how key service delivery departments have spent their budgets and performed in the year under review, and gives an overview of the performance of public entities, as well as of those state-owned enterprises that we audit.

- real-time audits in response to a request from the president of the country
- performance audits (including environmental audits)
- consolidated findings on the status of material irregularities identified."

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:

b. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

Source:

<https://pfma-2021-2022.agsareports.co.za/> - also accessible at <https://pfma-2021-2022.agsareports.co.za/wp-content/uploads/2022/12/22253B-2021-22-PFMA-General-Report-interactive-V3.pdf>

Media Release 23 Nov 2022: <https://pfma-2021-2022.agsareports.co.za/media/#media> and <https://pfma-2021-2022.agsareports.co.za/media/#media>

Comment:

Within the SAI 2021/22 PFMA Report (at page 13) it is noted that "By 15 September 2022 (the cut-off date for audit outcomes to be included in this report), we had not yet completed the audits of 26 auditees. Fifteen of these auditees (58%) – most of them state-owned enterprises – had not yet submitted their financial statements at this date. We elaborate on the worrying trend of late submissions by state-owned enterprises later in this report. Six of the auditees (23%) submitted their financial statements late, which delayed the completion of their audits. The remaining five outstanding audits (19%) were also delayed by the auditees for different reasons."

At page 110 within the Audit Fact Sheet it is explained that there are 765 national and provincial government auditees and that 424 have audits in this report while 341 don't have audits in this report for the following reasons "Auditees in the secret service environment"; "Auditees with different reporting cycle (e.g. water boards)"; "Dormant or small public entities (audit outcomes available on our website)" and "Public entities audited by private sector auditors"

At page 14 and 15, four service delivery portfolios are identified as having "outstanding audits" and these are: Education North West, National Health Laboratories Service, Passenger Rail Agency of SA and the Road Accident Fund.

I also considered the 2021 and 2022 Consolidated Financial Statements. The 2022 CFS cannot be drawn upon as it was finalised in January in 2023 - after the cut off date for the OBS. The 2021 CFS does not align with the financial statement period for the AGSA 2021/22 PFMA Report cited above so has not been drawn upon as a source.

Considering the above source material an answer of "B" is deemed appropriate.

Peer Reviewer

Opinion: Agree

Comments: The source and discussion is from a different audit report than the Audit Report identified in Part 1. The discussed audit report there is 2020/21. Page By 15 October 2021 (the cut-off date for including the audit outcomes in this report), there were still 42 audits (10%) outstanding. Of these, 23 were outstanding because auditees had either not yet submitted their financial statements for auditing or had submitted them late. We include more information on this in the section on financial statements, and also tell the story of some of the prominent auditees at which the audits have not been finalised. Page 22 shows 6 of 163 national and provincial department audits were outstanding. Page 36 shows 36 of 262 national and provincial agency and state-owned enterprise (making up 29 of the 36) audits were outstanding. There is not a full list of all departments, agencies and public enterprises outstanding: not possible therefore to assess whether b or c. But, b is a safe assumption.

Government Reviewer

Opinion: Agree

Comments: The AGSA is required (as per mandate in the constitution and Public audit act) to audit the expenditure of all 164 departments, 257 municipalities and 63 municipal entities. They can only audit the expenditure of all of these institutions when we have received their financial statements. Hence the only expenditure not audited for 2021/22 FY was those where financial statements have not yet been submitted. The general report is a 'point in time' consolidated report and the audits outstanding at that time did not remain outstanding but is finalized within the required 2-3 months after the financial statements were submitted. The reference to e.g. dormant and small auditees does not mean the audits were not done, but just excluded in the results from the consolidated reports. Option 'b' can be selected but it must be noted that expenditure yet not audited for 2021/22 is as a result of financial statements not submitted or submitted later.

IBP Comment

IBP thanks the GR and PR for their comments on this. With reference to the right document, which is the FY 2020-21 Audit Report, IBP notes that not all the MDAs have been audited (with 42 audits pending) within the SAI's mandate with 90% Audit performance. Hence, the "B" response is maintained.

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:

c. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Source:

Comment:

In view of the preceding answers sources and explanations, an answer of B is deemed appropriate.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Comments: South Africa has four off-budget funds: the Unemployment Insurance Fund, the Road Accident Fund, the Compensation Fund for Occupational Diseases in Mines and Works and the Compensation Fund (for injuries sustained by workers). Their total expenditure as reported in the ENE of 2022 (reflecting audited expenditure for 2020/21) was R142 110.5 million. According to the 2020/21 AR, three of the four had audits outstanding by the cut-off date for information to be included in the 2020/21 AR, the RAF, the CFODMW and the CF. Their expenditure comprised 35% of full off budget expenditure, and hence, by a small margin, C rather than B is the correct answer. See the <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>, page 50 (RAF not included), page 34 (CFODMW not included), page 38 (CF).

Government Reviewer

Opinion: Agree

Researcher Response

Score adjusted to the C - thanks to the PR's feedback.

IBP Comment

IBP notes the PR's contribution and agrees with a "C" response. This is revised from "B" to "C".

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://pfma-2021-2022.agsareports.co.za/wp-content/uploads/2022/12/22253B-2021-22-PFMA-General-Report-interactive-V3.pdf>

Comment:

See page 4 and 5.

Peer Reviewer

Opinion: Agree

Comments: Source does not refer to the report cited in Part 1.

<https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993> Includes an executive summary. Also <https://pfma-2020-2021.agsareports.co.za/> provides an interactive summary.

Government Reviewer

Opinion: Agree

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 the 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 for instance page 77 of <https://www.education.gov.za/Portals/0/Documents/Reports/Annual%20Report%202022.pdf?ver=2022-10-26-144312-530> where it is explained that "Some audit findings could not be resolved due to the old infrastructure. Ms Windows 7 workstations and other old outdated equipment (like switches and Storage Area Network) need to be replaced. Out of 18 audit findings, 13 findings were resolved and closed." At page 148 it is reported that: "The meetings focused on the latest developments regarding the sector response to COVID-19 as well as contemporary issues, e.g. violence and bullying in schools; provincial plans and response to the Auditor-General's Performance Audit findings."

Within the National Health Department's Annual Report for 2021/22 (<https://www.health.gov.za/wp-content/uploads/2022/10/2022-Annual-Report-Compressed.pdf>) it is noted at page 74 that "The Action Plans to address the audit findings of the Auditor-General South Africa were monitored monthly through the Chief Directorate: Internal Audit and Risk Management and reported to the Audit and Risk Committee."

Peer Reviewer

Opinion: Agree

Comments: But disagree with the source. It looks at a different audit year than the AR in Part 1. For education department, the relevant source is https://www.gov.za/sites/default/files/gcis_document/202110/dbe-annual-report-202021.pdf page 197 " : There were 17 findings: 7 resolved and closed; 21 sub findings: 11 resolved and closed; 55 sub-sub findings: 37 resolved and closed."

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://pfma-2021-2022.agsareports.co.za/wp-content/uploads/2022/12/22253B-2021-22-PFMA-General-Report-interactive-V3.pdf>

Comment:

See the findings on Material Irregularities at page 17 to 29 which starts out by noting that: "The audit outcomes and the insights from our audits as detailed in this report reflect the concerning state of financial and performance management in national and provincial government. Our audits have for many years highlighted that not only are irregularities and their resultant impact not prevented from happening, such instances are also not appropriately dealt with when they are identified. This led to amendments to the Public Audit Act, which came into effect on 1 April 2019 and gave us the mandate to report material irregularities (MIs) and to take action if accounting officers and authorities do not deal with them appropriately."

At page 22 the "Nature and status of material irregularities" is reported upon.

Peer Reviewer

Opinion: Agree

Comments: But citation is to the wrong report relative to the AR in Part I. <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993> Chapter 9 covers material irregularities and provide comprehensive, systematic and detailed information status of audit recommendations, see from page 204.

Government Reviewer

Opinion: Agree

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:

b. Yes, there is an IFI, but either its independence is not set in law or its staffing and resources, including funding, are insufficient to carry out its tasks.

Source:

<http://www.ffc.co.za/>
<https://www.parliament.gov.za/parliamentary-budget-office>
https://www.ffc.co.za/_files/ugd/b8806a_eb1a481762d946a0a5177904c7189294.pdf

Comment:

From the FFC website:

"Our Mission: To provide proactive, expert and independent advice on promoting a sustainable fiscal and equitable intergovernmental fiscal relations (IGFR) system, through evidence-based policy analysis to ensure the realization of our Constitutional values."

"The Commission derives its mandate from Chapter 13 of the Constitution of the Republic of South Africa Act No. 108 of 1996 as amended. The mandate of the Commission is enabled through the Intergovernmental Fiscal Relations Act No. 97 of 1997 as amended, the Financial and Fiscal Commission Act No. 99 of 1997 as amended, the Money Bills Amendment Procedures and Related Matters Act No. 9 of 2009, the Municipal Systems Act No. 32 of 2000 as amended, the Provincial Tax Regulation Process Act No. 53 of 2001 as amended, the Municipal Finance Management Act No. 56 of 2003 as amended, the Intergovernmental Relations Framework Act No. 13 of 2005 as amended, and the Municipal Fiscal Powers and Functions Act No. 12 of 2007"

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."

According to the web-subsite of the PBO:

FUNCTIONS OF THE PARLIAMENTARY BUDGET OFFICE

The core function of the Parliamentary Budget Office is to support the implementation of the Money Bills Act by undertaking research and analysis for the four committees on Finance and Appropriations in the National Assembly and National Council of Provinces, including:

- Annually providing reviews and analysis of the documentation tabled in Parliament by the Executive in terms of this Act;
- Providing advice and analysis on proposed amendments to the fiscal framework, the Division of Revenue Bill and money Bills, and on policy proposals with budgetary implications;
- Monitoring and synthesising matters and reports tabled and adopted in a House with budgetary implications, with particular emphasis on reports by other committees;
- Keeping abreast of policy debates and developments in key expenditure and revenue areas;

- Monitoring and reporting on potential unfunded mandates arising out of legislative, policy or budgetary proposals; and
- Undertaking any other work deemed necessary by the Director to support the implementation of this Act.

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/>

A study by the FFC (see page 180 of https://www.ffc.co.za/_files/ugd/b8806a_eb1a481762d946a0a5177904c7189294.pdf) found amongst others as regards the SA PBO: " The results also show that the South African Parliamentary Budget Office conducts normative analysis, offers recommendations, and issues public reports. It is not mandated to assess budgetary forecasts or undertake independent forecasts of budgetary variables like most of the IFIs assessed. It also does not monitor fiscal rules, nor does it conduct costing of legislation and policy."

Further on the following finding is made against both the PBO and FFC: "The results also show that SAPBO and the Commission enjoy high independence. Their independence is guaranteed in legislation. They can safeguard their budgets, hire their staff, and have adequate staff to perform their duties and access the information required to achieve their goals. However, the Commission and SAPBO do not have complete operational independence because they are under the executive and legislature, respectively. This means that a procedure of continually evaluating the independence of these IFIs is required. This mechanism will be crucial in detecting any changes impeding the effectiveness and independence of these IFIs in the form of a set of minimum standards. The literature and engagements with experts at IFIs corroborate the need to agree on minimum standards for SAPBO and the Commission to reinforce their independence."

A further telling finding and recommendation is that "The IFIs' inputs into the budget should be prescribed in legislation. This should be through legislative provisions that limit the requests for the costing of policy and legislation and ad-hoc analyses of the capacity of the IFI to enable it to develop its work programme independently. The IFIs should be given legislative power to decline some requests. In the South African context, these policy lessons highlight the

need to strengthen the independence of SAPBO and the Commission through legislation and predictable funding."

A further significant finding and recommendation is that: "Institutional models - The stand-alone institution model should be preferred to alternative models because it offers the best guarantee of legal and functional independence. Moreover, it is more likely than other models to entail a solid legal foundation and independent personnel policy, including, conceivably, employment and remuneration beyond the limitations of the civil service. SAPBO and the Commission are under the legislature and the executive, respectively. This underscores the need to create stand-alone IFIs in South Africa to improve fiscal governance."

Mindful of the recent concerns raised regarding operational independence and that the institutions (PBO and FFC) sit respectively within the Legislature and the Executive, a score of B is deemed most accurate.

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:

See for instance https://www.parliament.gov.za/storage/app/media/PBO/Budget_Analysis/2022/1-march/28-03-2022/March_2022_Budget_presentation.pdf

See https://www.ffc.co.za/_files/ugd/b8806a_eb1a481762d946a0a5177904c7189294.pdf

Comment:

There is some assessment by the PBO of the fiscal framework. The recent FFC survey findings included that "The results also show that SAPBO does not produce macroeconomic and fiscal forecasts that are used in the budget. It is also not mandated to make formal recommendations that require fiscal authorities to either comply or explain any deviations from them, nor is it mandated to have formal consultations or hearings as part of the budget formulation to interact directly with the stakeholders responsible for budget preparation. It is also not mandated to produce forecasts that are binding for fiscal policy, nor is it empowered to halt the budgetary process if it has serious reservations about it." The study (at p.185 of https://www.ffc.co.za/_files/ugd/b8806a_eb1a481762d946a0a5177904c7189294.pdf) also found that: "The national government's budgets have consistently been optimistic regarding GDP growth since 2008/09, and budget projections have overestimated inflation since 2016. These consistent errors in projections could have influenced policy decisions, such as planned expenditures, and public and private wage negotiations (see Hausmann et al., 2022). This underscores the need for SAPBO and the Commission to validate macroeconomic and fiscal forecasts and to monitor fiscal rules, as articulated above."

A key finding and recommendation from the FFC survey is that "IFIs improve the accuracy of budgetary and macroeconomic forecasts. SAPBO and the Commission should endorse government macroeconomic and fiscal forecasts. The forecasts should also be supported by extensive engagements and information sharing between National Treasury, SAPBO, and the Commission.

The endorsement process must be formalised through a Memorandum of Understanding (MoU). The MoU should establish documents for which endorsement is carried out, general criteria for endorsement, including baseline and planned scenarios, timelines and requirements for information exchange, and modalities for issuing an endorsement."

Considering the above and the limits of the answers that can be selected, a "C" answer is deemed most accurate,

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the IFI publishes its own macroeconomic or fiscal forecast.

Comments: The SAPBO do conduct its own fiscal forecasts and debt outlook, see slide 23 & 24 of the presentation (https://www.parliament.gov.za/storage/app/media/PBO/Budget_Analysis/2022/1-march/28-03-2022/March_2022_Budget_presentation.pdf). See also table 3 (https://www.parliament.gov.za/storage/app/media/PBO/Budget_Analysis/2021/december/02-12-2021/1-Pre-MTBPS_Brief.pdf)

Researcher Response

Thanks for the feedback from the GR. Unfortunately the material referenced does not meet the requirements for A or B. This is also confirmed by the referenced findings of the FFC.

IBP Comment

IBP notes the government's response but agrees with the researcher's response "C".

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.ffc.co.za/_files/ugd/b8806a_eb1a481762d946a0a5177904c7189294.pdf - see especially page 187

Comment:

The FFC survey includes findings and recommendations that read:

"The literature and personal interviews with experts on the IFIs' mandates and functions underscore a need for the SAPBO and the Commission to be more actively involved in mediumterm budgetary frameworks and planning through the production or endorsement of macroeconomic and fiscal forecasts, the monitoring of fiscal rules, and the costing of policy and legislation."

"The results also show that the South African Parliamentary Budget Office conducts normative analysis, offers recommendations, and issues public reports. It is not mandated to assess budgetary forecasts or undertake independent forecasts of budgetary variables like most of the IFIs assessed. It also does not monitor fiscal rules, nor does it conduct costing of legislation and policy."

"2. Costing of legislation and policy

The costing of policies and legislation is crucial for the quality of the budgetary forecasts, and ensures robust public debate on fiscal policy. SAPBO and the Commission should cost all government policies or legislation that impact on fiscal policy. The costing of government policy and legislation must first establish the baseline – determining how the activity affected by the policy measure would be expected to develop in the absence of the measure. Secondly, it should estimate the static effect – the fiscal impact of the new policy or legislation before allowing for any behavioural or economic responses. Thirdly, it should estimate the behavioural or firstround effect – capturing the behavioural reactions of specific groups that are directly affected by the policy or legislation change."

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:

the PBO and FFC briefed the Finance Standing COmmittee of Parliament on 1 Nov 2022 according to <https://pmg.org.za/committee-meeting/35880/>

On Tuesday 8 Nov 2022 the FFC was due to brief the Standing Committee on Appropriations according to: <https://pmg.org.za/daily-schedule/2356/>

On 12 Oct the FFC gave inputs to parliament on the performance of state owned entities according to <https://pmg.org.za/committee-meeting/35711/>

On 11 Oct the FFC gave inputs to the Health PC according to <https://pmg.org.za/committee-meeting/35697/>

According to the 7 Oct 2022 Daily Committee Schedule of Parliament, the FFC were engaged as follows: "Portfolio Committee on Basic Education, (National Assembly), [09:30-11:00: Briefing by the Finance and Fiscal Commission (FFC) on: Expenditure Patterns in respect of Infrastructure (ASIDI); Expenditure Patterns in respect of Conditional Grants (e.g. MST); and Equity in Education (including budget allocations to schools;"

According to Parliamentary minutes (<https://pmg.org.za/hansard/36117/>) dated 22 Nov. 2022 : "In compliance with Section 214(2) of the Constitution and Section 10(4) of the Intergovernmental Fiscal Relations Act 97 of 1997, the committee consulted the Financial and Fiscal Commission, the FFC, and the SA Local Government Association, Salga, and was also briefed by the Parliamentary Budget Office, the PBO."

Comment:**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/2022/default.aspx>

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/2022/default.aspx>

Parliament 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).

Peer Reviewer

Opinion: Agree

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:

<https://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>
<https://pmg.org.za/hansard/34421/>

Comment:

Parliament received the 2022 EBP on 23 February 2022 - see the following source material:

<https://www.treasury.gov.za/documents/national%20budget/2022/speech/speech.pdf>

<https://pmg.org.za/hansard/34421/>

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:

See below.

Comment:

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.

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/35162/> on the Appropriations Bill on 8 June 2022

For a detailed breakdown of the Appropriation Bills passage through Parliament see: <https://pmg.org.za/bill/1068/>

According to <https://pmg.org.za/bill/1068/> the Bill was adopted by the National Assembly on 14 June 2022 and then sent to the NCOP for concurrence who did so on 22 June 2022.

The President then on 06 July 2022 signed the Bill and it and became Act 7 of 2022 with a commencement date of 11 July 2022. Refer to GG 4669011 - <https://www.treasury.gov.za/legislation/acts/2022/46690%2011-7%20AppropriationAct7of2022.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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/documents/money-bills-amendment-procedure-and-related-matters-act>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The legislature has unlimited authority: i.e. 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. There are normative guidance and procedural steps to do so: amendments to the overall deficit / aggregates is possible but must be fiscally responsible. And, procedurally, the legislature cannot assess individual appropriations and propose amendments before the Division of Revenue Act is passed, which sets the overall limit for national appropriations. These restrictions I would not see as limiting their authority in law (as said in the question), or their right (as said in the guidance) to modify the EBP. They have full authority to do so /the full right to do so.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback. Considering the OBS guidance, the text of the legislation in question (especially clause 10(10) and 10(11) which has requirements and restrictions); and prior years OBS scores; and the feedback of the peer reviewer the score of B to remain.

IBP Comment

IBP notes the researcher and PR's comments. The response is revised from "B" to "A" based on further review.

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/35162/>

<https://pmg.org.za/tailed-committee-report/5405/>

[https://view.officeapps.live.com/op/view.aspx?](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fstatic.pmg.org.za%2F220608scapprop_Media_Statement.docx&wdOrigin=BROWSELINK)

[src=https%3A%2F%2Fstatic.pmg.org.za%2F220608scapprop_Media_Statement.docx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fstatic.pmg.org.za%2F220608scapprop_Media_Statement.docx&wdOrigin=BROWSELINK)

Comment:

The Standing Committee on Appropriations met on 8 June 2022 to adopt its report on the 2022 Appropriations Bill - Consideration of their Report dated 6 June 2022, SCOA minutes and their media statement do not reveal any proposals by the SCOA to amend or any actual decision taken to amend the EBP. While their Report notes numerous submissions by the public which call for amendments or rejection of the Bill, the Report concludes that: "The Standing Committee on Appropriations, having considered the Appropriation Bill [B3-2023] (National Assembly: Section 77) referred to it and classified by the Joint Tagging Mechanism; recommends that the Bill be adopted, without amendments."

Under the circumstances answer "C" has been selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Following the tabling of the Budget in February 2022, the Standing Committee on Appropriations (SCOA) held various hearings/briefings and meetings regarding the Division of Revenue Bill and the Appropriations Bill. The Finance Committee also examines the fiscal framework portion of the EBP.

Here are links to a selection of SCOA meetings and hearings:

<https://pmg.org.za/committee-meeting/34464/>
<https://pmg.org.za/committee-meeting/34498/>
<https://pmg.org.za/committee-meeting/34521/>
<https://pmg.org.za/committee-meeting/34559/>
<https://pmg.org.za/committee-meeting/34583/>
<https://pmg.org.za/committee-meeting/34625/>
<https://pmg.org.za/committee-meeting/34769/>
<https://pmg.org.za/committee-meeting/34802/>
<https://pmg.org.za/committee-meeting/34843/>
<https://pmg.org.za/committee-meeting/35076/>
<https://pmg.org.za/committee-meeting/35162/>

Links to a selection of Finance Committee meetings:

<https://pmg.org.za/committee-meeting/34424/>
<https://pmg.org.za/committee-meeting/34462/>
<https://pmg.org.za/committee-meeting/34486/>
<https://pmg.org.za/committee-meeting/34497/>

Comment:

Peer Reviewer

Opinion: Agree

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 to 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:

c. Yes, sector committees examined the Executive's Budget Proposal, but they did not publish reports with findings and recommendations prior to the budget being adopted.

Source:

<https://pmg.org.za/committee-meeting/34815/>

<https://pmg.org.za/committee-meeting/34828/>

Comment:

While both the Health and Public Works Committee's appear to have considered their budget vote which form part of the EBP, neither Committee made their reports public.

Peer Reviewer

Opinion: Agree

Comments: The Money Bills Amendment Procedure and Related Matters Act do not require reports at this stage of the budget cycle. The Budget Review and Recommendations Reports are made available before the MTBPs, and consider allocations, expenditure and performance in time for feeding into the next budget cycle of the executive medium-term framework proposals. These reports contain findings and recommendations for the next budget cycle. Sector committees can propose amendments on budget proposals, to the Standing Committee on Appropriations, which submits a consolidated report to the House.

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the comments by the researcher and the reviewer. Further check into the Committee's activities corroborated the comments shared by the researcher and the reviewer. As such, "C" is maintained. <https://pmg.org.za/tables-committee-report/4885/> <https://pmg.org.za/tables-committee-report/4880/> <https://pmg.org.za/committee-meeting/34915/> <https://pmg.org.za/committees/>

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:

Comment:

On 15 Feb. 2022 the Standing Committee on Appropriations was briefed in a virtual meeting by National Treasury on the 2021/22 third quarter expenditure reports for national departments and other identified state-owned companies and agencies. See <https://pmg.org.za/committee-meeting/34307/>

On 1 June 2022, in a virtual meeting, the Committee received a briefing from National Treasury on the 2021/22 fourth quarter expenditure for national departments, and the current state of state-owned enterprises. See <https://pmg.org.za/committee-meeting/35099/>

On 30 August 2022 the SCOA received a briefing from National Treasury with reports on the first quarter spending outcomes of government departments and public entities as well as an update on the performance of state-owned companies. See <https://pmg.org.za/committee-meeting/35398/>

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:

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:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:

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>

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.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP notes the Section 30(2) of the PFM law. However, the law does not explicitly speak to spending excess revenue, but a change in expenditure should a need arise. Given that this question seeks to assess pronouncement in the law, this is revised from "A" to "D".

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:

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.

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:

Peer 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: The Annual Adjusted Estimates of Expenditure seeks the approval of the legislature to reduce expenditure of departments. See Table 2 on page 12 <https://www.treasury.gov.za/documents/mtbps/2022/aene/FullAENE.pdf> Departments total cash releases are predictable: departments submit cashflow plans and requests, and these are released as requested. The cashflow plans divide up the appropriation according to when budget releases are needed to finance expenditure. In practice the releases are not reduced from the total original appropriation and against requested releases, without the AENE process approving lowered appropriations.

Government Reviewer

Opinion: Agree

Researcher Response

Score adjusted to a B after considering the PR's feedback.

IBP Comment

IBP notes the reviewer's comment. In further review of the PFM Act Section 30, revenue shortfall could account for "significant and unforeseeable economic and financial events affecting the fiscal targets set by the annual budget". In such a case, government could revise its expenditure based on revenue shortfall hence, "B" is chosen.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 5 and 10 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.

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 no concerns have been 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.

Comment:

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:

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:

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/Portals/0/Public_Audit_Act_25_of_2004_Amended%20%281%29.pdf) 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 to Parliament's Standing Committee on the AGSA, regarding its 2023-2026 Budget and Plan that took place on 25 Nov 2022 - see

<https://pmg.org.za/committee-meeting/36133/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: To add: the AGSA does not receive an appropriation or transfers from national government, but charges auditees for its services according to its business plan.

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/Portals/0/Public_Audit_Act_25_of_2004_Amended%20%281%29.pdf) . The Public Audit Amendment Act (accessible at https://www.agsa.co.za/Portals/0/Legislation/Public_Audit_Amendment_Act__No__5_of_2018.pdf) has given the AG additional powers during audit processes.

Comment:

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:

At page 45 of the AGSA Annual Report for 2021/22 (<https://www.agsa.co.za/Reporting/AnnualReport.aspx>) the following is explained amongst others: "An independent external auditor audits our financial statements, financial management and performance information, and provides limited assurance on the selected sustainability performance indicators. The assurance on this report was conducted according to the International Standards on Assurance Engagements 3000 (ISAE 3000: revised), issued by the International Auditing and Assurance Standards Board. The external auditor's report is on page 162 of this report." And "The external auditor is completely independent of the organisation. The firm does not receive any allocation of audits to be done on behalf of the AGSA and its income from auditing the AGSA is less than 15% of the firm's annual revenue." Furthermore it is explained that "Scoag, which oversees the AGSA's work on behalf of Parliament, appoints the external auditor for five years (renewable once) and confirms its appointment every year. The audit committee facilitates contracting the external auditor on behalf of Scoag in a process that is fair, equitable, transparent, efficient and effective and in line with our transformation agenda."

On 7 Oct 2022 the AG briefed Parliament's SCoAG on its 2021/22 Annual Report - see <https://pmg.org.za/committee-meeting/35677/>). The SCoAG adopted its own report after the AG briefing of 7 Oct 2022, at a meeting held on 21 Oct 2022. The minutes of this meeting can be accessed at <https://pmg.org.za/committee-meeting/35812/> while the report can be accessed at <https://pmg.org.za/tailed-committee-report/5135/>

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:

According to page 87 of the 2021/22 Annual Report (<https://www.agsa.co.za/Reporting/AnnualReport.aspx>) of the AGSA: "To strengthen our impact

and influence change, we targeted 501 interactions with 270 prioritised constitutional stakeholders. Our 618 interactions exceeded this target and strengthened our relationships with our stakeholders"

At pages 88 and 89 the AGSA further detail which entities or committees at Parliament they engaged with.

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.

Comment:

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 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:

https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf

<https://www.gov.za/speeches/national-treasury-2022-budget-outreach-information-sharing-programme-2-feb-2022-0000>

National treasury have reintroduced their platform to provide Budget Tips to the Minister of Finance - see <https://web.treasury.gov.za/public/Tips>

Comment:

The National Treasury Media Advisory dated 20 Jan 2022 stated:

"The Minister of Finance, Mr Enoch Godongwana, will deliver his inaugural National Budget Speech on 23 February 2022. As usual, the budget allocation always aims to strike a balance between competing national spending priorities.

It is in this context that Minister Godongwana invites South Africans to share their suggestions on the Budget – what should government be spending on, how to address a large budget deficit, new sources of tax revenues, and other Budget-relevant information. Minister Godongwana looks forward to your contributions.

NB: Contributions can be sent through:

National Treasury website here: <https://bit.ly/3ruszsi>

Twitter: @TreasuryRSA and Facebook: National Treasury RSA with the hashtag

#TipsForMinFin and #Budget2022"

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on the budget.

Comments: In 2022 the NT still held pre-budget consultations, with an on-line platform

https://www.treasury.gov.za/comm_media/press/2022/2022072801%20FOA%20CALL%20-%20Pre%20Budget%20Consultation.pdf On assumption that 2022/23 for Budget 2023 is the budget preparation cycle that is the "current" for the questionnaire, would the processes associated with the FOA for 2022 not still count. If there was no interaction with submitted written inputs in practice, the B answer would be correct.

Government Reviewer

Opinion: Agree

IBP Comment

Answer choice B is based on the following participation mechanism: IBP would like to highlight National Treasury consultations prior to the Medium Term Budget Strategy Paper (Pre-budget statement). Treasury released a notice for all citizens to submit their policy priorities. Submissions were open from July 28-August 19, 2022: <https://www.gov.za/news/media-statements/treasury-pre-budget-consultation-2023-medium-term-expenditure-framework-28> Based on submissions, select groups were invited to testify and elaborate on their proposal. Final Report on the Pre-budget consultation process is uploaded here: <https://data.vulekamali.gov.za/dataset/ee94f5c9-5268-46ab-a78a-025e37c612a1/resource/6ca45316-0cf8-4b19-b460-f735e7a52637/download/foa-final-report-south-africa-2022-nov.pdf>

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

IBP Comment

IBP agrees with answer choice B. While Treasury disseminated invitations widely, no groups were targeted. However, submissions were received included those from organizations representing marginalized groups (ie. Women on Farms Project, Real Reform for Early Childhood Development Sector, Children's Institute, etc). See pages p. 7, 9 -14, p 18-19 of Final Pre-Budget Consultations 2022 Report - <https://data.vulekamali.gov.za/dataset/ee94f5c9-5268-46ab-a78a-025e37c612a1/resource/6ca45316-0cf8-4b19-b460-f735e7a52637/download/foa-final-report-south-africa-2022-nov.pdf>

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:

a. The executive's engagement with citizens covers all six topics.

Source:

The National treasury Media Advisory (https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf) invited broad inputs with the following text used: "It is in this context that Minister Godongwana invites South Africans to share their suggestions on the Budget – what should government be spending on, how to address a large budget deficit, new sources of tax revenues, and other Budget-relevant information."

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. The executive's engagement with citizens covers all six topics.

Comments: For this budget cycle (2022 preparation for 2023/24) the pre-budget consultation invite (https://www.treasury.gov.za/comm_media/press/2022/2022072801%20FOA%20CALL%20-%20Pre%20Budget%20Consultation.pdf) listed the following as themes for consultation. (a) Fiscal policy (debt management, budget deficit) (b) Cross cutting (climate change financing, gender responsive budgeting) (c) Topical Issues ☐ Unemployment ☐ Social security funding ☐ Energy choices and fiscal subsidies ☐ Safety and crime ☐ Health ☐ Food security It does not explicitly list macro-economic issues or revenue, but if fiscal policy issues are up for discussion and given the range of sector themes, these are implicit. So along with the openness of the tips that can be submitted, would an A answer not be appropriate.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback. Considering the source provided by the PR, the score is now revised to an A.

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:

c. Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

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

Comment:

While National Treasury has a platform on <https://vulekamali.gov.za/datasets/contributed> that invites and profiles datasets, reports and other contributed material on the portal, there is no evidence presented that the National Treasury uses it as a public participation mechanism on budget implementation in accordance with the objectives of the question.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Comments: Vulekamali, a portal that supports involvement by civil society and the public in the budget process. Various other mechanisms include:

(1) Tips for Minister: https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf

(2) Fiscal Openness Accelerator pre-Budget Consultation (<https://twitter.com/treasuryrsa/status/1552589176071233537?s=46>) (3) Budget outreach programmes (https://www.treasury.gov.za/comm_media/press/2021/2021021901%20Public%20invitation%20-%202021%20Institutions%20of%20higher%20learnig%20Budget%20Outreach.pdf; <https://pmg.org.za/call-for-comment/1124/>;

<https://www.treasury.gov.za/2022%20Budget%20Outreach%20-%20PUBLIC%20CALL.pdf>) (4) Budget Lockup's (5) Post Budget breakfast with business and the public (<https://mg.co.za/special-reports/2022-02-23-budget-breakfast-2022/>)

Researcher Response

After considering the GR feedback, score revised from a "D" to a "C".

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: Agree

Government Reviewer

Opinion: Agree

Comments: Public can make contribution to the budget through Budget Tips:

https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf. However, this mechanism still has some limitations. We are working toward having a more comprehensive and meaningful public participation mechanisms. In 2021 & 2022, we did a pilot on public participation. See: <https://vulekamali.gov.za/datasets/pre-budget-consultation/pre-budget-consultation-2022-23>

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics – and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above – for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

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. I was unable to locate relevant evidence in this regard.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Comments: Vulekamali, a portal that supports involvement by civil society and the public in the budget process. Various other mechanisms include:

- (1) Tips for Minister: https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf
- (2) Fiscal Openness Accelerator pre-Budget Consultation (<https://twitter.com/treasuryrsa/status/1552589176071233537?s=46>)
- (3) Budget outreach programmes (https://www.treasury.gov.za/comm_media/press/2021/2021021901%20Public%20invitation%20-202021%20Institutions%20of%20higher%20learnig%20Budget%20Outreach.pdf; <https://pmg.org.za/call-for-comment/1124/>; <https://www.treasury.gov.za/2022%20Budget%20Outreach%20-%20PUBLIC%20CALL.pdf>)
- (4) Budget Lockup's
- (5) Post Budget breakfast with business and the public (<https://mg.co.za/special-reports/2022-02-23-budget-breakfast-2022/>)

IBP Comment

There is option for citizens to contribute on any topic related to data in VulekaMali portal. IBO has consistently treated mechanisms that do not identify a topic with C.

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

- 1. Purpose**
- 2. Scope**
- 3. Constraints**
- 4. Intended outcomes**
- 5. Process and timeline**

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when

they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

b. Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).

Source:

https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf

Comment:

According to the Media Advisory viewable in the link:

"The Minister of Finance, Mr Enoch Godongwana, will deliver his inaugural National Budget Speech on 23 February 2022. As usual, the budget allocation always aims to strike a balance between competing national spending priorities.

It is in this context that Minister Godongwana invites South Africans to share their suggestions on the Budget – what should government be spending on, how to address a large budget deficit, new sources of tax revenues, and other Budget-relevant information.

Minister Godongwana looks forward to your contributions.

NB: Contributions can be sent through:

National Treasury website here: <https://bit.ly/3ruszsi>

Twitter: @TreasuryRSA and Facebook: National Treasury RSA with the hashtag

#TipsForMinFin and #Budget2022"

The Media Advisory relates to the budget formulation stage. I was unable to locate examples that illustrate the case during budget implementation and therefore a score of C is assigned.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).

Comments: The B answer applies to cases where consultation is sought in time with comprehensive information, for only one part of the cycle. The source should also include: https://www.treasury.gov.za/comm_media/press/2022/2022072801%20FOA%20CALL%20-%20Pre%20Budget%20Consultation.pdf

Government Reviewer

Opinion: Agree

IBP Comment

From July 28-August 19, the National Treasury held pre-budget consultations online. See their media advisory: <https://www.gov.za/news/media-statements/treasury-pre-budget-consultation-2023-medium-term-expenditure-framework-28>. The media advisory provided comprehensive information on the process of engagement. The Communications Plan for the pre-budget consultation tapped online and offline channels, including community and traditional radio stations, print channels to disseminate information about the pre-budget consultations which reached organizations representing vulnerable groups. Based on this, answer choice B applies. 2022 pre-budget consultations advisory: <https://www.gov.za/news/media-statements/treasury-pre-budget-consultation-2023-medium-term-expenditure-framework-28>

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:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

I was unable to locate such a written record.

In the 2021 Budget Speech (<https://www.treasury.gov.za/documents/national%20budget/2021/speech/speech.pdf>) the Finance Minister remarked that "I requested tips from the public to help craft this Budget. Many tips spoke about the limits to increased taxation. We agree that tax increases must be kept to a minimum as we stabilise our public finances. We have chosen not to introduce the R40 billion in tax measures initially proposed in the October Medium Term Budget Policy Statement (MTBPS)."

Also: "Many of the tips I received spoke of the importance of zero-based budgeting. The National Treasury is finalising the framework to implement zero-based budgeting across government. This will be done through spending reviews which have been used internationally to achieve spending efficiencies. These reviews are already underway and will shape this framework."

Unfortunately no list of inputs or report or summary on how public inputs were used, is made available to the public.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBO revised response from D to C. Based on Treasury Pre-budget consultations identified in indicator 125, the list of inputs received from the pre-budget consultation were uploaded on the Vulekamali website. See: <https://vulekamali.gov.za/datasets/pre-budget-consultation/pre-budget-consultation-2022-23> A specific consolidated report that provides a list/ summary and analysis of inputs received can be accessed via: <https://data.vulekamali.gov.za/dataset/ee94f5c9-5268-46ab-a78a-025e37c612a1/resource/6ca45316-0cf8-4b19-b460-f735e7a52637/download/foa-final-report-south-africa-2022-nov.pdf>

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: Agree

Government Reviewer
Opinion: Agree

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:

https://www.treasury.gov.za/comm_media/press/2022/2022012001%20Media%20Advisory-%202022%20BUDGET%20TIPS.pdf

Comment:

Whilst a guideline for formulating the Executives Budget Proposal is published in the Estimates of National Expenditure Guidelines (<https://www.treasury.gov.za/publications/guidelines/2022%20ENE%20Guidelines.pdf>) consideration of this 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.

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 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 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 legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

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:

a. Yes, public hearings on the budget are held, and members of the public/CSOs testify.

Comments: After the tabling on Budget Review in Parliament, public hearings are held on Division of Revenue Bill (<https://pmg.org.za/committee-meeting/34583/>) and Appropriation Bill (<https://pmg.org.za/committee-meeting/35076/>). Hence answer "a" is an appropriate answer

IBP Comment

Many thanks to government reviewer for the very helpful links. However, IBP understands that requests for testimony are accommodated, as such answer choice C applies.

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 therefore scored this question an (a) in view of the open ended invitation.

See also <https://pmg.org.za/committee-meeting/35076/> and <https://pmg.org.za/committee-meeting/34583/> which profiles 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 2 March 2022: <https://pmg.org.za/committee-meeting/34462/>

Comment:

Peer Reviewer

Opinion: Agree

Comments:

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:

<https://pmg.org.za/committee-meeting/35076/>
<https://pmg.org.za/committee-meeting/34583/>
<https://pmg.org.za/committee-meeting/34462/>
<https://pmg.org.za/committee-meeting/34486/>
<https://static.pmg.org.za/220322scappropreport.pdf>
<https://pmg.org.za/tailed-committee-report/4991/>

Comment:

The Appropriations Committee's minutes and reports provides detailed information on the inputs received, and a summary of its views and recommendations that reflect some of the inputs received.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

While Parliamentary Committees hold public sittings to review and scrutinize 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.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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(2)(a) 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".

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 or for the SA to request such inputs and to then elect or decline to act upon the suggestion or request made by the public.

Comment:

Peer Reviewer

Opinion: Agree

Comments: While AGSA has instituted a programme of CSO and community engagement

(<https://www.agsa.co.za/AuditInformation/CivilSocietyOrganisations.aspx>) I am not aware of formal mechanisms through which communities or the public can suggest topics to include in AGSA's audit programme.

Government Reviewer

Opinion: Agree

Comments: It is correct that the only formal mechanism available for the public to put forward audit topics is in the area of investigations and special audits. At this stage, AGSA is bridging the gap with their formalized relationships with civil society organisations(CSOs) which will identify areas of risks to inform audits.

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 or as conveyed to the researcher by third parties who have engaged the AGSA.

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

Comments: All information provided to the AGSA, from citizens, civil society organizations, whistleblowers, etc, as a matter of process find a home in the risk assessments done for each and every auditee and are addressed in the related audit work. There are formalized mechanisms for feedback when it gets to investigations and special audits (where the majority of inputs from citizens are located), the AGSA regulations and procedures contain a requirement to provide feedback to those members of the public that made requests. AGSA does not provide a report on requests received and how they responded as these are often matters of confidential nature (whistleblowing).

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:

a. Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

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), currently there are no formal mechanism(s) in place.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

Comments: The AGSA has a programme of engagement with communities and civil society organisations in its audits. These engagements are one way either way (CSOs and communities informing AGSA, or AGSA informing CSO and communities, or partnerships are established). One such partnership is with the IBPSA, in its Asivikelane programme. The AGSA has formalised these mechanisms see:

<https://www.agsa.co.za/AuditInformation/CivilSocietyOrganisations.aspx> And

[https://www.agsa.co.za/Portals/0/Reports/Flood%20relief/1st%20report/Flood%20relief%20SR%20-%20FINAL%20\(interactive\).pdf?ver=2022-08-31-094902-540](https://www.agsa.co.za/Portals/0/Reports/Flood%20relief/1st%20report/Flood%20relief%20SR%20-%20FINAL%20(interactive).pdf?ver=2022-08-31-094902-540), on page 28 for example reports on the community-based surveys on services received conducted.

Government Reviewer

Opinion: Agree

Researcher Response

Thanks for the feedback. Score revised to an "A". The OBS Guidance does not define what "formal mechanisms" - if by this it is meant that such mechanisms should explicitly be stated in legislation, then a score of "B" would be appropriate. The AGSA has created mechanisms which have endured for some years now and allow for the public to contribute towards their investigations.

IBP Comment

IBP acknowledges the reviewer's comment. There is sufficient evidence to establish that the AGSA involves the communities and civil society in audit investigations hence the response "A" is chosen