

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

SOUTH AFRICA

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International Budget Partnership
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International Budget Partnership OPEN BUDGET QUESTIONNAIRE SOUTH AFRICA

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Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."

Budget Documents Used in Completing the Questionnaire	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	2007/2008
Budget Summary	2007/2008
Executive's Budget Proposal	2007/2008
Supporting Budget Documents	2007/2008
Citizens Budget	2007/2008
Enacted Budget	2007/2008
In-Year Reports	2007/2008
Mid-Year Report	2007/2008
Year-End Report	2006/2007
Audit Report	2005/2006

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.

If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Medium Term Budget Policy Statement 2006, National Treasury, Republic of South Africa; Wednesday, 25 October 2007; http://www.treasury.gov.za/documents/mtbps/2007/mtbps/MTBPS%20full.pdf
Budget Summary	Budget 2007 at a glance, National Treasury, Republic of South Africa; 21 February 2007; http://www.treasury.gov.za/documents/national%20budget/2007/glance.pdf
Executive’s Budget Proposal	Budget Review 2007, National Treasury, Republic of South Africa; 21 February 2007; http://www.treasury.gov.za/documents/national%20budget/2007/review/Default.aspx
Budget Document One in Support of the Executive’s Budget Proposal	Estimates of National Expenditure 2007, National Treasury, Republic of South Africa; 21 February 2007; http://www.treasury.gov.za/documents/national%20budget/2007/review/Default.aspx
Budget Document Two in Support of the Executive’s Budget Proposal	Estimate of National Revenue 2007, National Treasury, Republic of South Africa; 21 February 2007; http://www.treasury.gov.za/documents/national%20budget/2007/ene/Default.aspx
Budget Document Three in Support of the Executive’s Budget Proposal	Appropriation Bill and Division of Revenue Bill, Minister of Finance, Republic of South Africa; 16 February 2007; http://www.treasury.gov.za/legislation/bills/2007/revbill3-07.pdf
Citizens Budget	A People’s Guide to the Budget 2007, National Treasury, Republic of South Africa; 21 February 2007; http://www.treasury.gov.za/documents/national%20budget/2007/guide.pdf
Enacted Budget	Appropriation Act 2007/08 Division of Revenue Act, 2007; The Presidency, Republic of South Africa; 31 March 2007; http://www.treasury.gov.za/legislation/acts/2007/DORA-gaz07b_gaz29763e.pdf

In-Year Reports	Statement of the National Revenue, Expenditure and Borrowing for the month of ... 2007, The Director General: National Treasury, Republic of South Africa; End of each month; http://www.treasury.gov.za/comm_media/press/2007/Default.aspx
Mid-Year Review	Medium Term Budget Policy Statements and Adjusted Estimates of National Expenditure 2007; National Treasury; Republic of South Africa; 30 October 2007; http://www.treasury.gov.za/documents/mtbps/2007/default.aspx

Year-End Report	Each Ministry releases its own year-end Report (annual report).
Audit Report	General Report of the Auditor-General on Audit Outcomes for the Financial Year 2005-06: RP 247/2006, Auditor-General, Republic of South Africa; 26 October 2006; http://www.agsa.co.za/Reports/general/genera2006.html?novreport=novreport
Other Documents	Budget Speech 2007, Minister of Finance, Republic of South Africa; 21 February 2007; http://www.finance.gov.za/documents/budget/2007/speech/speech.pdf Budget Tax Proposals 2007/8, South Africa Revenue Service, Republic of South Africa; 21 February 2007; http://www.finance.gov.za/documents/budget/2007/sars/Budget%20Proposals%202007.pdf Budget Tax Guide 2007/8, South Africa Revenue Service, Republic of South Africa; 21 February 2007; http://www.finance.gov.za/documents/budget/2007/sars/Budget%20Insert%202007.pdf 2007/8 Tax Pocket Guide, South Africa Revenue Service, Republic of South Africa; 21 February 2007; http://www.finance.gov.za/documents/budget/2007/sars/Budget%20Pocketguide%202007.pdf <u>Web pages referring to old Finance Department have now been replaced with www.treasury.go.za</u>
Relevant Ministries & Departments	Appropriation Bill, Minister of Finance, Republic of South Africa; February 2007; http://www.treasury.gov.za/legislation/bills/2007/appbill2-07.pdf

Table 3. Distribution of Documents Related to the Executive's Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place "Yes" in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>						
	Pre-budget	Executive's Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes	Yes	Yes
2. Advance notification of release is sent to users, media	Yes	Yes	Yes	Yes	Yes	Yes
3. Released to public same day as official release to media	Yes	Yes	Yes	Yes	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	No	No	No	Yes
7. Readily available outside capital and/or big cities ⁺	Yes	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	No	No	Yes	No	No	Yes
9. News conference is held to discuss release	Yes	Yes	Yes	No	No	No

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

⁺Mark "Yes" if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
<i>For the following reports, place a "Yes" in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes	Yes
2. Advance notification of release sent to users, media	Yes	No	Yes	Yes	Yes
3. Released to public same day as official release to media	Yes	No	Yes	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes	Yes	Yes	Yes	Yes
6. Free print copies available, mass distribution	No	No	Yes	No	Yes
7. Readily available outside capital/big cities ⁺	Yes	Yes	Yes	No	Yes
8. Written in more than one language	No	No	No	No	No
9. News conference is held to discuss release	No	No	Yes	Yes	Yes

⁺Mark "Yes" if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying expenditures for the budget year 2007/08 classified by administrative unit can be found on page 182, of Annexure B: Statistical Tables, of the budget document entitled "2007 Budget Review," and also on page IX, in the Introduction of the budget document entitled "Estimates of the National Expenditure 2007"</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf and at http://www.finance.gov.za/documents/national%20budget/2007/ene/00%20intro.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function. d. No expenditures classified by function are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying expenditures for the budget year 2007/08 by functional classification can be found on page 187, of Annexure B: Statistical Tables, of the budget document entitled "2007 Budget Review."</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?
- All expenditures are classified by economic classification, and the categorization is compatible with international standards.
 - All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
 - Some, but not all, expenditures are classified by economic classification.
 - No expenditures classified by economic classification are presented.
 - Not applicable/other (please comment).

Citation:

Information identifying expenditures for the budget year 2007/08 by economic classification can be found on page Xi of the Introduction of the budget document entitled "Estimates of the National Expenditure 2007" This information can be seen online at
<http://www.finance.gov.za/documents/national%20budget/2007/ene/00%20intro.pdf>

Comment:

This information can also be found on page 185 of Annexure B of the budget document entitled "2007 Budget Review," available online at
<http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>. But these figures estimated by the National Treasury are not strictly comparable due to the reclassification of expenditure items.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to the question would be: "Change last part of comment to read as follows: The figures produced by the National Treasury are not strictly comparable to those produced by the South African Reserve Bank and Statistics SA as these figures are based on reclassified data for some expenditure items that were reclassified due to the implementation of a new Standardized Chart of Accounts (SCOA)."

Researcher Response:

I agree that it last sentence can be changed as suggested by the Gov. Reviewer. Basically the meaning remains the same.

a

<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying present expenditures for individual programs can be found from page 1 to page 792, of the budget document entitled "Estimates of the National Expenditure 2007," and are available online at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Comment:</u> Each program is listed individually together with its purpose and spending estimates.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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5. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?
- Yes, multi-year estimates of aggregate expenditure are presented.
 - No, multi-year estimates of aggregate expenditure are not presented.
 - Not applicable/other (please comment).

Citation:

Information presenting the estimates of aggregate level of expenditure for a multi-year period can be found on page 189 of Annexure B: Statistical Tables of the of the budget document entitled "2007 Budget Review" , and are available online at <http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>

Comment:

Most consolidated expenditures presented in Annexure B (statistical tables) are estimated for the Medium-term expenditure (2007/08 -2009/10).

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be "The comment should read: Consolidated expenditures (2007/08 – 2009/10) presented in Annexure B (statistical tables) are estimates based on Medium Term Budget Estimates prepared by the various departments and agencies included in the consolidation ."

Researcher Response:

I agree with the comment of the Gov. Reviewer. One can understand that the Gov. Reviewer would like to clear about technical details.

a

6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?
- a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - e. Not applicable/other (please comment).

Citation:

Information presenting detailed expenditure estimates for the multi-year period (2007/08 -2009/10) can be found from page 180 to page 189 of Annexure B: Statistical Tables of the budget document entitled "2007 Budget Review," and are available online at <http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>

Comment:

More details about the medium-term expenditure estimates for individual program are provided from page 1 to page 792, of the budget document entitled "Estimates of the National Expenditure 2007," and are available on the Internet at <http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx>.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

a

<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ol style="list-style-type: none"> All sources of tax revenue are identified individually. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. No sources of tax revenue are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> The information identifying the different sources of tax revenue for the budget year appear on page 2 & 3 of the budget document entitled "Estimate of National Revenue 2007." This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Comment:</u> The assumptions driving the tax proposal are explained from page 2 to page 35 of the budget documents entitled "Budget Tax Proposals 2007/08" which is available online at http://www.finance.gov.za/documents/national%20budget/2007/sars/Budget%20Proposals%202007.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ol style="list-style-type: none"> All sources of non-tax revenue are identified individually. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. No sources of non-tax revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> The information identifying the different sources of non-tax revenue for the budget year appear on page 3 of the budget documents entitled "Estimate of National Revenue 2007".</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Information identifying the estimates of the aggregate level of budget revenue for a multi-year period appears on page 4, of the budget documents entitled "Estimate of National Revenue 2007." This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Comment:</u> For the current year the aggregate level of revenue is presented considering two options (before and after tax proposals) and the medium term estimates covers two years beyond the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>10. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, multi-year estimates are presented, but only for some individual sources of revenue. d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> More detailed information identifying the estimates of the aggregate level of budget revenue for a multi-year period are provided from page 174 to page 179, on the Annexure B: Statistical Tables of the budget documents entitled "2007 Budget Review".</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

- a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
- b. Yes, the data reflect the outstanding debt at the end of the budget year.
- c. Yes, the data reflect the outstanding debt at the start of the budget year.
- d. No, data on the outstanding debt are not presented.
- e. Not applicable/other (please comment).

Citation:

Information identifying the total government debt outstanding for the budget year is provided on page 193 of Annexure B: Statistical Tables of the budget documents entitled "2007 Budget Review".

Comment:

Explanatory notes are provided on pages 96-97 and in the footnotes of table 8 on pages 192-193 of the same budget document

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: The comment should read "Explanatory notes are provided on pages 92-96 and footnotes of the table 8 on pages 192-193 of the same budget document. This information can be seen on Internet at <http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>

Researcher Response to the Government Reviewer:

I agree with the suggested comment from the Government Reviewer, but the explanatory notes are up to page 97. More precisely it should be read as following: *Explanatory notes are provided on pages 92-97 and footnotes of the table 8 on pages 192-193 of the same budget document. This information can be seen on Internet at <http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>*

a

<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented. b. No, interest payments on the debt are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Information identifying the present interest cost payments on the debt for the budget year is available on page 182 of Annexure B: Statistical Tables of the budget documents entitled "2007 Budget Review." This is typically the "state debt cost."</p> <p><u>Comment:</u> This information can be seen on Internet at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> "The following should be added to the citation: Explanatory notes are provided on pages 96-97 of the same budget document."</p> <p><u>Researcher Response:</u> I am okay with the add as per the Government Reviewer suggestions</p>	<p>a</p>
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13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

- a. Yes, extensive information related to the composition of government debt is presented.
- b. Yes, key additional information is presented, but some details are excluded.
- c. Yes, some additional information is presented, but it lacks important details.
- d. No, additional information related to the composition of government debt is not presented.
- e. Not applicable/other (please comment).

Citation:

Information identifying the composition of government debt for the budget year is presented on page 193 of Annexure B: Statistical Tables of the budget documents entitled "2007 Budget Review."

Comment:

This information can be seen online at <http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>

Peer Reviewer One Comment: A more appropriate response to this question would be "b." Table 8 on page 193 does however not give an extensive break down of government debt on, for example, applicable interest rates, maturity profile, etc.

Peer Reviewer Two Comment:

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "a." I chose my answer based on the guide line note provided by the IBP and the International Standard. It is clear disclosing debt conditions for example interest rates and maturity profile is the way forward as far as budget transparency is concerned but is it applied as a benchmark?

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ul style="list-style-type: none"> a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly. b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. d. No, information related to the macroeconomic forecast is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Information concerning the macroeconomic assumptions is provided from page 21 to page 42 in Chapter 2 (Economic Policy and Outlook) of the budget document entitled "2007 Budget Review."</p> <p><u>Comment:</u> The information is particularly resumed in the Tables 2.9 & 2.10 (Macroeconomic Projections) on page 42, can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/chap2.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?
- Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the impact of different macroeconomic assumptions on the budget is not presented.
 - Not applicable/other (please comment).

Citation:

Information concerning the macroeconomic assumptions is provided from page 21 to page 42 in Chapter 2 (Economic Policy and Outlook) of the budget document entitled "2007 Budget Review."

Comment:

An explanatory note on the relationship between macroeconomic projections and budgets is provided by the "Budget Speech 2007," available online at <http://www.finance.gov.za/documents/national%20budget/2007/speech/speech.pdf> as well as the "Budget Review 2007." Arguably, it is not a sensitivity analysis per se; however the macroeconomic model from which these projections are based is fairly good.

Peer Reviewer One Comment: For example, Chapter 2 of the "2007 Budget Review" highlights to an extent the positive correlation between increased investment growth rates across the South African economy and strong continued growth. The Chapter however omits vital details on how exogenous shocks may curtail the sustainability of economic growth and hence the expansionist tendencies of government budget over recent years.

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "d" to maintain consistency of assumptions across countries.

d

<p>16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of policy proposals on expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Information showing how policy proposals affect budget expenditures can be found from page 17 to page 20, in Chapter 1 (Overview of the Budget 2007) of the "Budget Review 2007"</p> <p><u>Comment:</u> The "Budget Speech 2007" and chapter 3 (Fiscal Policy) in the "Budget Review 2007" also provide useful insights in this regards.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <ol style="list-style-type: none"> Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of policy proposals on revenues is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Information showing how policy proposals affect budget revenues can be found from page 13 to page 17 in Chapter 1 (Overview of the Budget 2007) of the "Budget Review 2007"</p> <p><u>Comment:</u> The "Budget Speech 2007" and chapter 4 (Revenue Trends and Tax Proposals) in the "Budget Review 2007" also provide useful insights in this regards.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency of assumptions across countries.</p>	b

Estimates for Years Prior to the Budget Year	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying expenditures for the budget year 2006/07 classified by administrative unit can be found on page 182 of Annexure B: Statistical Tables of the 'Budget Review 2007.'</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function for BY-1. No expenditures classified by function are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Information relating to the budget year 2006/07 by functional classification can be found on pages 186-187 of the "Budget Review 2007."</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying expenditures for the budget year 2006/07 by economic classification can be found on page Xi of the Introduction to the budget document entitled "Estimates of the National Expenditure 2007" and also on pages 184-185. This information can also be found on page 185, of Annexure B of the budget document entitled "2007 Budget Review."</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/ene/00%20intro.pdf and http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<p>21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> Program-level expenditure data are presented for all expenditures for BY-1. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. No program-level expenditure data are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying expenditures for individual programs can be found throughout the "Estimates of the National Expenditure 2007" and each program is listed individually together with its purpose and expenditure estimates of the four previous budget years.</p> <p><u>Comment:</u> This information is available online at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> The expenditure estimates of all programs included into the "Estimate of National Expenditure" for the budget year 2006/07 include both adjusted appropriation and revised estimates.</p> <p><u>Comment:</u> These information can be seen on Internet at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented.</p> <p>b. No, such prior-year estimates of aggregate expenditure are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Estimates of the aggregate level of expenditure for all programs are presented for the four previous budget years, meaning from the budget year 2003/04 to 2006/07. These are presented as audited outcomes.</p> <p><u>Comment:</u> This information is available online at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?
- Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - Not applicable/other (please comment).

Citation:

As said in question 23, estimates of the aggregate level of expenditure for all programs are presented for the four previous budget years, meaning from the budget year 2003/04 to 2006/07. These are presented as audited outcomes.

a

Comment:

This information is available online at <http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx>

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Question 24 enquires about the degree of detail of prior-year expenditure information, over and above aggregate level. A more appropriate response may have been to comment that the 'Estimates of National Expenditure' present prior-year expenditure information in program budget format, economic classification and high-level functional classification. See for example pages 124-125 of the '2007 Estimates of National Expenditure' for Vote 8: National Treasury. This information can be seen on the Internet at http://www.finance.gov.za/documents/national%20budget/2007/ene/8%20nat%20tr_eas.pdf.

<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ol style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Audited outcomes of all expenditures cover prior the budget year as from 2003/04.</p> <p><u>Comment:</u> This information is available online at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ol style="list-style-type: none"> a. Yes, prior-year data are always adjusted to be comparable to the budget year data. b. Yes, in most cases, prior-year data are adjusted to be comparable. c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Adjusted appropriations are presented for all programs.</p> <p><u>Comment:</u> This information is available online at http://www.finance.gov.za/documents/national%20budget/2007/ene/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All tax revenues are identified individually for BY-1. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. No tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The information identifying the different sources of tax revenue for the previous budget year 2006/07 appears on page 2 of the "Estimate of National Revenue 2007."</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All non-tax revenues are identified individually for BY-1. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. No non-tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Information identifying the different sources of non-tax revenue for the previous budget year 2006/07 appears on page 2 of the "Estimate of National Revenue 2007."</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>29. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> This is clear from the fact that the provisions on the revenue collection for the previous budget year are regularly updated, basically every six months, provided that that the time delay between the release of the pre-budget statement (the MTBPS) and the Budget is less than six months.</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>30. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year estimates of aggregate revenue are presented. No, such prior-year estimates of aggregate revenue are not presented. Not applicable/other (please comment). <p><u>Citation:</u> Information on the budget year 2005/06 is also included in the "Estimate of National Revenue 2007."</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> The revenue estimates for the budget year 2005/06 are also presented</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be to say that revenue estimates for the budget year 2005/06 (BY-2) are presented at a detailed level, including individual sources and revenue classification.</p>	a
<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all revenues are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Information is available on page 178 of the "Budget Review 2007"</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> The following should be added to the citation: "Monthly reports are also published."</p> <p><u>Researcher Response:</u> Yes. Monthly reports are also published as required by the PFMA.</p>	a

33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?

- a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
- b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
- c. Yes, but only information on the level of debt is presented.
- d. No, information related to the government debt for BY-1 is not presented.
- e. Not applicable/other (please comment).

Citation:

Table 8 on "Total debt of government" on page 193 of "Annexure B" of the "Budget Review 2007."

Comment:

Information can be seen online at
<http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf>

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: "The citation should refer to pages 192-193 of the "Annexure B" included in the "Budget Review 2007."

Researcher Response:

Yes the reference provided by the government Reviewer is more detailed but the answer remains the same. It can be added

a

<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for government debt are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> The table 8 on "Total debt of government" in page 193-194 of the "Annexure B" included into the "Budget Review 2007."</p> <p><u>Comment:</u> Information can be seen on internet at http://www.finance.gov.za/documents/national%20budget/2007/review/annex%20b.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> "The citation should refer to pages 192-193 of the "Annexure B" included in the "Budget Review 2007"</p> <p><u>Researcher Response:</u> As in the previous question, the government Reviewer citation is right but the answer remains the same. Can be added.</p>	a
Comprehensiveness	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u> The bulk of extra-budgetary funds in South Africa is composed of Social Security Funds such as the Road Accident, the Unemployment Insurance Fund, and the Compensation funds. The money for these items is not appropriated per se but fairly well documented into the "Budget Review"</p> <p><u>Comment:</u> Information is available from page 99 to 116 of the "Budget Review" and can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p>	a

<p><u>Peer Reviewer Two Comment:</u> The researcher is correct in commenting on the extensive coverage of the listed items in the budget documents. However, the response could be re-phrased, distinguishing between the “funding of the funds” (for example through dedicated taxes on wage bills in the case of the Unemployment Insurance Fund) and the “funding of the activities of social security funds,” which do get appropriated through the various votes (programs) of national government. An explanation on extra-budgetary funds may be necessary here.</p> <p><u>Government Reviewer Comment:</u> A more appropriate response to this question would be “Citation: The bulk of extra-budgetary funds in South Africa which is comprised of Social Security Funds (such as the Road Accident Fund, the Unemployment Insurance Fund, and the Compensation Funds) as well as other Public Entities listed in the PFMA, is included in the budget documentation. The money for these items is not appropriated per se but well documented in the “Budget Review” and “Estimates of National Expenditure”</p> <p><u>Comment:</u> Information available from pages 99 to 116, 121, 184 to 189 and 213 to 221 of the "Budget Review" and in all chapters of the “Estimates of National Expenditure” can be seen on Internet at http://www.treasury.gov.za/documents/national%20budget/2007/review/Default.aspx.”</p> <p><u>Researcher Response:</u> The citation provided by the Government Reviewer answer to the request made by the Peer Reviewer Two. I would suggest to not downgrade the answer but rather add the comment and citation of the Gov Reviewer.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	
<p>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on intergovernmental transfers is not presented. Not applicable/other (please comment). <p><u>Citation:</u> The "Budget Review" in Chapter 8 (page 135-149) provides extensive narrative explanation and quantitative trends on the division of revenue and intergovernmental transfers.</p> <p><u>Comment:</u> Information is available from page 99 to 116 of the "Budget Review" and can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ul style="list-style-type: none">a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.c. Yes, some information is presented, but it lacks important details.d. No, information on transfers to public corporations is not presented.e. Not applicable/other (please comment). <p><u>Citation:</u> Transfers to public corporations appear on table 3.2 on page 45 of the budget review</p> <p><u>Comment:</u> Information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?
- Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
 - Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on quasi-fiscal activities is not presented.
 - Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A definition of “quasi-fiscal” needs to be provided. Our understanding is that it relates to funds or funding of activities that are not appropriated, which often and inevitably excludes it from discussion in budget documents

Government Reviewer Comment: A more appropriate response to this question would be “e” All quasi-fiscal activities are included either in the main budget or in the budgets of the relevant extra-budgetary agencies and no separate publication table is provided for in the main budget documentation.”

Researcher Response: I suggest the answer should be changed to “e.” I guess the Government Reviewer citation is right

IBP Comment: IBP editors chose answer, “e” to maintain the consistency of the assumptions used in selecting answers across the countries.

e

39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?
- a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.
 - b. Yes, information is presented, highlighting key information, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on financial assets is not presented.
 - e. Not applicable/other (please comment).

Citation:

The "Budget Review 2007" from page 79 to page 98 includes extensive narrative explanation on the purpose of government's financial assets and presents quantitative estimates.

Comment:

Information is available from pages 79-98 of the Budget Review and can be seen online at <http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx>

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "b" to maintain consistency of assumptions across countries.

b

40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?

- a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value.
- b. Yes, information is presented, highlighting key information, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on non-financial assets is not presented.
- e. Not applicable/other (please comment).

Citation:

This basically enters under the Department of Public Works which is the only department to manage the non-financial assets held by the government.

Comment:

“It is stated in Vote 6 on Public Works available on pages 85-102 of the Estimates of National Expenditures that “*The Department of Public Works aims to provide and manage the accommodation, housing, land and infrastructure needs of national departments;*” However, it is somehow difficult to consolidate and track the list of non-financial assets held by the government as at National and Provincial levels, the Department of Public Works enters into service level agreement with other departments like education to construct and maintain schools for instance. But the money allocated to such programs is not directly in the Department of Public Works budget rather within these line ministry budgets.”

Researcher's Response to this Question was "b."

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Suggestion that this answer changes to “d.” The 2007 Budget Review only points out the transactions in non-financial assets, and not the extent or size of the non-financial assets. The Department of Public Works received a qualified audit opinion for the 2006/07 financial year for the Auditor-General of South Africa, including reservations about the accuracy of the Department’s asset register(s). Although these opinions and other documents, such as the Annual Report are publicly available, it is not clear whether this is the case for the exact extent or size of government’s non-financial assets.

Government Reviewer Comment: “Information on non-financial assets is presented as disclosure notes in the financial statements of all national and provincial departments, as these departments prepare financial statements on the adjusted cash basis. The information is only disclosed as part of the financials. The financial statements of extra-budgetary institutions are compiled on the Accruals Basis of Accounting and therefore include full details of all non-financial assets held by such institutions.”

Researcher Response:

Based on the balance of information presented to us, we feel more comfortable with the response provided by the Gov. In addition to this comment we recently attended a national treasury briefing and information session with essentially communicate the same perspective and information.

IBP Comment: IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.

d

<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> At the national level, expenditure arrears are not in the legal framework or presented in the budget documents, however they do exist at provincial levels.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Indeed no mention is made of expenditure arrears.</p>	e
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<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on contingent liabilities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> The composition and trends on contingent liability are presented in the "Budget Review 2007"</p> <p><u>Comment:</u> Information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> A more appropriate response to this question would be “The composition and trends regarding contingent liabilities can be found on page 95 of the “Budget Review 2007.” Information regarding financial guarantees is presented on pages 194-195, in Annexure B of the same document.”</p> <p><u>Researcher Response:</u> The suggested citation from the Gov. Reviewer is correct.</p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency of assumptions across countries.</p>	<p>b</p>
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43. Does the executive's budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?
- a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
 - b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on future liabilities is not presented.
 - e. Not applicable/other (please comment).

Citation:

This is for instance the case of Saambou Bank liability explained in on page 87 of the Budget Review

Comment:

Information can be seen on Internet at
<http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx>.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be "Delete citation as it is no longer relevant. The paragraph states that no further extraordinary payments are expected over the next three years"

IBP Comment: IBP editors chose answer "d" to maintain consistency of assumptions across countries.

d

44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- a. All sources of donor assistance are identified individually.
- b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
- c. Less than two-thirds of sources of donor assistance are identified individually.
- d. No sources of donor assistance are identified individually.
- e. Not applicable/other (please comment).

Citation:

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Foreign grants are mentioned but not identified in the 2007 Budget Review. The only significant item is "foreign technical service" grants that are funneled into the Reconstruction and Development Program (RDP) Fund.

Government Reviewer Comment: A more appropriate response to this question would be." All ODA both cash/ grants and in-kind assistance is reflected in International Agreements entered into between SA and each of its donors for all ODA entering SA. Overarching Agreements can be found on www.dcis.gov.za , specific agreements are kept at State Law Advisers: DFA, as well as at the Line Departments. Further to this a specific group of donors, namely the OECD members also report to OECD on all ODA to all recipients, including SA."

Researcher Response to Reviewer

The PFMA has in section 9.v of Chapter a provision on Donor funding and RDP. Even though information Donors Funding can be tracked, the sources are not identified individually

d

<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Tax expenditures include for instances the tax relief for Public Benefit Organizations which basically aims at encouraging charitable organizations.</p> <p><u>Comment:</u> Information can be seen on page 75 and Annexure C of the "Budget Review 2007" and available online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> All earmarked revenues are identified individually. At least two-thirds of, but not all, earmarked revenues are identified individually. Less than two-thirds of earmarked revenues are identified individually. No earmarked revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Can be seen in the chapter 4: Revenue trends and tax proposal of the "Budget Review 2007"</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?

- a. One percent or less of expenditure is dedicated to secret items.
- b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
- c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
- d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
- e. Not applicable/other (please comment).

Citation:

The defense and Safety and Security represent together about 11.5% of main budget expenditure.

Comment:

Information is available in table 4 of Annexure B: Statistical Tables of the "Budget Review 2007" and can be seen online at <http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx>.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." In our view, the total budgets for Safety and Security, and Defense cannot be seen as a proxy for 'secret items.' Therefore answer "d" is cannot be correct. We made an educated guess that secret items, for which we would rather take the combined Secret Services and National Intelligence Agency's budgets as proxies, amount to less than 1% of the total nationally budgeted expenditure of R533 billion in 2007/08 financial year, i.e. less than R5.33 billion. But in retrospect, the appropriate answer should be "e," since the NIA's budget is not publicly available. A phone call just now to the NIA's CFO confirmed this. According to him the budget is not part of the R533 billion shown on the books by the National Treasury.

a

Government Reviewer Comment: A more appropriate response to this question would be:

Please change as follows:

Citation

The percentage is 0.5% of the main budget expenditure.

Comment

The amount for 2007/08 is R 2 584 240 000 and is reflected as Secret services Account on page 144 of the Estimates of National Expenditure.

The correct rating should be "a" since less than one percent of expenditure is dedicated to secret items. Table 5 of Annexure B as referred to in the comment does not seem relevant. "

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer two "a." We have reviewed the sources provided by the Reviewer. Their suggestions are correct. The answer should be changed to "a"

IBP Comment: IBP editors chose answer, "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

The Budget Narrative & Performance Monitoring	
<p>48. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government's stated policy goals is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The link between government's stated policy goals and the proposed budget is provided in various parts of the "Budget Review 2007" and in particular on pages 17 - 20 explaining the policy priorities and spending trends.</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> Yes, extensive information on the link between the budget and the government's stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the major policy goals, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the link between the budget and the government's stated policy goals over a multi-year period is not presented. Not applicable/other (please comment). <p><u>Citation:</u> The link between government's stated policy goals and the proposed budget for a multi-year period (2007/08 - 2009/10) is explained in pages 17 -20.</p> <p><u>Comment:</u> Information available on Internet at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ol style="list-style-type: none"> Non-financial data are presented for all programs. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. Non-financial data are presented for programs representing less than two-thirds of expenditure. No non-financial data are presented. Not applicable/other (please comment). <p><u>Citation:</u> The "Budget Speech 2007" and the "Budget Review 2007" presents broad number of beneficiaries for expenditure programs, but the "Estimates of National Expenditures 2007" provides more detailed information per programs and per vote.</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Suggestion that the website reference be changed to http://www.treasury.gov.za/documents/national%20budget/2007/default.aspx .</p> <p><u>Researcher Response to Peer Reviewer Two:</u> The suggestion is correct as the website reference has changed.</p>	a

51. Are the non-financial data presented useful for assessing how an expenditure program is performing?
- a. The non-financial data are very useful for assessing program performance.
 - b. The non-financial data are mostly useful for assessing program performance.
 - c. The non-financial data are somewhat useful for assessing program performance.
 - d. No non-financial data are provided or they are not useful for assessing program performance.
 - e. Not applicable/other (please comment).

Citation:

Each appropriation of programs included into the "Estimates of National Expenditures 2007" provide the program purpose, target outcomes with non-financial indicators allowing for assessment on the performance of the program.

Comment:

This information can be seen online at
<http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf>

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." AFReC is closely involved with the Government-wide Monitoring and Evaluation process in national government and evidence exist to suggest that not all non-financial data is useful yet. Suggestion that the website reference be changed to

<http://www.treasury.gov.za/documents/national%20budget/2007/ene/Default.aspx>

Researcher Response: Consultation with professional tends to confirm the answer "b" as per the Peer Reviewer suggestion.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?
- a. Performance indicators are presented for all programs.
 - b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.
 - c. Performance indicators are presented for programs representing less than two-thirds of expenditures.
 - d. No performance indicators are presented.
 - e. Not applicable/other (please comment).

Citation:

Each program included in the "Estimates of National Expenditure 2007" provides service delivery objectives and indicators.

Comment:

This information can be seen online at
<http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf>

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Suggestion that the website reference be changed to
<http://www.treasury.gov.za/documents/national%20budget/2007/ene/Default.aspx> .

Researcher Response:

The suggested website is correct

a

<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ol style="list-style-type: none"> All performance indicators are well designed. Most performance indicators are well designed. Some performance indicators are well designed, but most are not. No programs have performance indicators, or they are not well designed. Not applicable/other (please comment). <p><u>Citation:</u> In terms of service delivery objectives and indicators included into the "Estimates of National Expenditure 2007" recent outputs and medium-term output targets allow progress assessment of program performance over the time.</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” AFReC is closely involved with the Government-wide Monitoring and Evaluation process in national government and evidence exist to suggest that not all performance indicators are well designed yet. Suggestion that the website reference be changed to http://www.treasury.gov.za/documents/national%20budget/2007/ene/Default.aspx .</p> <p><u>Researcher Response:</u> The same answer as in question 51 based on the view of budget professionals.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b
<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ol style="list-style-type: none"> All performance indicators are used in conjunction with performance targets. Most performance indicators are used in conjunction with performance targets. Some performance indicators are used in conjunction with performance targets, but most are not. No performance indicators are used in conjunction with performance targets. Not applicable/other (please comment). <p><u>Citation:</u> Again this is clear in the presentation of appropriation of each program in the "Estimates of National Expenditure 2007"</p> <p><u>Comment:</u> This information can be seen online at http://www.finance.gov.za/documents/national%20budget/2007/enr/enr.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?</p> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on policies intended to alleviate poverty is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> This is quite explicit in the budget even though the overall policy strategy is to reduce poverty and inequality as per the government's commitment to the MDG. But when the explicit mandate of the expenditure program is to reduce poverty the intended beneficiaries are stated.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> A more appropriate response to this question would be “a.” This is explicit in the budget documentation for both national and provincial departments and the details will be found in annual reports of departments.”</p> <p><u>Researcher Response:</u> We suggest to consider the Government Reviewer comments and upgrade the answer to “a.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries</p>	a
Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive’s budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented. Not applicable/other (please comment). <p><u>Citation:</u> This is included in the tax proposal available in chapter 4 of the "Budget Review 2007"</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. Yes, some analysis is presented, but it lacks important details. No analysis on the distribution of the tax burden is presented. Not applicable/other (please comment). <p><u>Citation:</u> Again the tax burden across social and economic groups is extensively explained in Chapter 4 of the "Budget Review"</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?
- Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
 - Yes, information is presented, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on conditions associated with IFI assistance is not presented.
 - Not applicable/other (please comment).

Citation:

The table 4.1 on "Consolidated National Revenue Estimates" includes items on foreign technical assistance in page 63 of the "Budget Review"

Comment:

Information available on Internet at

<http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx>

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "e." There is no mentioning of loans from IFIs.

Government Reviewer Comment: A more appropriate response to this question would be. Assistance from IFI is extremely limited and very small amounts, *de minimus*. Thus even though the ODA is reported, the conditionalities will be dealt with in policy discussions, and bilateral meetings between government and IFI, and reported on in that context. "

Researcher Response: I suggest the answer should be changed to "d." We would suggest the answer "d" since the ODA is reported but the conditions associated are not presented

IBP Comment: IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?
- a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
 - b. Yes, information is presented, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on conditions associated with donor country assistance is not presented.
 - e. Not applicable/other (please comment).

Citation:

This is available for foreign borrowing but not explicitly for technical assistance. This can be seen in pages 87 - 94 of the "Budget Review 2007."

Comment:

Information is available on Internet at <http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx>.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." Donor funding for technical assistance is funneled into the Reconstruction and Development Program (RDP) Fund. We could not source public documents on the conditions attached to the funding.

Government Reviewer Comment:

All Overarching Agreements can be found on the DCIS website – thus conditionalities are visible, but project specific agreements are too many to be put on the DCIS website, and in this case the project specific conditionalities are available but on request to the signatories"

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer two, "d." We have reviewed the document and it is appropriate to go for answer "d"

IBP Comment: IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ol style="list-style-type: none"> Yes, it provides a summary that is very informative. Yes, it provides a summary that is somewhat informative. Yes, but the summary is not very informative. No, it does not provide a summary. Not applicable/other (please comment). <p><u>Citation:</u> Various documents as such are released by the National Treasury, in particular "A People's Guide Budget 2007" which is widely distributed. The "Budget Review 2007" also includes an "overview of the 2007 Budget"</p> <p><u>Comment:</u> Information available on Internet at http://www.finance.gov.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Suggestion that the website reference be changed to http://www.treasury.gov.za/documents/national%20budget/2007/default.aspx</p> <p><u>Researcher Response:</u> Okay for the website change</p>	a
<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <ol style="list-style-type: none"> Yes, it publishes a citizens budget that is very informative. Yes, it publishes a citizens budget that is somewhat informative. Yes, but the citizens budget is not very informative. No, it does not publish a citizens budget. Not applicable/other (please comment). <p><u>Citation:</u> The citizens budget is named “ A People Guide ... Budget 2007" and it is widely distributed in more than one language</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx .</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Suggestion that the website reference be changed to http://www.treasury.gov.za/documents/national%20budget/2007/default.aspx</p> <p><u>Researcher Response:</u> Okay for the website change</p>	a

<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ol style="list-style-type: none"> Yes, thorough definitions of budget terms are provided. Yes, definitions are provided, but some details are excluded. Yes, some definitions are provided, but it lacks important details. No, definitions are not provided. Not applicable/other (please comment). <p><u>Citation:</u> The "Budget Review 2007" from page 151 to page 161 provides a glossary containing definitions of terms used in the budget documents</p> <p><u>Comment:</u> Information available on Internet at http://www.finance.gov.za/documents/national%20budget/2007/review/Default.aspx .</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ol style="list-style-type: none"> Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information. No, the right to access government information has not been codified into law, or this right does not include access to budget information. Not applicable/other (please comment). <p><u>Citation:</u> The access to budget information is prescribed by law (see the website of the Auditor General on Internet at http://www.agsa.gov.za). Practically, budget documents are available on the website of the National Treasury the same day and can be accessed by the public.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> In addition, the Public Financial Management Act (No.1 of 1999 as amended) of South Africa prescribes the tabling of various budget information pieces in Parliament in sittings open to the public. The Promotion of Access to Information Act (No.2 of 2000) also enhances the availability of budget information.</p>	a

<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</p> <p>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> On demand to administrative unit, citizens and civil societies can have access to these document in term of the law regulating the access to information</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Individual departmental (program) budget statements with detailed expenditure information for provincial governments are available on the National Treasury’s website: www.treasury.gov.za. Annual performance plans containing financial and non-financial information for both national and provincial departments are available on request. In addition, the Public Financial Management Act (No.1 of 1999 as amended) of South Africa prescribes the format of budget information pieces in Parliament in sittings open to the public. The Promotion of Access to Information Act (No.2 of 2000) also enhances the availability of budget information.</p>	<p>a</p>
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65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?

- a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

In some cases this type of information can be obtained but not all disaggregated non-financial information.

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Individual departmental (program) budget statements with detailed expenditure information for provincial governments are available on the National Treasury's website: www.treasury.gov.za. Annual performance plans containing financial and non-financial information for both national and provincial departments are available on request. In addition, the Public Financial Management Act (No.1 of 1999 as amended) of South Africa prescribes the format of budget information pieces in Parliament in sittings open to the public. The Promotion of Access to Information Act (No.2 of 2000) also enhances the availability of budget information.

Researcher Response:

This citation is true but not all information is provided. The answer "b" remains appropriate in this case.

b

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> Information regarding the release date of the budget is known in advance. There is a legal provision in the Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999) which prescribes, on page 19, that the Minister (of Finance) must table the annual budget for the financial year in the National Assembly before the start of that financial year. This is available on Internet at http://www.finance.gov.za/legislation/PFMA/act.pdf</p> <p><u>Comment:</u> The release date is part of the Calendar Budget Events provided on the website of the Ministry of Finance, and can be seen online at http://www.finance.gov.za/calendar.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

67. Does the executive release to the public its timetable for preparation of 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 what ever central government agency is in charge of coordinating the budget's formulation)?

- a. Yes, a detailed timetable is released to the public.
- b. Yes, a timetable is released, but some details are excluded.
- c. Yes, a timetable is released, but it lacks important details.
- d. No, a timetable is not issued to the public.
- e. Not applicable/other (please comment).

Citation:

The timetable for preparation of the executive's budget proposal is part of the National Treasury Regulation, a circular from the National Treasury provide a schedule, including key dates regarding the preparation of budget. This timetable can be seen on Internet at <http://www.finance.gov.za/calendar.aspx>

Comment:

Besides the website of the South Africa Government Information available at <http://www.gov.za> also provides the useful information about the key budget events and dates.

Peer Reviewer One Comment: The Treasury calendar listed no events at all when the above-mentioned website was accessed on 22 April 2008, nor could a full timetable of the budget process be obtained from <http://www.gov.za>. The website was revisited on 23 April 2008, with the same result. We know that such a timetable exists and would be available within government, but could not find the information electronically. It may well be that such a timetable is only available for a specific period and then removed. A more appropriate response to this question would be "c."

Peer Reviewer Two Comment:

Researcher Response: I chose my answer because at the time of this research, the timetable was available. The department of Finance (National treasury) has recently updated the website. This information is no longer available. This information was available in the presentation (PowerPoint) posted on internet.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

68. Does the executive adhere to its timetable for the preparation and release of the budget?

- a. The executive adheres to the dates in its timetable.
- b. The executive adheres to most of the key dates in its timetable.
- c. The executive has difficulty adhering to most of the dates in its timetable.
- d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.
- e. Not applicable/other (please comment).

Citation:

The Chapter Four on the budget process of the Public Finance Management Act (as amended by the Act 29 of 1999) gives effect to section 215 of the constitution on the timing of the preparation of the national budget. The timing is rigorously respected in South Africa.

Comment:

Peer Reviewer One Comment: This cannot be confirmed because of peer reviewer's comment on question 67.

Peer Reviewer Two Comment:

Researcher Response: I suggest the answer should be changed to "b."
Although information is no longer available, South Africa has traditionally adhered to most of the key budget dates.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of legislators. b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. c. Yes, the executive holds very limited consultations, involving only a few members of the legislature. d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> Consultations with the MPs in determining budget priorities start to take place when the MTBPS is presented to Parliament four months before the budget is tabled. The Ministry of Finance presents the MTBPS which includes the fiscal policy: macro-assumptions, goals, trends and targets of the budget. The fiscal policy framework, including budget priorities is reviewed within parliamentary committees.</p> <p><u>Comment:</u> Information concerning the budget priorities is provided in chapter 3 of the pre-budget statement document entitled "Medium Term Budget Policy Statement 2006," available on Internet at http://www.finance.gov.za/documents/mtbps/2006/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of constituencies. b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. c. Yes, the executive holds very limited consultations, involving only a few constituencies. d. No, the executive does not typically consult with the public as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> This information is provided in paragraph 4, of the Foreword of the "Estimate of the National Expenditure 2007." Public hearing and submissions take place within the Parliamentary committees. Any citizen can make written submissions to committees of Parliament about budgetary issues they are discussing or budgetary issues that they think they should be discussing.</p> <p><u>Comment:</u> Information on the executive consultations with the public is emphasized in paragraph 4, of the Foreword of the "Estimate of the National Expenditure 2007" and the websites of the Parliament and civil society organizations, including Trade-Unions also relates to this.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year. b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. d. The executive does not release a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> The pre-budget statement, the MTBPS, is released publicly four months before budget.</p> <p><u>Comment:</u> Information confirming the release date to the public can be seen online at http://www.finance.gov.za/documents/mtbps/2006/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> In particular, chapter 3 of the pre-budget statement document entitled "Medium Term Budget Policy Statement 2006," provides macro-assumptions and fiscal framework.</p> <p><u>Comment:</u> It can be seen online at http://www.finance.gov.za/documents/mtbps/2006/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> Chapters 1, 2 and 3, of the pre-budget statement are explicit about the government's policies and priorities driving the budget.</p> <p><u>Comment:</u> This information is available online at http://www.finance.gov.za/documents/mtbps/2006/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u> The Budget is presented to the legislature in mid-February when in fact the budget year normally begins in April.</p> <p><u>Comment:</u> Information concerning the date in which the legislature received the budget is available online at http://www.finance.gov.za/documents/national%20budget/2007/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency of assumptions across countries.</p>	C

<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. Not applicable/other (please comment). <p><u>Citation:</u> The voice of the people on the macroeconomic and fiscal framework is heard through the Parliament’s Portfolio Committee on Finance which is as other committees a forum in which the finer detail of legislation, including the Money Bill is discussed among the different political parties represented in Parliament.</p> <p><u>Comment:</u> This provision is available on the website of the national legislature and can be seen online at http://www.parliament.gov.za/live/content.php?Item_ID=62</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> In addition to the executive branch institutions, civil society is invited to make oral and written submissions on the macroeconomic and fiscal framework of the budget, both at pre-budget (MTBPS) and post-tabling phase.</p> <p><u>Researcher Response:</u> This is correct, for example Idasa has been invited several time to make submissions on the macroeconomic and fiscal framework of the budget.</p>	a
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76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
- c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
- e. Not applicable/other (please comment).

Citation:

The Parliament's Portfolio committee on finance is basically that the only committee that hold public hearing. It is optional for the other committees. Nevertheless it is required that any parliamentary committee has the power to summons any person or public institution to appear before it. The committees require central government administrative units to report on to them, including on the individual budgets and they receive petitions, representations or submissions from the public.

a

Comment:

Information on public hearings can be seen on the Internet at <http://www.parliament.gov.za>

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: The Budget Committee of Parliament holds extensive hearings with departments on their budget votes. In addition, the Select Committee on Finance scrutinizes allocations to provincial and national government. Records of Committee hearings are available at www.pmg.org.za. ”

Researcher Response:

The two citations have the same meaning. But more concise from the Government Reviewer

77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?
- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
 - b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
 - c. Yes, a limited number of hearings are held in which testimony from the public is heard.
 - d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
 - e. Not applicable/other (please comment).

Citation:

Parliament will through its own processes (Portfolio committees) request public comments on the Amendments, and thereafter hold public hearings on the individual budgets of central government administrative units. All comments are submitted to the Parliament's Portfolio Committee of Finance, members of the public are also invited to send the same comments to the National Treasury. National Treasury considers all comments submitted to it and to the Portfolio Committee on Finance, as well as any recommendations arising from the Parliamentary hearings, when finalizing the budget.

Comment:

This provision is available on the website of the national legislature and can be seen on Internet at http://www.parliament.gov.za/live/content.php?Item_ID=62

Peer Reviewer One Comment: Non-governmental persons are invited to attend these hearings and do present testimony at such hearings. The researcher's comment is correct.

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be "Members of the public do provide testimony in some cases, however this is left to the discretion of the legislative committee. Separate committees report to the National Assembly of Parliament on departmental budgets. These reports are adopted by the House and then referred to the relevant Ministry or Department. They don't report to the Finance Committee. Each individual Budget Vote is decided on by the National Assembly when the Appropriation Bill is passed. A thorough interrogation of the concerns takes place during this process in the House of Assembly i.e. questions are posed directly to the relevant line Ministers"

Researcher Response:

All comments are correct and the researcher citation too.

IBP Comment: IBP editors chose answer "c" to maintain consistency of assumptions across countries.

C

<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ol style="list-style-type: none"> Yes, the committees release very informative reports, which include all written testimony presented at the hearings. Yes, the committees release reports, but some details are excluded. Yes, the committees release reports, but they are not very informative. No, the committees do not release reports or do not hold public hearings. Not applicable/other (please comment). <p><u>Citation:</u> In some cases Legislative Committees release reports on public hearing, these reports can be seen on Internet (old Parliament Website) at</p> <p><u>Comment:</u> The reports of parliamentary committees are available on the Internet at http://oldwww.parliament.gov.za/pls/portal/web_app.new_middle_column?p_page_name=PARLIAMENTARY_COMMITTEES</p> <p><u>Peer Reviewer One Comment:</u> Internet access to committee reports were found to be quite difficult; an ordinary member of public has to pay an access fee and on 19 April 2008 the above address returned the following message: “The page caused an ESI processing exception.” The question does not allow for an assessment of accessibility, but it was found to be unsatisfactory. Consequently, it was not possible to assess the contents of a typical report on a public hearing on the budget. A more appropriate response to this question would be “c.”</p> <p><u>Peer Reviewer Two Comment:</u> In addition, the Parliamentary Monitoring Group (PMG) also publishes independent and objective reports and minutes of selected committee hearings at www.pmg.org.za .</p> <p><u>Government Reviewer Comment:</u> A more appropriate response to this question would be “A more appropriate response to this question would be “a.” All the processes are open to the public at Parliament and the full report is published in the parliamentary papers.”</p> <p><u>Researcher Response:</u> I have revised the website of the national assembly as well as the Parliamentary Monitoring Group. These reports can be accessed.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b
<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items. Not applicable/other (please comment). <p><u>Citation:</u> Information on some, but not all of the spending items of secret, intelligence and</p>	b

military services are provided to the legislature. This information was provided by a key public from the Ministry of Intelligence Service.
<http://www.intelligence.gov.za/index.asp>

Comment:

Peer Reviewer One Comment: We concur with the above explanation. No other view would be possible, given the contact restrictions on peer reviewers.

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be “a”

Citation:

The information is provided in full to the appropriate legislative committee known as the Joint Standing Committee on Intelligence

Comment: This is covered by in terms of Intelligence Services Oversight Act No. 40 of 1994

Researcher Response: I chose my answer because ...Even though I agree with the citation and comment of the Government Reviewer, the answer can still be “b” as some details are lacking.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

80. Does the legislature have authority *in law* to amend the budget presented by the executive?

- a. Yes, the legislature has unlimited authority *in law* to amend the budget.
- b. Yes, the legislature has authority *in law* to amend the budget, with some limitations.
- c. Yes, the legislature has authority *in law* to amend the budget, but its authority is very limited.
- d. No, the legislature does not have any authority *in law* to amend the budget.
- e. Not applicable/other (please comment).

Citation:

Constitutionally the legislature has unlimited power to amend the budget introduced in the legislature by the executive. The budget is introduced in terms of the Constitution as section 77 Bills (money Bills). However this has not been done in South Africa mainly because there is gap between what the constitution says and what happens in practice (lack of law regulating the amend power).

Comment:

Peer Reviewer One Comment: The legislature has indeed not yet adopted the implementing law necessary to assume the constitutional powers to amend the budget. A media report in the Pretoria News of 20 March 2008 testifies to this. "Parliament has taken a historic step in stamping its authority on the political and economic landscape by adopting 'in principle' a recommendation that will enable it to amend the Budget and other money bills. The decision was taken hours before the national assembly approved Finance Minister Trevor Manuel's 2008/09 Budget. The decision to adopt the proposal along with a draft Money Bills Amendment Procedure and Related Matters Bill was unanimously agreed to on Wednesday by parliament's multiparty joint rules committee, chaired by Speaker Baleka Mbete." Therefore, a more appropriate response to this question would be "d."

Peer Reviewer Two Comment: The Constitution requires that an "an Act of Parliament must provide for a procedure to amend money Bills before Parliament" (Section 77(3)). The National Parliament and provincial legislature has the authority to amend budgets, but no legal procedures have been enacted to regulate amendments. Therefore the answer of the researcher of "a" may well be accurate. It is the phrasing of the question that perhaps leads one to ponder whether the answer should be based on theory or practice.

Government Reviewer Comment: "Parliament may accept or reject the Budget. Although section 77 of the Constitution provides authority for Parliament to amend Money Bills, this legislation has not been enacted. "

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "a." I chose my answer because: the power to amend the budget exists but have not yet been exercised.

IBP Comment: IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Program level details included in the approved budget are prescribed by law, notably the section 26 of the Public Finance Management Act. Information regarding the approved budget, including program level details are publish in the "Appropriation Act" and published in the Government Gazette</p> <p><u>Comment:</u> Information can be seen online at http://www.finance.gov.za/documents/national%20budget/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> The section 32 of the PFMA promotes the need for in-year management of resources, and requires that within 30 days after the end of each month, the National Treasury must publish in the National Gazette a statement of actual expenditure per vote with regard to the National Revenues Fund. The information is based on the Section 40(4) PFMA.</p> <p><u>Comment:</u> Information on in-year reports on the actual expenditure are available on the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at http://www.gics.co.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> Yes, in-year reports cover all expenditures. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. Yes, in-year reports cover less than two-thirds of expenditures. No in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> The National Treasury publishes monthly and cumulative statements of actual expenditure per vote and cumulative up-to-the date with regard to the National Revenues Fund.</p> <p><u>Comment:</u> Information on in-year reports on the actual expenditure are available on the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at http://www.gics.co.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> A more appropriate response to this question would be “The information is also published in accordance with economic classification.”</p> <p><u>Researcher Response:</u> This detail is just an add-on to the initial citation.</p>	a
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84. What is the most detail provided in the in-year reports on actual expenditures organized by *administrative unit*?
- The in-year reports on actual expenditures organized by administrative unit contain program-level detail.
 - The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs).
 - The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.
 - The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals.
 - Not applicable/other (please comment).

Citation:

This is prescribed in the Public Finance Management Act, section 32 & 40(4).

Comment:

Information on in-year reports on the actual expenditure are available on the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at <http://www.gics.co.za>

C

Peer Reviewer One Comment: On visiting the above-mentioned websites, it was established that the published data only contained departmental totals. A more appropriate response to this question would be "c"

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." So-called Section 32 reports are in the public domain, but not the detailed monthly reports for individual departments. Oversight committees may request these from the National Treasury.

Researcher Response: I chose my answer because ...The Peer Reviewer One's suggestion seems to be more appropriate in this question.

IBP Comment: IBP editors chose answer, "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?
- Yes, comparisons are made for all expenditures.
 - Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
 - Yes, but comparisons are made for less than two-thirds of expenditures.
 - No, comparisons are not made, or no in-year reports are released to the public.
 - Not applicable/other (please comment).

Citation:

The National Treasury has put measures in place to capture and publish budgeted expenditure and actual figures from the financial year allowing comparison between the enacted and actual year-to-date expenditures. These reports are included into the "Statement of National and Provincial Government's Revenue, Expenditure and National Borrowing" issued by the Director-General of the National Treasury.

Comment:

The information on in-year reports can be seen on the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at <http://www.gics.co.za>

Peer Reviewer One Comment: Note: an annual access fee of R580 (about US\$75) applies in the case of full subscription to Government Gazette information. Access to the website of the National Treasury is free, but the tables provided do not include budgeted figures; only an updated estimate for the relevant year, the amount for the latest month and the cumulative amount up to and including the latest month. As such these tables do not allow comparison with reference to the annual budget. A more appropriate response to this question would be "b."

Peer Reviewer Two Comment:

Researcher Response:

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ol style="list-style-type: none"> In-year reports on actual revenue collections by source of revenue are released at least every month. In-year reports on actual revenue collections are released at least every quarter. In-year reports on actual revenue collections are released at least semi-annually. In-year reports on actual revenue collections by source of revenue are not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> As in question 82, the section 32 of the PFMA promotes the need for in-year management of resources, including revenue, and requires that within 30 days after the end of each month, the National Treasury must publish in the National Gazette a statement of actual revenue collected by source of revenues. The paragraph b in Section 40(4) of the PFMA is also significant in this regard.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> In-year reports cover the actual revenue collections of all sources of revenue. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. In-year reports on actual revenue collections are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> The National Treasury publishes monthly and cumulative statement of actual revenue collections of all sources of revenue. This is included in the "Statement of National and Provincial Government's Revenue, Expenditure and National Borrowing" issued by the Director-General of the National Treasury.</p> <p><u>Comment:</u> Information on in-year reports on the actual revenue collections are available on the monthly press releases of the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at http://www.gics.co.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> Yes, comparisons are made for all revenue sources. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. Yes, but comparisons are made for less than two-thirds of revenue sources. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Information that allows comparisons between actual year-to-date revenue collections with original estimate (as per the enacted budget) is published monthly in the "Statement of National and Provincial Government's Revenue, Expenditure and National Borrowing" issued by the Director-General of the National Treasury.</p> <p><u>Comment:</u> This information can be seen on the monthly press releases of the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx and the "Government Gazette" available on Internet at http://www.gics.co.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> Yes, in-year reports on actual borrowing are released at least every month. Yes, in-year reports on actual borrowing are released at least every quarter. Yes, in-year reports on actual borrowing are released at least semi-annually. No, in-year reports on actual borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Information on actual borrowing is released monthly in the budget document entitled "Statement of National and Provincial Government's Revenue, Expenditure and National Borrowing" issued by the Director-General of the National Treasury.</p> <p><u>Comment:</u> This information can be seen on the monthly press releases of the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>

90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?
- Yes, extensive information related to the composition of government debt is presented.
 - Yes, key additional information is presented, but some details are excluded.
 - Yes, some additional information is presented, but it lacks important details.
 - No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
 - Not applicable/other (please comment).

Citation:

The summary table of borrowing including disaggregated information on the composition of government debt is included into the monthly released budget document entitled "Statement of National and Provincial Government's Revenue, Expenditure and National Borrowing" issued by the Director-General of the National Treasury.

Comment:

This information can be seen on the monthly press releases of the Internet website of the National treasury at http://www.treasury.gov.za/comm_media/press/monthly/monthly_2007.aspx

Peer Reviewer One Comment: Tables provide currency value adjustments in respect of maturing foreign loans or foreign loan switches, but not mark-to-market values on an accrual basis in respect of non-matured loans. This is in line with the Treasury approach to only account for currency gains or losses at maturity date, but not to account for gains and losses on an accrual basis. A more appropriate response to this question would be "b."

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Key information on for example interest rates, maturity, and currency denomination is omitted.

Researcher Response: I chose my answer because Peer Reviewer citation can be added. He made a good point.

IBP Comment: IBP editors chose answer, "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ul style="list-style-type: none"> a. Reports are released 1 month or less after the end of the period. b. Reports are released 2 months or less (but more than 1 month) after the end of the period. c. Reports are released more than 2 months after the end of the period. d. In-year reports are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> This is prescribed by the section 32 of the PFMA and it is rigorously respected in South Africa as part of its transparency in the public finance management.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> The website address provided in the response to question 90, provides the report as at 30 November 2007. The internet release date was 28 December 2008. The assessment is correct.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> The detail is correct.</p>	a
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<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none">a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.e. Not applicable/other (please comment). <p><u>Citation:</u> According to the National Treasury the Pre-budget Statement document called the "Medium Term Budget Policy Statements and Adjusted Estimates of National Expenditure" also serve as the mid-year review. This is reported in page 9 of the slide presentation of National Treasury entitled " Budget Transparency in South Africa" released on the 17 May 2007.</p> <p><u>Comment:</u> From this perspective the MTBPS 2007 might technically be viewed as the Mid-year of the Budget 2007/08, and it is available on Internet at http://www.treasury.gov.za/documents/mtbps/2007/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ol style="list-style-type: none"> a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> The Adjustments Appropriation Bill is tabled at the same time as the MTBPS is tabled. Basically through this Bill, the Minister of Finance seeks Parliament's approval and adoption of its revised spending plans for the 2007/08 financial year. In terms of section 30(2) of the Public Finance Management Act, (Act No 1 of 1999) (PFMA), expenditure provided for in the Adjustments Appropriation Bill includes, among other line items, the money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget; and the shifting of funds between and within votes or to follow the transfer of functions, in terms of the section 42 of the PFMA.</p> <p><u>Comment:</u> Such information is available online at http://www.treasury.gov.za/documents/mtbps/2007/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> The mid-year review includes program-level detail for expenditures. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). The mid-year review includes only departmental totals (or functional totals). The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. Not applicable/other (please comment). <p><u>Citation:</u> In the "Adjusted Estimates of National Expenditure 2007" includes the amount to be appropriated by a vote reflects the adjusted rand amount to be voted for 2007/08 and also indicate revised estimates of statutory expenditure. Adjusted expenditures are set out by program and economic classification. Narrative explanations are also given for the additional appropriations for roll-overs and unforeseeable and unavoidable expenditures.</p> <p><u>Comment:</u> Information is available online at http://www.treasury.gov.za/documents/mtbps/2007/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ol style="list-style-type: none"> Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. Not applicable/other (please comment). <p><u>Citation:</u> The MTPBS 2007 provides the revised estimate of revenue published in the 2007 Budget Review in page 38 and Table 4.2 in page 40.</p> <p><u>Comment:</u> Information is available online at http://www.treasury.gov.za/documents/mtbps/2007/mtbps/Chapter%204.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>

<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> When the Adjusted Estimate is tabled in the National Assembly by the Minister of Finance, the executive seeks Parliament’s approval and adoption of its revised spending plans for the 2007/08 financial year.</p> <p><u>Comment:</u> Information is available online at http://www.treasury.gov.za/documents/mtbps/2007/mtbps/ISBN%20page.pdf</p> <p><u>Peer Reviewer One Comment:</u> The citation applies to the different budget votes and programs. Within programs the executive obviously have the authority to reallocate funds. The assessment is correct.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> The detail is correct</p>	<p>a</p>
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97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?
- There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
 - The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
 - The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
 - No, the procurement process was not open and competitive in practice.
 - Not applicable/other (please comment).

Citation:

The government has a policy regulating the implementation of supply chain management within Government's procurement in terms of Section 76 (4) (c) of the PFMA. It is respected.

Comment:

Information available on Internet at
<http://www.treasury.gov.za/divisions/sf/sc/overview.pdf>

Peer Reviewer One Comment: Irregularities do occur. A case in point is the dismissal of two correctional services officials on account of procurement irregularities. The weekly *Mail and Guardian* reported the Minister of Correctional Services in this respect – available online at http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news_national/&articleid=286859 [accessed 22 April 2008]. A more appropriate response to this question would be “b.”

Peer Reviewer Two Comment: A more appropriate response to this question would be “b.” For example “Irregular spending ‘a dreaded term’” in *Business Day*, 20 November 2007, and “Post Office boss lied to minister, report claims” in *Business Day*, 4 May 2007.

Government Reviewer Comment: A more appropriate response to this question would be “Update citation to read: Local government procurement is governed by Section 112 of the MFMA and Supply Chain Regulation published in gazette 27636 on 30 May 2005.”

Researcher Response: I chose my answer because: The government suggestion to update citation is right, but the points made by the two Peer Reviewer are convincing. Therefore suggest to downgrade the answer to “b”

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

b

98. When does the legislature typically approve supplemental budgets?

- a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
- b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
- c. Not applicable/other (please comment).

Citation:

This is included in the "Adjustments Appropriation Act" enacted by the Parliament.

Comment:

Information is available online at
<http://www.finance.gov.za/legislation/acts/default.aspx>

Peer Reviewer One Comment: Two kinds of supplemental expenditure are at issue. When the Finance Minister submits the Budget, he may announce additional expenditure not included in the budget documentation. These form part of the budget which is submitted to parliament for approval. A second category is expenditure needs that arise during the course of the fiscal year. These are treated as indicated above. The assessment is correct.

Peer Reviewer Two Comment: Supplemental budgets have been tabled mostly before funds were expended. Some supplemental budgets have occurred before the mid-year adjustment budget process. See for example the Special Adjustment Budget tabled by the National Treasury in September 2007, available on the internet at
http://www.treasury.gov.za/comm_media/speeches/2007/2007091201.pdf .

Government Reviewer Comment: A more appropriate response to this question would be "We have also on occasion tabled a Supplementary Adjustments Appropriation Bill in the past and have a mechanism to deal with unforeseen circumstances e.g. disasters."

Researcher Response:

All answers are correct. The mechanism mentioned by the Government Reviewer is called "Contingency Reserve" in the budget.

a

<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> Supplemental budgets are generally equal to 2 percent or less of the original budget. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets. Not applicable/other (please comment). <p><u>Citation:</u> According to the Adjusted Estimate of expenditures, the total estimated level of spending rises by R8.5 billion, from a budgeted R533.9 billion to a revised R542.4 billion. That is basically an increase of about 1.59% .</p> <p><u>Comment:</u> Information is available on page I of the "Adjusted Estimates of National Expenditure 2007" and can seen online at http://www.finance.gov.za/documents/mtbps/2007/adjustments/Title%20and%20Overview.pdf</p> <p><u>Peer Reviewer One Comment:</u> We submit that a general conclusion cannot be derived from one year's outcome. Over the past four years, there were three in which the budget was exceeded and one (2006/07) in which less than the budget amount was spent. The average deviation for the four years was 0,43%, which is well within the "a"-range. The assessment is correct.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> The detail is meaningful.</p>	a
<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. Expenditures are approved after the funds are expended, but before the end of the fiscal year. Expenditures are approved after the end of the fiscal year, for example in the next budget. Such expenditure takes place without legislative approval. Not applicable/other (please comment). <p><u>Citation:</u> On this we have mixed response in South Africa. For instance an increase of salary will be paid before being approved. Meaning that expenditures of contingency funds or other funds might approved before being spent or not depending on the type expenditure.</p> <p><u>Comment:</u></p>	b

Peer Reviewer One Comment: The budget contains a contingency fund, which the executive will spend during the course of the year. Our understanding is that the executive has the discretion to spend these funds on contingencies, as long as the total is not exceeded. From the citation it appears that salary increases could be paid out prior to legislative approval, but never without such approval (even if after the end of the fiscal year). Because wage negotiations are not always finalized before the budget is submitted to (or even approved by) Parliament, the budget includes indicative figures of adjustment in remuneration, which are then approved. A more appropriate response to this question would be “b.”

Peer Reviewer Two Comment: The researcher correctly notes the discrepancy. In the case of the 2007 Special Adjustment Budget, money was moved from the larger than normal contingency reserve after business plans for strategic infrastructure projects (such as the Pebble Bed Modular Reactor) were finalized. Hence, another choice to the question may have to be entered, for example: Expenditure approved both before and after funds are expended.

Government Reviewer Comment: A more appropriate response to this question would be “Our definition of contingency reserve includes appropriations for disasters, and expenditure announced in the budget but not yet allocated e.g. restructuring of State Owned Enterprises. These expenditures are approved in the Adjustments Budget before funds are expended except in the case of emergency funding where approval by legislature may take place after the funds have been expended.”

Researcher Response: I would suggest maintaining the response to “e” as the situation is mixed depending on the type of expenditure that it entails.

IBP Comment: IBP editors chose answer, “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> The report is released six months or less after the end of the fiscal year. The report is released 12 months or less (but more than six months) after the end of the fiscal year. The report is released more than 12 months after the end of the fiscal year. The executive does not release a year-end report. Not applicable/other (please comment). <p><u>Citation:</u> In term of section 65 of the PFMA, each department is required to present its annual reports including budget's actual outcomes for the year to the public (Parliament) by the 30 September (deadline). That is no more than six months after the enacted budget.</p> <p><u>Comment:</u> Information is available at http://www.agsa.co.za/Acts/Docs/Public_Audit_Act/27121.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> Yes, all data on actual outcomes have been audited. At least two-thirds, but not all, of the data on actual outcomes have been audited. Less than two-thirds of the data on actual outcomes have been audited. None of the data on actual outcomes has been audited, or a year-end report is not released. Not applicable/other (please comment). <p><u>Citation:</u> This is prescribed by the PFMA and Annual Reports are presented in accordance with a detailed guide and format issued annually by the National Treasury as "The Guide for Preparation of Annual Reports By the National and Provincial Department.</p> <p><u>Comment:</u> Information can be seen on Internet at http://www.agsa.co.za/</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

This can be seen on the website of each administrative unit and the website of the Auditor-General at <http://www.agsa.co.za/>

Comment:

Peer Reviewer One Comment: The assessment is correct. Deviations from budgeted figures of all government departments are given in the Treasury's *Adjusted Estimates of National Expenditure 2007*, available at <http://www.finance.gov.za/documents/mtbps/2007/adjustments/Title%20and%20Overview.pdf>.

Peer Reviewer Two Comment:

Researcher Response to the Reviewer One:

This detail and comment can be added.

a

104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?

- a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
- b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
- c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
- d. No explanation of the differences is provided, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

The year-end report is reflecting what has been achieved and not with respect to the enacted budget. That is basically reporting on the actual outcomes (program Performance) with the aims to achieve more accountability and transparency to the public.

a

Comment:

Information regarding the level of detail can be seen on the individual website of each administrative unit; for instance regarding the Department of Education, this information is available online at <http://www.education.gov.za/dynamic/dynamic.aspx?pageid=329&catid=10&category=Reports&legtype=null>

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be “Citation; the year end report reflects what has been achieved against the final appropriation (enacted budget). The second sentence of the citation is fine.”

105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

This is mainly presented in the "National Treasury Annual Report" which has a legislative mandate to manage the public finance and enforce transparency and effective management in respect of enacted revenue and expenditures.

Comment:

Explanation on the such difference can be seen on Internet at <http://www.finance.gov.za/publications/annual%20reports/national%20treasury/default.aspx>

Peer Reviewer One Comment: The assessment is correct. The information is contained in the annual Medium Term Budget Policy Statement, found on the website of the National Treasury. As far as we could establish, the "National Treasury Annual Report" pertains to the functioning of the National Treasury as a government department. It does not contain information about the finances of the national government as a composite entity.

Peer Reviewer Two Comment:

Researcher Response:

The remark is true, but does not alter the answer

b

106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

The annual report of the National Treasury provides an explanation on the original macroeconomic assumptions and forecasts as well its driving forces that governed the changes, and how these changes impacted on the actual outcomes (Program Performance).

Comment:

Explanation of the differences can be seen online at <http://www.finance.gov.za/publications/annual%20reports/national%20treasury/default.aspx>

Peer Reviewer One Comment: As stated in the peer review comment on question 105, the Treasury's annual report does not provide information on the national budget. The Medium Term Budget Statement, which double-acts as a year-end report, does not provide an explanation of the difference between the original macroeconomic forecast and the actual fiscal outcome, i.e. in respect of the fiscal year for which audited figures are supplied. A more appropriate response to this question would be "d."

Peer Reviewer Two Comment:

Researcher's Response to this Question was "a."

Researcher Response: There is a contradiction between the statement made by the Peer Reviewer One and the answer suggested.

IBP Comment: IBP editors chose answer, "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

The "Guide for the Preparation of Annual Reports by National and Provincial Departments" released by the National Treasury is supplemented by other guides including non-financial data. Each administrative unit consolidates all these information into their annual report with explanation highlighting changes from its original estimates allowing to assess the actual outcome (program performance)

Comment:

In the case of the Department of Education, such information can be seen on Chapter explaining the program performance included into the annual report, can be seen on Internet at

<http://www.education.gov.za/dynamic/dynamic.aspx?pageid=329&catid=10&category=Reports&legtype=null>

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be "Comment: The level of compliance differs from department to department. The framework covers this issue adequately."

Researcher Response:

Yes for the comment but the answer remains the same

a

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> A careful scanning of several administrative unit's reports show that annual report includes the stated purpose of each program, its output performance in term of measurable service delivery indicator, and its actual performance against targets.</p> <p><u>Comment:</u> Information is available online at http://www.finance.gov.za/publications/annual%20reports/national%20treasury/default.aspx</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

It is clear that cross-cutting issues of public programs are advancing economic growth, broad-based empowerment, progressive realization of human rights and the elimination of poverty. Even though annual reports include useful explanations regarding the program performance, some details concerning the actual performance relative to poor are excluded

b

Comment:

Such information can be seen on the annual report of each administrative unit.

Peer Reviewer One Comment: Government financial data do not contain a comprehensive and/or exhaustive and standardized classification of expenditure serving the most impoverished populations. Such expenditures can of course be deduced from relevant votes and programs, each of which will provide the kind of explanation mentioned in "b." The assessment is correct.

Peer Reviewer Two Comment: Many departments (administrative units) of national and provincial governments do not have the latest annual report (2006/07) available on their respective websites.

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> The actual Outcomes of Extra-budgetary funds such Overseas Development Assistance (direct charge charges against Revenue Fund) are included in the annual report with narrative discussions and quantitative estimates.</p> <p><u>Comment:</u> Such information can be seen on the annual report of concerned administrative unit such as the Departments of Education, Health and other social sectors. The Estimates of National Expenditure (ENE) has improved to include information for 134 public entities. However there is still some lack of quantitative data to assess how well the individual programs have performed with respect to their initial targeted goals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<i>The Independence and Performance of the Supreme Audit Institution</i>	

<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> Final audited accounts are released to the public six months or less after the end of the fiscal year. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> In terms of the section 188 of the Constitution, the Auditor General must audit and report on the accounts, financial statements and financial management of all national departments and other institution or accounting entity required by national legislation. Audit reports are required by law to be released to the public 5 months after year end of the fiscal year.</p> <p><u>Comment:</u> Information is available online at http://www.agsa.co.za/</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ol style="list-style-type: none"> All expenditures have been audited and the reports released to the public. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. Expenditure representing less than two-thirds of expenditure have been audited. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information available on Internet at http://www.agsa.co.za</p> <p><u>Peer Reviewer One Comment:</u> From the annual report of the Auditor-General we could find no evidence of outstanding audit reports regarding national and provincial government institutions. The assessment is correct.</p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ol style="list-style-type: none"> The annual audit report(s) includes one or more executive summaries summarizing the report's content. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u> Most of audit reports include an executive summary</p> <p><u>Comment:</u> Information is available on the website of each administrative unit (for instance the Ministry of Finance available at http://www.finance.gov.za/publications/annual%20reports/national%20treasury/default.aspx) and the Auditor general available online at http://www.agsa.co.za/Reports/annualreports/annualreport2006-2007.html</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>114. 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?</p> <ol style="list-style-type: none"> 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 they are removed. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. Not applicable/other (please comment). <p><u>Citation:</u> This is prescribed by law in the Public Audit Act (2004). Basically it aims at enhancing the Auditor General to provide independent and objective quality audit and related value-added services in the management of resources, thereby enhancing good governance in the public sector</p> <p><u>Comment:</u> Information is available on the Internet at http://www.agsa.co.za/Acts/Docs/Public_Audit_Act/27121.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ul style="list-style-type: none">a. Yes, the SAI releases to the public audits of all extra-budgetary funds.b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.e. Not applicable/other (please comment). <p><u>Citation:</u> Report includes all charges against the Revenue Fund, including Extra-Budgetary funds</p> <p><u>Comment:</u> Information is available online at http://www.agsa.co.za</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have *the discretion in law* to undertake those audits it may wish to?

- a. The SAI has full discretion to decide which audits it wishes to undertake.
- b. The SAI has significant discretion, but faces some limitations.
- c. The SAI has some discretion, but faces considerable limitations.
- d. The SAI has no discretion to decide which audits it wishes to undertake.
- e. Not applicable/other (please comment).

Citation:

This is provided by law in the Public Audit Act (2004)

Comment:

Information available online at

http://www.agsa.co.za/Acts/Docs/Public_Audit_Act/27121.pdf

Peer Reviewer One Comment: The assessment is correct. Section 4(3) of the Public Audit Act states that the Auditor-General may audit and report on the accounts, financial statements and financial management of any public entity listed in the Public Finance Management Act; and any institution which is funded from the National Revenue Fund or a Provincial Revenue Fund or by a municipality; or which is authorized in terms of any legislation to receive money for a public purpose.

Peer Reviewer Two Comment: This information can be seen on the Internet at <http://www.agsa.co.za/LinkClick.aspx?fileticket=yiAPk4zVzps%3d&tabid=36&mid=387>.

Government Reviewer Comment: A more appropriate response to this question would be “The Auditor General has full discretion in terms section 5 and 29 of the Public Audit Act (PAA).”

Researcher Response:

Suggestion is correct but does not alter the initial answer

a

117. Who determines the budget of the Supreme Audit Institution?

- a. 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.
- b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- e. Not applicable/other (please comment).

Citation:

This is also included into the Section 38 of the Public Audit Act (2004)

Comment:

Available online at http://www.agsa.co.za/Acts/Docs/Public_Audit_Act/27121.pdf

Peer Reviewer One Comment: The assessment is correct. In terms of the Public Audit Act, the budget is approved by an oversight mechanism provided by the legislature.

Peer Reviewer Two Comment: This information can be seen on the Internet at <http://www.agsa.co.za/LinkClick.aspx?fileticket=yiAPk4zVzps%3d&tabid=36&mid=387>.

a

118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?

- a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.
- c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.
- d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.
- e. Not applicable/other (please comment).

Citation:

This is also required by the Section 29 of the Public Audit Act (2004)

Comment:

Available on Internet at

http://www.agsa.co.za/Acts/Docs/Public_Audit_Act/27121.pdf

Peer Reviewer One Comment: Section 29 of the Public Audit Act enables the Auditor General to designate an authorized auditor to undertake an audit, but in our opinion this does not necessarily imply that designated staff are employed in respect of audits pertaining to the security sector. The question requires an answer about the operational procedures within the Auditor General’s office, which we are not in a position to establish formally. From information obtained orally from the National Treasury we conclude that auditors in the Office of the Auditor General undertake the audit of these agencies. The normal practice is to rotate audit staff, which means that auditors would typically do the audit of a particular agency for 2-3 years and then move on. Unless the researcher can obtain more concrete evidence, a more appropriate response to this question would be “d,” but only because of the first part of the sentence (i.e. “The SAI does not employ designated staff for auditing of the security sector”).

a

Peer Reviewer Two Comment:

Researcher Response: This a legal requirement confirmed by the communication and branding officer of the AGSA. The person can be contacted at +27 12 426 8020.

IBP Comment: IBP editors chose answer, “a” to maintain the consistency of the assumptions used in selecting answers across the countries.

119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?

- a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.
- b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.
- c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.
- d. No, the SAI does not maintain any formal mechanisms of communication with the public.
- e. Not applicable.

Citation:

The Office of the Auditor General reports on this issues through it.

Comment:

For instance complaints and suggestions are redirected through the following emails: MangiW@agsa.co.za

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Reviewer Comment: A more appropriate response to this question would be “(e) – not applicable. Please note that the Public Audit Act (PAA) section 13(1)(c) only provides for procedures for the handling of complaints when performing audits.”

Researcher Response: I chose my answer because The initial answer was based on a communication with an official of the Office of the Auditor General. But a discussion with the staff of AGSA confirmed that the SAI does not maintain formal mechanisms of communication with the public even though they received complaints and suggestions. An email exists on that purpose but they cannot confirm how many complaints or suggestions they received. I suggest the answer be downgraded to “d.”

IBP Comment: IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.

d

<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ol style="list-style-type: none"> Yes, all audit reports are scrutinized. Yes, most audit reports are scrutinized. Yes, some audit reports are scrutinized. No, audit reports are not scrutinized. Not applicable/other (please comment). <p><u>Citation:</u> This is required by law.</p> <p><u>Comment:</u> Information is available online at http://www.parliament.gov.za</p> <p><u>Peer Reviewer One Comment:</u> The assessment is correct. The most prominent legislative committee in this regard is the Standing Committee on Public Accounts [website address: http://www.parliament.gov.za/live/content.php?Item_ID=215&CommitteeID=38.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Reviewer Comment:</u> Annual Reports (including the audit report) are tabled in Parliament and referred to Standing Committee on Public Accounts and Portfolio Committees. All the audit reports of departments are scrutinized, however the reports of all public entities are not reviewed by the committees</p> <p><u>Researcher Response:</u> This is correct and the details can be added into the initial citation.</p>	a
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121. 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?

- a. Yes, the executive reports publicly on what steps it has taken to address audit findings.
- b. Yes, the executive reports publicly on most audit findings.
- c. Yes, the executive reports publicly on some audit findings.
- d. No, the executive does not report on steps it has taken to address audit findings.
- e. Not applicable/other (please comment).

Citation:

In particular the Ministry of Finance releases such a document to the public and it can be seen online at <http://www.finance.gov.za>

Comment:

Peer Reviewer One Comment: We could not obtain formal documents to support our comment, but did obtain oral information from the National Treasury. The auditing process in respect of government institutions produces a number of audit queries and a management letter containing replies to the queries and rectifying steps to be undertaken. These are internal reports which are not available to the public. What is available publicly, is the formal audit report, containing qualifications (if any), as well as the annual report of these institutions. The latter contains a financial report and information about substantive issues on account of the audit process that receives attention. This is available to the public. A more appropriate response to this question would be “c.”

Peer Reviewer Two Comment: In the Management Report contained in every entity’s annual report, the Accounting Officer needs to highlight how recommendations and/or steps for remedial action have been implemented. Most annual reports are found on the respective entities’ websites, albeit not necessarily updated with the latest copies.

Government Reviewer Comment: A more appropriate response to this question would be “e” We are currently working towards producing this report.”

Researcher Response: I chose my answer because such steps are included in the report of individual department such as the Department of Finance. But the comment made by the Peer Reviewer One is pertinent.

I am not sure whether the Government Reviewer statement “we are currently working toward producing this report” means the overall government or just the department in which he is working in. It seems that if this statement is true for the overall government then the answer should be “e.”

IBP Comment: IBP editors chose answer, “c” to maintain the consistency of the assumptions used in selecting answers across the countries

C

122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

- a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.
- b. Yes, a report is released, covering key audit recommendations, but some details are excluded.
- c. Yes, a report is released, but it lacks important details.
- d. No, a report is not produced or it is prepared for internal purposes only (please specify).
- e. Not applicable/other (please comment).

Citation:

Information is available on the website of these institutions. For instance at <http://www.agsa.co.za/>

Comment:

Peer Reviewer One Comment: The annual reports of government departments, which contain information about audit recommendations and actions to be undertaken, are presented to the parliamentary Standing Committee on Public Accounts and discussed in a hearing that is open to the public. Following the discussion, the Committee makes recommendations to Parliament, which become part of the public records of Parliament. In subsequent years unattended matters are registered in the Committee and reported as such to Parliament, thus amounting to a monitoring action. A more appropriate response to this question would be “b.”

d

Peer Reviewer Two Comment: Annual reports of all entities governed by the PFMA (No.1 of 1999 as amended) should contain a report by the AGSA, in which the AGSA draws attention to progress made if any in terms of weaknesses in controls, systems or procedures. Most annual reports are found on the respective entities’ websites, albeit not necessarily updated with the latest copies.

Government Reviewer Comment: A more appropriate response to this question would be “d” A report is produced for internal purposes only.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one “b.” I chose my answer because of the legal requirement as per the PFMA. However the points made by the Peer Reviewer One are convincing. I would agree with his suggestion to downgrade the answer to “b.”

IBP Comment: IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries.

123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

Citation:

This is done within specific or designated Parliamentary Portfolio Committees

Comment:

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

a

Additional Comments:

Please use this section to add any additional comments.

Researcher Additional Comments:

Over the past few years, South Africa has made impressive efforts to improve transparency and accountability within the budget process. The MTBPS which is the Public pre-budget statement serves to signal decisions in budget process and provides macro-assumptions and fiscal and expenditure policy priorities driving budget. The national budget contains a wide range of supporting documents such as the Budget Review, the Estimates of National Expenditure, the Division of Revenue Bill published in the Government Gazette, the Peoples Budget distributed (which is a simplified explanation of the National Budget) in more than one official language, the Budget Speech largely covered by local and international medias, the Provincial review, Local government review, the Strategic plans and annual reports, the In-year monitoring reports, the Auditor General Reports, and others. All of which are available on the National Treasury's website.

However there are still some gaps mainly in reporting. The budget documents provide extensive financial information but there are still some gaps in reporting on non-financial (service delivery outcome) information. The MTBPS at this stage serve two purposes; it is perceived official as the pre-budget statement but implicitly it is also the mid-year review. This creates some confusion in term of monitoring of the budget. There also some challenges related to the consolidation of government accounts: cash vs. accrual accounting. There is clear need to reinforce the performance monitoring information by incorporation links between budgets and non-financial outcomes.

The Constitution vests the National Assembly and provincial legislatures with the power of oversight over the executive; section 55(2) outlines the oversight powers. In term of the section 42(3) of the Constitution, the National Assembly is also empowered with the power of "scrutinizing and overseeing executive action." In order to facilitate Parliament's oversight of the national departments, section 92(3)(b) of the Constitution requires that "Members of Cabinet must provide Parliament with full and regular reports concerning matters under their control." Even though the Constitution vests powers to the National Assembly on budgetary issues (amendment, monitoring and control), there is currently no legislation on this.

However, the challenge facing members of National Assembly is to improve the capacity of portfolio committees to hold departments and public entities to account for their performance, using their strategic plans, budget documents and annual reports.

Key dates of the 2007 Budget Process

CFO letter, MTEF baseline and guidelines	07 July 2006
DG letter and MTEF guidelines	07 July
Feedback on March 'spike'	14 July
MinComBud consider policy priorities	19 July
Budget submission	16 August
MTEC	September
Finalize program structure	29 September
Adjustments Budget	24 October
Cabinet approval of 2007 MTEF	15 November
Budget	February 2007