

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
Malaysia, September 2009

International Budget Partnership
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Section One: The Availability of Budget Documents

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

Budget Documents Used in Completing the Questionnaire	
	Budget Year Used
Pre-Budget Statement	Not available
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	Not available
Enacted Budget	2009
In-Year Reports	2009
Mid-Year Report	Not available
Year-End Report	2007
Audit Report	2007

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

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Not produced
Budget Summary	<p>The 2009 Budget Speech 29 August 2008 http://www.treasury.gov.my/pdf/budget/bs09.pdf</p> <p>Appendix 29 August 2008 http://www.treasury.gov.my/pdf/budget/appendices09.pdf</p>
Executive's Budget Proposal	<p>Supply Bill 2009 September 2008 http://www.parlimen.gov.my/billindexbi/pdf/DR162008E.pdf</p> <p>Finance Act 2009 September 2008 Publicly Available, but Not on the Internet</p>
Budget Document One in Support of the Executive's Budget Proposal	<p>Anggaran Hasil Kerajaan Persekutuan Tahun 2009 (Federal Government's Revenue Estimate 2009) September 2008 http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p>
Budget Document Two in Support of the Executive's Budget Proposal	<p>Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009) September 2008 Publicly Available, but Not on the Internet</p>
Budget Document Three in Support of the Executive's Budget Proposal	<p>Economic Report 2008/2009 24 September 2008 http://www.treasury.gov.my/index.php?option=com_content&view=article&id=776%3Alaporan-ekonomi-20082009&catid=73%3Asenarai-laporan-ekonomi&Itemid=174&lang=en</p>
Citizens Budget	Not Produced
Enacted Budget	<p>Supply Act 2009 http://www.parlimen.gov.my/billindexbi/pdf/DR162008E.pdf</p> <p>Publicly Available, but Not on the Internet 4th December 2008</p>

	<p>Finance Act 2009 Publicly Available, but Not on the Internet</p> <p>The document may be accessed online for a fee at http://www.printnasional.com.my/ As on the website, the Printing Department was corporatized in 1993, now known as PNMB (Percetakan Nasional Berhad: loosely National Printing Ltd). PNMB is wholly owned company under Ministry of Finance and undertakes all the printing and press work for the government.</p> <p>As for accessing the documents online. The website is: http://www.lawnet.com.my/lawnetPublic/ Based on the website: http://www.lawnet.com.my/lawnetpublic/Subscription/tabid/55/Default.aspx</p> <p>It costs RM1000 per user ID per year. (RM900 per user ID for 2-5 IDs, RM800 per user ID for 6-10 IDs, RM700 per user ID for more than 10 IDs)</p> <p>However, for students, the rates are as follows: RM700 / USD 220 per year (requiring student ID).</p> <p>Even with the student price, the fee is extortionate for the average Malaysian citizen (40% of Malaysian Malaysian population earns less than RM1500 per month (about 400USD pm)). There is no option to just buy/view one document at a reasonable price (for instance, should I wish to view the Enacted Budget online, the price could be comparable to the photocopying price I would have to pay at the library).</p>
In-Year Reports	<p>Treasury Ministry produces detailed monthly expenditure reports but only internally for Ministries - Produced but Not Available to the Public</p> <p>Malaysian Quarterly Economy, 2nd Quarter 2009, 20 September 2009 http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf</p> <p>Monthly Statistical Bulletin, up to July 2009 http://www.bnm.gov.my/index.php?ch=116&pg=352&ac=4</p>
Mid-Year Review	Not Produced

Year-End Report	<p>Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007) 29 August 2008 Publicly Available, but Not on the Internet</p>
Audit Report	<p>Synopsis on Auditor General's Report on the Activities of Federal Government Ministries/ Departments 2007 15 September 2008 http://www.audit.gov.my/xboer/upload/FEDERAL_REPORT_2007_ON_ACTIVITY.pdf?CqC3=CqC3 (In Malay language - full document) http://www.audit.gov.my/xboer/upload/persekutuan_07_pengurusan.pdf?CqC3=CqC3</p> <p>Synopsis on Public Accounts Statement and Financial Management of Federal Government Ministries/Departments 2007 15 September 2008 http://www.audit.gov.my/xboer/upload/sctivities_REPORT_2007_Account.pdf?CqC3=CqC3 3 (In Malay language - full document) http://www.audit.gov.my/xboer/upload/persekutuan_07_penyata.pdf?CqC3=CqC33</p>
Other Documents	<p>Bank Negara Malaysia Annual Report 2008, 25 March 2009 http://www.bnm.gov.my/files/publication/ar/en/2008/ar2008_book.pdf</p> <p>Bank Negara Malaysia's Economic and Financial Summary Data for Malaysia http://www.bnm.gov.my/index.php?ch=111</p> <p>Ninth Malaysia Plan 2006-2010, March 2006 http://www.epu.jpm.my/rm9/html/english.htm</p> <p>The Malaysian Economy in Figures 2009 http://www.epu.jpm.my/New%20Folder/MEIF2009.htm</p> <p>Perlembagaan Persekutuan Malaysia (Federal Constitution of Malaysia) http://www.digitalibrary.my/dmdocuments/malaysiakini/338_Perlembagaan_Persekutua.pdf</p> <p>Financial Procedure Act 1957 (Act 61) revised January 1997) Publicly Available, but Not on the Internet.</p> <p>Audit Act 1957 (Act 62) revised January 2006 http://www.agc.gov.my/agc/oth/Akta/Vol.%202/Act%2062.pdf</p>

<p>Relevant Ministries & Departments</p>	<p>Perbendaharaan Malaysia, Kementerian Kewangan Malaysia (Treasury, Ministry of Finance, Malaysia) http://www.treasury.gov.my/index.php?option=com_content&view=frontpage&Itemid=1&lang=en</p> <p>Parlimen (Parliament) http://www.parlimen.gov.my/eng-index.php</p> <p>Bank Negara (Central Bank of Malaysia) http://www.bnm.gov.my</p> <p>(Unit Perancang Ekonomi) Economic Planning Unit http://www.epu.gov.my</p> <p>Jabatan Audit Negara (Auditor-General) http://www.audit.gov.my</p> <p>Jabatan Akauntan Negara (Accountant General Department) http://www.anm.gov.my/public_html/eng/default/index.php</p> <p>Jabatan Peguam Negara (Attorney-General's Chambers) http://www.agc.gov.my/agc/index.htm</p> <p>Jabatan Hasil Dalam Negeri (Inland Revenue Board) http://www.hasil.org.my/english/eng_index.asp</p>
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Table 3. Distribution of Documents Related to the Executive’s Budget Proposal*

DISTRIBUTION OF BUDGET DOCUMENTS						
	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	Yes					Yes
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	
<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?</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	NA	Yes	Yes	Yes	Yes	NA
2. Advance notification of release is sent to users, media	NA	Yes	Yes	Yes	Yes	NA
3. Released to public same day as official release to media	NA	No	Yes	Yes	Yes	NA
4. Available on the Internet free of charge	NA	Yes	Yes	Yes	No	NA
5. Free print copies available, limited distribution	NA	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	NA	No	No	No	No	NA
7. Readily available outside capital and/or big cities [†]	NA	Yes	Yes	Yes	No	NA
8. Written in more than one language	NA	Yes	Yes	Yes	Yes	NA
9. News conference is held to discuss release	NA	No	No	No	No	NA

*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.

*** Government Comments for Table 3 are available at the end of the Questionnaire**

Table 4. Distribution of the Enacted Budget and Other Reports*

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
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
<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?</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	NA	Yes	Yes
2. Advance notification of release sent to users, media	No	No	NA	Yes	Yes
3. Released to public same day as official release to media	Yes	Yes	NA	No	Yes
4. Available on the Internet free of charge	No	Yes	NA	No	Yes
5. Free print copies available, limited distribution	No	Yes	NA	Yes	Yes
6. Free print copies available, mass distribution	No	No	NA	No	No
7. Readily available outside capital/big cities ⁺	Yes	Yes	NA	No	Yes
8. Written in more than one language	Yes	Yes	NA	Yes	Yes
9. News conference is held to discuss release	NA	No	NA	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.

*** Government Comments for Table 4 are available at the end of the Questionnaire**

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

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

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> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), Contents, pages v, 65-658, shows that expenditures are classified by ministry.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, expenditures are classified as operational, development and supply. Operational and development expenditures are shown according to sectors, government agencies and ministries.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</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> Economic Report 2008/2009, Table 4.5 http://www.treasury.gov.my/pdf/economy/er/0809/jp4_5.pdf</p> <p><u>Comment:</u> Expenditures are somewhat classified according to their purpose such as defense, health, and transport. The Economic Report offers budget allocation for 2009 but this is brief and does not follow international standards.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, the classification of the Federal Government Operating Expenditures is quite detailed to include emolument, pension, debt service, grants, supplies, services and subsidies. Operating and Development Expenditures are classified as security, social services, economic services, general administration and others.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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<p>3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> This document provides information on expenditures for 2009 related to the Supply Fund only (not the Development Fund or others) and is somewhat classified according to the nature of expenditure (e.g. salary, assets) but these are aggregate amounts. The categorisation is not compatible with the IMF's economic classification standards.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, Estimates of Federal Expenditures for operating and development expenditures are segregated by economic classification to include economy, social, defense and administration. No further elaboration is done on the classification.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>C</p>
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4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?
- Program-level data are presented for all expenditures.
 - Program-level data are presented for at least two-thirds of, but not all, expenditures.
 - Program-level data are presented, but for less than two-thirds of expenditures.
 - No program-level data are presented.
 - Not applicable/other (please comment).

Citation:

Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)

Comment:

The document shows programme level detail within various ministries, for both operational and development expenditure

Researcher Response to this Question was "a"

Peer Reviewer One Comment: A more appropriate response to this question would be "b." Program level data is presented, but is sometimes still highly aggregated. For example, for the prime minister's department in 2009, RM 5.0 billion is allocated for the development of 5 corridors. RM 5.0 billion is more than a third of the budget for the prime minister's department, and by itself is 2% of the total budget, but it is covered by just one line item.

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Operational and Development expenditures are classified according to commissions, departments and ministries. However, there is not a details breakdown on the subgroups.

Government Comment: Government did not dispute researcher's original answer "a," which the IBP modified for consistency purposes.

Researcher Response: I chose to change my answer from "a" to "b" because as mentioned by PR1, programme level data is presented despite it being aggregated. Whilst PR2 made a good argument for the lack of details in the subgroups breakdown, we believe that information on programme-level data is presented, if not as comprehensive.

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

b

<p>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)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> No multi-year estimates of expenditure are shown beyond budget year 2009 (i.e. expenditure for 2009-2011) but there is a total estimate figure for a 5 year period 2006-2010 - but it is only for development expenditures. This can be found throughout the Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), the Ninth Malaysia Plan and the Mid-term review of the Ninth Malaysian Plan. However the latter two documents are not part of the Executive's main budget proposal.</p> <p><u>Peer Reviewer One Comment:</u> Also, there is no explicit link between the Malaysia Plans which cover 5-year periods and the annual Budgets.</p> <p><u>Peer Reviewer Two Comment:</u> Also, multi-year estimates of aggregate expenditure are prepared for the executive budget. Data on multi-year expenditures can be found in the economic report, but these are not estimates.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>b</p>
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<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> No multi-year estimates are presented for the specified period of 2009-2011, only for the 5 year period (2006-2010). See Q5.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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<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"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), 'Details of Estimated Revenue for the Year 2009', page 48-73, http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, all sources of tax revenue are identified individually. This includes details on the direct, indirect and non-tax revenue, service and services fees, returns from sales of goods, rentals, interest and returns on investment, fines and penalties and contributions and compensation from foreign countries and local contributions.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), 'Details of Estimated Revenue for the Year 2009', page 74-109, http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, all sources of non-tax revenue are identified individually. This include details on fees on vehicles, fees for radio, television and telecommunication, individual registration fees, fees on business, air transport fees and miscellaneous payments.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p><u>Comment:</u> No estimates of revenue are presented for years beyond 2009.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, data were presented for three years, 2007 – 2009 (Actual Revenue 2007. 2008 Estimates – After 2008 tax changes, Revised 2008 estimate and 2009 estimate). But nothing beyond 2009.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	b
<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> As Q9, no-multi year estimates are presented.</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 Comment:</u> Government did not dispute researcher's answer.</p>	d

<p>11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Economic Report 2008/2009 Table 4.9 'National Debt' http://www.treasury.gov.my/pdf/economy/er/0809/jp4_9.pdf</p> <p><u>Comment:</u> Data on the outstanding debt at the start of budget year (2009) are presented in Table 4.9.</p> <p><u>Peer Reviewer One Comment:</u> It should be noted here that the debt numbers presented do not include debt issued by government-linked entities with implicit or explicit government guarantees, such as Port Klang Free Zone. The numbers also exclude debt issued by government-linked corporations, such as national utility Tenaga Nasional.</p> <p><u>Peer Reviewer Two Comment:</u> Also, data on total government debt were on 2008 (can be approximated as the start of the budget year 2009).</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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<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> 1) Economic Report 2008/2009 Table 4.9 'National Debt' http://www.treasury.gov.my/pdf/economy/er/0809/jp4_9.pdf</p> <p><u>Comment:</u> Not presented for budget year 2009</p> <p><u>Researcher Response to this Question was "b"</u></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 "a." Data on government debt included interest payment to Federal Government, Non Financial Public Enterprises, Private Sector and Short Term Debt. In Table 4.9 (National Debt in the Economic Report), there are data on total debt servicing. Under the section, two sets of data are provided, the principal repayment and interest payment. Interest payments include Federal Government, Non Financial Public Enterprises, Private Sector and Short-Term Debt.</p> <p><u>Government Comment:</u> Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.</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>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:

Comment:

There is no additional information related to the composition of government debt presented. However, up to date information may be found on the website of the Central Bank of Malaysia (www.bnm.gov.my) under their Monthly Statistical Bulletin: Federal Government Finance but this is not included as part of the Executive's main budget proposal.

a

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Information given on the debt includes the domestic and external debt which includes countries of the external loan, public sector, private and short term debt. Information on interest rates, maturity date and currency denomination are also provided.

In Economic Report, Table 4.8 provides data on Federal Government Domestic Debt and Table 4.9 provides data on national debt.

For Tables 4.8 and 4.9 the data are for 2008, but this can be approximated for 2009.

Government Comment: Government did not dispute researcher's original answer "d," which the IBP modified for consistency purposes.

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

14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

- 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).

Citation:

Economic Report 2008/2009

'Economic Performance and Prospects'

<http://www.treasury.gov.my/pdf/economy/er/0809/chapter3.pdf>

Table 2.1

http://www.treasury.gov.my/pdf/economy/er/0809/jp2_1.pdf

Comment:

Macroeconomic forecasts of real GDP growth for 2009 are available, but important detail. Inflation and interest rate forecasts for 2009 are not provided and the document does not extensively discuss how budget figures relate to macroeconomic forecasts.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment: For example, the budget does not explicitly state what level of oil prices is assumed. This is important as it affects petroleum-related revenues as well as fuel subsidies (pump prices are set by the government).

Peer Reviewer Two Comment: Also, macroeconomic forecast only available for GDP and GDP growth, not other macroeconomic components.

Government Comment: A more appropriate response to this question would be "b." Macroeconomic forecasts of real GDP for 2009 are available but lack detail. Inflation and interest rate forecasts for 2009 are not provided and the document does not extensively discuss how budget figures relate to macroeconomic forecast. However, details on macroeconomic forecast are explained in the Annual Economic Report which is released simultaneously with the Budget.

IBP Comment: Based on a review of comments, IBP editors chose answer "c."

<p>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)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of different macroeconomic assumptions on the budget is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There is no information provided on the impact of different macroeconomic assumptions on the budget.</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be “e.”</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer “d.”</p>	<p>d</p>
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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?
- 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).

Citation:

The 2009 Budget Speech

<http://www.treasury.gov.my/pdf/budget/bs09.pdf>

Comment:

As with its previous budget years, policy proposals are highlighted in the budget summary without proceeding to discuss how they affect expenditures.

Researcher Response to this Question was "c"

Peer Reviewer One Comment: For example, Point 11 of the 2009 Budget speech says that RM500m is allocated for increased welfare assistance. However, it is not discernible where the RM500m allocation is reflected in the budget itself. Similar examples can be found in points 16 and 18. Point 11 is reproduced below: The Government empathizes with the difficulties faced by the lower income group, arising from the higher cost of living. In this regard, the Government has raised the eligibility criteria for welfare assistance under the Welfare Department, from a monthly household income of RM400 to RM720 for Peninsular Malaysia, RM830 for Sarawak and RM960 for Sabah. With this increase, the number of eligible recipients is expected to double from 54,000 households to 110,000. This includes an increase in the number of eligible senior citizens from 14,000 to 40,000. For this purpose, an additional RM500 million is allocated.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Policy proposals are highlighted in brief in the budget summary. Some reference to previous years is made where applicable. A more elaborated detail of the policy and its impact on expenditures is shown in the Appendix. Example include: stamp duty exemption on housing loan documents. Information is given on the current situation and the proposed policy. The proposal is to be effective for all hire purchase agreements within the period of 30th August 2008 – 31st December 2010.

Government Comment: Government did not dispute researcher's original answer "c," which the IBP modified for consistency purposes.

IBP Comment: Based on a review of comments, IBP editors chose answer "b."

b

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?
- 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).

Citation:

The 2009 Budget Speech
<http://www.treasury.gov.my/pdf/budget/bs09.pdf>

Comment:

There are statements and figures (i.e.: how much is allotted) for selected policies but it lacks comprehensive information and consistency. It also does not compare existing policies with the proposed policies on the budget.

b

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." There are some statements about how policies could affect revenue. More elaborated explanations are presented in Appendix.

Government Comment: A more appropriate response to this question would be "b." There are statements and figures (i.e.: how much is allotted) for selected policies. It also does not compare existing policies with the proposed policies on the budget.

Citation: Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), 'Details of Estimated Revenue for the Year 2009', pages 74-109,
http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf

IBP Comment: Based on a review of comments, IBP editors chose answer "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"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> Expenditures (both operational and development) for 2008 are classified by administrative unit.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	a

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?

- a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
- b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by function for BY-1.
- d. No expenditures classified by function are presented for BY-1.
- e. Not applicable/other (please comment).

Citation:

Economic Report 2008/2009, Table 4.5.

http://www.treasury.gov.my/pdf/economy/er/0809/jp4_5.pdf

Comment:

Expenditures are somewhat classified by functional classifications such as defense, health and transport. The document offers budget allocation for 2008 but this is brief and does not follow international standards.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Expenditures are classified according to principles in IMF's GFS Manual and have been modified to suit domestic circumstances.

Citation: Economic Report 2009/2010, Table 4.4, pg 93, (also refer to Statistical Table 4.6 page xxxiii).

IBP Comment: Based on a review of comments, IBP editors chose answer "c."

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?
- All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
 - All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
 - Some, but not all, expenditures are classified by economic classification for BY-1.
 - No expenditures classified by economic classification are presented for BY-1.
 - Not applicable/other (please comment).

Citation:

i) Economic Report 2008/2009, Table 4.4

http://www.treasury.gov.my/pdf/economy/er/0809/jp4_4.pdf

ii) The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), e.g. page 129-133.

Comment:

i) Table 4.4 shows classification by object for 2008 but this is brief and does not follow international standards.

ii) The document shows expenditures for 2008 related to the Supply Fund only (not Development Fund or other) is somewhat classified according to the nature of expenditure (salary, assets) but these are quite aggregate amounts. The categorisation does not follow IMF's economic classification standard.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." The economic classifications are aggregate data. For example, for the development expenditure include security (defense and internal security), social services (education and training, health, housing, others), economic services (agriculture and rural development, public utilities, trade and industry, transport, communications and others), general administration and other expenditure.

Government Comment: The documents take guidance from IMF's Government Finance Statistics (GFS) Manual and have been modified to suit local circumstances.

Citation:

i) Economic Report 2009/2010, Table 4.3, pg 88 (also refer to Statistical Table 4.4 page xxxi)

ii) Anggaran Belanjawan Perbelanjaan Persekutuan 2010 (Estimates of Federal Expenditure for the year 2010), e.g. page 173-192

IBP Comment: Based on a review of comments, IBP editors chose answer "c."

<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"> a. Program-level expenditure data are presented for all expenditures for BY-1. b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. d. No program-level expenditure data are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> Programme level detail is shown for both operational and development expenditure for 2008.</p> <p><u>Researcher Response to this Question was “a”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s original answer “a,” which the IBP modified for consistency purposes.</p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency of assumptions in selecting answers across countries.</p>	b

<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> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> The Development Fund expenditure has been updated but the Supply Fund expenditure has not been updated to reflect actual expenditure. The Development expenditure reflects 6 months of actual expenditure. The supply expenditure is not updated because it is an annual expenditure, tabled only once a year. This is stipulated under the Financial Procedures Act.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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<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> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), page 33-43.</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 Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<p>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)?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "d"</u></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 "c." Only for expenditure on programs, detail account of the expenditures is presented for Y-2.</p> <p><u>Government Comment:</u> Prior year expenditure made during any 5 year Malaysia Development Plan is presented for all individual programs/projects under the development expenditure. Citation: The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009). Refers to every individual purpose.</p> <p><u>Researcher Response:</u> I suggest the answer should be changed as suggested by Peer Reviewer Two to "c."</p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<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"> 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 expenditures are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), page 33-43.</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 Comment:</u> Government did not dispute researcher's answer.</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"> Yes, prior-year data are always adjusted to be comparable to the budget year data. Yes, in most cases, prior-year data are adjusted to be comparable. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Economic Report 2008/2009, Table 4.4 http://www.treasury.gov.my/pdf/economy/er/0809/jp4_5.pdf</p> <p><u>Comment:</u> Prior estimates are comparable to budget year expenditure in terms of presentation and classification, and shows meaningful year to year comparison of the data.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</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> <ul style="list-style-type: none"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), “Details of Estimated Revenue for the Year 2009,” page 48-73, http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</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 Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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<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> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), 'Details of Estimated Revenue for the Year 2009', page 74-109, http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</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 Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</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 Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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> <p>a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p><u>Comment:</u> The presentation is similar to that in the previous period, but researcher reassessment has led to a change in response. Namely, prior-year estimates are not presented; only actual data are.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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> <ul style="list-style-type: none"> a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p><u>Comment:</u> The presentation is similar to that in the previous period, but researcher reassessment has led to a change in response. Namely, prior-year estimates are not presented; only actual data are.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<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> <ul 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 revenues are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Anggaran Hasil Kerajaan Persekutuan 2009 (Federal Government's Revenue Estimate 2009), http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</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 Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Economic Report 2008/2009, Table 4.9 http://www.treasury.gov.my/pdf/economy/er/0809/jp4_9.pdf</p> <p><u>Comment:</u> Although information on national debt is provided in the Economic Report, detailed and extensive information on the composition of debt is not given. However, detailed information may be found on the Central Bank of Malaysia website (www.bnm.gov.my) and within the Federal Public Accounts 2007.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Information is disaggregated as domestic debt and national debt. Domestic debt is further broken down into treasury bills that include banking institutions, investment certificates and government securities from various sources that include public sector, Employees Provident Fund, National Savings Bank and Insurance Companies. National debt includes information on federal government external market loans based on countries, public sector, private sector and short term debt.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>b</p>
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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?

- 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 government debt are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Citation:

Economic Report 2008/2009, Table 4.9

http://www.treasury.gov.my/pdf/economy/er/0809/jp4_9.pdf

The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), page 20-28

Comment:

a

Researcher Response to this Question was "a"

Peer Reviewer One Comment: 2006 debt figures reflect actual outcomes.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b" or "c." Under the Estimates for Federal Revenue it's Y-2, but for the economic report, it's Y-5.

Government Comment: Government did not dispute researcher's answer.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "a."

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

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> <ul style="list-style-type: none"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Only funds that come under the Government's Consolidated Funds are recorded within the Executive's budget or any supporting budget documentation. The Employees' Provident Fund (EPF) and Social Security Fund (SOCSO) are separate funds and do not come under the jurisdiction of Government; hence they prepare their own annual budgets and reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

- a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on intergovernmental transfers is not presented.
- e. Not applicable/other (please comment).

Citation:

i) Economic Report 2008/2009, Table 4.3

http://www.treasury.gov.my/pdf/economy/er/0708/table4_3.pdf

ii) The Anggaran Perbelanjaan Persekutuan Tahun 2009 (Federal Government's Expenditure Estimate 2009), page 58

Comment:

The Economic Report records grants to state governments but there are no clear breakdown on grants to individual state governments.

The Federal Government's Expenditure Estimate 2009 records transfers to states that have been committed as charged expenditure (annual commitments), again with little detail and no narrative discussion.

C

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." I agree with the comments given by the researcher, but I believe that the extent of exclusion is such that many important details are lacking, hence "c" is a more appropriate response.

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one "c."

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

<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> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> Information is presented on transfers to public corporations, listed according to the ministry which they belong to. However, there is no narrative discussion on these quantitative estimates, nor are the objectives for which they are being transferred recorded within the document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>C</p>
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<p>38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on quasi-fiscal activities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No information on quasi-fiscal activities is presented. However, information on amount of expenditure for any particular project loan is given for the previous budget year documents. This expenditure is a subsidy on interest rates given to a Development Bank, but there were no details beyond a single quantitative figure. No details were given on the original interest rate, the subsidised rate, the difference between the two, nor the reasons for which this subsidy was being given.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive's Budget Proposal does not hold information on financial assets according to the definition provided in the <i>Guide to the Open Budget Questionnaire</i> (which states that financial assets should be classified by major type reflecting their nature, and historical information on defaults for each category should be included).</p> <p>The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009) shows an aggregate monetary value of assets according to project under a particular ministry but it does not list what these assets are specifically. It is not known whether these are financial or non-financial assets.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive's Budget Proposal does not hold information on non-financial assets according to the definition provided in the <i>Guide to the Open Budget Questionnaire</i> (which states that financial assets should be classified by major type reflecting their nature, and historical information on defaults for each category should be included).</p> <p>The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009) shows an aggregate monetary value of assets according to project under a particular ministry but it does not list what these assets are specifically. It is not known whether these are financial or non-financial assets.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?

- 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).

Citation:

Treasury, Ministry of Finance

Comment:

According to an interview with a member of the Executive (Treasury Ministry at the Ministry of Finance), Malaysia does not have expenditure arrears/overdue debt. Instead, amounts of money are always allocated to cover the amount of debt. The IMF documents (Article IV Consultation Reports) do not contain any information on Malaysia having expenditure arrears.

d

Researcher Response to this Question was "e"

Peer Reviewer One Comment: A more appropriate response to this question would be "d." The budget itself does not contain any explicit statement on expenditure arrears or the absence thereof.

Peer Reviewer Two Comment: A more appropriate response to this question would be "no access to such information."

Government Comment: Government did not dispute researcher's original answer "e," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one "d."

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries. Note that it is important to distinguish between arrears and debt repayment, as they are two distinct concepts. In any case, information on arrears is not presented.

<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on contingent liabilities is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</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?
- Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting key future liabilities, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on future liabilities is not presented.
 - Not applicable/other (please comment).

Citation:

The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009), pages 667-675, Lampiran C-1

Comment:

Some information is presented, for example: pensions, gratuities, and retirement expenditures. However, only these liabilities are presented and does not have any narrative discussion.

Researcher Response to this Question was "c"

Peer Reviewer One Comment: A more appropriate response to this question would be "d." The budget provides information on the amount of pension expenditure expected to be incurred in the forthcoming year. However, there is no information provided on the extent of liabilities extending further into the future.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Information on pension and gratuities are lumped together. Additional information on pension is on the pension and derivative benefit and also pension payments according to program activities.

Government Comment: Government did not dispute researcher's original answer "c," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one "d."

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

How the World Bank assists Malaysia,
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/MALAYSIAEXTN/0,,contentMDK:20199046~isCURL:Y~menuPK:1535137~pagePK:1497618~poPK:217854~theSitePK:324488,00.html>

Comment:

Malaysia does receive support from multilateral institutions, but they are not identified individually.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." Under the Non Tax Revenue (estimates of federal government revenue), there is information on contributions and compensations from overseas and local contributions. Contributions are segregated as foreign governments and local contributions. Information on local contributions is broken down into companies, voluntary organizations, statutory bodies and compensation for services from overseas.

Government Comment: Government did not dispute researcher's original answer "d," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer two "c."

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

C

<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The 2009 Budget Speech, pages 6-7, 16, 21.</p> <p><u>Comment:</u> Some information is provided in the budget speech and information on tax preferences can be found on the website of Malaysian Industrial Development Authority (MIDA).</p> <p><u>Researcher Response to this Question was “c”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?

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

Citation:

Federal Constitution of Malaysia, 'Article 97 of the Malaysian Federal Constitution 1957',
http://www.digitalibrary.my/dmdocuments/malaysiakini/338_Perlembagaan_Persekutuan.pdf

Financial Procedure Act 1957 (Act 61), revised January 1997

Comment:

The Law in Malaysia states that all money should be paid into one fund, and stipulates that revenues cannot be earmarked. Instead, all revenues go into a single consolidated fund. Only levies are allowed to be earmarked for a particular fund and this only when there is a separate Act stating so in advance.

e

Researcher Response to this Question was "e"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "d."

Researcher Response: A more appropriate response to this question would be "d."

IBP Comment: IBP editors chose answer "e," in order to maintain consistency in the assumptions used to select answers across countries.

<p>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?</p> <ol style="list-style-type: none"> One percent or less of expenditure is dedicated to secret items. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. Not applicable/other (please comment). <p><u>Citation:</u> The Economic Report 2008/2009, Table 4.5 http://www.treasury.gov.my/pdf/economy/er/0809/jp4_5.pdf</p> <p><u>Comment:</u> Items spent on "Security" are divided into "Defense" and "Internal Security," with RM 10,651 million and RM7,581 million allocated respectively. This totals to RM18,232 million. This total of secret item makes up 8.769 per cent of total expenditure (RM 207,898,948,000)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
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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 2009 Budget Speech, pages 4-5 - Social Safety Net & Poverty Eradication pages 8-11 - Public Transportation pages 18-19 - Education pages 25-26 - National Energy Plan page 27 - Public Safety</p> <p><u>Comment:</u> The budget speech provides some information on proposed government policies and expenditures but it lacks important details.</p> <p><u>Researcher Response to this Question was “c”</u></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.” Some information on proposed government policies and expenditures is provided. Example: Policy: To enhance skills and training programs. RM2.4 billion is allocated for this in which RM150 million is allocated to upgrade 25 polytechnics and 15 community colleges. Enrollment is expected to reach 120 thousands students.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s original answer “c,” which the IBP modified for consistency purposes.</p> <p><u>Research Response:</u> I suggest the answer should be changed as suggested by Peer Reviewer two “b.”</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>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> <ul style="list-style-type: none"> a. 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. b. Yes, information is presented, highlighting the major policy goals, 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 over a multi-year period is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No information on the link between the budget and the government's stated policy goals over a multi-year period is presented within the budget or in the supporting budget documents. However, such information is presented in the 9th Malaysian Plan and in the mid-term review of the 9th Malaysian Plan.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?
- 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).

Citation:

The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)

Comment:

Non-financial data are presented for all programmes but they are not directly recorded to correlate with the amounts of expenditures for which they represent. Under each ministry, non-financial data are always presented first. This is followed by the breakdown of accounts. For instance, a list of programmes would be listed, accompanied by the number of staff employed under each programme. Outputs such as number of bills/invoice/vouchers processed (e.g. page 53, programme 1: Electoral matters, Activity 1: Management), number of courses carried out (e.g.: page 414, Programme 2: Tourism, Activity 7: Human Resources) are also included, subject to ministry's programme and activity. However, the document does not show the expenditure for which the staff is being paid.

C

Researcher Response to this Question was "a"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The researcher correctly comments that the inputs employed for particular programmes are listed. However, the outputs are not always presented e.g. it is not stated who were the beneficiaries of a particular programme.

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's original answer "a," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one "c."

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

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> The non-financial data are very useful for assessing program performance. The non-financial data are mostly useful for assessing program performance. The non-financial data are somewhat useful for assessing program performance. No non-financial data are provided or they are not useful for assessing program performance. Not applicable/other (please comment). <p><u>Citation:</u> The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)</p> <p><u>Comment:</u> Non-financial data are available but because of them being disconnected with expenditures, they are not useful for assessing programme performance at all. See Q50.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
<p>52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol style="list-style-type: none"> Performance indicators are presented for all programs. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. Performance indicators are presented for programs representing less than two-thirds of expenditures. No performance indicators are presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No performance indicators are presented within the budget or the supporting budget documents for expenditure programs.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d

<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No performance indicators are presented within the budget or the supporting budget documents</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No performance indicators are presented within the budget or the supporting budget documents for performance targets.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

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?

- a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on policies intended to alleviate poverty is not presented.
- e. Not applicable/other (please comment).

Citation:

The 2009 Budget Speech

29 August 2008

<http://www.treasury.gov.my/pdf/budget/bs09.pdf>

Comment:

Information is presented on programmes or policies intended to alleviate poverty (hardcore poverty, urban poverty, and increasing rural development). However, it merely provides general statements without presenting a clear budget, objectives, targets, performance monitoring indicators, narrative discussions, criteria for which geographic locations are selected, or socio-economic categories.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Information is provided on the policy of Alleviate Poverty.

Government Comment: Government did not dispute researcher's answer.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "c."

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

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"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The 2009 Budget Speech 29 August 2008 http://www.treasury.gov.my/pdf/budget/bs09.pdf</p> <p>Appendix 29 August 2008 http://www.treasury.gov.my/pdf/budget/appendices09.pdf</p> <p>Anggaran Hasil Kerajaan Persekutuan Tahun 2009 (Federal Government's Revenue Estimate 2009) http://www.treasury.gov.my/pdf/percukaian/buku_anggaran_hasilkerja2009.pdf</p> <p>Website of Lembaga Hasil Dalam Negeri (Internal Revenue Board of Malaysia), http://www.hasil.org.my/english/eng_index.asp</p> <p>Website of Malaysian Industrial Development Authority (MIDA) http://www.mida.gov.my</p> <p>Local Government Act (1976), Part 5 of Section 39</p> <p><u>Comment:</u> Under Article 94 of the Federal Constitution, all taxes or rates must be levied under the authority of federal law. Tax laws and regulations are accessible and understandable. Changes to tax rates are announced in the Budget Speech. All direct tax laws, regulations, rulings, guidelines, and forms are available on the IRB's website. Petroleum is a major source of revenue for the Government, with the majority of taxing power lying with the central government. Local governments can obtain revenues from three main sources (Local Government Act): rents and fees for services, grants/subsidies given by the central government (intergovernmental fiscal transfers) and local taxation; state</p>	b

<p>governments supervise the locally raised taxes. Narrative discussion however is limited, and petroleum tax and royalty schedules are not available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Rates on certain revenue sources are available. For example: the comparison of the tax rates for individual at current tax rates and the proposed rate. In addition, there is also some extra information provided on the different income groups, their tax rates, tax paid and tax after rebate both at the current and the proposed rates.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	
<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"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No analysis on the distribution of the tax burden is made public by the Executive.</p> <p><u>Researcher Response to this Question was “d”</u></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 “c.” Tax burden, in terms of tax paid on individual income tax, is presented. Other information on tax burden also includes the road tax to bus and taxi operators, road tax on individual and company cars and tax incentive for Small Medium Industries.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the <i>Guide to the Open Budget Questionnaire</i>. By “tax burden” we are referring to an analysis of the distribution of the tax burden across different segments of the population (typically arrayed by income).</p>	d

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ul style="list-style-type: none"> a. 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. 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 IFI assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, information on conditions associated with IFI assistance, if any, is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?
- 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.
 - 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 donor country assistance is not presented.
 - Not applicable/other (please comment).

Citation:

Comment:

Researcher Response to this Question was "e"

Peer Reviewer One Comment: A more appropriate response to this question would be "d." Information on conditions associated with donor country assistance is not presented. In fact, total amounts are not officially tabulated, nor publicly presented, to begin with. An instance of reported aid is 473 million yen from Japan to Malaysia for the improvement of equipment for maritime security enhancement in Malaysian territorial waters. This was reported in January 2008, Source: <http://www.encyclopedia.com/doc/1P2-15193974.html>. In March 2009, another report said 992m yen was granted. Source: <http://www.encyclopedia.com/doc/1G1-196672586.html>. In both cases, no information on conditions, if any, was presented.

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." No information on conditions associated with donor country assistance is provided.

Government Comment: Government did not dispute researcher's original answer "e," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one and two as "d."

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

d

60. Does the executive make available to the public a summary that describes the budget and its proposals?

- a. Yes, it provides a summary that is very informative.
- b. Yes, it provides a summary that is somewhat informative.
- c. Yes, but the summary is not very informative.
- d. No, it does not provide a summary.
- e. Not applicable/other (please comment).

Citation:

The 2009 Budget Speech

29 August 2008

<http://www.treasury.gov.my/pdf/budget/bs09.pdf>

Appendix

29 August 2008

<http://www.treasury.gov.my/pdf/budget/appendices09.pdf>

Comment:

The Budget Speech and its Appendix is a summary of the budget, focusing on new proposals for year 2009. However, the information provided in the summary does not include the objectives and assumptions for a particular proposal being raised.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The Budget speech is accepted as the summary of the budget proposals. However, it is difficult, if not impossible, to reconcile aspects of the budget speech with the budget and its proposals. For example, Point 11 of the 2009 Budget speech says RM500m is allocated for increased welfare assistance. However, it is not discernible where the RM500m allocation is reflected in the budget itself. Similar examples can be found in points 16 and 18. Point 11 is reproduced below:

11. The Government empathizes with the difficulties faced by the lower income group, arising from the higher cost of living. In this regard, the Government has raised the eligibility criteria for welfare assistance under the Welfare Department, from a monthly household income of RM400 to RM720 for Peninsular Malaysia, RM830 for Sarawak and RM960 for Sabah. With this increase, the number of eligible recipients is expected to double from 54,000 households to 110,000. This includes an increase in the number of eligible senior citizens from 14,000 to 40,000. For this purpose, an additional RM500 million is allocated.

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's original answer "b," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one to "c."

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

C

<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> <ul style="list-style-type: none"> a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not publish a "citizen's budget," nor any non-technical presentation describing the budget and its proposals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d
<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> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No definitions are provided on technical terms used in the budget and other budget-related documents. Glossary are not found in any part of the budget documents.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	d

63. Do citizens have the right *in law* to access government information, including budget information?
- 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).

Citation:

Comment:

Currently, there is no right in law to access all types of information such as a Right to Information Act or a Freedom of Information Act. Such public information includes budget information. However, most budget information and documents are available to the public from Treasury on request to the ministry, or by gaining access in their library.

There is also the Official Secrets Act which restricts information to the public based on government's discretion.

On 19th May 2009, the state of Selangor announced its intentions of wanting to enact the Freedom of Information bill and it is scheduled to be tabled in the Selangor State Assembly in March 2010. However, there are no evidence of tabling, let alone approving, the Freedom of Information at the Parliament level in the near future.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Currently the right in law to access government information, including budget information has not been codified into law. Nevertheless, except those information defined as "official secret" under section 2 of the Official Secrets Act 1972 [Act 88], most of the government information and documents are available to the public either in the form of books, journals or via websites.

The current approach practiced in Malaysia pertaining to financial budget proposal involves consultation with selected members of the public, organizations and other private sectors. Only after such consultation the proposed budget will be drafted, tabled and debated in Parliament for approval. The budget proposal is available to the public when it is first presented in Parliament. Members of the House of Representatives, being elected members of Parliament has more than a month to debate on the proposed budget.

d

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)?

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

Citation:

Comment:

Information is not easily obtained in practice, however this varies from ministry to ministry. Answers received from this research differed from no response to vague to being requested to put forward a formal communication to the director of the specific programme of the information required.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Disaggregated non confidential data are available to the public provided if asked from related ministry/agency.

Government Comment: A more appropriate response to this question would be "b." Generally, any financial information which is not classified as confidential can be obtained and ministries should be able to provide such information upon request. The Treasury and other government departments do make efforts to put up more detailed financial information and regular updates on its web sites for the benefits of the viewer.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "d."

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

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:

Comment:

As Q64, non-financial information is not as easily obtained in practice, however this varies from ministry to ministry. Answers received from this research differed from no response to vague to being requested to put forward a formal communication to the director of the specific programme of the information required.

An example of a vague response would be that such information is not to be released to the public (or the information is only provided internally).

A technique (tactic?) often used is that they would forward the question to another person, who would then either say they will get back to you or let you know when to contact them, only for them not being around to answer. However, there was one instance where CPPS inquired the amount of rice being produced according to state (which can be construed as either non-controversial subject or not, depending on the angle); the officer from the Ministry of Agriculture was very helpful and provided with the answers. I suppose it is rather dependent on what kind of information is requested, often they would ask what is the purpose of the information, why is such information needed etc.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Disaggregated non confidential data are available to the public provided if asked from related ministry/agency.

Government Comment: Government did not dispute researcher's original answer "d," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed to "c."

C

<p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	
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Section Three: The Budget Process

<p>The Budget Process</p>	
<p>Executive's Formulation of the Budget</p>	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ul style="list-style-type: none"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The release date of the budget is not fixed. In 2008, the release date for 2009 budget was announced 9 months in advance. Prior to that, the release of the budget was done in August/September/October.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, 2009 budget speech was dated 29th August 2008.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>b</p>

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:

http://www.treasury.gov.my/index.php?option=com_content&view=article&id=272:proses-penyediaan-belanjawan&catid=90:catproses-penyediaan-belanjawan&Itemid=210&lang=en
28 July 2008

Comment:

The public is informed about the Budget formulation processes by the timetable provided on the Treasury website; however it only provides a general overview of the timeline.

Peer Reviewer One Comment: The timetable, as cited, is very general. It was last updated on 28 July 2008 and sets out only very broad milestones – e.g. March: Submission received from (government) agencies. April: Preliminary Hearing. May – July Budget Hearing.

Peer Reviewer Two Comment: A diagram of timeline based on months of the budget formulation process is made available to the public at the treasury website. The timeline provides basic information on the month dateline for government agencies to plan activities to meet the dateline of the budget requirement.

Government Comment: Government did not dispute researcher's answer.

C

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:

Comment:

The executive has an internal timetable for budget preparation and release as a guideline, and adheres to most of the key dates such as preliminary hearings for agencies, printing of the budget documents, and tabling of the budget.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: This is a difficult question to answer, because the executive does not publicize specific key dates in the first place (see comment to Q 67). However, given that the final Budget document has always been printed and submitted on schedule, one might give the executive the benefit of the doubt and conclude that "b" is appropriate. On the other hand, if one were skeptical, one could suggest that "c" might be the real answer, with the Budget coming out on schedule only due to strenuous last minute efforts and extensive overtime work.

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "b." I chose my answer because although Peer Reviewer One made a compelling point on the executive having difficulty adhering to most of the dates in its timetable, potentially due to strenuous last minute efforts and extensive overtime work, the budget documents are always printed and submitted on schedule, therefore using that as a parameter, deadlines are often met despite clocking extra efforts to meet such deadlines.

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

b

69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

- 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).

Citation:

Ministry of Finance, Malaysia

Comment:

Yes, the Executive holds consultations with members of the legislature but this is limited to short consultations with the backbenchers.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: There is a consultative process where certain stakeholder groups are called to propose and recommends issues pertaining to the budget. The budget consultation is an annual event (April – June), bringing together NGOs, Associations, Universities, Parliamentarians and State Chief Ministers. Although this seems to be a good step in ensuring transparency in the budgeting processes, to what extent the round table discussions content is included in the budget is unknown. After the consultation, there is no follow up session to discuss the issues.

Government Comment: Government did not dispute researcher’s answer.

b

70. Does the executive hold consultations with the public as part of its process of determining budget priorities?

- 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).

Citation:

Ministry of Finance, Malaysia

Comment:

There is a budget consultation exercise held by the executive with civil society, the corporate sector, and other stakeholders. During the consultation, there will be opportunity for the audience to state their case and provide submissions but only some are selected. The session provides an opportunity for the public to share their views, but the extent to which these views influences budget formulation is unknown.

Examples of such stakeholders include NGOs (volunteer relief organisations, women's group), think tanks, R&D institutes, and organisations in the corporate sector.

The 2010 Budget Consultation meeting was held on 11th June 2009, with the Minister of Finance (also the Prime Minister) being present.

Another method of determining budget priorities include extending circular invites of submitting a Memorandum of Budget Consultation for the coming budget year. Themes would be proposed or recommended by the Ministry of Finance.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question could be "c." This is a difficult question, within the Malaysian context. The executive does consult with a range of constituencies. But, as the researcher comments, "only some are selected" and "the extent to which these views influences budget formulation is unknown." I have had personal experience attending a consultation, in 2002 or 2003, as part of the Association of Stockbrokers in Malaysia. It was a stilted affair – attendees were guarded in their language, not surprisingly since their businesses are contingent on licenses which are under the government's purview. So, although a range of constituencies is indeed "consulted," the actual amount of constructive discussion is limited.

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." As far as I know only the annual consultations involving the mentioning parties as explained in question 70 exist. Apart from that, there is

C

<p>no other consultation especially concerning the public done.</p> <p>Government Comment: Following the Budget Consultation, focus group meetings are held to discuss in details few selected issues.</p> <p>Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer One and Two to "c."</p> <p>IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	
<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></p> <p><u>Comment:</u> The Executive does not release a pre-budget statement.</p> <p>Peer Reviewer One Comment:</p> <p>Peer Reviewer Two Comment:</p> <p>Government Comment: Government did not dispute researcher's answer.</p>	<p>d</p>

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive does not release to the public a pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<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> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive does not release to the public a pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

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></p> <p><u>Comment:</u> The 2009 budget proposal was tabled in Parliament more than 3 months before the start of the budget year. This is also the case for the years 2007 and 2008. In the past, the budget was tabled in October, making it just within 3 months before the start of the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The budget speech at the parliament for 2009 budget was done on 29th August 2008. Usually, it's tabled in October. The reason for earlier released was due to the fasting months and the festival season in October.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	a

<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"> a. 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. b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> Parliamentary secretary, Malaysia</p> <p><u>Comment:</u> There are no Parliamentary Select Committees related to the budget, apart from the Public Accounts Committee which looks into the national accounting statements, i.e. the Year End Report (Federal Public Accounts) Most of the responsibility in budgeting processes lies with the Ministry of Finance, not Parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> As Q75, there are no Parliamentary Select Committees related to the budget process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>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?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> As Q75, there are no Parliamentary Select Committees related to the budget process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<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></p> <p><u>Comment:</u> As Q75, there are no Parliamentary Select Committees related to the budget process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

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?

- a. 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.
- b. 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.
- c. Not applicable/other (please comment).

Citation:

The Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009)

The Economic Report 2008/2009, Table 4.5

http://www.treasury.gov.my/pdf/economy/er/0809/jp4_5.pdf

Comment:

Publicly available information is provided and presented in an aggregate manner only. Table 4.5 in the Economic Report shows aggregate expenditure under the headings of Defense and Internal Security. However, the legislature is provided with some information on spending on secret items for the budget year.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Two broad categories of this information are expenditure of defense and internal security. No other information is available.

Government Comment: Government did not dispute researcher's answer.

b

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:

Federal Constitution of Malaysia, Article 102.

Comment:

Federal Constitution of Malaysia, Article 102.

Parliament shall have power in respect of any financial year:

(a) before the passing of the Supply Bill, to authorize by law expenditure for part of the year;

(b) to authorize by law expenditure for the whole or part of the year otherwise than in accordance with Articles 99 to 101, if owing to the magnitude or indefinite character of any service or to circumstances of unusual urgency if appears to Parliament to be desirable to do so.

b

Researcher Response to this Question was "a"

Peer Reviewer One Comment: In response to the comments by the researcher, yes, the "a" response is correct. In law, the legislature has unlimited authority. Practice is, of course, a different matter.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." The law states that Parliament has the power to allow additional or reduction in expenditure for activities that are accounted for in the budget. But, the additional expenses have to be tabled in the House of Representative and be included in the Bill (Article 101). The limitation in this sense includes the tabling of the additional expenditure at the House of Representative (Parliament).

Government Comment: Government did not dispute researcher's original answer "a," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer two "b."

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

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> a. The approved budget includes program-level detail. b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). c. The approved budget includes only departmental totals. d. The approved budget includes less information than departmental totals or the approved budget is not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Supply Act 2009, http://www.parlimen.gov.my/billindexbi/pdf/DR162008E.pdf</p> <p><u>Comment:</u> Most of the time the legislature acts as a rubber stamp, and the Executive's Budget Proposal (Finance Bill and Supply Bill) is rarely amended and this was the case with the 2008 budget. I have spoken to the Treasury and the representative from the legal department of the Parliament, and both told me that there were no amendments made to the Bill and the Act remained as it was when it was tabled. When I spoke to the Parliament, they told me to contact the Government Printing Department to get it, and the GPD said that the document is available on the internet but we needed to register with a website (with a fee) in order to access it online. In its hard copy, it is available at the Parliament library, national library, national archive and the Treasury's library, but then that somehow does not bode well with the idea of it being publicly available in regards to the questionnaire.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>C</p>
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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> Quarterly Update of the Malaysian Economy - 2nd Quarter 2009, September 2009, page 13-15, http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf</p> <p><u>Comment:</u> The Executive (including Central Bank) releases quarterly reports to the public but the document does not detail actual budget expenditure. The Quarterly Update of the Malaysian Economy focuses only on economic indicators. However, it has some brief information on Federal Government Finance. Detailed in-year reports are produced but only for internal purposes.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "d." As the researcher elaborates, only 'brief' information is available. The Quarterly Update of the Malaysian Economy provides headline aggregated data. Details on spending by ministries (administrative unit) or economic classification are not given. Also, the Quarterly Update is not explicitly linked to the Budget e.g. there are no comparisons to show budgeted vs. actual year-to-date spending.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b." Federal government financial position for the first and second quarter of 2009 include revenue, operating expenditure, local recoveries, and total federal government debt.</p> <p><u>Government Comment:</u> A more appropriate response to this question would be "a." The executive (including Central Bank) releases monthly and quarterly reports to the public.</p> <p>Refer to Monthly Statistical Bulletin, up to July, Federal Government Finance, http://www.bnm.gov.my/files/publication/msb/2009/7/pdf/6.1pdf.</p> <p><u>Researcher Response:</u> I suggest the answer should remain as I indicated in the questionnaire "b."</p> <p><u>IBP Comment:</u> IBP editors chose answer "b." The question refers to the timing of the reports' release, not their quality.</p>	b

<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> Monthly Statistical Bulletin, up to July 2009, Federal Government Finance, http://www.bnm.gov.my/files/publication/msb/2009/7/pdf/6.1.pdf</p> <p><u>Comment:</u> Detailed in-year reports are not released by the executive, but in-year reports produced by the Central Bank of Malaysia (Monthly Statistical Bulletin) cover some expenditures organised by function but not all as per the Anggaran Perbelanjaan Persekutuan 2009 (Estimates of Federal Expenditure for the year 2009). In addition to that, figures are preliminary, not actual.</p> <p><u>Researcher Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "d." The data in the Monthly Statistical Bulletin, a copy of the relevant page is enclosed with this email, is highly aggregated. It does not break down expenditure by administrative unit, nor is there an explicit link to the Budget.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c." Both the development and operating expenditures are shown based on functional classification and the amount is the total amount without any breakdowns. The classification is almost the same as the budget executive and related documents.</p> <p><u>Government Comment:</u> A more appropriate response to this question would be "a." All expenditures are reported in full (but not in detail according to administrative unit, economic classification and/or function).</p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail. b. 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). c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> In year reports on actual expenditures organised by administrative unit are not released to the public. The Monthly Statistical Bulletin only shows expenditure classified by function. (Table 6.3) http://www.bnm.gov.my/files/publication/msb/2009/7/pdf/6.3.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also, the actual expenditures only report the total amount of functional classification no more than that. For example, the development expenditures reported are total expenditure on defense and security and agriculture. No additional break downs of the expenditure included.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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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?

- a. Yes, comparisons are made for all expenditures.
- b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
- c. Yes, but comparisons are made for less than two-thirds of expenditures.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

Monthly Statistical Bulletin, up to July 2009, Tables 6.1-6.4
<http://www.bnm.gov.my/index.php?ch=109&pg=294&mth=7&yr=2009&eId=box1>

Comment:

In-year reports released by Central Bank Malaysia compare year-to-date expenditure, but not with original estimates for that period - only aggregate amounts for the same period in prior years. However this is a different classification from that in the budget proposal.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment: A more appropriate response to this question would be "d." This is because the Monthly Statistical Bulletin is not meant as a budgetary control tool. See also comments for No 83.

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." What is presented is comparison of the total expenditure with the previous four years. But no comparison with the original estimates based on the enacted budget. Again, this information is on total expenditure and no break-down is provided.

Government Comment: A more appropriate response to this question would be "a."

IBP Comment: IBP editors chose answer "c." Even if the Monthly Statistical Bulletin is not intended for budgetary control, it appears to contain some of the relevant information.

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In its Quarterly Economic Reports the Treasury does include brief comments on revenue (Quarterly Update of the Malaysian Economy) - 2nd Quarter 2009, September 2009, page 13-15, (http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The information is published quarterly. But quarterly data on actual revenue collections for 2009 are preliminary, provided by the Accountant General Department.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>b</p>
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87. What share of revenue is covered by the in-year reports on actual revenue collections?

- a. In-year reports cover the actual revenue collections of all sources of revenue.
- b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
- c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
- d. In-year reports on actual revenue collections are not released to the public.
- e. Not applicable/other (please comment).

Citation:

- i) Monthly Statistical Bulletin, up to July 2009, Table 6.2 (<http://www.bnm.gov.my/files/publication/msb/2009/7/pdf/6.2.pdf>)
- ii) Quarterly Update of the Malaysian Economy - 2nd Quarter 2009, September 2009, page 13-15, (http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf)

Comment:

The Central Bank covers with some detail the Federal Government Revenues in Table 6.2; however these quarterly figures are preliminary and lack details.

The Treasury also includes some brief comments on revenue in their Quarterly Economic Report.

b

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Total revenue is reported. The total revenue is still based on the main categories of direct taxes, indirect taxes, non tax revenue and non revenue receipts. The breakdown of each is not as detailed as shown in the executive's budget (estimates of federal government revenue), but covers the important totals of each category of taxes. For example, for direct taxes, the total revenues are given segregated as individual income tax, companies' income tax, petroleum income tax, stamp duties and others.

Government Comment: A more appropriate response to this question would be "a."

IBP Comment: Based on a review of comments, IBP editors chose answer "b."

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?

- a. Yes, comparisons are made for all revenue sources.
- b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.
- c. Yes, but comparisons are made for less than two-thirds of revenue sources.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

i) Monthly Statistical Bulletin, up to July 2009, Table 6.2
<http://www.bnm.gov.my/files/publication/msb/2009/7/pdf/6.2.pdf>

ii) Quarterly Update of the Malaysian Economy - 2nd Quarter 2009, September 2009, page 13-15,
http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf

Comment:

Both the Monthly Statistical Bulletin and the Quarterly Update compare year-to-date revenue collections with the same period in the previous year, but not with the original estimates. Table 6.2 in the Monthly Statistical Bulletin only shows preliminary figures, not actual figures.

b

Researcher Response to this Question was "b"

Peer Reviewer One Comment: Information for the same period last year is presented, but no comparisons are made with the enacted budget.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Comparisons are made with previous years. No reference is made to the initial estimate as per the executive's report (the estimates of federal government revenue).

Government Comment: A more appropriate response to this question would be "a."

IBP Comment: Based on a review of comments, IBP editors chose the answer "b."

<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> Quarterly Update of the Malaysian Economy - 2nd Quarter 2009, September 2009, page 13-15, http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf</p> <p><u>Comment:</u> In the Quarterly Update, page 16 briefly mentions Federal Government borrowing as of June 2009.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question could be "d." The quarterly update and the statistical bulletin (a copy of which is attached) provide snapshot data at a particular date. Information about flows is not provided.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b." Information is provided on the total of foreign borrowing every quarter. Specifically, information includes gross foreign borrowing, foreign repayment and net foreign borrowing.</p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</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>	<p>b</p>
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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:

Monthly Statistical Bulletin, up to July 2009, Table 6.5-6.7
<http://www.bnm.gov.my/index.php?ch=109&pg=294&mth=7&yr=2009&eId=box1>

Comment:

Tables 6.5-6.7 show debt classification by original maturity, by holder, and by currency and remaining maturity. Some details such as interest rates on debt are excluded in these in-year reports. However, these figures are preliminary not actual, and is up to the second quarter 2009.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." Important details such as the currency rates use to convert foreign currency debt amounts into ringgit equivalents are not given. Also, the data provided is snapshots at particular points in time. Flow data – the amounts the government repaid and raised and the interest rates thereon – are not provided. Also, the reports cover only direct federal government debt, and do not encompass debts raised by statutory bodies with implicit or explicit government guarantees. Examples of such statutory bodies are Port Klang Free Zone (PKFZ).

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Quarterly reports are more comprehensive in reporting the borrowing information than the Estimates of Federal Government Revenue. Such details are debt in foreign currency and maturity date. But information on interest rates is excluded.

Government Comment: A more appropriate response to this question would be "a." Only interest rates information is not disclosed in the report.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "b."

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> Quarterly Update of the Malaysian Economy - 2nd Quarter 2009, September 2009, http://www.treasury.gov.my/pdf/ekonomi/sukutahun2_2009.pdf</p> <p><u>Comment:</u> The Treasury releases their Quarterly Reports approximately 2-3 months after the end of the period. For instance, the 2nd Quarter Report was released in September 2009, when the end of the reporting period was June 2009.</p> <p>The Central Bank releases monthly reports less than a month after the end of the reporting period.</p> <p><u>Researcher Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be "a." Akauntan Negara also released their report within 1 month after the end of the period.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer "c."</p>	<p>C</p>
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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?
- 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).

Citation:

Comment:

The Executive does not release a mid-year review of the budget.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "e."

IBP Comment: Based on a review of comments, IBP editors chose answer "d."

d

<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> <ul 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></p> <p><u>Comment:</u> The Executive does not release a mid-year review of the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive does not release a mid-year review of the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

<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> <ul style="list-style-type: none"> a. 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. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive does not release a mid-year review of the budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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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 *minimal* level specified in law or regulation)?
- Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
 - Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
 - Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
 - 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).
 - Not applicable/other (please comment).

Citation:

Financial Procedure Act 1957 (Act 61)

Comment:

According to the Financial Procedure Act 1957, Section 15, the money assigned to a purpose of expenditure as approved by the Supply Act cannot be shifted/changed. Therefore the Executive cannot shift funds between administrative units, but the Treasury may approve the shift of funds within ministries, provided that the amount originally appropriated under this purpose or unit is not exceeded.

e

Researcher Response to this Question was "e"

Peer Reviewer One Comment: A more appropriate response to this question would be "d." In practice, because there is no process for scrutinizing budgeted against actual expenditure, there is no substantial impediment to the executive shifting funds at its discretion.

Peer Reviewer Two Comment: A more appropriate response to this question would be "e." As per my knowledge, such action is not allowed.

Government Comment: Government did not dispute researcher's answer.

IBP Comment: IBP editors chose answer "e" to maintain the consistency of the data across the countries.

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?

- a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
- b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
- c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
- d. No, the procurement process was not open and competitive in practice.
- e. Not applicable/other (please comment).

Citation:

<http://pkfz-scandal.org/>

Comment:

Transparency remains a big issue in Malaysia. In practice, privatisation programmes and Government procurement are conducted through nontransparent processes, with only notifications of tenders made public. Criteria for selection and the processes involved are often secretive and "this crucial process remains a great mystery to the public at large because it is shrouded in secrecy. The mystery is heightened by the Official Secrets Act (OSA)."

(<http://www.malaysianinsider.com/index.php/opinion/tunku-aziz/31144-procurement-a-call-for-transparency>)

During the tabling of the stimulus package in 2008

(<http://thestar.com.my/news/story.asp?file=/2008/11/5/nation/2458897&sec=nation>), Prime Minister alludes that open tender system are to be adopted. "However, the Government will still have the discretion to determine if there will be direct negotiations. This exemption on policy will only be made under certain conditions," Therefore it would still be difficult to gauge on whether tenders and licenses are awarded in a transparent manner.

Such scandals include the Port Klang Free Zone scandal (see citation), where huge infrastructure development projects are awarded to selected business entities without going through open and competitive procurement process.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: Here is another example: in Oct 2009, the 222 Members of Parliament arrived at their seats to find new computers installed. They cost RM2.6m, or nearly RM 12,000 each. Some MPs pointed out that the price was exorbitant and the technology obsolete. In this case, even MPs were not made privy to the fact that new computers were on the way and procurement was in process. Sources: Star newspaper, Nov 19, 2009
<http://thestar.com.my/news/story.asp?file=/2009/11/19/nation/20091119163>

d

<p>900&sec=nation and MP Jeff Ooi http://us.asiancorrespondent.com/jeff-ooi-blog/parliament:-4mbps-line-on-a-sleepy-.htm</p> <p>Peer Reviewer Two Comment: A more appropriate response to this question would be "d." As of 2009, no such transparency. But there is a call to display results of government tender online to avoid corruption, etc.</p> <p>Government Comment: Government did not dispute researcher's answer.</p> <p>IBP Comment: Based on a review of comments, IBP editors chose the answer "d."</p>	
<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). Not applicable/other (please comment). <p><u>Citation:</u> Finance Act (No. 2) 2009. (It is part of the mini budget document tabled in March 2009 for year 2009 - as part of the stimulus package in response to the financial crisis.) Treasury official, Ministry of Finance</p> <p><u>Comment:</u> Parliament typically approves 2 supplementary budgets. The first is tabled in September for the current budget year. Extra expenditure is funded by the Contingency reserve, which is then 'replenished' via this supplementary budget; hence the supplemental budget is approved after the funds are expended.</p> <p>The second supplemental budget is tabled in Parliament the following April for the closing of federal public accounts - this is also after the funds are expended.</p> <p>Peer Reviewer One Comment:</p> <p>Peer Reviewer Two Comment:</p> <p>Government Comment: Government did not dispute researcher's answer.</p>	b

<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ul style="list-style-type: none"> a. Supplemental budgets are generally equal to 2 percent or less of the original budget. b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Treasury official, Ministry of Finance</p> <p><u>Comment:</u> The first supplemental budget tabled in September during the budget year is typically a smaller amount (e.g.: 5-12%) than the amount requested in the second supplemental budget used to close the accounts (e.g.: 25-28%)</p> <p>The reason for this is that operating surplus is transferred to the development fund at the end of the year. In the Federal Public Accounts, for example, distinction is made where operating expenditure excludes the transfer to the Development Fund. The Development Fund is a deficit budget, and allocations under the operating budget is made to transfer funds.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate comment would be: The government has consistently spent more than it forecast. Over 2003 and 2007, the amounts ranged from RM5-9bn pa – between 5-10% of the original budget. In 2008, the amount was a massive RM28bn. This additional spending is generally covered by supplemental budget requests.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>C</p>
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<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"> a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. b. Expenditures are approved after the funds are expended, but before the end of the fiscal year. c. Expenditures are approved after the end of the fiscal year, for example in the next budget. d. Such expenditure takes place without legislative approval. e. Not applicable/other (please comment). <p><u>Citation:</u> Treasury official, Ministry of Finance Supplementary Supply (2007) Act 2008, September 2008 http://www.parlimen.gov.my/billindexbi/pdf/DR032008E.pdf</p> <p><u>Comment:</u> As mentioned previously, the contingency fund is first used to cover extra operating expenditures. This is then tabled in Parliament in the form of a Supplementary Supply Bill. Legal documents pertaining to this include the Federal Constitution and the Financial Procedures Act 1957.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>b</p>
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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"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> The Federal Public Accounts 2007 was released in 29th August 2008, approximately 8 months later. The Federal Public Accounts 2008 is to be released in October, along with the tabling of Budget 2010 in Parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The Federal Public Accounts 2007 was tabled in Parliament on 29 August 2008, approximately 8 months later.</p>	b

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> The Federal Public Accounts is taken as the year end report but it only has government's financial statements, without any audit outcomes. Audit outcomes can be found separately in the Auditor-General's report. Answer "d" is chosen as the data in the year end report have been audited but are not presented in this document.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be "a." The Federal Public Accounts was audited by the Auditor General before they are tabled in the Parliament.</p> <p><u>IBP Comment:</u> Based on a review of comments, IBP editors chose answer "d."</p>	<p>d</p>
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<p>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?</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> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> The year end report presents expenditure figures for the original, revised, and actual budget for 2007 but it lacks narrative discussion explaining difference. The very brief summary is mentioned on page 5, 6, 10 & 11.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	<p>d</p>
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<p>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?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> There is no explanation of the differences between enacted and actual outcomes for expenditures in this report apart from providing figures. Aggregate figures are cited on page 5-6 and in the synopsis stating enacted amount for expenditure and actual total spent. However, no explanations are given.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>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?</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> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> There is no explanation on differences between enacted and actual outcomes for revenues. Only figures are presented on page 300 which provides a comparison in the original and revised budget, and actual revenue. It also provides a comparison for the year before (in this case, year 2006).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>d</p>
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<p>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?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> No, this report does not explain differences in macroeconomic forecasts as it is purely a public accounts statement for the Federal Government and only looks at financial management.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Any differences in macroeconomic forecasts are explained in the Central Bank’s annual report as well as MOF’s annual Economic Report.</p>	d
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> No, as a public accounts statement, the year-end report does not explain differences regarding non-financial data.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> No explanation is provided on performance indicators.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d
<p>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?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)</p> <p><u>Comment:</u> No such explanation is presented in the report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s answer.</p>	d

110. Does the year-end report present the actual outcome for extra-budgetary funds?

- 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).

Citation:

Akaun Awam Persekutuan 2007 (Federal Public Accounts 2007)

Comment:

There is a wide range of extra-budgetary funds. Pension and social security funds are examples of statutory bodies in Malaysia and they produce their own reports and accounts. As such, they are not included in this document. The Auditor-General also audits these accounts, but they are all in reports separate to the year-end report.

d

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "d." No information on extra budgetary funds is provided.

Government Comment: Government did not dispute researcher's original answer "c," which the IBP modified for consistency purposes.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer Two to "d."

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

The Independence and Performance of the Supreme Audit Institution	
<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"> a. Final audited accounts are released to the public six months or less after the end of the fiscal year. b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Auditor-General's office</p> <p><u>Comment:</u> The final audit on the Federal Public Accounts 2007 was prepared by the 3 March 2008 and was sent to the Auditor General by 30 May 2008, but was only released to the public when the following year budget was tabled in Parliament on 29 August 2008 (i.e. 8 months after the end of the fiscal year). The current practice is that the final audit on the Federal Public Accounts has March as a deadline for audit and released to the public depending on when the budget is tabled in Parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The Federal Public Accounts 2007 was audited by 30 May 2008 and tabled in Parliament on 29 August 2008.</p>	b

<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> <ul style="list-style-type: none"> a. All expenditures have been audited and the reports released to the public. b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. c. Expenditure representing less than two-thirds of expenditure have been audited. d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Auditor-General's office</p> <p><u>Comment:</u> The Audit Report is based on the Federal Public Accounts and is done by sampling, with more than two-thirds of all expenditures.</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." Auditing was carried out on 30 activities in 22 Federal Ministries / Departments and 38 Government-linked companies.</p> <p><u>Government Comment:</u> Auditor General should response.</p>	<p>b</p>
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<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <p>a. The annual audit report(s) includes one or more executive summaries summarizing the report's content.</p> <p>b. 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.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Synopsis on Auditor General's Report on the Activities of Federal Government Ministries/Departments 2007 http://www.audit.gov.my/xboer/upload/FEDERAL_REPORT_2007_ON_ACTIVITIES.pdf?CqC3=CqC3 (In Malay language - full document) http://www.audit.gov.my/xboer/upload/persekutuan_07_pengurusan.pdf?CqC3=CqC3</p> <p>Synopsis on Public Accounts Statement and Financial Management of Federal Government Ministries/Departments 2007 http://www.audit.gov.my/xboer/upload/sctivities_REPORT_2007_Account.t.pdf?CqC3=CqC3 (In Malay language - full document) http://www.audit.gov.my/xboer/upload/persekutuan_07_penyata.pdf?CqC3=CqC3</p> <p><u>Comment:</u> There are two parts to the audit report (activities of Federal Government Ministries/Departments and Public Accounts Statement on Financial Management of Federal Government Ministries/Departments). Both reports include a summary which covers central and important aspects of the report, and is available in both English and Bahasa Malaysia.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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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?

- a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.
- b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
- c. Not applicable/other (please comment).

Citation:

Federal Constitution of Malaysia, Article 105-107

Comment:

According to the Federal Constitution, the head of the SAI (Auditor-General) is appointed by the King on the advice of the Prime Minister (PM) and the Conference of Rulers (Sultans/state royalty) and his removal from office follows the same procedure as that of a Judge in the Supreme Court (Article 125(3)).

If the PM shows to the King that the Auditor-General should be removed from office for whatever valid reason as stated in the Constitution, the King will then appoint a tribunal and refer the case to them, and may, on the recommendation of the tribunal, remove the Auditor-General from office. The tribunal should be made up of at least 5 persons who are holding or have held position as judge in the Supreme or High Court. The head of SAI may only be removed on final consent of the King, but it is based on the recommendation of the PM and the tribunal (members of judiciary).

It should be noted that the Tribunal is selected by the Head of State.

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: As per articles 105-107 and 123.

Government Comment: A more appropriate response to this question would be "a." According to the Federal Constitution, the head of SAI (Auditor-General) is appointed by the King on the advice of Prime Minister (PM) and after consultation with the Conference of Rulers (Sultans/State Royalty). The Auditor-General may at any time resign but shall not be removed from office except on the like grounds and in the like manner as a judge of the Federal Court.

IBP Comment: Based on a review of comments, IBP editors chose the answer "b."

b

115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

- 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).

Citation:

Auditor-General's office

Comment:

There are 3 main areas in which the SAI performs audits: Federal Public Accounts, accounts of the states, and accounts of statutory bodies. Pension funds and social security fall under the remit of statutory bodies. These are compiled into one report and tabled to Parliament at the same time as the audit report on the Federal Public Accounts. This is made public on their website:

Auditor General's report on Federal Statutory Bodies.

<http://www.audit.gov.my/index.php?T2RFCC33=ZQ0bSZ2cCC33&S2gNSxqOCC33=Z2MmUaETTRCC> (full report in Malay)

<http://www.audit.gov.my/eng/index.php?T2RFCC33=ZQ0bSZ2cCC33&S2gNSxqOCC33=Z2MmUaETTRCC> (synopsis only for English language)

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: There are 5 main areas in which the SAI audits: Federal Public Account, Accounts of the States, Account of Federal Statutory Bodies, Account of State Statutory Bodies and Account of the Local Authorities. Pension funds and social security fall under the remit of Federal Statutory Bodies. These are compiled into one report and tabled to Parliament at the same time as audit report on the Federal Public Accounts. This report is made public on the website: Auditor General's report on the Federal Statutory Bodies.

a

<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <p>a. The SAI has full discretion to decide which audits it wishes to undertake.</p> <p>b. The SAI has significant discretion, but faces some limitations.</p> <p>c. The SAI has some discretion, but faces considerable limitations.</p> <p>d. The SAI has no discretion to decide which audits it wishes to undertake.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Audit Act 1957 (Act 62, Article 5, Section 1) revised January 2006 http://www.agc.gov.my/agc/Akta/Vol.%202/Act%2062.pdf</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 Comment:</u> Government did not dispute researcher’s answer.</p>	<p>a</p>
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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:

Auditor-General's office

Comment:

The budget of the SAI is prepared by the Auditor-General's office (whose staff come under the purview of the Prime Minister's department, although the Auditor-General himself is independent), and is submitted to Treasury as part of the budget proposal tabled to Parliament. It is approved by Parliament as part of the budget.

Although the staff come under the purview of the PM's department, the office as a whole is considered broadly independent.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's answer.

b

<p>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)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Auditor-General's office</p> <p><u>Comment:</u> Staffing levels in the SAI are sufficient.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Staffing level in SAI are sufficient and designated staff are attached to the security sector but they are subject to be transferred to other sectors.</p>	<p>a</p>
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<p>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)?</p> <ul style="list-style-type: none"> 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. <p><u>Citation:</u> Auditor-General's office</p> <p><u>Comment:</u> In the past year, the Auditor-General received more than 100 communications from the public through their website and emails.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> In the past year the Auditor-General received more than 100 communications from the public through website, emails, letters and phone calls.</p>	<p>a</p>
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<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation:</u> Parlimen Malaysia (Parliament of Malaysia) http://www.parlimen.gov.my/eng-jawatankuasa-kirawang.htm</p> <p><u>Comment:</u> The Public Accounts Committee in Parliament is responsible for reviewing the federal accounts and audit reports. The Public Accounts Committee is a legislative body headed by a backbencher and the deputy is an MP from the opposition party.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's answer.</p>	<p>a</p>
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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:

Auditor-General's office

Comment:

The executive does not make available to the public a report on how it will address audit recommendations. The Public Accounts Committee produces a report on audit recommendations but this is kept for internal purposes only.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." As per the preface "To assist the ministries / departments / governments, to overcome the shortcomings raised in the Auditor General's Report 2006, a total Of 214 recommendations were submitted. Follow-up audits conducted as at 1 April 2008 revealed that actions have been taken on 134 recommendations by the respective ministries / departments / government companies. The synopsis of the audit report on the activities of federal government / ministries / departments provides the recommendations to the ministries / departments / governments following the audit report.

Government Comment: The executive does not make available to the public a report on how it will address audit recommendations. The Public Accounts Committee produces a report on audit recommendations but this is kept for internal purposes only.

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire "d."

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the data across the countries. A separate report is required to satisfy the requirements of this question.

d

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:

Parlimen Malaysia (Parliament of Malaysia)

<http://www.parlimen.gov.my/eng-jawatankuasa-kirawang.htm>

Comment:

The Public Accounts Committee, part of the legislature prepares a report for internal purposes only.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "b." SAI normally conducts follow up on previous year's audit report to monitor the actions taken by the ministries /department to address audit recommendations. These "follow up" will be reported in the following year Audit Report.

IBP Comment: Based on a review of comments, IBP editors chose the answer "d."

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:

Auditor-General's Office

Comment:

The Public Accounts Committee in Parliament reviews all audit reports including that of the security sector but some details or/and programmes may be kept secret due to the nature of the work.

Researcher Response to this Question was "c"

Peer Reviewer One Comment: A more appropriate response to this question could be "d." Audit reports of the annual accounts of the security sector are provided to the legislators. These reports lack important details. There are no audit reports of secret programs.

Peer Reviewer Two Comment: A more appropriate response to this question would be "c." As per article 107, the Audited Report has to be presented to the King and tabled at the House of Representative (Parliament).

Government Comment: A more appropriate response to this question would be "b." The Public Accounts Committee (PAC) in Parliament reviews all audit reports including that of the security sector but the PAC may not have some details of the report due to nature of the work. If necessary, the details may be obtained from the SAI.

Researcher Response: I suggest the answer should be changed as suggested by Peer Reviewer one "d."

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

d

Section One: Government Comments

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

DISTRIBUTION OF BUDGET DOCUMENTS						
	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	Yes					Yes
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	
<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?</i>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	NA	Yes	Yes	Yes	Yes	NA
2. Advance notification of release is sent to users, media	NA	Yes	Yes	Yes	Yes	NA
3. Released to public same day as official release to media	NA	No	Yes	No GC: Yes	No GC: Yes	NA
4. Available on the Internet free of charge	NA	Yes	Yes	Yes	No	NA
5. Free print copies available, limited distribution	NA	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	NA	No	No	No	No	NA
7. Readily available outside capital and/or big cities [†]	NA	Yes	Yes	Yes	No	NA
8. Written in more than one language	NA	Yes	Yes	Yes	Yes	NA
9. News conference is held to discuss release	NA	No	No	No	No	NA

*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.

GC: Government Comment

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
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
<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?</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	NA GC: Yes	Yes	NA	Yes	Yes
2. Advance notification of release sent to users, media	NA	No	NA	Yes	Yes
3. Released to public same day as official release to media	NA GC: Yes	Yes	NA	No	No GC: Yes
4. Available on the Internet free of charge	Yes	Yes	NA	No	Yes
5. Free print copies available, limited distribution	No	No GC: Yes	NA	Yes	Yes
6. Free print copies available, mass distribution	No GC: Yes	No	NA	No	No
7. Readily available outside capital/big cities ⁺	Yes	Yes	NA	No	Yes
8. Written in more than one language	Yes	Yes	NA	Yes	Yes
9. News conference is held to discuss release	NA	No	NA	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.

GC: Government Comment