

Open Budget Survey 2017

Questionnaire

Papua New Guinea

January 2018

COUNTRY QUESTIONNAIRE: PAPUA NEW GUINEA

PBS-1: What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2017

Sources: 2017 Budget Strategy Paper http://www.treasury.gov.pg/html/national_budget/files/2017/F...
(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)
Fiscal Responsibility Act 2006 (passed in April and effective from September 2016), which specifies, in Section 6 that the "Treasurer shall release publicly and table a Budget Strategy Paper at least three months before presentation of the Budget to National Parliament". The National Planning and Monitoring Responsibility Act 2016, which specifies that the Annual Budget Framework Paper, linking the Annual Budget to the Medium Term Development Plan, shall 'be published at least 4 months before the Budget is tabled' and 'provide guidance in the preparation of the Budget Strategy Paper' <http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.p...> (<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>)
Comments: Researcher: The Pre-Budget Statement is for the Budget year 2017. The requirement for this statement is specified in law in the Fiscal Responsibility Act 2006, and shall be at least 3 months prior to the Budget proposal. The 2016 National Planning and Monitoring Act also requires an annual Budget Framework Paper four months ahead of the Budget proposal and ahead of the BSP. In 2016, however, the PBS was released on Budget day itself, despite having been prepared several weeks in advance. This oversight was ostensibly on the basis of the 2016 Supplementary Budget being released in August 2016, with the Treasurer indicating that this to some indicated aspects of a Budget strategy paper

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature
- b. (67) At least two months, but less than four months, in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature
- c. (33) Less than two months in advance of the budget year, but at least one month before the Executive's Budget Proposal is introduced in the legislature
- d. (0) The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Answer: d.

Sources: The PBS was released to the public on 21 October 2015, less than one month before the Executive Budget Proposal was tabled in Parliament on 3 November 2015, which is non-compliant with the OBS requirement for publicly available, but also in contravention of the Papua New Guinea Fiscal Responsibility Act, 2006. (The tabling of the PBS for 2017 also failed to comply, being released online after the EBP on 1st November; the Treasurer's response was that the 2016 Supplementary Budget tabled in August 2016 performed the role of the PBS, at least initially, providing some economic and fiscal data and forecasts.)

Peer Reviewer

Opinion: Agree with Comments

Comments: I agree with the researcher's comments. The PBS (2017 Budget Strategy Paper, dated 29 October 2016) was online on 1 November 2016, which is the same day that that the EBP was presented to Parliament by Hon. Patrick Pruiatch, CMG, MP, Treasurer. This does meet the OBS methodology for at least one month in advance of the EBP. The additional information regarding 2016 PBS supports the researcher's score.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-3a: If the PBS is published, what is the date of publication of the PBS? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: 1 November 2016

Sources: The date of the document on the Treasury's website is 29 October 2016, but was in fact only released (on the website) on 1st November, the same day as the Executive's Budget Proposal was tabled

Comments: Researcher: The PBS document was prepared in October 2016, about 3 weeks ahead of the tabling of the Executive's Budget Proposal, but was finally only released on the same day as the proposal, (perhaps response to questions raised to the Treasury Dept over the whereabouts of the strategy)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-3b: In the box below, please explain how you determined the date of publication of the PBS. If the document is not published at all, researchers should mark this question "n/a."

Answer: Although it's dated 29 October, the Pre-Budget Statement for 2017 was uploaded on the Treasury's website on the same day that the EBP was tabled in Parliament, namely 1st November. I know, as at the time I was monitoring the Treasury's website at least once daily, explicitly looking for this document and regularly consulting with Treasury staff. The Treasurer had earlier stated that the PBS components were included within the 2016 Supplementary Budget (tabled in August) and that this complied with the requirements of the Fiscal Responsibility Act 2006. However, none of the fiscal forecasts and other details for 2017 were included in the Supplementary Budget, and in the end, although a draft was prepared well in advance, the PBS was not released until Budget day itself; clearly a notional exercise, but not compliant with either the legislation or the OBI requirements for a PBS. http://www.treasury.gov.pg/html/national_budget/files/2017/F... (http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

Sources: http://www.treasury.gov.pg/html/national_budget/files/2017/F... (http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

Peer Reviewer

Opinion: Agree with Comments

Comments: The focus of this assessment should concentrate on the latest budget documents which the researcher has cited in previous questions. The PBS is dated 29 October 2016 and was released online on 1 November 2016. The release date is derived from the PDF document properties.

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree and have changed the response accordingly - it is the PBS for FY 2017 that we are using in this section.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-4: If the PBS is published, what is the URL or weblink of the PBS? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: 2017 Budget Strategy Paper http://www.treasury.gov.pg/html/national_budget/files/2017/F... (http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

Sources: 2017 Budget Strategy Paper released on 1 November 2016

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: It is only released as a Pdf document

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: a.

Sources: The PBS was released on 1 November 2016 and the Executive's Budget Proposal presented to the Legislature on 1 November 2016, which is less than two weeks after.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-6b: If you selected option "c" or "d" in question PBS-6a above, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-7: If the PBS is produced, please write the full title of the PBS. If the document is not produced at all, researchers should mark this question “n/a.”

Answer: 2017 Budget Strategy Paper

Sources: .

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

PBS-8: Is there a “citizens version” of the PBS?

- a. Yes
- b. No

Answer: b.

Sources: There is no 'Citizen's Budget' for any stage of the Budget process at the moment. The concept has been raised and discussed with civil society organisations, including as a component of the Open Government Partnership national Action Plan, but not yet approved or implemented.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-1a: What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: “FY YYYY” or “FY YYYY-YY.”

Answer: FY 2017

Sources: The Fiscal Year for Papua New Guinea coincides with the Calendar Year, i.e. January - December

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-1b: When is the EBP submitted to the legislature for consideration? Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016.

Answer: 01 November 2016

Sources: The EBP is presented as a series of documents, including the legislative documents, including various Appropriation Bills and other new or amended legislation

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher is correct in that the EBP for 2017 was presented on 1 November 2016. In reviewing the Fiscal Responsibility Act 2006, Section 22, Public Finances (Management) Act 1995 and Section 209 of the Constitution of PNG, a legislative timeframe to present the budget (EBP) to Parliament before the commencement of the new fiscal year is not evident and perhaps there is a need for this in the future.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) At least three months in advance of the budget year, and in advance of the budget being approved by the legislature
- b. (67) At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature
- c. (33) Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature
- d. (0) The EBP is not released to the public, or is released after the budget has been approved by the legislature

Answer: b. (67)

Sources: The EBP was provided to the media, accounting firms, research bodies, foreign missions and other some other civil society bodies in a budget 'lockup' immediately before tabling in the Legislature, but only for wider release once the tabling had occurred. It was also posted on the Treasury's website that same afternoon, exactly 2 months before the start of the new budget year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-3a: If the EBP is published, what is the date of publication of the EBP? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a." In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer: 01 November 2016

Sources: The EBP for 2016 was published on 1st November, the same day that it was tabled in Parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-3b: In the box below, please explain how you determined the date of publication of the EBP. If the document is not published at all, researchers should mark this question “n/a.”

Answer: Hard copies of the Budget were provided (in limited numbers) to media representatives, selected researchers, accounting firms, etc, for them to examine and share on the morning when it was tabled in the Legislature (i.e. the 1st November). The budget was also broadcast live on the television and at least one radio station. The EBP was also uploaded on to the Treasury’s website and accessible to the public that same day, as verified by the researcher and overseas budget commentators were also promptly providing budget commentaries based upon access to the website.

Sources: After attending the Budget 'lockup', at which participants were provided electronic copies of the EBP, the researcher was asked to email copies of the EBP with other Budget commentators the same day, but this was unnecessary, as it was already posted to the website.

Peer Reviewer

Opinion: Agree with Comments

Comments: Whilst I cannot comment on the budget 'lockup' attended by the researcher, I can confirm that there was media coverage on the budget on 1 and 2 November 2016 which would support the statements made. See <http://www.abc.net.au/news/2016-11-01/png-budget-cuts-spendi...> (<http://www.abc.net.au/news/2016-11-01/png-budget-cuts-spending-to-weather-economic-downturn/7986004>) and <http://www.businessadvantagepng.com/budget-flags-tax-changes...> (<http://www.businessadvantagepng.com/budget-flags-tax-changes-and-cuts-in-infrastructure-education-and-health-spending/>)

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-4: If the EBP is published, what is the URL or weblink of the EBP? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question “n/a.” In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer: National Budget 2017: http://www.treasury.gov.pg/html/national_budget/2017.html
(http://www.treasury.gov.pg/html/national_budget/2017.html) 2017 BUDGET SPEECH
http://www.treasury.gov.pg/html/national_budget/files/2017/2...
(http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Treasurer's%20Budget%20Speech.pdf) 2017 NATIONAL BUDGET; VOLUME 1: ECONOMIC AND DEVELOPMENT POLICIES http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME 2a: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2b: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2c: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2d: 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20Trust%20Accounts.pdf) VOLUME 3: PUBLIC INVESTMENT PROGRAM 2017 – 2021 http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf) BUDGET 2017 - APPROPRIATION AND TAX BILLS: - <http://www.treasury.gov.pg/html/legislation/bills.html>
(<http://www.treasury.gov.pg/html/legislation/bills.html>) Appropriation (Judiciary Services 2017) Bill 2016
http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20\(Judiciary%20Services%202017\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20(Judiciary%20Services%202017)%20Bill%202016). Appropriation (National Parliament 2017) Bill 2016 http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20\(National%20Parliament%202017\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20(National%20Parliament%202017)%20Bill%202016) Appropriation (General Public Services Expenditure 2017) Bill 2016 http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20\(General%20Public%20Services%20Expenditure%20CUSTOMS_TARIFF_\(2017_Budget\)\(AMENDMENT\)_BILL_2016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Appropriation%20(General%20Public%20Services%20Expenditure%20CUSTOMS_TARIFF_(2017_Budget)(AMENDMENT)_BILL_2016) http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Customs%20Tariff%20\(2017%20Budget\)%20\(Amendment\)%20Bill%20Income_Tax_\(2017_Budget\)_Amendment_Bill_2016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Customs%20Tariff%20(2017%20Budget)%20(Amendment)%20Bill%20Income_Tax_(2017_Budget)_Amendment_Bill_2016) http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Income%20Tax%20\(2017%20Budget\)%20\(Amendment\)%20Bill%20Income_Tax,_Dividend_\(Withholding\)_Tax_and_Interest_Withholding_Tax_Rates_\(2017_Budget\)\(Amendment\)_Bill_2016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Income%20Tax%20(2017%20Budget)%20(Amendment)%20Bill%20Income_Tax,_Dividend_(Withholding)_Tax_and_Interest_Withholding_Tax_Rates_(2017_Budget)(Amendment)_Bill_2016) http://www.treasury.gov.pg/html/national_budget/files/2017/2...

([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Income%20Tax,%20Dividend%20\(Withholding\)%20Tax%20and%20Departure%20Tax%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Income%20Tax,%20Dividend%20(Withholding)%20Tax%20and%20Departure%20Tax%20(2017%20Budget)%20(Amendment)%20Bill%202016) [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Departure%20Tax%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Departure%20Tax%20(2017%20Budget)%20(Amendment)%20Bill%202016) [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Gaming%20Control%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Gaming%20Control%20(2017%20Budget)%20(Amendment)%20Bill%202016) [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Inter-Govt%20Relations%20\(Functions%20and%20Funding\).pdf](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Inter-Govt%20Relations%20(Functions%20and%20Funding).pdf) National Roads Authority (2017 Budget) (Amendment) Bill 2016 [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/National%20Roads%20Authority%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/National%20Roads%20Authority%20(2017%20Budget)%20(Amendment)%20Bill%202016) [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Stamp%20Duties%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Stamp%20Duties%20(2017%20Budget)%20(Amendment)%20Bill%202016) [http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Excise%20Tariff%20\(2017%20Budget\)%20\(Amendment\)%20Bill%202016](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/Excise%20Tariff%20(2017%20Budget)%20(Amendment)%20Bill%202016)

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: All Budget documents are available as Pdf documents (or in small numbers in hard copy - ie paper)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: According to the OBS 2017 criteria the PNG 2016 EBP could (just) be deemed publicly available, on the basis that it was available online on the same day it was tabled in the legislature (and in hard copies in limited copies etc) just under 2 months prior to the commencement of the Fiscal Year. However, as the Budget was passed on the same afternoon (approx 2 hours after being tabled), it is unknown whether the EBP was partially/entirely uploaded by the time the motion was moved and approved to pass the Budget in the Legislature. If on this basis it was deemed to have been 'publicly unavailable', then the answer to this question would be 'a'.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-6b: If you selected option "c" or "d" in question EBP-6a above, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EBP-7: If the EBP is produced, please write the full title of the EBP. If the document is not produced at all, researchers should mark this question "n/a." If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

Answer: National Budget 2017: 2017 BUDGET SPEECH VOLUME 1: ECONOMIC AND DEVELOPMENT POLICIES
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME 2a: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2b: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS
http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2c: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS VOLUME 2d: 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) VOLUME 3: PUBLIC INVESTMENT PROGRAM 2017 - 2021 http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf) BUDGET 2017 - APPROPRIATION AND TAX BILLS: - <http://www.treasury.gov.pg/html/legislation/bills.html> (<http://www.treasury.gov.pg/html/legislation/bills.html>) Appropriation (Judiciary Services 2017) Bill 2016 Appropriation (National Parliament 2017) Bill 2016 Appropriation (General Public Services Expenditure 2017) Bill 2016

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

a. Yes

b. No

Answer: b.

Sources: The idea and value of incorporating a Citizens Budget has been raised in consultation between Treasury and civil society, including as a component of the Open Government Partnership National Action Plan, but has not yet been effected for the 2017 Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-1a: What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2016

Sources: From the Website of the National Parliament: <http://www.parliament.gov.pg/bills-and-legislation/2015> (<http://www.parliament.gov.pg/bills-and-legislation/2015>) Appropriation (General Public Services Expenditure 2016) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2016-act-2015>) Appropriation (National Parliament 2016) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2016-act-2015>) Appropriation (Judiciary Services 2016) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2016-act-2015>) Customs Tariff (Amendment) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-tariff-amendment-act-2015>) Customs (2016 Budget) (Amendment) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-2016-budget-amendment-act-2015>) Excise Tariff (Amendment) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/excise-tariff-amendment-act-2015>) Good and Services Tax (2016 Budget) (Amendment) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/good-and-services-tax-2016-budget-amendment-act-2015>) Income Tax (2016 Budget) (Amendment) Act 2015 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2016-budget-amendment-act-2015>) 2016 Budget Appropriation and related Budget legislation also available on the Government's Treasury Website:- <http://www.treasury.gov.pg/html/legislation/acts.html>

----- (from the Parliament Website) Appropriation (General Public Services Expenditure 2017) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2017-act-2016>) Appropriation (National Parliament 2017) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2017-act-2016>) Appropriation (Judiciary Services 2017) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2017-act-2016>) Stamp Duties (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/stamp-duties-2017-budget-amendment-act-2016>) National Road Authority (2017 Budget Provisions) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/national-road-authority-2017-budget-provisions-amendment-act-2016>) Inter-Governmental Relations (Functions and Funding) (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/inter-governmental-relations-functions-and-funding-2017-budget-amendment-act>) Income Tax (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2017-budget-amendment-act-2016>) Gaming Control (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/gaming-control-2017-budget-amendment-act-2016>) Excise Tariff (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/excise-tariff-2017-budget-amendment-act-2016>) Customs Tariff (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-tariff-2017-budget-amendment-act-2016>) Departure Tax (2017 Budget) (Amendment) Act 2016 [http://www.parliament.gov.pg/index.php/bills-and-legislation/...](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/departure-tax-2017-budget-amendment-act-2016>)

Comments: Researcher: In Papua New Guinea, as the EBP is invariably accepted in its totality, the EBP documentation is applied and accepted as the EB, except that the legislative Bills (Appropriation Bills and Tax and Customs Bills and Amendments) are replaced by the certified Acts of Parliament. The 3 Appropriation Acts (for General Public Services Expenditure, Judiciary and Parliament) make specific reference to the EBP documents as forming the specific details on allocated expenditure, by institution etc. Even before the Appropriation Acts are certified, expenditure has usually commenced (and taxation applied), on the basis of the Parliamentary vote, even though this is presumably legally questionable

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-1b: When was the EB approved (enacted) by the legislature? Please enter the date in the following format: “DD Month YYYY.” For example, 5 September 2016 should be entered as 05 September 2016.

Answer: 03 November 2015

Sources: The EB (comprising 3 Appropriation Acts, plus associated Budget legislative Amendment tabled successively) was approved in full (without an opportunity to study it, or, therefore, for proper debate) approximately eight hours after being tabled by the Treasurer Hansard (Official Minutes of Parliament) for 3rd November 2015 <http://www.parliament.gov.pg/uploads/hansard/H-09-20151103-M...> (<http://www.parliament.gov.pg/uploads/hansard/H-09-20151103-M21-D04.pf.pdf>)

Peer Reviewer

Opinion: Agree with Comments

Comments: However, at [http://www.parliament.gov.pg/index.php/bills-and-legislation/](http://www.parliament.gov.pg/index.php/bills-and-legislation...) (http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2017-act-2016), it implies that the one of the Appropriation (General Public Services Expenditure 2017) Act 2016 was not passed by Parliament until 8 November 2016 and the downloaded document is certified by the Speaker of the House on 22 December 2016 that Parliament made the Act on 8 November 2016. I think it is important that we focus on the EB2017 which was passed on 8 November 2016 and certified by the Speaker on 22 December 2016, which is within the timeframe of this survey.

Government Reviewer

Opinion: Not Qualified

Researcher response: The EB for 2017 (Budget Appropriation legislation) was certified (and therefore came into effect legally) on 22nd December, 2016. but was not published on the Parliament website until February 2017. For this reason, the score is unchanged and we use EB for FY 2016.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Two weeks or less after the budget has been enacted
- b. (67) Between two weeks and six weeks after the budget has been enacted
- c. (33) More than six weeks, but less than three months, after the budget has been enacted
- d. (0) The EB is not released to the public, or is released more than three months after the budget has been enacted

Answer: c. (33)

Sources: The 2016 Enacted Budget was made available in on the Parliament website 11 weeks after it was approved by Parliament, and after the legislation was certified by the Speaker of Parliament (it was posted on the Government's Treasury website much later than on the Legislature's)

Peer Reviewer

Opinion: Agree with Comments

Comments: The EBP was passed by Parliament on 8 November 2016 and certified by the Speaker on 22 December 2016 which is within the timeframe of this survey. It is important that we focus on one EB and, in my opinion, that should be EB2017.

Government Reviewer

Opinion: Not Qualified

Researcher response: See response to Question EB-1b.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-3a: If the EB is published, what is the date of publication of the EB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: “DD Month YYYY.” For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question “n/a.” Note that the date of publication is not necessarily the same date that is printed on the document.

Answer: 20 January 2016

Sources: 20 January 2016 was the date that it was certified by the Speaker and formally took legal effect, although in practice it was being applied from the 1st January. The Appropriation Acts (and associated legislation) were posted on the Parliament website on 20 January 2016; (they were published to the Treasury (Executive Government) website until much later during the year) .

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher has had access to the website administrator to verify the exact date of the uploading for the FY2016 Enacted Budget. I can confirm the date of uploading of the Acts for FY2016. However, according to the Parliament Website, <http://www.parliament.gov.pg/bills-and-legislation/2016> (<http://www.parliament.gov.pg/bills-and-legislation/2016>), the FY2017 budget was passed on 8 November 2016 and certified on 22 December 2016 which is within the timeframe of this review. The focus of this review should be on the latest Enacted Budget.

Government Reviewer

Opinion: Not Qualified

Researcher response: See response to Question 1b.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-3b: In the box below, please explain how you determined the date of publication of the EB. If the document is not published at all, researchers should mark this question "n/a."

Answer: The Appropriation Acts and other associated Budget legislation were posted on to the Legislature's Open Parliament website on 20 January 2016, promptly after it was certified by the Speaker. The researchers were in dialogue with the administrator of the Open Parliament website to verify the exact date in late January of the uploading.

Sources: .

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher has had access to the website administrator to verify the exact date of the uploading for the FY2016 Enacted Budget. I can confirm the date of uploading of the Acts for FY 2016. However, according to the Parliament Website, <http://www.parliament.gov.pg/bills-and-legislation/2016> (<http://www.parliament.gov.pg/bills-and-legislation/2016>), the FY2017 budget was passed on 8 November 2016 and certified on 22 December 2016 which is within the timeframe of this review. This should be the focus of this survey.

Government Reviewer

Opinion: Not Qualified

Researcher response: See response to question 1b.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-4: If the EB is published, what is the URL or weblink of the EB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: <http://www.parliament.gov.pg/bills-and-legislation/2015> (<http://www.parliament.gov.pg/bills-and-legislation/2015>)
<http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...>
(<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2016-act-2015>)
<http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...>
(<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-2016-budget-amendment-act-2015>)
<http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/good-and-services-tax-2016-budget-amendment-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...>
(<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2016-budget-amendment-act-2015>) The 2016 Budget Appropriation and other legislation was added to the Treasury's website later in the year, than the posting by the Legislature <http://www.treasury.gov.pg/html/legislation/acts.html> (<http://www.treasury.gov.pg/html/legislation/acts.html>)

Sources: It should be noted that this legislation is posted on the National Parliament's website, rather than the Executive Government (Treasury site)

Peer Reviewer

Opinion: Agree with Comments

Comments: I can confirm the date of uploading of the Acts for FY 2016 and the attached URL on the Parliamentary Website. However, according to the Parliament Website, <http://www.parliament.gov.pg/bills-and-legislation/2016> (<http://www.parliament.gov.pg/bills-and-legislation/2016>), the FY2017 budget was passed on 8 November 2016 and certified on 22 December 2016 which is within the timeframe of this review.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: The Budget legislation is in Pdf form, including the EBP, which legally provides the detailed breakdown of expenditure items (by institution, broken down by line item etc), as provided for the Enacted Budget legislation documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: The Appropriations and Budget-related legislation are available on the National Parliament website, whilst the details of the enacted Budget are contained in the EBP (as specified in the 2016 Appropriation (Public Goods) Act 2015) are available on the Treasury website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-6b: If you selected option "c" or "d" in question EB-6a above, please specify how you determined whether the EB was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

EB-7: If the EB is produced, please write the full title of the EB. If the document is not produced at all, researchers should mark this question "n/a."

Answer: Appropriation (General Public Services Expenditure 2016) Act 2015 Appropriation (Judiciary Services 2016) Act 2015 Appropriation (National Parliament 2016) Act 2015 Income Tax (2016 Budget) (Amendment) Act 2015 Customs Tariff (Amendment) Act 2015 Good and Services Tax (2016 Budget) (Amendment) Act 2015 NATIONAL BUDGET - 2016 (ie the EBP, as provided on the Treasury Website, specified in the Appropriation Acts as containing the detailed content of the 2016 Enacted Budget)

Sources: .It should be noted that the details of the Enacted Budget, in terms of expenditure allocations and revenue forecasts etc, for the purpose of monitoring etc, are specified in EBP, which as specifically stated in the Budget Appropriation legislation, should be read together with the legislation and provides the details of the EB.

Peer Reviewer

Opinion: Agree with Comments

Comments: The survey should focus on EB2017. Appropriation (National Parliament 2017) Act 2016 Appropriation (Judiciary Services 2017) Act 2016 Appropriation (General Public Services Expenditure 2017) Act 2016 Income Tax (2017 Budget) (Amendment) Act 2016 Gaming Control (2017 Budget) (Amendment) Act 2016 Excise Tariff (2017 Budget) (Amendment) Act 2016 Departure Tax (2017 Budget) (Amendment) Act 2016 Customs Tariff (2017 Budget) (Amendment) Act 2016 Passed on 8 November 2016 and certified on 22 December 2016. <http://www.parliament.gov.pg/bills-and-legislation/2016> (<http://www.parliament.gov.pg/bills-and-legislation/2016>)

Government Reviewer

Opinion: Not Qualified

Researcher response: See response to question 1b.

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

a. Yes

b. No

Answer: b.

Sources: No progress has been made in providing a Citizens' Budget, to date, although it has been under some discussion between civil society organisations and the Treasury during 2016, including as part of the Open Government Partnership draft National Action Plan,.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-1: What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY." If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer: FY 2017

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-2a: For the fiscal year indicated above, what is the public availability status of the CB. If more than one Citizens Budget is produced, please complete this questions for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their public availability status.

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: d.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-2b: If you selected option "c" or "d" in question CB-2a above, please specify how you determined whether the CB was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer: Usually a summary of the Budget is provided by Treasury for the Budget 'lockup', which could form the basis of a Citizen's Budget, although it is not circulated more widely. But this was not provided for the FY 2017 Budget. In any case it does not comprise a Citizen's Budget and is never circulated or posted to the website, and for FY 2017 was not produced at all.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-3a: If the CB is published, what is the date of publication of the CB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a." If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which

document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their dates of publication.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-3b: In the box below, please explain how you determined the date of publication of the CB. If the document is not published at all, researchers should mark this question “n/a.”

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-4: If the CB is published, what is the URL or weblink of the CB? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question “n/a.” If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and their URL or weblink.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-5: If the CB is produced, please write the full title of the CB. If the document is not produced at all, researchers should mark this question “n/a.” If more than one Citizens Budget is produced, for each CB, indicate the document the CB refers to and, next to it, its full title.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

CB-6: If the CB is produced, please indicate which budget document it corresponds to. If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budgets are produced and which budget documents they simplify.

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Initial draft budget is prepared by the Budget Department of MoF to be submitted to the Cabinet of Ministers. But this document is for internal use only, not publicly available. According to the Article 11, Clause 5 of the Budget System Law of the Republic of Azerbaijan: 11.5. Relevant executive power body presents initial draft of the state budget of the next year, basic fields of budget-tax policy, the highest verge of incomes and expenditures at the level of budget classification items, public debts, priority expenditures, forecast of summary budget of the next year and following three years, drafts of legislative acts necessary for preparation and execution process of the state budget, as well as relevant executive power body presents the initial draft of the state investment program to relevant executive power body till the April 15 of the current year.

IYRs-1: What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2016

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) At least every month, and within one month of the period covered
- b. (67) At least every quarter, and within one month of the period covered
- c. (33) At least every quarter, and within three months of the period covered
- d. (0) The IYRs are not released to the public, or are released more than three months after the period covered

Answer: d.

Sources: (Apart from the Mid-Year Report) no 'In year reports' have been produced for several years.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-3a: If the IYRs are published, what are the dates of publication of the IYRs? Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: “DD Month YYYY.” For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question “n/a.”

Answer: n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-3b: In the box below, please explain how you determined the date of publication of the IYRs. If the document is not published at all, researchers should mark this question “n/a.”

Answer: n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-4: If the IYRs are published, what is the URL or weblink of the IYRs? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question “n/a.” Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

Answer: n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree

Government Reviewer**Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: d.

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: d.

Sources: Government stopped publishing IYRs in 2011. Until then they were invariably late, and no consistently published, but 2-4 were published each year. In recent years, with the government operating 3 different incompatible financial management systems (the new Integrated Financial Management System -IFMS, the former main system PGAS and an Oracle system) the Finance Department has been unable to put together and publish timely/accurate all-of-government financial reports.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-6b: If you selected option "c" or "d" in question IYRs-6a above, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer: With the complication of trying to prepare comprehensive government financial reports, whilst the government has been using 3 incompatible financial management systems, the Finance and Treasury Departments have fallen back to only producing the legally required 'Mid Year' and 'End of Year' reports over recent years. They're also not produced as internal government documents.

Sources: n/a

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-7: If the IYRs are produced, please write the full title of the IYRs. If In-Year Reports are not produced at all, researchers should mark this question “n/a.” Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer: n/a**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

IYRs-8: Is there a “citizens version” of the IYRs?

a. Yes

b. No

Answer: b.**Sources:** n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-1: What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: “FY YYYY” or “FY YYYY-YY.”

Answer: FY 2016**Sources:** .**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Six weeks or less after the midpoint
- b. (67) Nine weeks or less, but more than six weeks, after the midpoint
- c. (33) More than nine weeks, but less than three months, after the midpoint
- d. (0) The MYR is not released to the public, or is released more than three months after the midpoint

Answer: a. (100)

Sources: Under the PNG Fiscal Responsibility Act 'the Treasurer shall release publicly and table (in the Legislature) an economic and fiscal outlook report by the end of July.....'

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-3a: If the MYR is published, what is the date of publication of the MYR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: “DD Month YYYY.” For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question “n/a.”

Answer: 01 August 2016

Sources: n/a

Peer Reviewer

Opinion: Agree with Comments

Comments: The MYEFO PDF document was created 5 August 2016. However, media reports are dated 2/ 3 August 2016 (see for example <http://www.abc.net.au/news/2016-08-03/pngs-mid-year-economic...> (<http://www.abc.net.au/news/2016-08-03/pngs-mid-year-economic-figures-continuing-revenue/7684550>).

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-3b: In the box below, please explain how you determined the date of publication of the MYR. If the document is not published at all, researchers should mark this question “n/a.”

Answer: The Treasury website was being closely monitored when the release date for the MYR fell due. It was released on 1st August, the day after the due date.

Sources: The MYR was being widely awaited by economic analysts, commentators and research bodies (including ourselves), particularly in view of the tight economic conditions in 2016; the deadline under the Fiscal Responsibility Act was for release by 31 July, so when that deadline was close and fell due, the website was being closely monitored and the Treasury was being contacted. So it was promptly recorded when it was posted on-line by the Department on 1st August 2016.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-4: If the MYR is published, what is the URL or weblink of the MYR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Sources: The report was released on 1 August 2016, although it was reposted a few days later (maybe after some edits had been made; such updates commonly occur also with the YER).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: The MYR is only published as a Pdf document

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-6b: If you selected option “c” or “d” in question MYR-6a above, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all. If option “a,” “b,” or “e” was selected in question MYR-6a, researchers should mark this question “n/a.”

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-7: If the MYR is produced, please write the full title of the MYR. If the document is not produced at all, researchers should mark this question “n/a.”

Answer: MID YEAR ECONOMIC AND FISCAL OUTLOOK REPORT 2016

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

MYR-8: Is there a “citizens version” of the MYR?

a. Yes

b. No

Answer: b.

Sources: No citizens' budget produced yet for PNG, although there has been discussion on this and its inclusion in the proposed OGP National Action Plan in 2016

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-1: What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: “FY YYYY” or “FY YYYY-YY.”

Answer: FY 2015

Sources: Under the PNG Fiscal Responsibility Act 2006, Section 13, 'the Treasurer shall publicly release and table a final budget outcome report for each financial year no later than three months after the end of the financial year'

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Six months or less after the end of the budget year
- b. (67) Nine months or less, but more than six months, after the end of the budget year
- c. (33) More than nine months, but within 12 months, after the end of the budget year
- d. (0) The YER is not released to the public, or is released more than 12 months after the end of the budget year

Answer: a. (100)

Sources: It was released 3 months after the end of the financial year, as required under the PNG Fiscal Responsibility Act 2006

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-3a: If the YER is published, what is the date of publication of the YER? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: “DD Month YYYY.” For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question “n/a.”

Answer: 31 March 2016

Sources: Release date is required to be by 31 March, and this was when it was released, although there was a subsequent revision of the contents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-3b: In the box below, please explain how you determined the date of publication of the YER. If the document is not published at all, researchers should mark this question “n/a.”

Answer: Verification of the date of release involved checking with the ICT staff of the Treasury, when they uploaded the report to the Website, plus checking the dates of media reports (and media contacts for commentaries by Institute on the content of the report) and checking with the other academic/economic analysts and their reports/blogsites

Sources: .

Peer Reviewer

Opinion: Agree with Comments

Comments: The Final Budget Outcome 2015 PDF document is dated 1 April 2016.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-4: If the YER is published, what is the URL or weblink of the YER? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question "n/a."

Answer: http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: c.

Sources: The YER is only published as a Pdf document

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)

- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: e.

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-6b: If you selected option "c" or "d" in question YER-6a above, please specify how you determined whether the YER was produced for internal use only, versus not produced at all. If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer: n/a

Sources: n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

YER-7: If the YER is produced, please write the full title of the YER. If the document is not produced at all, researchers should mark this question "n/a."

Answer: FINAL BUDGET OUTCOME 2015

Sources: .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes
- b. No

Answer: b.

Sources: PNG produces no Citizens' budgets, although there is some discussion on this between Treasury and Civil Society bodies, and is being included in the prospective OGP National Action Plan (from 2016)

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-1: What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire? Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer: FY 2014

Sources: The Annual Financial Audit Reports from the PNG Auditor General are broken up into four parts. The first part, comprising the 'Public Accounts of Papua New Guinea' have been publicly released only up to 2011. The other 3 parts, covering, National Government Departments and Agencies, Provincial Governments and Local-level Governments and Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies, respectively, cover the years to 2013, but not comprehensively, highlighting some of the institutions which are laggards or severely non-compliant. <http://www.ago.gov.pg/8-annual-reports> (<http://www.ago.gov.pg/8-annual-reports>)

Peer Reviewer**Opinion:** Agree with Comments

Comments: I have checked the documentation uploaded by the researcher BUT have not been able to independently verify this as the Auditor General website is not available and there are no other sources accessible.

Government Reviewer**Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Six months or less after the end of the budget year
- b. (67) 12 months or less, but more than six months, after the end of the budget year
- c. (33) More than 12 months, but within 18 months, after the end of the budget year
- d. (0) Does not release to the public, or is released more than 18 months after the end of the budget year

Answer: d.

Sources: At the end of 2016, the overall report on the Public Account of PNG (Part 1) is only available to 2011, and even then does not provide a full picture of the state of the accounts then. The audit report for the respective Government Departments and Agencies (Part 2) is publicly available up to 2014 (although many Departments are not completed to that year). The audit report for the respective Provincial and Local Governments (Part 3) is available up to 2013 (although many are not up to date to that date). The audit report for the respective Statutory Authorities and State-Owned Entities etc, is publicly available up to 2015, (but many SOEs/Authorities are well behind that date).

Comments: Researcher: Although there are some timely audits by some Departments, public Authorities, SOEs and other public entities (with Part IV of the Report released for 2015 and Part II of the Report up to 2014), many public entities fall many years behind and the overall audit of the Public Account is not updated from 2011. On this basis "d" is selected, even though some parts of the report are more up to date, (and perhaps more current that during the last OBI)

Peer Reviewer**Opinion:** Agree with Comments

Comments: I have checked the documentation uploaded by the researcher BUT have not been able independently verify this as the Auditor General website is not available and there are no other sources accessible. The PEFA Report, dated August 2015, has noted that there are delays at least one year in the tabling of the audit reports on the government financial statements (point 168).

Government Reviewer**Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-3a: If the AR is published, what is the date of publication of the AR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2016 should be entered as 05 September 2016. If the document is not published or not produced, please mark this question "n/a."

Answer: n/a

Sources: The report of the overall public account of PNG (Part 1) only covers the reporting year 2011. The part of the Report for Departments and Agencies (Part 2) is up to 2014, and was published after being tabled in Parliament on 18th August 2016 (outside the time limited). The part of the Report for Provincial Governments etc (Part 3) is up to 2013. The part of the Report for Statutory Authorities and State-owned Enterprises (Part 4) is up to 2015 and was published in November 2016, after becoming a public document upon being tabled in Parliament on 2nd November 2016. Under Section 214 of the Constitution "the primary functions of the Auditor-General are to inspect and audit, and to report at least once in every fiscal year (as provided by an Act of the Parliament) to the Parliament on the public accounts of Papua New Guinea, and on the control of and on transactions with or concerning the public moneys and property of Papua New Guinea, and such other functions as are prescribed by or under a Constitutional Law". Under Section 7 (3) of the Audit Act 1989 "where the Auditor-General has carried out his functions under Section 3(5)(h) and (i) in relation to a relevant body he shall prepare a report to the National Parliament that- (a) may include such information as he thinks desirable in relation to matters referred to in the report; and (b) may include any recommendations arising out of the audit that he thinks fit to make; and (c) shall set out his reasons for opinions expressed in the report," Under Section 63 (2) A public body shall prepare and furnish to the Minister: - (3) Financial statements under Subsection (2) shall be- (a) in the case of a public body declared under its constituent law to be a trading enterprise-in accordance with accounting principles generally applied in commercial practice; and (b) in all other cases-in a form approved by the Minister in consultation with the Auditor-General. (4) Before furnishing financial statements to the Minister, a public body shall submit them to the Auditor-General who shall report to the Minister in accordance with Part II of the Audit Act 1989. (5) The Minister shall cause the report and financial statements, together with the report of the Auditor-General, to be laid before Parliament at the first meeting of the Parliament after their receipt by the Minister. (6) When the report or a financial statement of a public body is reproduced for publication or for other purposes, the report of the Auditor-General on it shall be included in the reproduction. (7) The first report and financial statements of a public body under this section shall be furnished as soon as practicable after 31 December next following the commencement of its constituent law.

Comments: Researcher: Only one of the 4 Parts of the Auditor General's report was published within the 18 month deadline required (covering the Statutory Authorities and SOEs). Some of the other Reports were prepared within the deadline, however were not published until after the 18 month deadline, with the delays occurring during the process of submission to the Speaker and tabling in the Legislature, which in most cases entailed a lag of several months. Under prevailing rules the audit reports are required to be tabled in Parliament and then become public documents, before being released to the public. It should be noticed, however, that even when the reports are released for a given year, many of the government agencies reported upon in that report still had not had their audits for that year completed, in some cases for several years. In many cases this was owing to the very late submission of their accounts through to the Auditor General's office.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-3b: In the box below, please explain how you determined the date of publication of the AR. If the document is not published at all, researchers should mark this question "n/a."

Answer: n/a

Sources: Copies of the currently most up to date publicly available Public Accounts reports, attached, namely: Part 1 (2011), Part 2 (2013-2014), Part 3 (2011-2013) and Part 4 (2013). A copy of the Notice Paper for the National Parliament for 25 August 2016 is also attached, including for some of the 2014 audit reports, notably parts 2 and 3 (and other earlier report) awaiting to be tabled. The researcher confirmed (as of 5 October 2016) with the Legislature that several of these reports remain on the Parliament Notice Paper, and have still not been tabled in Parliament (and therefore not yet available for public distribution by the SAI). PS. On 26 October 2016 Part 4 for 2014 was tabled in Parliament, and on 2nd November Part 4 for 2015 was also tabled, and hence became public document, that were subsequently uploaded to the SAI's website. The date of upload is still being verified (and at the end of 2016 the website is currently down, temporarily). See Parliament Minutes, attached, of the tabling of these recent audit reports (Hansard)

Comments: Researcher: The 2014 and 2015 reports (for Public bodies and Statutory Organisations and Companies) was uploaded in December 2016, but the exact dates of these and the uploads of earlier reports during during 2016 have not yet been ascertained, as the Auditor General's office has since changed its web service provider (formerly the Australian Audit Office); (PS The Auditor General's website went offline at the end of December 2016, and although we were advised that it would be restored within hours, by mid- July 2017 it is still not operational - we assume this is for non payment of website fees).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-4: If the AR is published, what is the URL or weblink of the AR? Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should mark this question “n/a.”

Answer: n/a

Sources: As the website has been down - reportedly temporarily-, at the end of 2016, it has not been possible yet to upload the more recently published reports for Part 2 - 2014, or Part 4 - 2014 & 2015 <http://www.ago.gov.pg/8-annual-reports> (<http://www.ago.gov.pg/8-annual-reports>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes, all of the numerical data are available in a machine readable format
- b. Yes, some of the numerical data are available in a machine readable format
- c. No
- d. Not applicable

Answer: d.

Sources: It is published as a series of Pdf documents

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Produced but made available online to the public too late (published after the acceptable time frame)
- b. Produced but made available only in hard copy or soft copy (not available online)
- c. Produced for internal purposes/use only
- d. Not produced at all
- e. Not applicable (the document is publicly available)

Answer: d.

Sources: The reports are not released within the required time period. Some (but not the full set) of the Annual Financial Accounts reports are prepared within the time period required, but then unable to be released to the public on account of delays in their tabling in the Legislature. Tabling the reports in the Legislature is a requirement for them to become public Documents, and only then can they (currently) be released to the public and posted on the website (It is hoped in the future to forego this requirement and for them to be publicly released by the SAI independently, as proposed in the OGP draft NAP 2016)

Peer Reviewer

Opinion: Agree

Government Reviewer**Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-6b: If you selected option “c” or “d” in question AR-6a above, please specify how you determined whether the AR was produced for internal use only, versus not produced at all. If option “a,” “b,” or “e” was selected in question AR-6a, researchers should mark this question “n/a.”

Answer: At the end of 2016, the audit report had been produced in part up to 2015, for Public Bodies and their Subsidiaries, National Government Owned Companies and National Government Shareholdings in Other Companies. But the reports had not been released online to the public in any form beyond 2011 for the overall Public Account of PNG (available in soft copy for 2012), or beyond 2013 for the Government Departments and Provincial Governments. In December 2016 the website discontinued operation, so all documents became available only in soft copy from the SAI’s office. They were under preparation and some extra reports were finalised, but not allowed to be released as public documents (in hard or soft copy form) until tabled in the Legislature.

Sources: n/a**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-7: If the AR is produced, please write the full title of the AR. If the document is not produced at all, researchers should mark this question “n/a.”

Answer: Although much of the AR is not published within the deadline required under OB survey, some components do meet the deadline, at least in part. The Report title, and its parts, are as follows. Annual Financial Audit Reports: - Part 1 - Public Accounts of Papua New Guinea Part 2 - National Government Departments and Agencies Part 3 - Provincial Governments and Local-level Governments Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies

Sources: .**Peer Reviewer****Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the “I am not qualified to judge this indicator” option had to be selected. The appropriate answer would have been “NOT APPLICABLE”, because the government did not provide any comments to any of the questions in the Open Budget Survey.

AR-8: Is there a “citizens version” of the AR?

a. Yes**b.** No**Answer:** b.

Sources: No Citizens Budgets are provided, but to make the reports more timely and meaningful to the public, the SAI is undertaking at least one Performance Audit and Special Review Reports per annum. Reports to date comprise:- Report No. 1: The Effectiveness of Solid Waste Management in Papua New Guinea Report No. 2: Access to Safe Drinking Water in the National Capital District Report No. 3: District Services Improvement Program Report No. 4: Management and Reporting of Trust Accounts Report No. 5: Review of the Integrated Financial Management System (IFMS) Project Report No. 6: Budget Appropriations and Warrant Authority Report 6, also attached, is an examination of the Budget Process itself for 2013 (including in-year reallocations and deficiencies, etc) , pertinent to the OBS process

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

a. Yes**b.** No**Answer:** a.

Sources: The Treasury Website: <http://www.treasury.gov.pg/> (<http://www.treasury.gov.pg/>) The Bank of Papua New Guinea (Central Bank) website, for monetary and extensive fiscal data: <http://www.bankpng.gov.pg/> (<http://www.bankpng.gov.pg/>) (The Finance Department's website is currently 'under construction' and therefore unavailable) National Economic and Fiscal Commission (an independent Constitution Office, which is tasked with providing oversight on allocations and public expenditure at the subnational level and has some powers, largely advisory, to facilitate greater equalisation of funding between the provinces, etc; its reporting is not timely, or at this stage more recent fiscal summaries and review are not readily available material, notably on the web, or yet available) <http://www.nefc.gov.pg/fiscalRept.php> (<http://www.nefc.gov.pg/fiscalRept.php>) Department of National Planning and Monitoring. This website doesn't currently carry much fiscal material, but does provide various policy, strategy, development planning and monitoring documents and pertinent legislation <http://www.planning.gov.pg> (<http://www.planning.gov.pg>)

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

GQ-1b: On these websites/portals, can revenue and expenditure data for the current fiscal year be downloaded as a consolidated file (or set of files)? If yes, please provide the necessary links in the comment/citation.

a. Yes**b.** No**Answer:** b.

Sources: The Treasury's files are only available in Pdf format. The Treasury's Budget website http://www.treasury.gov.pg/html/national_budget/2016.html (http://www.treasury.gov.pg/html/national_budget/2016.html), includes consolidated revenue and expenditure for multiple years under Volume 1 (Economic and Development Policies), tables 8-10, pages 114-119: http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume1-Econ&DevPolicies.pdf) The Bank of Papua New Guinea's 'Quarterly Economic Bulletin', text (from p21) and consolidated statistical tables (Government Operations Section 7), including fiscal conditions (the December quarter QEB also provides the annual details): <http://www.bankpng.gov.pg/statistics/quarterly-economic-bull...> (<http://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>) <http://www.bankpng.gov.pg/wp-content/uploads/2015/02/March-2...> (<http://www.bankpng.gov.pg/wp-content/uploads/2015/02/March-2016-Quarterly-Economic-Bulletin-QEB.pdf>)

Peer Reviewer**Opinion:** Agree with Comments

Comments: For the FY2017 budget, at http://www.treasury.gov.pg/html/national_budget/2017.html (http://www.treasury.gov.pg/html/national_budget/2017.html), consolidated revenue and expenditure tables are Appendix 3, pages 109 to 111, 2017 Budget Volume 1, Economic and Development Policies.

Government Reviewer**Opinion:** Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

GQ-1c: On these websites/portals, can consolidated revenue and expenditure data be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation.

- a. Yes
- b. No

Answer: b.

Sources: The Treasury's files are only available in Pdf format. http://www.treasury.gov.pg/html/national_budget/2016.html (http://www.treasury.gov.pg/html/national_budget/2016.html) You can check back over multiple past budgets (and mid-year and year end reports etc) on this site, albeit all Pdf documents. To obtain data that's usable in Excel format one needs to go to the Bank of PNG's website, which will provide some, but not entirely consistent data to the Treasury site: <http://www.bankpng.gov.pg/statistics/quarterly-economic-bull...> (<http://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>) although past reports and tables don't seem to be readily accessible online, and one would need to refer back to data already downloaded, or access their old hard copies

Peer Reviewer

Opinion: Agree with Comments

Comments: Note that FY2017 Budget is also available on the Treasury Website at http://www.treasury.gov.pg/html/national_budget/files/2017/ (http://www.treasury.gov.pg/html/national_budget/files/2017/)

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes
- b. No

Answer: b.

Sources: There is a little info graphics included on the Budget on the Treasury's website (on revenue and expenditure trends etc) - on the Treasury's Economy, as well limited infographics relevant to the fiscal strategy, debt management etc

Peer Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The researcher has not provided any links or details of any infographics in the commentary. Looking at <http://www.treasury.gov.pg/index.html> (<http://www.treasury.gov.pg/index.html>), there are limited, if any, infographics or other similar tools to simplify data access and analysis. The documents accessible on the website are all PDF and not easily machine readable for analysis purposes.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes
- b. No

Answer: a.

Sources: Constitution of Papua New Guinea - Part 8 on Public Finance Sections 209-215, Sn. 213 on the Auditor General, Sn 215 on the Public Accounts Committee Public Finances (Management) Act 1995 (amended), notably Sns 23/23 on National Budget, sns 24-34 Budget controls, Part 6 borrowing/loans etc, Sn 63 on reporting and financial statements, Part 10, Public Accounts Committee Audit Act 1989 Fiscal Responsibility Act 2006 (notably sections on debt ceilings, requirements and timeliness of PBS, MYR and YER)

Peer Reviewer

Opinion: Agree with Comments

Comments: The Public Finances (Management) Act 1995 includes Part IV National Budget, Part V Budgetary Control, Part VI Borrowings, Guarantees and Loans by the State, Part X Public Accounts Committee and as mentioned Section 63 on reporting and financial statements.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. Yes
- b. No

Answer: a.

Sources: National Constitution: Preamble: Basic Rights: (d) freedom of conscience, of expression, of information and of assembly and association; and Sn. 51. Right to freedom of information. (1) Every citizen has the right of reasonable access to official documents, subject only to the need for such secrecy as is reasonably justifiable in a democratic society in respect of— (a) matters relating to national security, defence or international relations of Papua New Guinea (including Papua New Guinea's relations with the Government of any other country or with any international organization); or (b) records of meetings and decisions of the National Executive Council and of such executive bodies and elected governmental authorities as are prescribed by Organic Law or Act of the Parliament; or (c) trade secrets, and privileged or confidential commercial or financial information obtained from a person or body; or (d) parliamentary papers the subject of parliamentary privilege; or (e) reports, official registers and memoranda prepared by governmental authorities or authorities established by government, prior to completion; or (f) papers relating to lawful official activities for investigation and prosecution of crime; or (g) the prevention, investigation and prosecution of crime; or (h) the maintenance of personal privacy and security of the person; or (i) matters contained in or related to reports prepared by, on behalf of or for the use of a governmental authority responsible for the regulation or supervision of financial institutions; or (j) geological or geophysical information and data concerning wells and ore bodies (2) A law that complies with Section 38 (general qualifications on qualified rights) may regulate or restrict the right guaranteed by this section. (3) Provision shall be made by law to establish procedures by which citizens may obtain ready access to official information. (4) This section does not authorize— (a) withholding information or limiting the availability of records to the public except in accordance with its provisions; or (b) withholding information from the Parliament. 38. General qualifications on qualified rights. (1) For the purposes of this Subdivision, a law that complies with the requirements of this section is a law that is made and certified in accordance with Subsection (2), and that— (a) regulates or restricts the exercise of a right or freedom referred to in this Subdivision to the extent that the regulation or restriction is necessary— (i) taking account of the National Goals and Directive Principles and the Basic Social Obligations, for the purpose of giving effect to the public interest in— (A) defence; or (B) public safety; or (C) public order; or (D) public welfare; or (E) public health (including animal and plant health); or (F) the protection of children and persons under disability (whether legal or practical); or (G) the development of under-privileged or less advanced groups or areas; or (ii) in order to protect the exercise of the rights and freedoms of others; or (b) makes reasonable provision for cases where the exercise of one such right may conflict with the exercise of another, to the extent that the law is reasonably justifiable in a democratic society having a proper respect for the rights and dignity of mankind. (2) For the purposes of Subsection (1), a law must— (a) be expressed to be a law that is made for that purpose; and (b) specify the right or freedom that it regulates or restricts; and (c) be made, and certified by the Speaker in his certificate under Section 110 (certification as to making of laws) to have been made, by an absolute majority. (3) The burden of showing that a law is a law that complies with the requirements of Subsection (1) is on the party relying on its validity.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, administrative units accounting for all expenditures are presented.
- b. (67) Yes, administrative units accounting for at least two-thirds of, but not all, expenditures are presented.

- c. (33) Yes, administrative units accounting for less than two-thirds of expenditures are presented.
d. (0) No, expenditures are not presented by administrative unit.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volume 2a 2017 Budget Estimates of Revenue and Expenditure for National Government Departments Section III: Details of Expenditure, Summary of Appropriation: National Government Departments, pages 61-68; Statutory Authorities, pages 69-74; provincial government, pages 76-77 88-515. Section IV, provides details by administrative unit by National Department, pages 82-661; continued in Volume 2b, for additional National Departments, and Volume 2c Section I-IV for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 3 PUBLIC INVESTMENT PROGRAM 2017 – 2021: Summary Table by Agency: Table 3, page 3, Details by Agency from page 8 http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: All expenditure under the recurrent and development budget is broken down into administrative units in the Executive's Budget Proposal (Recurrent Estimates of Revenue and Expenditure, including the Public Investment Program from the Department of National Planning and Monitoring).

Peer Reviewer

Opinion: Agree with Comments

Comments: Table 1, pages 3 to 7 of Volume 2a Revenue and Expenditure also provides some useful summary information.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, expenditures are presented by functional classification.
b. (0) No, expenditures are not presented by functional classification.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 National Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Chapter 6, Expenditure
http://www.treasury.gov.pg/html/national_budget/files/2017/2...
(http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf)
Volume 2a 2017 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary Tables: Table 3: Functional Classification of Expenditure, pages 10-12, Table 4: Economic and Functional Cross-Classification of Expenditure, pages 13-14, Table 5: Expenditure of Affairs, Functions and Main Programs, pages 15-28 http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) 2017 (Volumes 2a-d) Budget Estimates of Revenue and Expenditure for National Government Departments and for Statutory Authorities, etc; detailed expenditure break up by agency, including by 'program structure', which is broadly consistent with functional classifications

Comments: Researcher: Volume one provides summary tables and text by road sectoral categories. The Estimates of Expenditure for 2017 are provided in Volume 2a in summary form in a succession of tables, table 3, by function; table 4, by cross-classification with economic classifications and, in more detail, and table 5, by affairs, functions and main programs, but including multi-functional expenditure, (where there is no attempt to breakup functions of various transfers to provincial authorities etc.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, the functional classification is compatible with international standards.
b. (0) No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.
c. Not applicable/other (please comment).

Answer: b.

Sources: Volume 2a 2017 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary Tables: Table 3: Functional Classification of Expenditure, pages 10-12, Table 4: Economic and Functional Cross-Classification of Expenditure, pages 13-14, Table 5: Expenditure of Affairs, Functions and Main Programs, pages 15-28 http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2a-d Budget Estimates of Revenue and Expenditure for National Government Departments and for Statutory Authorities etc; detailed expenditure break up, including by 'program structure', which is broadly consistent with functional classifications

Comments: Researcher: The Budget for 2017 is broken up by some functional classification, which is partially consistent with the International (COFOG) top and lower level classifications. This is undertaken in the summary tables and in more detail in the detailed estimates by institution into classified programs (as well as administrative) functions, although there remain substantial allocations under 'cross-functional' expenditure, notably for transfers to the provinces (code 41), other multi-functional expenditure (code 42), although this is not inconsistent with the 0.18 under COFOG. Under the Financial Improvement Program there has been some reclassification into more consistent classifications, and with the rationalization of the current and development budget there is some attempt to classify institutional allocations.

Peer Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: In reviewing the COFOG classification, it is not evident that the functional classification used in the budget are compatible with international standards. PEFA 2015 point 58 also makes this point. <https://pefa.org/sites/default/files/assessments/comments/PNG-...>

(<https://pefa.org/sites/default/files/assessments/comments/PNG-Aug15-PFMPR-Public.PDF>). There are certainly elements of COFOG but I do not think it is evident.

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree with the reviewer and have revised the score to "b".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, expenditures are presented by economic classification.
b. (0) No, expenditures are not presented by economic classification.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 3, Tables 9 A & 9B (pages 96 & 97) provide aggregates of expenditure by economic classification http://www.treasury.gov.pg/html/national_budget/files/2017/2...

(http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf)

Volume 2a 2017 Budget Estimates of Revenue and Expenditure for National Government Departments - Section (I): Summary Tables, Table 2, Pages 8-9, Economic Classification of Expenditure, Table 4, Pages 13-14, Economic and Functional Cross-Classification of Expenditure There's a breakup by implementing agency for the National Government Departments, by Recurrent and Development Expenditure: Volume 2a, 2b & 2c 2017 Budget Estimates of Revenue and Expenditure for National Government Departments - Section IV: Details of Expenditure for National Government Departments, http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

The breakup by implementing agency for the Statutory Authorities and Provincial Governments by Recurrent and Development Expenditure, in: Volume 2d 2017 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: There is both a summary and a comprehensive breakdown of expenditure provided in the Budget Proposal by economic classification. The Trust Funds are not broken up by economic classification.

Peer Reviewer

Opinion: Agree with Comments

Comments: The 2017 Budget Volume 1, Economic and Development Policies, Appendix 3, tables 9A and 9B but pages 110 to 111.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, the economic classification is compatible with international standards.
- b. (0) No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 3, Tables 9 A & 9B (pages 96 & 97) provide aggregates of expenditure by economic classification, referencing GFS coding http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf) Volume 2a, 2b, 2c & 2d of the 2017 Budget Estimates: Section II, Details of Expenditure Table 2, p8, and Section IV, Details of Expenditure, National Departments and Statutory Authorities; Each agency with a summary by economic classification (e.g. P 80 for Parliament) and full break down by agency item (e.g. from P 82). http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: the economic classifications have been partially aligned with international standards, with codes used only partially coinciding. Details are not provided for the (substantial) Trust Funds

Peer Reviewer

Opinion: Agree with Comments

Comments: The economic classification appears compatible. There are differences but they do not appear to be material to overall function of the budget. It should be noted that PEFA 2015 point 55 and 56 suggest that PNG budget process is still using GFS 1986. PEFA 2015 also makes the point that, at least in 2014, that this classification has been adopted by the central IT system (IFMS) but the other main IT system used for budgeting by majority of departments and provinces (PGAS) uses a different classification. The economic classification is currently being revised to implement the new GFS 2014 standard.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, programs accounting for all expenditures are presented.
- b. (67) Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.
- c. (33) Yes, programs accounting for less than two-thirds of expenditures are presented.
- d. (0) No, expenditures are not presented by program.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volumes 2a, 2b & 2c 2017 Budget Estimates of Revenue and Expenditure for National Government Departments -Section IV. :from page 79, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. then providing details by program http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) and for the Statutory bodies, Provincial Government, Debt Servicing and Trust Accounts: http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) Details of the Capital Investment component of the Budget is broken down by program in Volume 3 PUBLIC INVESTMENT PROGRAM 2017 – 2021 http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: Since 2014 the Budget has been merged to embrace both the former Recurrent and Development components, although the Capital Investment component (PIP) is spelt out in more detail in Volume 3, including development assistance

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.
- c. (33) Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.
- d. (0) No, multi-year expenditure estimates are not presented by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: The Budget Proposal provides aggregates only in Volume 1, 2017 Budget, Economic and Development Policies, Tables 9A & 9B (pages 96-97), APPENDIX 3: TABLES ON ECONOMIC AND FISCAL DATA, Budgetary Government Expenditure by Economic Classification and by Agency Type, with forecasts for 5 years, (including the Budget year - 2017). Chapter 6, pages 38 provides more detail, sector by sector and by program for 2017-21 http://www.treasury.gov.pg/html/national_budget/files/2017/2...

(http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf)

Four year forecasts are included in greater details in VOLUME 2a, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I), Tables 1 (page 3), Sectoral Classification of Expenditure by Agency; Table 2 (page 8) Economic Classification of Expenditure (only forecasts beyond the Budget year of main categories are provided); Table 3 (page 10) Functional Classification of Expenditure; Table 5 (page 15) Expenditure of Affairs, Functions, and Main Programs

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volumes 2a, b, c, and d, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (Public Investment Program), all provide expenditure forecasts for 3 years beyond the budget year by economic classification http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: The annual expenditure forecasts are included in volume 1 of the Budget proposal for 5 years only in aggregate, and in more detail in the text and tables, by sector and program for 4 years (beyond the Budget year) and in greater details in the summary tables of Volume 2a. Expenditure estimates for 3 years beyond the Budget year are also provided by economic classification for government departments, Statutory authorities, Provincial Government and Debt servicing (but not for Trust Accounts).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, multi-year estimates for programs accounting for all expenditures are presented.
- b. (67) Yes, multi-year estimates for programs accounting for at least two-thirds of, but not all, expenditures are presented.
- c. (33) Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.

- d. (0) No, multi-year estimates for programs are not presented.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volume 1, 2017 Budget. Economic and Development Policies, Chapter 6, pages 38 provides a break up, by sector and brief text on programs for the five year period, 2017-21, for the entire Budget, except the Trust Funds. http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf) Volumes 2a, b, c, and d, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (Public Investment Program), all provide expenditure forecasts for 3 years beyond the budget year, by program http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) (http://www.treasury.gov.pg/html/national_budget/files/2017/V...) (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) (http://www.treasury.gov.pg/html/national_budget/files/2017/V...) (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) (http://www.treasury.gov.pg/html/national_budget/files/2017/V...) (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) (http://www.treasury.gov.pg/html/national_budget/files/2017/V...) (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: Summaries forecasts for all programs are provided for 3 years beyond the Budget year (2017), and in aggregate form for 4 years beyond. Sound progress is made in providing greater detail over recent years in this regard, including details of debt servicing by source.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, individual sources of tax revenue accounting for all tax revenue are presented.
b. (67) Yes, individual sources of tax revenue accounting for at least two-thirds of, but not all, tax revenues are presented.
c. (33) Yes, individual sources of tax revenue accounting for less than two-thirds of all tax revenues are presented.
d. (0) No, individual sources of tax revenue are not presented.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Chapter 4, (pages 19-26); Appendix 3, Tables on Economic and Fiscal Data, Table 8, (page 109) Central Government Revenue Economic Classification http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf) Table 8 Volume 2a 2014 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary tables, Table A2, pages 2, Economic Classification of Revenue, Grants and Loans, and Section (II) Details of Revenue Grants and Loans, Departmental and General Revenue (pages 44-5) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Vol2a-Rev&Exp_GovtDepts.pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.
b. (67) Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are presented.

- c. (33) Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.
d. (0) No, individual sources of non-tax revenue are not presented.
e. Not applicable/other (please comment).

Answer: b. (67)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Chapter 4, summarises non-tax revenue in section 4.4 (pages 23), and Appendix 3, Table 8, Central Government Revenue and Grants, (page 95) http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf) Volume 2a, 2017 Budget Estimates of Revenue and Expenditure for National Government Departments, Part 1 Summary tables, Table A2, pages 2, Economic Classification of Revenue, and Section (II) Details of Revenue, Grants and Loan Estimates, Departmental Revenue (Page 44) and General Revenue - e.g. from assets (page 49-50) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Account, Section IV Details of Trust Accounts, (pages 379-444) http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf)
Comments: Researcher: Summary of sources of non-tax revenue, including Departmental and revenue from assets are provided in summary form in Volume 1 in both the text (Ch 4) and tables (Table 8), and in Part 2a in summary and some more detail; estimates of receipts into Trust funds are also provided in Volume 2d under Trust Accounts.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, multi-year estimates of revenue are presented by category.
b. (0) No, multi-year estimates of revenue are not presented by category.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Appendix 3, Tables on Economic and Fiscal Data, Table 8 Central Government Revenue Economic Classification (page 95), provides 5 year forecasts (including the Budget year) http://www.treasury.gov.pg/html/national_budget/files/2017/2... (http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Volume%201%20Economic%20and%20Development%20Policies.pdf) VOLUME 2a 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I) Summary Tables, Table A2, pg Economic Classification Of Revenue, Grants and Loans provides summary details for 5 years (including 2017), but Section (II) Details of Revenue.. provides no projections (ie the tables to 2020 are left blank) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)
Comments: Researcher: Table 8 in Appendix 3 of Volume 1 provides 5 year aggregate projections (2017-2021) by category of tax and non-tax revenue, and likewise Table 2A of Section (I) in Volume 2a. Greater detail is not provided

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.
b. (67) Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.
c. (33) Yes, multi-year estimates for individual sources of revenue accounting for less than two-thirds of revenue are presented.
d. (0) No, multi-year estimates for individual sources of revenue are not presented.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Appendix 3, Tables on Economic and Fiscal Data, Table 8 Central Government Revenue Economic Classification (page 95), provides 5 year forecasts (including the Budget year) broken down into individual taxes and other revenue (property incomes, dividends etc) VOLUME 2a 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I) Summary Tables, Table A2 Economic Classification Of Revenue, Grants and Loans provides summary details for 5 years (including 2017), but Section (II) Details of Revenue.. provides no projections (ie the tables to 2020 are left blank).

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: Table 8 in Appendix 3 of Volume 1 provides 5 year aggregate projections (2017-2021) by category of tax and non-tax revenue, and likewise Table 2A of Section (I) in Volume 2a. A more detailed breakdown, notably in Section (II) (page 44) is not provided for years beyond the Budget year. (It may be noticed that is also some apparent inconsistency between figures provided in some of the tables)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Chapter 7, (pages 52-57), Financing and Debt Strategy (providing more details and explanation on the status, composition and policies with respect to debt management) 2017 Budget, Volume 1, Economic and Development Policies, Appendix 3, Tables on Economic and Fiscal Data, Table 9B (Page 97) Central Government Expenditure and Economic Classification (on forecast interest payments), Table 10, (page 98), Transactions in Assets and Liabilities for Central Government (on forecast of net domestic and international liabilities), and Table 12 (page 100), Stocks in Public Debt (on current and forecast debt levels) Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section (III)i, (pages 334-377), Details of Debt Services, including summary table (page 335) with 3 year forecasts beyond the Budget year (2017) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: This covers all the current and forecast State borrowings, other than those related to State-owned enterprises, superannuation funds and contingent liabilities (which have increased substantially in recent years, including for State equity in commercial extractive industry projects), including guarantees. Data is also provided in the Central Bank's (Bank of Papua New Guinea's) Quarterly Economic Bulletin and the Governor's 6 monthly Monetary Policy Statement (notably as BPNG manages most of the domestic debt - notably Treasury Bills and Inscribed Stock) for the Government

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

14: Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

- a. (100) Yes, information beyond the core elements is presented for the composition of the total debt outstanding.
- b. (67) Yes, the core information is presented for the composition of the total debt outstanding.
- c. (33) Yes, information is presented, but it excludes some core elements.

- d. (0) No, information related to composition of total debt outstanding is not presented.
e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Appendix 3, Tables on Economic and Fiscal Data, Table 12 (page 102), Stocks in Central Government Debt (provides a breakdown between domestic and overseas debt, broken up into more detailed sources) 2017 Budget, Volume 1, Economic and Development Policies, Chapter 7, (pages 52-57), Financing and Debt Strategy (provides maturity rates on main sources of domestic debt - treasury bills and inscribed stock, and external, some discussion on interest rate issues and risk, including stating that interest rates and yields have increased in 2016, but does not provide a breakdown of the actual interest rates on the respective instruments); (Not specifically relevant to the answer, but by way of reference: Details on the past and current Treasury Bill and Inscribed Stock interest rates, amounts auctioned and issued, are available from the Bank of Papua New Guinea (Central Bank) website: - <https://www.bankpng.gov.pg/financial-markets/domestic-money-...> (<https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bond-market-operations-and-development/treasury-bills/tbills-weekly-auction-announcement/>) <https://www.bankpng.gov.pg/financial-markets/domestic-money-...> (<https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bond-market-operations-and-development/treasury-bills/bills-weekly-auction-results/>) <https://www.bankpng.gov.pg/financial-markets/domestic-money-...> (<https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bond-market-operations-and-development/government-inscribed-stock/announcement-of-tender-results/>))

Comments: Researcher: The aggregate debt figures are provided, broken into the various components (overseas and domestic, including Treasury Bonds and Bills), with some discussion on debt policy, the challenges of securing take up of instruments issued, including interest rate risk and trends. While there's a detailed break up of debt servicing and forecast debt servicing costs in Volume 2d, Sn (III), (page 335) there's no equivalent detailed break up in the Budget Proposal of current composition of debt from different sources, nor specifics of interest rates.

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: The researcher has summarised the key debt information provided in the 2017 budget proposal. A narrative to support the core information is provided in Chapter 7: Financing and Debt strategy, pages 66 to 71. Table 12 page 116 provides a more detailed analysis of the central government debt profile. However, the core elements of interest rates and maturity for each different classes of debt instruments is not provided.

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree and have changed the score to "c".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

15: Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented for the macroeconomic forecast.
b. (67) Yes, the core information is presented for the macroeconomic forecast.
c. (33) Yes, information is presented, but it excludes some core elements.
d. (0) No, information related to the macroeconomic forecast is not presented.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 14 'Economic Growth' and page 22 "Consumer Price Index' 2017 Volume 1, Economic and Development Policies, Chapter 2 (page 6)- Economic Developments and Outlook; for nominal and real GDP growth, provides details of macro-economic situation and forecasts, including 2.4 economic outlook, (page 5 - note, the pages numbers in this chapter are all mixed up), 2.7 (page 10) consumer price index, 2.8 (page 14), risks to the economic and fiscal outlook; Appendix 3, Table 1 (page 88) GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CURRENT AND CONSTANT PRICES; for current and forecast inflation and interest rates: Table 13 (page 103), Major Assumptions of the Budget http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: There is extensive discussion of the macroeconomic forecast and key assumptions (for such factors as inflation, real GDP growth, employment rate, and interest rates) stated in Volume 1, Chapter 2 of the budget documents, together with the tables. There are more details of strategies and longer term conditions provided in other chapters of Volume 1. There is explanation of the forecasts and some assessments of the risks experienced and likely (from experience) to be encountered from external factors, such as changing commodity prices and inflationary pressures etc, or domestic, including seasonal conditions, but also government actions, such as issuing (further) tax concessions. Although interest rates have been relatively stable, the rigid figures provided inadequately demonstrate market conditions

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

16: Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget? (The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.
- b. (67) Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to different macroeconomic assumptions is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: 2017 Volume 1, Economic and Development Policies, Chapter 2 - Economic Developments and Outlook; Chapter 7 on financing and debt management http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: Volume 1 (Chapter 2, and other chapters, such as Ch 7 on financing and debt management) provides details of market conditions and forecasts, with limited explanation for those forecasts and very limited specification of options and the risks entailed upon the Budget from global economy, domestic and external inflationary pressures, government actions etc, but without any sensitivity analysis provided

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The researcher has identified general discussion on the risks to the economic and fiscal outlook for PNG throughout 2017 Budget Volume 1 Economic and Development Policies. Section 2.8 summarises these risks. However, there isn't any clear financial analysis that considers the impact on the budget of the price of oil drop or rise, the coffee market was impacted or interest rates increased rapidly. Sensitivity analysis should consider the impact of a rise or fall in inflation, real GDP and interest rates and provide a summary of the impact on the budget. This is not evident in the 2017 budget.

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree with the reviewer and have revised the score to "d" accordingly.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.
- b. (67) Yes, estimates that show how all new policy proposals affect expenditures are presented, but a narrative discussion is not included.
- c. (33) Yes, information that shows how some but not all new policy proposals affect expenditure is presented.
- d. (0) No, information that shows how new policy proposals affect expenditure is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Volume 2017: Volume 1 Economic and Development Policies, Chapter 3 (page 15) Fiscal Strategy and Outlook, provides the fiscal and policy setting; Chapter 6 page 38 - 'Expenditure'. Policy and related expenditure details are provided in Chapter 6, mostly focusing in 2017 on cuts associated with Budget constraint and the need for greater cost-effectiveness to sustain programs. More details on longer term strategies are provided in Chapter 8 (National Reform Agenda), notably on amalgamation of public sector institutions, and Chapter 9 (improving State's Commercial Interest) and the details of allocations by program, including past years expenditures are in Volumes 2 and 3 of the budget documents.

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: The broad policy setting is provided in Chapter 3, of Volume 1, including the tight current fiscal conditions and the link between longer terms strategies and policies, and programs, as required under new planning framework and legislation. Narrative and expenditure

details (largely cuts) are provided in Chapter 6 including some link between program allocations and both longer term and more immediate Planning and Fiscal plans. Later chapters (8 & 9) are about reforms and improved performance despite a reduced budget, including through institutional amalgamation. Although the details of the actual budget allocations program by program are provided in Sections (IV) of Budget volumes 2a-2c for National Departments and Section (I-III) of Volume 2d for Statutory Authorities and Provincial Governments, and Volume 3 for the Capital Investment component of the Budget, there is virtually no reference to planning, program or allocation changes in the text provided

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: There is a broad narrative discussion on new expenditure proposals in Section 6 of Volume 1, Economic and Development Policies and some general discussion in Chapter 3 on priorities. However, it does not appear that the budget proposal presents sufficient details about new policies and their budgetary impact.

Government Reviewer

Opinion: Not Qualified

Researcher response: There are no specific details on impact of policies, as well as clear differentiation between new and ongoing policies. For this reason, we agree and have revised the score to "c".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.
- b. (67) Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.
- c. (33) Yes, information that shows how some but not all new policy proposals affect revenues are presented.
- d. (0) No, information that shows how new policy proposals affect revenues is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 Volume 1 Economic and Development Policies, Chapter 5 (page 27) Tax and Non-Tax Measures and developments, spells out the new Tax Measures included in the 2017 Budget (based upon longer term policies and reforms, or immediate need); Chapter 4 (page 19), Revenue details the revenue from all tax and not-tax sources, including revenue implications of the new tax policies/measure and the management of revenue and expenditure under the Sovereign Wealth Fund. The previous years' revenue is detailed in Volume 2a - Revenues and Estimates, http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: The information that is presented does highlight, or at least indicate the expected impact of key policy proposals on revenues provided in Chapter 4 and 5 of Volume 1, whether related to long planned reforms (proposed in the 2014-15 Tax Review) and more reactive (2017) measures (in the light of prevailing low revenue), including both new tax arrangements and improved compliance measures. The outcome, rather than the specific calculations to reach those conclusions, is provided.

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: There is a broad narrative discussion on new revenue proposals in Sections 4 and 5 of Volume 1, Economic and Development Policies and some general discussion in Chapter 3 on priorities. The narrative for some of the reforms does provide some general discussion and an estimate of the expected change in revenue collection. For example, the increase in departure tax should contribute K20 million. Other revenue reforms have the comment that 'it is expected to have positive impact on the revenue and it will come into effect on 1 January 2017. It is not consistent with all new revenue proposals. It does not appear that the budget proposal present sufficient details about new policies and their budgetary impact

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree with the reviewer that the impact of new policies is not quantified for all measures. For this reason, the score has been revised to "c".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.
- c. (33) Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.
- d. (0) No, expenditure estimates for BY-1 are not presented by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volume 1, Economic and Development Policies, Chapter 6 (page 38) provides BY-1 summary figures by sector, and in summary form in Appendix 3, Tables 9A & 9B, BUDGETARY GOVERNMENT EXPENDITURE AND ECONOMIC CLASSIFICATION. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2a 2017 Budget Estimates of Revenue and Expenditure of National Governments Departments, Sn (I) Summary Tables 1-5 (pages 3-28) provide Expenditure by administrative, economic, and functional classifications for BY-1 (and BY-2). Section (III) (page 62) Details of the Expenditure, Summary of Appropriation includes BY-1 for all Administrative unit; Section (IV)(page 78) National Government Departments, provides detailed expenditure for BY-1 (and actual for BY-2) for National Departments; http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: All BY-1 data comprises only appropriations as revised and not actuals. The actuals available are for BY-2. The detailed break up is classified by administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down. The provincial expenditure details are not broken up functionally.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, programs accounting for all expenditures are presented for BY-1.
- b. (67) Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-1.
- c. (33) Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.
- d. (0) No, expenditures are not presented by program for BY-1.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 78) National Government Departments, provides detailed expenditure for BY-1 (and actual for BY-2) for National Departments; Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: All BY-1 data comprises only appropriations as revised and not actuals. The actuals available are for BY-2. The detailed break up into programs and administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.
b. (0) No, expenditure estimates for BY-1 have not been updated from the original enacted levels.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: The 2017 Budget documents used the BY-1 Appropriation figures, as revised by the Supplementary Budget of August 2016; Volume 1, Economic and Development Policies, Chapter 6, Expenditure, page 38, table 12, Medium Term Expenditure Profile, Appendix 3, Table 9A & 9B, (pages 96 & 97, BUDGETARY GOVERNMENT EXPENDITURE AND ECONOMIC CLASSIFICATION, Volume 2a Section (I) the Summary Tables, Section (III) (page 62-77) Details of Expenditure, Summary of Expenditure and Section (IV) National Government Department (from page 78 and continued in Volume 2b, 2c) Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: All expenditure estimates for BY-1 have been revised from the original 2016 appropriations, notably following the Mid-Year Economic and Fiscal Outlook report, which provided the basis for the 2016 Supplementary Budget in August 2016.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).
b. (67) Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.
c. (33) Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.
d. (0) No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volume 1, Economic and Development Policies, Chapter 6 (page 38) provides BY-2 summary figures by sector, and in summary form in Appendix 3, Tables 9A & 9B, BUDGETARY GOVERNMENT EXPENDITURE AND ECONOMIC CLASSIFICATION. Volume 2a 2017 Budget Estimates of Revenue and Expenditure of National Governments Departments, Sn (I) Summary Tables 1-5 (pages 3-28) provide Expenditure by administrative, economic, and functional classifications for BY-1 (and BY-2). Section (III) (page 62) Details of the Expenditure, Summary of Appropriation includes BY-1 for all Administrative unit; Section (IV)(page 78) National Government Departments, provides detailed expenditure for BY-2 for National Departments; http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: The aggregate 'actuals' are provided for BY - 2 as shown in Table 9A & 9B, and in the Summary tables derived from the expenditure classifications by programs and functional classifications and are shown in more detail in the summary tables of Volume 2a by economic, functional and administrative classifications. The detailed break up is classified by administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down. The provincial expenditure details are not broken up functionally.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, programs accounting for all expenditures are presented for BY-2 and prior years.
- b. (67) Yes, programs accounting for at Least two-Thirds of, but not all, expenditures are presented for BY-2 and prior years.
- c. (33) Yes, programs accounting for less than two-Thirds of expenditures are presented for BY-2 and prior years.
- d. (0) No, not expenditures are presented by program for BY-2 and prior years.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 78) National Government Departments, provides detailed expenditure for BY-2 for National Departments; http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-2 for Provincial Governments and Statutory Authorities http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: Expenditures for individual programs are presented for revised estimates for BY-2. The details are provided by programs in the summary section, in the main expenditure sections (of vol 2a, 2b, 2c, 2d and in the Development Program volume 3 .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for all expenditures are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Volume 1, Economic and Development Policies, Appendix 3, Table 9A & 9B (p.96-97) BUDGETARY GOVERNMENT EXPENDITURE AND ECONOMIC CLASSIFICATION has BY-2 as the most recent year using actuals 2017 Budget Estimates of Revenue and Expenditure of National Government Department Volume 2a, Summary Tables on Expenditure Sections (I)Table 1 (page3),Table 2 (page 8), Table 3 (page 10), Table 5 (page 15), Section (III), Details of Expenditure (page 62) and Section (IV) Details of Expenditure, National Government Departments shows BY-2 as the most recent year using actuals http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: The B-Y2 (unaudited) actuals are presented in the 2017 National Budget documents, in aggregate in volume 1 and in summary and full in volume 2a-d and Volume 3.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, revenue estimates for BY-1 are presented by category.
- b. (0) No, revenue estimates for BY-1 are not presented by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic and Development Policies, Chapter 4, Revenue, Table 3 (page 19) and subsequent tables, and Appendix 3, Economic and Fiscal Data Tables, Table 8 (page 95) CENTRAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION shows the break up for BY-1. VOLUME 2a, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS: SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (Page 43) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: The composition of revenue is broken up in Table 3 (page 19) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and subsequent tables (4-9) breaking up the revenue com into Income and Profits, Personal Income tax, Company tax, and other direct taxes etc, Taxes on Goods and Services, Taxes on International Trade, Property Income, Value Added Tax (VAT) Mining Levies, Import and Export Duty. Chart 27 provides a graphic break up. More details are provided in table 8 in the appendices and Volume 2a.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, individual sources of revenue accounting for all revenue are presented for BY-1.
- b. (67) Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue for BY-1 are presented.
- c. (33) Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.
- d. (0) No, individual sources of revenue are not presented for BY-1.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 19-26) tables 4-9 and associated text, and Appendix 3, Table 8, Central Government Revenue provide a revenue breakdown into sources for BY-1. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2a Section (I) Summary Tables, Table A2 (page 2), and Section (II) Details of Revenue, Grants and Loan Estimates (page 44-60), provide summary and more detailed breakdowns for BY-1. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: The revenues are broken up into: Tax on Income and Profits: Personal Income Tax, Company Tax, Mining and Petroleum Taxes etc..., Taxes on Goods and Services: Excise, GST, Mining Levies, Gaming Taxes etc., Taxes on International Trade: Import and Export Duty, Excise Duty on Imports etc. and other Non Tax Revenues for BY-1

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, revenue estimates for BY-1 have been updated from the original enacted levels.
b. (0) No, revenue estimates for BY-1 have not been updated from the original enacted levels.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 19-26) tables 4-9 and associated text, and Appendix 3, Table 8, Central Government Revenue provide 2 sets of revisions from the BY-1 estimates (one for the Supplementary Budget in August 2016, and the revised estimates of revenue provided at the time of the Budget proposal on 1st November 2016).

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: The revenue estimates for BY-1 are updated and revised projections are based on the actual revenue data (receipts) and estimates for the balance of the year. The specific details on actual receipts are not provided. Chapter 4 of Volume 1 provide the progressive in-year revisions as well as the final revised estimate.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, revenue estimates for BY-2 and prior years are presented by category.
b. (0) No, revenue estimates for BY-2 and prior years are not presented by category.
c. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 19) tables 3 and associated text, and Appendix 3, Table 8, Central Government Revenue provide a revenue breakdown into sources for BY-2. Volume 2a Section (I) Summary Tables, Table A2 (page 2), and Section(II) Details of Revenue, Grants and Loan Estimates (page 44-60), provide summary and more detailed breakdowns for BY-2.

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.
b. (67) Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented for BY-2 and prior years.
c. (33) Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.
d. (0) No, individual sources of revenue are not presented for BY-2 and prior years.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 19-24) tables 4 to 9 for BY-2, chart 27 and associated text, and Appendix 3, Table 8, Central Government Revenue provide a revenue breakdown into sources for BY-2 to BY-5, and chart 27 provides details graphically to BY-5 (2012). Volume 2a Section (I) Summary Tables, Table A2 (page 2), and Section(II) Details of Revenue, Grants and Loan Estimates (page 44-60), provide summary and more detailed breakdowns for BY-2. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: In Volume 1 Economic Development Policies document shows the revenue break up for BY-2 in Chapter 4, and back to BY-5 in Appendix 3, table 8. More detailed the break down is shown in Volume 2a Recurrent Budget Estimates of Revenue and Expenditure of National

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for all revenues are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES, Chapter 4 Revenue (page 19) and Appendix 3, Table 8 (page 95), BY-2 applies actual (although not audited) outcomes Volume 2a 2017 Recurrent Budget Estimates For Revenue and Expenditure For National Government Departments, Section (II) Details of Revenue, Grants and Loans- (page 44-60) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d 2017 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services And Trust Accounts. (highlighting revenue from Trust Funds) Part IV, Details of Trust Accounts (page 378-394) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: The BY - 2 actuals are presented in the 2017 National Budget, together with receipts from Trust funds (in Vol. 2d), although most figures remain unaudited.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

31: Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)? (The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

- a. (100) Yes, information beyond the core elements is presented for government debt.
- b. (67) Yes, the core information is presented for government debt.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to government debt is not presented.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: 2017 Volume 1 Economic and Development Policies: Appendix 3, Table 12, (page 102) Stocks in Central Government Debt, which provides the level and composition of the debt, between domestic and external and sources, Table 9B Budgetary Government Expenditure (page 97) showing debt servicing costs and Table 10 (I) (page 98), Transactions in assets and liabilities for Central Government showing the overall level of transactions in domestic and external and other debt instruments for BY-1 2017 Volume 1 Economic and Development Policies: Chapter 7: Financing and Debt Strategy provides some further details on the composition, foreign currency, refinancing, operational and interest rate risks, average maturity of domestic debt portfolio, plans, but almost nothing specifying prevailing interest rate applicable to the debt, whether on average or specific instruments/components. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME 2a 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, SECTION (II) DETAILS OF REVENUE, GRANTS AND LOANS, Financing (page 57) http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)
VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section (III) Details of Debt Services (page 335-376) provides the debt service charges but only the Appropriation for BY-1 (actual for BY-2)

Comments: Researcher: The basic information is provided on public debt levels and composition for BY-1 in Volume 1, Table 12 (estimate for BY-1), on total debt service costs in Table 9B (revised estimate), and on debt transactions in Table 10(I) (revised), with related explanation and analysis in Chapter 7 (estimate). There is considerable detail on Public Debt Charges in Volume 2d, but these are only the appropriation figures for BY-1 (actual for BY-2), but the Budget Proposal provides almost no details on interest rates and a little in Chapter 7 on maturity of debt of its respective financing. (Some additional information, notably on interest rates is available from the Central Bank - as cross-referenced in the Budget Proposal, but again without a detailed breakdown in relation to the public debt)

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: The researcher has cited a number of sources that underpin the score for this question. However, the information provided in Volume One is generic and does not provide a clear view of the central government debt position, the maturity and interest rates for each class of debt instrument. Table 12, Volume One, page 116 does provide an overview of the total debt outstanding and supported by table 16, page 69. Table 10 does provide an overview of net new borrowing supported by table 16, page 69 again. Debt servicing is contained in Table 9B, page 111 and in Vol 2D in table on Treasury Public debt charges, page 335. However, interest rates are covered in a narrative on Page 70 (with no values) and debt maturity is broadly covered in Table 20, page 71. There is no overall picture of the central government debt position. The EB has NOT provided information beyond the core elements and in the opinion of the reviewer has excluded some core elements.

Government Reviewer

Opinion: Not Qualified

Researcher response: There is extensive material being provided on the core elements but we agree that it is not fully adequate, and there remains issues with respect to debt being parked in non-budget venues, notable SOEs etc, so I agree that it should be marked down to "b".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Two years prior to the budget year (BY-2).
- b. (67) Three years prior to the budget year (BY-3).
- c. (33) Before BY-3.
- d. (0) No actual data for government debt are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Volume 1 Economic and Development Policies: Chapter 7 (page 52): Financing and Debt Strategy and Appendix 3 Table 12 (page 102) - largely shows BY-2 as actuals (but for other tables BY-3), Stocks in Central Government Debt (shows BY-3), Table 9B Budgetary Government Expenditure for debt servicing it shows BY-2 as actuals VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (III) DETAILS OF DEBT SERVICES (page 335) show BY-2 as actuals http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: The public debt figures in Chapter 7 partly show BY-2 figures as (unaudited) actuals, but some are specified as estimates; Appendix 3, table 12 reflect the BY-2 figures as estimates. The cost of debt servicing is shown in Volume 2d, Debt Services, as actuals and in summary form in Appendix 3, Table 9B as actuals. (so for the marking for this probably lies between A and B, on the basis of information provided in the Budget Proposal documents)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

33: Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year? (The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)

- a. (100) Yes, information beyond the core elements is presented for all extra-budgetary funds.

- b. (67) Yes, the core information is presented for all extra-budgetary funds.
- c. (33) Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.
- d. (0) No, information related to extra-budgetary funds is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 Volume 1 Economic and Development Policies: Chapter 4 Revenue makes reference to the Sovereign Wealth Fund, Stabilisation Fund and Savings Fund (page 25, 26). Chapter 8, National Reform Agenda, 8.4 (page 67) gives further detail on the Implementation of the Sovereign Wealth Fund, Chapter 9, 'Improving State's Commercial Interest', notably 9.3, 9.4 and 9.5 including dividend policy, CSOs, PPPs, Investment Performance and reforms. Appendix 1, provides details of the Infrastructure Tax Credit Scheme (under the GFS 2014 methodology, TCF is no longer considered Government Revenue, along with Trust Accounts), Table 1.1 Summary of Infrastructure Tax Credit Scheme (this is effectively an expenditure program, offset against corporate tax revenue, sometimes ahead of expected tax for certain government projects). http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2d 2017 Recurrent Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section IV, Details of Trust Accounts.(page 378) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: The core information is provided, but, as highlighted in the Budget Proposal itself in Chapter 9 'the Govt is undertaking major reforms to ensure prudent fiscal management of the use of public funds. There are many statutory bodies being set up and operating without a set of investment parameters or guidelines provided by Government..... part of the review deals with Public finance management issues...as all funds received by Stat bodies must be paid without deduction in the Government's consolidated revenue fund...' Many government bodies (Statutory bodies and SOEs) have been receiving and spending public funds independently, in defiance or in the absence of clear guidelines. Areas where the Government is eager to secure the funds without prior deductions include, immigration permits, work permits, license fees, fees for services; royalties and certain other grants are largely handled on behalf of landowners and sub-national governments, but have lacked clear or timely accountability.; The Sovereign Wealth and stabilisation and savings fund have been slow in establishment and application, with well below forecast deposits, particularly with the major fall in commodity prices. Public concerns relate to financing arrangements for major resource and construction projects which may be undertaken through SOEs or other vehicles, imposing contingent liabilities on the State, and lack of public access to the contract arrangements. (the EITI process is helping expose and clarify arrangements related to the resource sector, but further progress is required particularly by some public institutions). Details of trust funds are provided in Volume 2d (section IV), highlighting (on page 379) that "the Public Accounts consists of the trust fund and the Consolidated Revenue Fund. The Trust Accounts are individual accounts that make up the trust accounts", but they are also provided for under the Public Finance (management) act, which funded from different sources and for different users, including provided for landowners and others, Major efforts to rationalise the trust funds were announced in earlier budgets, but little specific reference to the outcome in the 2017 Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

34: Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

- a. (100) Yes, central government finances are presented on a consolidated basis.
- b. (0) No, central government finances are not presented on a consolidated basis.
- c. Not applicable/other (please comment).

Answer: b.

Sources: 2017, Volume 1 Economic and Development Policies: Appendix 3, Tables 8 and 9A and 9B, Central Government Revenue and Central Government Expenditure (page 95-97), Appendix 2, Tables 2.1 and 2.2 (pages 82-83)) Grants and Transfers to Provinces; Tables 14 Sovereign Wealth Fund; and Chapter 4 Revenue and 6, 'Expenditure' provides some combined detail on both Budget and some extra-budgetary funds collection, retention for the Budget year. Chapter 8 National Reform Agenda emphasises the need for greater consolidation. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2a 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf)

Comments: Researcher: The Budget Proposal does provide, or seek to provide, central government finances, including transfers to sub-national governments, on a consolidated basis, although it recognizes that, despite financial instructions from the Treasury/Finance to all agencies (which are meant to carry legal authority), some of the substantial funds retained in Trust Funds and other off-budget arrangements are not routinely or necessarily accurately recorded and reflected in the Budget, including project expenditure from Kumul Holdings Ltd (the State's SOE and equity holding corporation).

Peer Reviewer

Opinion: Disagree

Suggested answer: b.

Comments: The researcher does identify that some trust funds and other off budget arrangements are not routinely or accurately recorded in the budget including Kumul Holdings Ltd. PEFA 2015, point 62, states that 'a considerable amount of information on extra budgetary operations (EBOs) is available in separate financial statements, but not in a consolidated form. Point 61 says that there is a substantial number of EBOs but little information on the size of their activities including own source revenues, trust accounts and external sources of finance. It would be more realistic and score a 'b' as there is some doubt over whether the budget is fully consolidated.

Government Reviewer

Opinion: Not Qualified

Researcher response: I agree that certainly there is much doubt over whether all the figures are truly apparent and consolidated, so I have amended the score to "b".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

35: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

- a. (100) Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all intergovernmental transfers are presented.
- d. (0) No, estimates of intergovernmental transfers are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables 2.1 & 2.2 (pages 82-83): Grants and Transfers to Provinces (including Local Level Governments): Appendix 3, Table 9B (page 97): Government Budget Expenditure Economic Classification: Chapter 6, 'Expenditure' #6.4.8 (page 48) Provincial Sector, with brief summary of funding totals for the provinces, including under the District Support Improvement Program (DSIP) of K10 million per District, (a mechanism chaired at the District level by the local Member of Parliament); http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2d, 2017 Budget Estimates for Statutory Authorities and Provincial Governments...: Part III, Section C (Pages 335-375), Details of Expenditure - Provincial Governments:

Comments: Researcher: The estimates provided in in the summary tables (2.1 & 2.2.) in Volume 1 are comprehensive (or at least intended to be such), comprising budget transfers (detailed in Table 2.1, including grants for personnel emoluments and goods and services), combined with tax transfer (shared GST etc), royalties and dividends, and own revenue, in table 2.2. The narrative in the Budget document (Chapter 6) is very brief, especially considering that it is the largest allocation in the Budget @ 27.2% of total. The National Economic & Fiscal Commission (NEFC -an Independent Constitutionally established advisory body), is required to provide a report on sub-national financing and advises the Treasurer on the amount to be distributed to each province each year on the basis of an equalisation provision, in relation to the total amount projected to be available in total in the budget. (The NEFC 2015 Report is currently available only in hard copy, online reporting seemingly very outdated)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

36: Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

- a. (100) Yes, at least three alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.
- b. (67) Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.
- c. (33) Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.
- d. (0) No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No alternative display is provided in the EBP

Comments: Researcher: No specific provision has been made for alternative Budgetary presentations, although an annual determination and report, based upon BY-2, is provided by the National Economic and Fiscal Commission (NEFC). NEFC is an independent Constitutional Advisory body which influences equalisation of allocations to the provinces and Local Level Governments, based upon the amount made available for sub-national

distribution and the NEFC's analysis of the cost of minimum priority activities and performance indicators. (The most recent NEFC fiscal report is only available in hard copy for 2015, and electronically for 2013).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

37: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

- a. (100) Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all transfers to public corporations are presented.
- d. (0) No, estimates of transfers to public corporations are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 Budget, Volume 1, Economic and Development Policies, Chapter 8, (pages 69-75) 'Improving State's Commercial Interest' ; (provides details of the public corporations , equity and policies on investment and dividends, including the holding corporations, Kumul Consolidated Holdings, and the equivalent for oil/gas and mining investments); Appendix III, Table 9B, (page 97) Budgetary Government Expenditure and economic classification (for a summary of transfers to Commercial and Statutory Authorities) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF EXPENDITURE – STATUTORY AUTHORITIES (pages 1-304); this list comprises largely Statutory Authorities but pages 113-114 is on Kumul Consolidated Holdings Ltd., plus some utility companies, etc. http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) VOLUME 2a 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS; SECTION (III) DETAILS OF EXPENDITURE: SUMMARY OF APPROPRIATION; Budget Summary - Statutory Authorities (page 71); summary figures for the Statutory Authorities and SOEs, including the holding company, utility companies etc. http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 3, Public Investment Program (PIP) 2017-2021, Section B - Statutory Authorities (pages 443; notably pages 5-3-508 Kumul Holdings and other pages for PNG Power, p. 573, and Telekom PNG p. 590, etc.) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: The State's grants and loans to respective public corporations (and other entities in which it holds a stake), including the (non-minerals) holding corporation, Kumul Consolidated Holdings, are specified in Volume 2d and for specific project details in Volume 3, together with specific transfers to other companies, such as the power and telecommunications utilities, etc. (These figures don't including borrowings by the SOEs which might incur a liability on the State). Volume 1 provides details of equity in SOEs and resource projects in which there's a stake. It also provides policies or proposed policies, including with respect to financing and dividends, which have been administered inconsistently, and generally (according to recent ADB reports) at a poor level of performance. The administration of SOEs has been changing in recent years, albeit perhaps more in name than practice to date, but aspects of the policies on taking up equity, transfers, PPPs and dividends are still subject to review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

38: Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year? (The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

- a. (100) Yes, information beyond the core elements is presented for all quasi-fiscal activities.
- b. (67) Yes, the core information is presented for all quasi-fiscal activities.
- c. (33) Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.
- d. (0) No, information related to quasi-fiscal activities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: 2014 Budget, Volume 1, Economic and Development Policies, Chapter 6, (pages 46-81) Expenditure, (includes some discussion on the use of Trust Funds and the paucity of data. Chapter 8 (38-51) highlights deficiencies over budgetary control by many agencies, but doesn't provide details. Appendix 1 Revenue, Table 1.1 Infrastructure Tax Credit Scheme (page 77) provides some details of past expenditure on public investment provided under this de-facto tax arrangement, but it provides no estimates for planned expenditure for the Budget year (although major expenditure is planned under this scheme). This mechanism has been used increasingly during recent years for urban infrastructure projects, outside its original remit. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME TWO - PART 2 - III ESTIMATES OF REVENUE AND EXPENDITURE FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, Section B, Statutory Authorities (including limited details of subsidised credit by the National Development Bank, (pages 195), http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: Minimal reference is made in Volume 1 to amounts of funding inadequately defined and reported upon under Trust Funds, and various other ill-defined expenditure, yet the Tax Credit Scheme is being used extensively for major urban infrastructure projects, and there are questions about the use of royalty funds held by MRDC on behalf of landowners for public, or publicly mandated projects. The National Gaming Control Board collects major revenue and funds a variety of sporting and other projects, without reference to the Budget process. The nature and operations of various trust funds continues to be deficient. The administration of the Sovereign Wealth Fund, will be subject to extensive rules, but full application and reporting through mandated procedures, including budgetary will be critical. The EITI reporting process is highlighting some of the weakness with respect to resource sector financial management and accountability, including over royalties and other landowner funds held by State entities and at risk of diversion. In Volume 2 (part 2) there is specific reference to a credit subsidy component through the National Development Bank -albeit part Budget funded. Some license fee revenue (e.g. collected by the National Fisheries Authority and some other authorities) is retained as institutional revenue, with lower so-called 'dividends' paid to the State.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

39: Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government? (The core information must include a listing of the assets, and an estimate of their value.)

- a. (100) Yes, information beyond the core elements is presented for all financial assets.
- b. (67) Yes, the core information is presented for all financial assets.
- c. (33) Yes, information is presented, but it excludes some core elements or some financial assets.
- d. (0) No, information related to financial assets is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2014 National Budget Volume 1 Economic And Development Policies, Chapter 9, 'Improving State's Commercial Interest' provides details of equity and estimated valuation of some of the State's corporate investments (table 21, page 72) and ([page 73) for text on mineral interests. There is also some discussion on policy options over State equity or other revenue mechanisms, with some reference to the 2014-15 Tax Review, which provides detailed consideration of this issue. Annex 3, Tables 10(I and II) provide details of transactions in assets and liabilities, but not a statement of their current worth. http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts; Part IV, (pages 378-395) Details of Trust Fund Balances http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: There is some information provided but not comprehensive and for 2015 not the Budget year, and leaves out details of the major resource sector equity (and debt), likewise the details of Trust funds are not comprehensive or fully updated. (with more information provided The data is more current than for the last Open Budget survey, but (apart from the current trust fund estimated balances and the details of transactions) being 2015 data and with other limitations it will have to remain at D

Peer Reviewer

Opinion: Disagree

Suggested answer: c.

Comments: Section 9.4, Table 21, page 85, Volume 1 Economic and Development Policies provides some information on the shareholdings of the Kumul Consolidated Holdings which oversees the management of the States infrastructure and service provision through its SOEs. KCH is the holding entity of assets formerly managed by the Independent Public Business Corporation (IPBC). Table 21 provides a summary of the shareholding of KCH which pays a dividend to the Government and for 2015 paid K310 million. I think it is fair to suggest that the Budget Proposal provides some information.

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree with the reviewer that some information is provided but the gaps are substantial (not least related to the balance sheets of these SOEs). We have changed the score to "c".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

40: Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government? (The core information must include a listing of the assets by category.)

- a. (100) Yes, information beyond the core elements is presented for all nonfinancial assets.
- b. (67) Yes, the core information is presented for all nonfinancial assets.
- c. (33) Yes, information is presented, but it excludes some nonfinancial assets.
- d. (0) No, information related to nonfinancial assets is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: apart from references to the need to upgrade and maintain infrastructure there is no reference to non-financial public assets in the 2017 Budget, Volume 1, Economic and Development Policies.

Comments: Researcher: Commitments have been made in the past to developing a 'whole of government Balance Sheet framework' embracing the various public sector institutions with responsibility for managing the State's assets. Work has also be done providing an inventory of infrastructure assets, at different tiers, for the purpose of maintenance or replacement, rather than an asset register for valuation. An impediment to financial or other assets records has been government operating 3 financial management systems, as highlighted in Chapter 8, National Reform Agenda, (IFMS, PGAS and also Oracle for the Works Dept); the National agencies are now all using IFMC and the provinces still on PGAS); when systems are rationalised (and IFMS is now being piloted in one province), there should be a better base for asset registers and financial and non-financial asset management.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

41: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

- a. (100) Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all expenditure arrears are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all expenditure arrears are presented.
- d. (0) No, estimates of expenditure arrears are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: 2017 National Budget Volume 1 Economic Development and Outlook (page15), ~2.8 Risks to the Economic and Fiscal Outlook, Chapter 3 Fiscal Strategy (page 15), Chapter 6 Expenditure (notably 6.5-6.7), Chapter 7 Financing and Debt Strategy (page 52) and Chapter 8 ' National Reform Agenda' (page 58 - #8.2.3) Appendix III, table 12, page 102, Stocks in Central Government Debt. These sections all highlight the problems with fiscal, including cash flow management, with uncertain revenue, and deficiencies in planning and timely expenditure, and they provide actions and intentions for improved fiscal planning and management, but don't provide details of the end of year arrears.

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: There is a breakdown on Public Debt (Appendix 3, Table 12), but only inferred reference to outstanding obligations, but extensive reference to the uncertainties of forecasting and receiving revenue and managing timely expenditure, and approaches to improving fiscal management. It's not specified in the Budget Proposal some of the (sometimes inadequate) mechanisms to limit arrears, such as early closure of the annual books, and in January 2016 the (legally questionable) cancellation of BY-1 Government cheques in mid-January, ostensibly to prevent the subsequent year's Budget being burdened with the previous year's overhang of expenditure, with new cheques being issued where deemed meritorious

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

42: Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs? (The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

- a. (100) Yes, information beyond the core elements is presented for all contingent liabilities.
- b. (67) Yes, the core information is presented for all contingent liabilities.
- c. (33) Yes, information is presented, but it excludes some core elements or some contingent liabilities.
- d. (0) No, information related to contingent liabilities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: 2014 National Budget, Volume 1 Economic Development Policies, Chapter 3, Fiscal Strategy and Outlook, makes reference in #2.8 Risks to the Economic and Fiscal Outlook to 'exposure through debt guarantees and contingent liabilities...etc, Chapter 7 Financing and Debt Strategy (page 52) makes no reference to the level of contingent liabilities, except in terms of the focus on mitigating Operational Risk, such as fraud, legal settlement etc (page 57), nor Appendix III Table 12 (Stocks in Central Government Debt (page 102). Chapter *, National Reform Agenda refers to the backlog of Superannuation Liabilities under #8.2.6 (page 61), referring to the 'unfunded State liability' to the State Superannuation Fund (NSL), which "remains on the Government's balance sheet". http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2A 2017 Budget Estimates of Revenue And Expenditure For National Government Departments, Treasury and Finance Miscellaneous - General Multi-Departmental Payments (page 191) includes categories for General Unforeseen Expenditure (although with no allocation for BY) and for Court Cases.

Comments: Researcher: As stated in Vol 1, Financing and Debt Strategy concern is raised over the growing level of debt and the need to manage it, including "the risk of loss due to operational failures, resulting from internal processes, people, systems, or external events...encompassing fraud, legal settlement, accounting, personnel and reputation risk". But other than stating the Government 'currently has a number of operational risks that it is endeavouring to manage" and earmarking a figure in the Budget Proposal for Court cases, there are no details provided of contingent liabilities. There is also reference to the outstanding superannuation liabilities, but merely states that these are included in the Government's balance sheet.

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The researcher has identified the absence of information on contingent liabilities in the comments section. Oblique references to operational risks and 'managing contingent liabilities' in the narrative do not meet the core elements required for this question. There is no reference to contingent liabilities, no statement on the policy or purpose, any new contingent liabilities and a statement of the total amount outstanding if the liabilities are realised. PEFA 2015, point 5, states There are numerous statutory bodies fulfilling a range of commercial, social and regulatory functions together with 12 state-owned enterprises (SOEs) that are wholly-owned by the government. Many of these entities are several years in arrears in submitting their annual financial statements, and many have received audit disclaimers or adverse opinions... The legal basis for borrowing and the issuance of government guarantees is unclear, fragmented and to some degree contradictory. As a result there are gaps in the coverage of reports and some loans might not be reflected in the system. No register of the guarantees issued by the government has been set up (page 5). PEFA 2015, point 77, also states that there is no register of explicit contingent liabilities (including expenditure arrears, government guarantees or the potential losses from ongoing or pending court cases against the government) is maintained by the Treasury or the Department of Finance. Some information on government guarantees and pending court cases is kept by the Attorney General's Department but this information is not shared with Treasury or the Department of Finance. Furthermore, there is a substantial volume of on-lending by the government to SOEs, but no register of the guarantees associated with such borrowing is maintained by the central departments, or by KHC (IPBC).

Government Reviewer

Opinion: Not Qualified

Researcher response: We agree with the reviewer and have revised the score to "d".

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

43: Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term? (The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

- a. (100) Yes, information beyond the core elements is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.
- b. (67) Yes, the core information is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.
- c. (33) Yes, information is presented, but it excludes some core elements.

- d. (0) No, information related to future liabilities and the sustainability of finances over the longer term is not presented.
e. Not applicable/other (please comment).

Answer: d.

Sources: 2014 National Budget, Volume 1 Economic Development Policies, Chapter 2 Economic Developments and Outlook (page 14, Risks); Chapter 3 Fiscal Strategy and Outlook, notably # 2.4 Medium Term Fiscal Strategy 2013-2017 (page 17) and box on page 18 (point 12) and Chapter 6 (#6.4 p. 87) on Medium Term Debt Strategy, including discussion on foreign currency, interest rate, refinancing and operational risks
http://www.treasury.gov.pg/html/national_budget/files/2014/b...
(http://www.treasury.gov.pg/html/national_budget/files/2014/budget_documents/Volume1/2014%20Budget%20Volume%201.pdf).

Comments: Researcher: As stated in Vol 1, 'the Medium Term Fiscal Strategy 2013-2017 concludes in 2017, and the Budget Proposal states that a new strategy 2018-2022 will be formulated to provide guidance for fiscal prudence and debt sustainability'. It states that the key rules from the current strategy will 'continue to be relevant for the MTFs 2018-2022', this includes point 12 (page 18) 'manage and identify contingent liabilities to reduce the potential costs and risks to the Budget'. However, no figures (or forward figures) are provided for 'operational risk' in Chapter 7 (p. 57)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

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

- a. (100) Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.
b. (67) Yes, estimates of all sources of donor assistance are presented, but a narrative discussion is not included.
c. (33) Yes, estimates of some but not all sources of donor assistance are presented.
d. (0) No, estimates of the sources of donor assistance are not presented.
e. Not applicable/other (please comment).

Answer: a. (100)

Sources: 2017 National Budget Volume 1 Economic Development Policies, Appendix 3, Table 8 Revenue (page 95) 'Grants from Foreign Governments and International Organisations', and also Chapter 6 'Expenditure' #6.2 'Development Assistance from Development Partners' (page 39), including Table 14, (page 40). http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 2a 2017 Budget Estimates of Revenue and Expenditure For National Government Departments, Section I, Summary Tables Table A2, (page 2) Economic Classification of Revenue, Grants and Loans', and Section II, Section A Details of Revenue, Grants and Loans. Pages 53-56 for grants, and Pages 51-51 Loan Service Receipts and pages 58-60 for external financing; Section III, in Vol 2a-d (provides details of donor funding for specific programs); http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Volume 3, Public Investment Program, provides more specific details of funding of programs by development partners http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf) (There plans are cross referenced to the 2015 Papua New Guinea Development Cooperation Policy, which was approved in early 2016

<http://www.planning.gov.pg/index.php/publications/item/29-pn...> (<http://www.planning.gov.pg/index.php/publications/item/29-png-dcp-2015-2>))

Comments: Researcher: Table 8 in Appendix 3 of Volume 1, provides the summary, broken down by program, and Chapter 6 has a brief section on development partners' contributions and the principles applied, including the summary Table 14, (page 40). The summary tables of Section I (Table A2) and Section II (Loan Service Receipts, External Financing and Grants) of Volume 2a with part III providing more detailed information, and Volume 3, Public Investment Program providing details of donor funding programs and projections with the Medium Term Plan priorities. Most donor funded projects for NGOs and Civil Societies are managed outside of the budget but the National agencies but information is reflected in the budget. (Policy and strategies for development assistance are spelled out in the 2016 approved '2015 Papua New Guinea Development Cooperation Policy')

Peer Reviewer

Opinion: Agree with Comments

Comments: Table 14 is page 48, Table 8 provides a summary at page 32, Appendix 3, table 8, page 109.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

45: Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year? (The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

- a. (100) Yes, information beyond the core elements is presented for all tax expenditures.
- b. (67) Yes, the core information is presented for all tax expenditures.
- c. (33) Yes, information is presented, but it excludes some core elements or some tax expenditures.
- d. (0) No, information related to tax expenditures is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 National Budget Volume 1 Economic Development Policies, Appendix 1, Tables 1.1-1.4 on the Infrastructure Tax Credit Scheme (which provides agreed public goods, in lieu of paying taxation, which is not a subsidy to the respective company, but may provide some direct or indirect benefit to that the company), and Incentives under the Income Tax Act (with permanent loss of revenue), Incentives under the Income Tax Act with Deferral of if revenue, and Exemptions under the Stamp Duties Act. Chapter 4 on Revenue and Chapter 5 Tax and Non-Tax Measures and Developments both highlight deficiencies in revenue, including from extensive tax exemptions (notably from the resource sector), and highlight the intended reforms to standardise and reduce the level of tax expenditure (e.g. removal of double deduction on exploration expenses) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: The infrastructure tax credit scheme is (arguably) not strictly a tax expenditure as it is an exemption from tax for providing agreed public (rather than strictly private) goods, although there may be private benefits as well (notably from improved local infrastructure and community service benefits); details of its application are in Appendix 1 of Volume 1 (Table 1.1); details (or partial details) are provided to BY-2 and estimates for BY-1 The other more strictly Tax Expenditure is detailed in the other tables of Appendix 1, but there is no explanation of their functions, as there are no adjustments to their application. Details of the use of mining and petroleum double deductions are not included in these tables (rationalising the idiosyncrasies of the taxes is a focus of the 2017 Budget, as highlighted in the proposal and of the recent Tax Review) .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

46: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues?

- a. (100) Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all earmarked revenues are presented.
- d. (0) No, estimates of earmarked revenues are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 National Budget Volume 1 Economic Development Policies : Chapter 6: Expenditure highlights the shortfall in revenue and the need for reforms in operational and capital budgets, and therefore in #6.5 the application of Non Financial Instructions, with requirements for self-financing by Statutory authorities, mergers and other rationalisation, but the text is strong on intent and limited in specifics. Similar intents are specified in Chapter 8, National Report Agenda, referring to public sector reform and mergers of departments etc, but few specifics are provided. (Unlike hitherto) there few specific references to agencies, which receives their income directly from revenue collection, but Chapter 5, Tax and Non-Tax Measures, #5.2.5 (page 30) 'Improving Road Network..', specifies the estimated transfer in 2017 under Amended legislation from excise on diesel collected by Customs payable directly to the National Road Authority. Commercial Statutory Authority have autonomy to collect their own revenue, but, here's ambiguity over requirements to be self-sufficient (and as SOEs pay dividends, but also provide Community Service Obligations) and to transfer revenue to Consolidated revenue. http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) 2017 Budget Estimates. Volume 2a, Section II (page 44), Details of Revenue, Grants and Loan Estimates, Department and General Revenue (Page 44) provides details of sources of tax, customs and other revenue, some of which is earmarked (such as fuel levy for NRA road maintenance operations) , or retained in trust funds by the respective agency, e.g. Work Permit fees, but where financial instructions have been issued for them to be remitted to Consolidated Revenue http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) Volume 2d 2017, Budget Estimates For Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. Section IV, Details of Trust Accounts, (page 379), details trust accounts accumulated from different sources, including direct government grants, including from donor funded projects, but also some directly financed (although Dept of Finance has been directing the discontinuation of ths practice, and requiring the direct remission to consolidated revenue http://www.treasury.gov.pg/html/national_budget/files/2017/V... (

Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) National Roads Authority (2017 Budget) (Amendment) Bill 2016 http://www.treasury.gov.pg/html/national_budget/files/2017/2...
([http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/National%20Roads%20Authority%20\(2017%20Budget\)%20\(Amend](http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Budget%20Bills/National%20Roads%20Authority%20(2017%20Budget)%20(Amend))
Comments: Researcher: There is no consolidated list or details of the earmarked revenues. There is reference in volume 1 (Chapter 6 and 8) to arrangements to consolidate and consolidate institutions and rationalise financing and revenue-raising arrangements, recognizing that at the moment CSAs generally have the right (and responsibility) to collect revenue to cover their own costs, from levies, licences and other sources. Substantial amounts are paid into Trust Accounts from different sources (and will in future into the Sovereign Wealth Fund/Stabilisation fund etc). The revenue details are shown in Volume 2a and Trust Fund Details in Volume 2d, but it is recognised that this list is not comprehensive and that the numbers recorded may not be accurate or up-to date. Most Statutory Institutions, such as Fisheries Authority do collect revenues, which are retained (or, as with NRA have it collected for them by Customs) including most of the agricultural commodity boards, which collect their own research and extension access, but are not detailed in the Budget proposal. In volume 2 (part 2) there is no specific reference to organisations and their funding arrangements, but the amendment to the National Roads Authority Act, as part of the 2017 Budget, allowing a portion of the tariff on diesel to be paid directly to the National Road Fund specifies that 55 million kina is estimated to be transferred to the Fund. The revenues collected at the Sub-National level are not fully captured in the budget documents, except estimates, based upon 2015 figures (from NEFC) in Volume 1, Appendix 2, Table 2.2.. The inconsistent application of revenue arrangements (including at the sub-national level) is a subject of the comprehensive Tax review

Peer Reviewer

Opinion: Agree with Comments

Comments: PEFA 2015, point 61, suggests that a large number of statutory agencies collect significant amounts of own source revenue but are not generally recorded in the budget documents of public accounts. Furthermore, trust accounts are used to circumvent the annual appropriations process where appropriations lapse at the end of the year. Whilst it may be true that some earmarked information is provided, it appears that substantial amounts of information are not included. I would be inclined to score the question as a 'd' but I have no information on the aggregate size and materiality of any omission of earmarked revenue, so I will agree with the researcher.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

47: Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

- a. (100) Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.
- b. (67) Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, but a narrative discussion is not included.
- c. (33) Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.
- d. (0) No, information on the link between the budget and the government's stated policy goals for the budget year is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 National Budget Volume 1 Economic and Development Policies in Chapter 1, Budget Overview, Chapter 3 'Fiscal Strategy and Outlook' provides some linkage (notably in #3.2) between the 2017 Budget Strategy and the overarching government policies, including Medium Term Development and Fiscal Strategies (and related legislation, e.g. Fiscal Responsibility Act etc), despite the tight fiscal conditions. Chapter 5, Tax and non-Tax Measures and Developments, links new tax and non-tax revenue measures to the recommendations of the Government's recent tax review, including the first measures to implement some of its recommendations. Chapter 6, Expenditure, claims to link expenditure under current tight fiscal condition with underlying economic and development policies, related to stable macro-economic management and sector priorities (although there appear to be some significant incongruities, with heavy expenditure on certain major prestige projects, squeezing out priority expenditure). Chapter 8, National Reform Agenda, also gives major focus on links between longer term government strategies, in advancing public sector performance, and business and financial sector performance, in meeting local needs, including through consumer protection and competition.
http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf)

Comments: Researcher: In the light of tight fiscal conditions (as a result of low commodity prices, but also heavy expenditure and borrowing in recent years) the Budget Proposal focuses on linking revenue and expenditure measures with adherence to the priorities spelled out in the government's medium and longer term plans and strategies (and legislative requirements). With tight revenue conditions and substantial existing debt and commitments, the Budget is constrained, and there will be perceptions that other, shorter term initiatives have sidelined some of the longer term stated development priorities.

Peer Reviewer

Opinion: Agree with Comments

Comments: There is very limited information on the Government policy agenda and the attendant revenue/ expenditure for each initiative.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the

answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

48: Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

- a. (100) Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.
- b. (67) Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.
- c. (33) Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.
- d. (0) No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 Budget Volume 1 Economic and Development Policies in the foreword emphasises the links with the longer term 40 year, 20 year and 5 year visions, strategies and plans (page 1), albeit that the current extended Medium Term Development Strategy only stretches to 2017. Chapter , Budget Overview and Chapter 3 'Fiscal Strategy and Outlook' provide some linkage between the 2017 planned Expenditure and the existing Medium Term Development Plan and other longer term overarching strategies (p. 15), including the narrative on tight fiscal constraints, outstanding debt situation which shadow the Budget proposal. Chapter 3 and chapter 7, Financing and Debt Strategy, provide links with the extended Medium Term Fiscal and Debt strategies (17-18 and on p. 54). Chapter 8 National Reform Agenda seeks to demonstrate continuity and consistency with longer term strategies, which it does to some extent on #8.2.1 over Equitable Resource Allocations, and some other sections, although implementation of some of these long established policies has been slow, such as 8.4 Sovereign Wealth Fund etc.

http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) Volume 3 Public Investment Program 2017-2021, or Capital Investment Program, gives priority to the strategies and continuity, notably in the introduction, "The 2017 National Budget is guided by the Debt Management Strategy, Fiscal Responsibility Act 2015 and the Papua New Guinea Planning and Monitoring Responsibility Act 2016.....The overarching objective of Government is to achieve its Vision 2050 through the Medium Term Plans and the StaRS that promotes a responsible sustainable approach to development." It then seeks to demonstrate the level of alignment of planned expenditure with the strategies. As an investment plan extended for 5 year it provides some platform for alignment. http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf) Medium Term Development Plan 2, 2016-2017 <http://www.planning.gov.pg/images/dnpm/pdf/MTDP2.pdf> (<http://www.planning.gov.pg/images/dnpm/pdf/MTDP2.pdf>) NATIONAL STRATEGY FOR RESPONSIBLE SUSTAINABLE DEVELOPMENT FOR PAPUA NEW GUINEA <http://www.planning.gov.pg/images/dnpm/pdf/StaRS.pdf> (<http://www.planning.gov.pg/images/dnpm/pdf/StaRS.pdf>) National Planning and Monitoring Responsibility Act 2016, specifies the required links between the annual budget and the Medium Term Development Plan <http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.p...> (<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>)

Comments: Researcher: There is extensive reference in Volume 1, economic and development policies, on linkages with the longer term policies and some narrative highlighting the links, but also the constraints imposed by current fiscal conditions, but there's little attempt to quantify, except, briefly, in the Volume 3 Public Investment Plan, which provides linkages with the key longer term plans and priorities and enablers with actual capital expenditure

Peer Reviewer

Opinion: Agree with Comments

Comments: I do not think it is clear that how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period. There is some financial information included in programs and some narrative that suggests a focus on a multi- year period. However, there is no information that says, for example, Tuition Fee Free Education is estimated to be X million for 2018 and Y million in 2019. I believe that the response to this question is between 'c' and 'd'. Therefore, I have supported the researcher in this case.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

49: Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

- a. (100) Yes, nonfinancial data on inputs to be acquired are provided for each program within all administrative units (or functions).
- b. (67) Yes, nonfinancial data on inputs to be acquired are presented for all administrative units (or functions) but not for all (or any) programs.
- c. (33) Yes, nonfinancial data on inputs to be acquired are presented for some programs and/or some administrative units (or functions).
- d. (0) No, nonfinancial data on inputs to be acquired are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Volume 2a 2017 Estimates of Estimates of Revenue and Expenditure for National Government Departments, Section I, Summary Tables, Table 6: 2017 Public Service Establishment; and Volume 2a-c, Section IV (page 78-545), National Government Departments, provides staffing details and vehicles, and Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF STATUTORY AUTHORITIES, the same details are provided for the Statutory Authorities http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) Volume 3 Public Investment Program 2017-2021 provides some details, if inconsistent, on inputs and outputs for respective capital investment programs http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: Non financial data are presented in the summary table 6 of Volume 2a for staff, including casuals, staffing and vehicle details are provided in volume 2a-2d for programs of all Departments and Statutory Authorities. and more extensive (though not systematic) details of inputs and outputs are provided in Volume 3 (Public Investment Program). The information is improving, but not comprehensive

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

50: Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

- a. (100) Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).
- b. (67) Yes, nonfinancial data on results are presented for all administrative units (or functions) but not for all (or any) programs.
- c. (33) Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).
- d. (0) No, nonfinancial data on results are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Volume 2a-c 2014 Estimates of Estimates of Revenue and Expenditure for National Government Departments, Section IV, (pages 78-545 in 2a, and throughout 2b and 2c) brief and sporadic output data for programs, by administrative unit http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2c-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS; likewise brief and sporadic output data for programs, by administrative unit http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf) Volume 3 Public Investment Program 2017-2021, more extensive output data for all programs under the Capital Budget http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: Non-financial data outputs data are provided for many programs and administrative (functions) in a somewhat ad-hoc manner, notably in volume 3 (PIP) and in some of the performance indicators under Volume 2 Parts (1a-1d).

Peer Reviewer

Opinion: Agree with Comments

Comments: Table 6, Volume 2a, page 29 provides some staffing and establishment information.

Government Reviewer

Opinion: Not Qualified

51: Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

- a. (100) Yes, performance targets are assigned to all nonfinancial data on results.
- b. (67) Yes, performance targets are assigned to most nonfinancial data on results.
- c. (33) Yes, performance targets are assigned to some nonfinancial data on results.
- d. (0) No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Volume 2a-d 2017 Budget Estimates of Revenue and Expenditure for National Government Departments: Section IV (page 78 onwards & entire 2b-2c) and VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section I, Statutory Authorities: B Other data in 2017: 2. Performance indicators

Comments: Researcher: Performance indicators are provided in theory for (nearly) all programs in Volume 2a-d for Departments and NSAs of the Budget Proposal, but most are very brief, vague and with performance largely unmeasured using this information. At the sub-national level no performance indicators are provided. More detail is provided in Volume 3 (PIP) of outputs, which in many instances may comprise or form a component of the indicators.

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher is correct. The indicators are brief, vague and devoid of any measurement criteria, targets and timeframes.

Government Reviewer

Opinion: Not Qualified

52: Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

- a. (100) Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.
- b. (67) Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.
- d. (0) No, estimates of policies that are intended to benefit directly the country's most impoverished populations are not presented.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: 2017 Budget Volume 1 Economic and Development Policies, notably Chapter 6, Expenditure (page 38) #6.4.3-6: Tuition Fee Free Policy, and Free primary healthcare policy and social protection and gender equality policies, Transport (including Rural airstrips and access), 6.4.8 support to sub-national authorities, down to the Ward Council; Chapter 8 (page 58) Reform Agenda # 8.2.1 Equitable Resource Allocations to Provincial Governments (notably under NEFC and equalisation measures) to provide set of basic services; 8.3.2 Consumer Protection, 8.3.5 Financial Inclusion and Microfinance Expansion http://www.treasury.gov.pg/html/national_budget/files/2017/V...

(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol1-Economic%20and%20Development%20Policies.pdf) VOLUME 3 PUBLIC INVESTMENT PROGRAM 2017 – 2021, Introduction, Emphasis of MTDP2 on basic access to services, education enrollment, health, education, water and sanitation policy, ICT, transport access Department for Community Development (page 309), comprises several programs (almost entirely donor funded) addressing gender issues and violence against women, social and child protection http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: There is no systematic provision of material in the Budget proposal to provide estimates of policies designed to benefit the most impoverished populations. There are a few programs explicitly designed to assist more remote or disadvantaged groups, with some details provided in Volume 3 (including in the foreword, with its emphasis on the MTDS2 priorities, related to access to basic services and communications, and related new policies on WaSH, population planning and related issues and new 2016 legislation linking the Budget to a set of planning frameworks and minimum standards), but it receives relatively limited specific attention in the 2017 Budget proposal, (especially with major cuts being made to some of these programs in 2017 in the face of tight fiscal conditions, to provide for other capital initiatives). Some details are provided in the Volume 1 of the allocations for all districts under the Service Improvement Program grants and what they're intended to be for, and in Volume 3 on the Capital Investment Program. Volume 1 also provides some information on the Education, Health, Communications, financial inclusion, Gender/Community protection and inter-provincial budget equalization initiative, guided annually by the National Economic and Fiscal Commission. Further details on these reforms (designed to partly reduce inter-provincial inequitable funding) are provided in the NEFC's own report provided concurrently with the tabling of the annual Budget).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

53: Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

- a. (100) Yes, a detailed timetable is released to the public.
- b. (67) Yes, a timetable is released, but some details are excluded.
- c. (33) Yes, a timetable is released, but it lacks important details.

- d. (0) No, a timetable is not issued to the public.
e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Consolidated Budget Operating Rules issued by Treasury, Feb 2015, which should go together with the Budget Circulars issued by Treasury during the year. http://www.treasury.gov.pg/html/national_budget/files/2015/c...

(http://www.treasury.gov.pg/html/national_budget/files/2015/consolidate%20budget/consolidated_budget_operating_rules.pdf) The National Planning and Monitoring Responsibility Act 2016 specifies a range of deadlines for planning and administration of the annual Budget <http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.p...> (<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>)

Comments: Researcher: The Consolidated Budget Operating Rules, provide a broad framework, but should be combined with detailed Budget Circulars (including invitations for inputs by the public or Legislature etc). Up until the 2013 Budget a detailed Budget schedule was issued to the public online, but since 2013 no Budget circulars were provided on the Treasury's website Budget (or on the Finance Dept or Planning's site, both of which only contain very obsolete information). Information was only anecdotal, provided in forums and workshops.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

54: Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based? (The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

- a. (100) Yes, information beyond the core elements is presented for the macroeconomic forecast.
b. (67) Yes, the core information is presented for the macroeconomic forecast.
c. (33) Yes, information is presented, but it excludes some core elements.
d. (0) No, information related to the macroeconomic forecast is not presented.
e. Not applicable/other (please comment).

Answer: d.

Sources: The PBS did not meet the required timeline of being released at least one month before the Budget was tabled. (The Treasurer argued that the 2016 Supplementary Budget tabled in August 2016 can be seen as an interim de-facto PBS, tentatively complying with the requirements of the Fiscal Responsibility Act, requiring a PBS at least 3 months in advance of the tabling of the EBP, but this is tenuous, considering the limited economic information provided in the Supplementary Budget, particularly with respect to 2017 forecasts) 2017 Budget Strategy Paper, F.1 2017 to 2021 Economic Outlook on pages 10-11. http://www.treasury.gov.pg/html/national_budget/files/2017/F...

(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

Comments: Researcher: Although prepared, the PBS was not publicly released on a timely or relevant basis. (A brief presentation of macro-economic conditions was provided upon which the 2017 Budget preparation was undertaken (as required under the Fiscal Responsibility Act 2006, albeit belatedly). Only real GDP growth rates are shown for total and non-mineral GDP, but not nominal growth rates. Also, the Kina Facility Rate is used to indicate interest rates; this however is the official rate, and has been set at this rate since the mid-2000s, and is hardly an accurate reflection of market conditions.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

55: Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

- a. (100) Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.
b. (67) Yes, the core information is presented for the government's expenditure policies and priorities.
c. (33) Yes, information is presented, but it excludes some core elements.
d. (0) No, information related to the government's expenditure policies and priorities is not presented.
e. Not applicable/other (please comment).

Answer: d.

Sources: The PBS did not meet the required timeline of being released at least one month before the Budget was tabled. (The Treasurer argues that the Fiscal Responsibility Act requirement for a PBS to be provided 3 months in advance of the EBP could be deemed to have been complied with, by the tabling of the 2016 Supplementary Budget in August 2016, which presents some of the economic details required of the PBS) 2017 Budget Strategy Paper, D.2 Expenditure (page 9) and F 2.2 Expenditure (medium term) (page 12), Medium Term Fiscal Strategy (MTFS) 2017 – 2021 (page 15) http://www.treasury.gov.pg/html/national_budget/files/2017/F...

(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2...)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2016%20National%20Supplementary%20Budget%20Speech.pdf)

Comments: Researcher: The PBS was not released in a timely manner (The Pre-Budget Statement provides the core requirements on expenditure, including brief specification of priorities and estimates of expenditure in the context of major and continued reduction in levels of revenue forecast, with the downturn in commodity prices and related factors. There are related policies to restrain the level of contingent liabilities and better management and classification of expenditure.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

56: Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget? (The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

- a. (100) Yes, information beyond the core elements is presented for the government's revenue policies and priorities.
- b. (67) Yes, the core information is presented for the government's revenue policies and priorities.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to the government's revenue policies and priorities is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The 2017 PBS did not meet the required timeline of being released at least one month before the Budget was tabled. (The Treasurer argued that the Fiscal Responsibility Act requirement for a PBS to be provided 3 months in advance of the EBP could be deemed to have been complied with, by the tabling of the 2016 Supplementary Budget in August 2016, which presents some of the economic details required of the PBS, but this argument was tenuous as there's virtually no reference to 2017 fiscal forecasting in the 2016 Supplementary Budget) 2017 Budget Strategy Paper, D.1 Revenue (page 8) D.1.1 Revenue Reforms (page 9), F.2.1 Medium Term Revenue (page 11) Medium Term Fiscal Strategy (MTFS) 2017 – 2021 (page 15) http://www.treasury.gov.pg/html/national_budget/files/2017/F...

(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2...)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2016%20National%20Supplementary%20Budget%20Speech.pdf)

Comments: Researcher: The PBS was not released in a timely manner. (There is significant focus on revenue policies and forecasts, particularly in the light of the downturn in revenue in recent years and forecast for 2017, and the need to ensure debt levels are within sustainable limits.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

57: Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The PBS did not meet the required timeline of being released at least one month before the Budget was tabled. (The Treasurer argues that the Fiscal Responsibility Act requirement for a PBS to be provided 3 months in advance of the EBP could be deemed to have been complied with, by the tabling of the 2016 Supplementary Budget in August 2016, which presents some of the economic details required of the PBS; however this argument is tenuous, with virtually no reference to economic or fiscal forecasting for 2017 mentioned in the 2016 Supplementary Budget) 2017 Budget Strategy Paper, E. FINANCING (page 10), F.2.3 Debt (page 12), G. RISKS TO THE ECONOMIC AND FISCAL OUTLOOK (Page 13), Medium Term Fiscal Strategy (MTFS) 2017 – 2021 (page 15) http://www.treasury.gov.pg/html/national_budget/files/2017/F...

(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2...)

(http://www.treasury.gov.pg/html/national_budget/files/2016/2016%20National%20Supplementary%20Budget%20Speech.pdf)

Comments: Researcher: The PBS for 2017 was not released in a timely manner (The level and sustainability of debt is a major concern and focus of the 2017 PBS, and although expresses confidence that it's within sustainable levels (debt to GDP figures provided) raises the risks, including from contingent liabilities, and presents measures to manage debt and debt risks. Figures are contained in a brief narrative, but without accompanied tables)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

58: Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

- a. (100) Yes, multi-year expenditure estimates are presented.
- b. (0) No, multi-year expenditure estimates are not presented.
- c. Not applicable/other (please comment).

Answer: b.

Sources: The PBS did not meet the required timeline of being released at least one month before the Budget was tabled. (The Treasurer argues that the Fiscal Responsibility Act requirement for a PBS to be provided 3 months in advance of the EBP could be deemed to have been complied with, by the tabling of the 2016 Supplementary Budget in August 2016, which presents some of the economic and fiscal details required of the PBS) 2017 Budget Strategy Paper, F.2.2 Expenditure (page 10), Chart 2: Fiscal Outlook 2014-2021 (% GDP) (page 13), Medium Term Fiscal Strategy (MTFS) 2017 – 2021 (page 15) http://www.treasury.gov.pg/html/national_budget/files/2017/F...
(http://www.treasury.gov.pg/html/national_budget/files/2017/FINAL%202017%20BUDGET%20STRATEGY%20PAPER%20%2029%20OCT%202016.pdf)
(http://www.treasury.gov.pg/html/national_budget/files/2016/2...)
(http://www.treasury.gov.pg/html/national_budget/files/2016/2016%20National%20Supplementary%20Budget%20Speech.pdf)

Comments: Researcher: Brief reference is provided on longer term expenditure in the text (with slightly unclear trend figures) and in the context of a medium term fiscal strategy, and reference to and multi-year budgeting, but, although details of forecast economic and fiscal parameters are provided, including budget deficits, only very cursory forecast expenditure levels are provided beyond 2017

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

59: Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. (100) Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Enacted Budget does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: For the 2016 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2016) Act 2015, clause 'a' 'for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books may be considered relevant documents' and clause 'b' "for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books are to be considered relevant documents": <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2016-act-2015>) On the basis that the EBP documents comprise the details of the EB (see above wording of the EB), the response to related EBP questions (covering application of 3 classifications) is considered applicable as for the similar question under EBP: The Budget Proposal provides aggregates only in Volume 1, 2016 Budget, Economic and Development Policies, Tables 9A & 9B (pages 116-117), APPENDIX 3: TABLES ON ECONOMIC AND FISCAL DATA, Budgetary Government Expenditure by Economic Classification and by Agency Type, with forecasts for 5 years, (including the Budget year - 2016). Chapter 6 Expenditure, (page 44) provides more detail, sector by sector and by program for 20116-2019 http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume1-Econ&DevPolicies.pdf) Four year forecasts are included in greater details in VOLUME 2a, 2016 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I), Tables 1 (page 3), Sectoral Classification of Expenditure by Agency; Table 2 (page 8) Economic Classification of Expenditure (only forecasts beyond the Budget year of main categories are provided); Table 3 (page 10) Functional Classification of Expenditure; Table 5 (page 15) Expenditure of Affairs, Functions, and Main Programs http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) Volumes 2a, b, c, and d, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (Public Investment Program), all provide expenditure forecasts for 3 years beyond the budget year by economic classification http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2b-Rev&Exp_GovtDepts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2c-Rev&Exp_GovtDepts.pdf)

http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2d-StatAuth&Prov&Debt&Trusts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume3-PIP%202016-2020.pdf)

Comments: Researcher: On the basis that the EBP documents comprise the details of the EB (see above wording in Sn 2, clauses 'a' & 'b' the Budget Appropriations, for Goods and Services - i.e the EB), the same response is considered correct as for a similar question under the EBP (notably question 7, covering the 3 classifications, plus forecasting), although in this case the 2016 Budget details are provided On this basis the EB also provides estimates by all three classifications

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

60: Does the Enacted Budget present expenditure estimates for individual programs?

- a. (100) Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Enacted Budget presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Enacted Budget does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: For the 2016 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2016) Act 2015, clause 'a' 'for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books may be considered relevant documents' and clause 'b"for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books are to be considered relevant documents': <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2016-act-2015>) <http://www.parliament.gov.pg/index.php/bills-and-legislation...> (<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2016-act-2015>) On the basis that the EBP documents comprise the details of the EB (see above wording of the EB), the response to question 7 (covering application of 3 classifications) is considered correct as for the similar question under EBP (although for simplicity the 2017 EBP documentation is referenced): Volumes 2a, 2b & 2c 2017 Budget Estimates of Revenue and Expenditure for National Government Departments - Section IV. :from page 79, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. then providing details by program http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2b-Rev&Exp_GovtDepts.pdf) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2c-Rev&Exp_GovtDepts.pdf) and for the Statutory bodies, Provincial Government, Debt Servicing and Trust Accounts: http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2d-StatAuth&Prov&Debt&Trusts.pdf) Details of the Capital Investment component of the Budget is broken down by program in http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume3-PIP%202016-2020.pdf)

Comments: Researcher: On the basis that the EBP documents comprise the details of the EB (see above wording of the EB), the response to the same question (covering application estimates for all programs) is considered correct as for the similar question (no 6) under EBP (although in this case it cover the 2016 Budget): Enacted Budget, therefore, presents estimates for programs accounting for all expenditures, consistent with the EBP, which effectively forms part of the EB

Peer Reviewer

Opinion: Agree with Comments

Comments: I agree with the researcher however I consider that the 2017 budget should form the basis of the assessment. The 2017 Budget was passed on 8 November 2016 and certified by the Speaker on 22 December 2016.

Government Reviewer

Opinion: Not Qualified

IBP comment: The EB for FY 2017 was published in February 2017 which is after the OBS research cut-off date of 31 December 2016 For this reason, we use the EB for FY 2016.

61: Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

- a. (100) Yes, the Enacted Budget presents revenue estimates by category.
- b. (0) No, the Enacted Budget does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Estimates of revenue are provided in the Executive's Proposed Budget, which effectively becomes the enacted Budget upon approval in the legislature. The Enacted Budget, which is certified, specifically, comprises only the respective Appropriation Acts and legislated new revenue measures. 2016 Budget Volume 1, Economic and Development Policies, Appendix 3, Table 8 (pages 114), Central Government Revenue and Grants and Chapter 4. Revenue (Page 32) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) Tuesday 3 November 2015, DRAFT HANSARD (Parliament Minutes for tabling and passing of the 2016 Budget, including revenue estimates and revenue legislative measures) <http://www.parliament.gov.pg/uploads/hansard/H-09-20151103-M...> (<http://www.parliament.gov.pg/uploads/hansard/H-09-20151103-M21-D04.pf.pdf>)

Comments: Researcher: As the EBP is accepted by the Legislature in its entirety unaltered, once passed the EBP estimates become the revenue estimates for the EB (as well as the detailed breakdown of the expenditure under the Appropriation Acts)

Peer Reviewer

Opinion: Agree with Comments

Comments: I agree with the researcher however I consider that the 2017 budget should form the basis of the assessment. The 2017 Budget was passed on 8 November 2016 and certified by the Speaker on 22 December 2016. The researcher references the 2016 EB, then the 2017 Appropriation Bills.

Government Reviewer

Opinion: Not Qualified

Researcher response: We are required to focus on 2016 Budget, in view of the 2017 Budget not being put online until February 2017 (although certified in 22 Dec 2016).

62: Does the Enacted Budget present individual sources of revenue?

- a. (100) Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Enacted Budget does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Estimates of revenue are provided in the Executive's Proposed Budget, rather than in the Enacted Budget, which comprise only the respective Appropriation Acts and legislated new revenue measures. 2016 Budget Volume 1, Economic and Development Policies, Appendix 3, Table 8 (pages 114), Central Government Revenue and Grants and Chapter 4. Revenue (Page 32) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) Greater detail is provided in Volume 2a, Section I, Summary Tables, Table A2 (page 2), Economic Classification Of Revenue, Grants and Loans, and SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 38) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf)

Comments: Researcher: The enacted Budget does not detail sources of revenue, except with respect to the new taxes and other revenue sources approved in legislation. However, as the EBP is accepted in its entirety unaltered, once passed, the EBP estimates become the revenue estimates for the EB (as well as the detailed breakdown of the expenditure under the Appropriation Acts). Government revenues are broken into Tax Revenue: Tax on Income, Goods and Services, International Trades etc. and Non Tax Revenues: Property Income, Trust Accounts, Interest & Fees from lending and assets sales etc....

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

63: Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: The enacted Budget (Appropriations and related legislation) do not provide estimates related to borrowing and debt, but as the Budget is adopted in its entirety, effectively the Executive's Budget Proposal is treated by Government (and others) as the enacted Budget. 2016 Budget, Volume 1, Economic and Development Policies, Appendix 3, Table 10(I) (page 117), TRANSACTIONS IN ASSETS AND LIABILITIES FOR CENTRAL GOVERNMENT and Table 12, STOCKS IN CENTRAL GOVERNMENT DEBT. The former includes the level of amortisation and new instruments, latter provides levels of domestic and external public debt by component in summary. http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume1-Econ&DevPolicies.pdf) Volume 2a 2016 Budget Estimates of Revenue and

Expenditure for National Government Departments, Part II, Details of Revenue, Grants and Loans, (pages 51-54), Financing. http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Part iii, Details of Debt Services (this only provides details of the cost of debt servicing for each loan) 2016 (page 324) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2d-StatAuth&Prov&Debt&Trusts.pdf) A major legal omission in the 2016 Budget Appropriation (EB), appears to have been the failure to have appropriated for the expenditure upon amortisation of debt. However, this is a legal issue, of required approval, rather than an accounting issue, as the Volume 1 does provide for the amortisation and new instruments and net associated costs and servicing costs. Another issue of concern, seems to be variation between the figures appropriated, and approved by the legislature (for General Public Goods and Services, Parliament and Judiciary) and those shown in the volumes of the EBP (which, as stated in the Appropriation Act itself, provides the details of the EB). But these variations are found within the EBP itself, between the background documents and the what is tabled and presented to Parliament at the same time, and included in the Bills. This may be partly, but not fully explained by last minutes changes even in the final days and hours before tabling of the Budget. (Further clarification is being sought on this)

Comments: Researcher: The enacted Budget (Appropriations and related legislation) do not provide estimates related to borrowing and debt, but effectively the Executive's Budget Proposal becomes the Enacted Budget once passed by the Legislature. This is provided in aggregate in Volume 1, in the text with some analysis of the debt history in Chapter 3: Fiscal Strategy and Outlook and Chapter 6. Financing and Debt Strategy,

Peer Reviewer

Opinion: Agree with Comments

Comments: The following points need to be clarified: 1. The three estimates appear in various tables and documents. There is not a collective table that provides all three estimates together. Hence, it is difficult to get a complete picture. 2. The comment that the Enacted Budget is the EBY as it is adopted in entirety may not be quite correct. The 2017 budget expenditure in Vol 1 is listed as K13349.5, page ii, Volume 1, table 9A it is closer to K13349.6, in the Treasurer's speech it is K12,965.4 (page 5), Hansard 1/11/2016, it is K12965.4 (page 6) and the Appropriation Act, it is K17,157.8 for operational expenditure. Hence, I am not sure that the EB can be assumed to be the EBY in this case. Note the comments at <https://pngwoman.com/incorrect-2016-and-correct-2017-national-budget-appropriations>). The differences in the Appropriation may be due to debt that is maturing and needs to be repaid. However, this is not clear.

Government Reviewer

Opinion: Not Qualified

Researcher response: Indeed, in the 2016 Budget there is a serious omission on the expenditure side, that to this date has still not been corrected. It invariably also impacts the figures used on the borrowing/debt requirements. The legislature appropriated only the recurrent and capital expenditure, excluding the expenditure for public debt charges, including for rolling over/buying back debt. The score was revised to "b".

64: What information is provided in the Citizens Budget? (The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

- a. (100) The Citizens Budget provides information beyond the core elements.
- b. (67) The Citizens Budget provides the core information.
- c. (33) The Citizens Budget provides information, but it excludes some core elements.
- d. (0) The Citizens Budget is not published.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No Citizen's Budget is provided

Comments: Researcher: There are plans to introduce a Citizens Budget of some form, in association with the EITI and OGP processes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

65: How is the Citizens Budget disseminated to the public?

- a. (100) A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).
- b. (67) A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.
- c. (33) A Citizens Budget is disseminated only by using one means of dissemination.
- d. (0) A Citizens Budget is not published.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No Citizens' Budget produced

Comments: Researcher: There are plans to introduce a Citizens Budget of some form, in association with the EITI and OCP processes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

66: Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

- a. (100) Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, and these mechanisms are accessible and widely used by the public.
- b. (67) Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget; while these mechanisms are accessible they are not widely used by the public.
- c. (33) Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.
- d. (0) No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No Citizens' Budget produced

Comments: Researcher: There are plans to introduce a Citizens Budget of some form, in association with the EITI and OCP processes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

67: Are "citizens" versions of budget documents published throughout the budget process?

- a. (100) A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).
- b. (67) A citizens version of budget documents is published for at least two of the four stages of the budget process.
- c. (33) A citizens version of budget documents is published for at least one stage of the budget process.
- d. (0) No citizens version of budget documents is published.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No citizens' budget has been produced at any stage of the Budget cycle to date

Comments: Researcher: There are plans to introduce a Citizens Budget of some form, in association with the EITI and OGP processes, perhaps linked with CIMC National and Regional consultation processes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

68: Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. (100) Yes, the In-Year Reports present actual expenditures by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.
- c. (33) Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.
- d. (0) No, the In-Year Reports do not present actual expenditures by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

69: Do the In-Year Reports present actual expenditures for individual programs?

- a. (100) Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.
- b. (67) Yes, the In-Year Reports present actual expenditures for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the In-Year Reports do not present actual expenditures by program.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

70: Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. (100) Yes, comparisons are made for expenditures presented in the In-Year Reports.
- b. (0) No, comparisons are not made for expenditures presented in the In-Year Reports.
- c. Not applicable/other (please comment).

Answer: b.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

71: Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

- a. (100) Yes, In-Year Reports present actual revenue by category.
- b. (0) No, In-Year Reports do not present actual revenue by category.
- c. Not applicable/other (please comment).

Answer: b.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

72: Do In-Year Reports present the individual sources of revenue for actual revenues collected?

- a. (100) Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.
- b. (67) Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, In-Year Reports present individual sources of actual revenue accounting for less than two-thirds of all revenue.
- d. (0) No, In-Year Reports do not present individual sources of actual revenue.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No In-Year Reports have been produced for several years

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

73: Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. (100) Yes, comparisons are made for revenues presented in the In-Year Reports.
- b. (0) No, comparisons are not made for revenues presented in the In-Year Reports.
- c. Not applicable/other (please comment).

Answer: b.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

74: Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

- a. (100) Yes, all three estimates related to government borrowing and debt are presented.
- b. (67) Yes, two of the three estimates related to government borrowing and debt are presented.
- c. (33) Yes, one of the three estimates related to government borrowing and debt are presented.
- d. (0) No, none of the three estimates related to government borrowing and debt are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

75: Do In-Year Reports present information related to the composition of the total actual debt outstanding? (The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

- a. (100) Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.
- b. (67) Yes, the core information is presented for the composition of the total actual debt outstanding.
- c. (33) Yes, information is presented, but it excludes some core elements.
- d. (0) No, information related to composition of total actual debt outstanding is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: No In-Year Reports have been produced for several years

Comments: Researcher: No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used; With all Departments now reported on the new Integrated Financial Management System (IFMS) and now starting to be piloted in the provinces, hopefully In-Year reports will recommence again.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

76: Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

- a. (100) Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.
- b. (67) Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.
- c. (33) Yes, the estimates for macroeconomic forecast have been updated, but an explanation of the differences between the original and updated forecast is not presented.
- d. (0) No, the estimates for macroeconomic forecast have not been updated.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Mid-Year Economic and Fiscal Outlook Report 2016, International economic outlook (page 2), Domestic Economic Outlook (page 5)

http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The 2016 Mid-year Economic and Fiscal Outlook Report (MYEFO) provides an updated macro-economic forecast, providing contrasts between forecasts (in the 2016 Budget) and the mid-year position and some explanation for the prevailing circumstances, both externally or domestically determined

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

77: Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

- a. (100) Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.
- b. (67) Yes, expenditure estimates have been updated, and an explanation of some of the differences between the original and updated expenditure estimates is presented.
- c. (33) Yes, expenditure estimates have been updated, but an explanation of the differences between the original and updated expenditure estimates is not presented.
- d. (0) No, expenditure estimates have not been updated.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Mid-Year Economic and Fiscal Outlook Report 2016, 1.4 EXPENDITURE AND NET LENDING (page 18), 1.5 STATUS OF TRUST ACCOUNTS (page 20), Table 2: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING (Kina, million) (page 31), PART 2 MID YEAR EXPENDITURE ESTIMATES

BY AGENCY (page 35) http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The 2016 report provides updated mid-year aggregate expenditure outturn and revised 2016 estimates, together with the 2016 Budgeted figures, and a more detailed summary of expenditure and trust funds, including the District Grants (DSIP), together with an explanatory narrative, and presentation of risks to the 2016 Budget and details of expenditure by agency in Part 2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

78: Does the Mid-Year Review of the budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. (100) Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Mid-Year Review presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: Mid-Year Economic and Fiscal Outlook Report 2016, by summary overall administrative, economic and briefly sectoral classifications, Table 12 Total Government Domestic Funding by Economic Item and Agency (page 19) and TABLE 2: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING (page 31), by administrative classification, Part 2, MID YEAR EXPENDITURE ESTIMATES BY AGENCY (page 35 onwards), and (briefly) for selected priority expenditure focuses by sector, Table 20: Total Expenditure by Priority Sectors excluding Loans & Grants (page 39); Part 3 Attachments, Summary and full administrative expenditure details per Department, Statutory Authority and Provincial Government, broken up between operational: personal emoluments and goods and services; and capital investment: personal emoluments and goods and services (page 1-9) http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The report provides expenditure estimates (including from Trust Funds) by administrative and economic, plus a simple sectoral classification, in summary and more comprehensive form, and with various different summary analyses provided, notably in part 2 attachments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

79: Does the Mid-Year Review of the budget present expenditure estimates for individual programs?

- a. (100) Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Mid-Year Review presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Mid-Year Review does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Mid Year Economic and Fiscal Outlook Report 2016 http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: There is no breakdown by program in the 2016 Mid-year Economic and Fiscal Outlook report. It's broken down by agencies, and then further broken down into operational and capital expenditure, and then further into personnel emoluments and goods and services. Only a very small number of government 'priority' priority expenditure, including various programs are specified, notably in Table 17 in the Appendices: Summary by Government Priorities, and in the tables under .5 STATUS OF TRUST ACCOUNTS (page 12)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

80: Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

- a. (100) Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.
- b. (67) Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.
- c. (33) Yes, revenue estimates have been updated, but an explanation of the differences between the original and updated revenue estimates is not presented.
- d. (0) No, revenue estimates have not been updated.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Mid Year Economic And Fiscal Outlook Report 2016, #1.3 TOTAL REVENUE AND GRANTS, (page 14), Tables 3-9 for different taxes and other revenue sources (plus grants), and TABLE 1(I): CENTRAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (using 2014 GFS classification) and TABLE 1 (II): CENTRAL GOVERNMENT REVENUE AND GRANTS 1986 GFS CLASSIFICATION (on pages 29-30)

http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The Mid Year Report does include updated revenue data to mid-year and estimates for the full fiscal year and provides information on changes from the original enacted levels.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

81: Does the Mid-Year Review of the budget present revenue estimates by category (such as tax and non-tax)?

- a. (100) Yes, the Mid-Year Review presents revenue estimates by category.
- b. (0) No, the Mid-Year Review does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Mid Year Economic And Fiscal Outlook Report 2016, #1.3 TOTAL REVENUE AND GRANTS, (page 14), Tables 3-9 for different taxes and other revenue sources (plus grants), and TABLE 1(I): CENTRAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (using 2014 GFS classification) and TABLE 1 (II): CENTRAL GOVERNMENT REVENUE AND GRANTS 1986 GFS CLASSIFICATION (on pages 29-30)

http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The Mid Year Economic Report does break up the Taxes, notably in Table 1 (I & II) of the Fiscal Outturn Tables and Tables 3-9 in the main text, by taxes on Income and profits, goods and services, international trades and non tax revenues such property income, interest and fees etc. Tax revenue and non-tax revenue (plus grants) are also presented by category.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

82: Does the Mid-Year Review of the budget present individual sources of revenue?

- a. (100) Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Mid-Year Review presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Mid-Year Review presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Mid-Year Review does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Mid-Year Economic and Fiscal Outlook Report 2016 TABLE 1(I): CENTRAL GOVERNMENT REVENUE (2014) ECONOMIC CLASSIFICATION and TABLE 1 (II): CENTRAL GOVERNMENT REVENUE AND GRANTS 1986 GFS CLASSIFICATION (pages 29-30), #1.3 TOTAL REVENUE AND GRANTS, Tables 3-9 (page 14 onwards) http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20

Comments: Researcher: The Mid Year Report does provide individual sources of revenue, from different Tax and Non Tax sources (and grants)

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Not Qualified

83: Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

- a. (100) Yes, estimates of government borrowing and debt have been updated, and information on all of the differences between the original and updated estimates is presented.
- b. (67) Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.
- c. (33) Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.
- d. (0) No, estimates of government borrowing and debt have not been updated.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: Mid Year Economic and Fiscal Outlook Report 2016. # 1.6 FINANCING (page 25) text and Tables 15-17 and # 1.7 PUBLIC DEBT (page 26) text and Table 18. In #1.10, Fiscal Outturn Tables, TABLE 3 (I) (page 29): TRANSACTIONS IN ASSETS AND LIABILITIES FOR CENTRAL GOVERNMENT (including external and domestic liabilities) and TABLE 2 (page 31): CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING
http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2016%20Mid%20Year%20Economic%20)
Comments: Researcher: Estimates of Governments borrowing and debts are updated in the Mid Year Report. Table 3 (I) in the fiscal outturn tables, provides details of new borrowing and amortisation, as budgeted, mid-year and estimates for the full year, and summarised in tables 15-17 in the main text, with net borrowing (external and domestic), Table 18 provides a summary of the prevailing mid-year debt level and forecast by year end. Table 2 in the fiscal outturn tables provides the cost of debt servicing. There is brief information on the maturity of borrowing under domestic funding (page 25), but nothing on interest rates. The forward estimates are on assumptions based on information available at the time of the publication. Some degree of uncertainty is attached to the estimates, with concern over levels of contingent liabilities, and debt levels carried by SOEs carrying sovereign liability.

Peer Reviewer

Opinion: Agree with Comments

Comments: There isn't a summary page that meets all of the criteria for this questions. Most of the information is reported however, a summary of the interest rates by debt instrument is not available. the researcher also points out that contingent liabilities, guarantees and debt levels of SOEs are also of concern.

Government Reviewer

Opinion: Not Qualified

84: Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

- a. (100) Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.
- d. (0) No, estimates of the differences between the enacted levels and the actual outcome for expenditures are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Sources: Final Budget Outcome Report 2015, # 1.3 EXPENDITURE AND NET LENDING (page 8), text and Table 8: Expenditure by Funding Source 2014-15, Table 9: Expenditure by Agency Type 2014-15; TABLE B (page 20): CENTRAL GOVERNMENT EXPENDITURE; PART 2 (p22) FINAL BUDGET OUTCOME BY AGENCY, provides summarised and detailed expenditure agency by agency/
http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf) Fiscal Responsibility Act 2006 <http://www.treasury.gov.pg/html/legislation/files/acts/PNGFR...>

([http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No\[1\].9-2006.pdf](http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf))

Comments: Researcher: The Final Budget Outcome Report provides both summary and detailed Budgeted figures, supplementary budget adjusted figures and expenditure outcome to year end, plus accompanying narrative. Under the Fiscal Responsibility Act the Year-End Report is required to be released by 31st March in the subsequent year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

85: Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

- a. (100) Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).
- b. (67) Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.
- c. (33) Yes, the Year-End Report presents expenditure estimates by only one of the three expenditure classifications.
- d. (0) No, the Year-End Report does not present expenditure estimates by any expenditure classification.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: Final Budget Outcome Report 2015, #1.3 EXPENDITURE AND NET LENDING, tables 8- 12 (pages 9-11) are essentially summary administrative expenditure tables; TABLE B (page 20): CENTRAL GOVERNMENT EXPENDITURE, is broken by administrative types and summary economic classifications; PART 2 FINAL BUDGET OUTCOME BY AGENCY, Table 18 Expenditure by Sectors (page 23) with accompanying text: Tables 19-29 provide a detailed listing agency by agency, divided by sector and broken down into capital and operation, personnel emoluments and goods and services, with attachments A-D (pages 64-85) providing details by administrative units, Departments, Statutory Authorities and Provinces, with the latter broken up into economic and some functional categorisation

Comments: Researcher: The end of year expenditure is provided by Administrative and Economic classification in summary and in detail in the subsequent tables, where there's also a sector break up, and for the provinces some functional references (but that's really related to specific functional grnats, rather than the system of classification). There is no overall breakdown of the entire budget in aggregate of by Agency by functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

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

- a. (100) Yes, the Year-End Report presents estimates for programs accounting for all expenditures.
- b. (67) Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.
- c. (33) Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.
- d. (0) No, the Year-End Report does not present expenditure estimates by program.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome Report 2015; #1.7 TRUST ACCOUNTS (page 16) Appendix 3, page 89,Table A3: Actual Expenditure and Project Status of major Public Investment Program Projects, provides an update on a selection of major programs under the Capital Investment Program (PIP), Appendix 1 – Movements of Funds in Trust Accounts 2015 provides an update on expenditure on projects funded under Trust Funds.
http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: The only programs referred to are for a selected number of major Capital Projects under the Public Investment Program of 2015 (Table A1), and for some of those administered through Trust Funds, with Tables A1 (and A2 for the DSIP) 21 (of the main text) providing some details of the movements in Trust funds and the District Grants (under DSIP), and a short narrative under Trust Funds in the main text.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

87: Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

- a. (100) Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all revenues are presented.
- d. (0) No, estimates of the differences between the enacted levels and the actual outcome for revenues are not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Final Budget Outcome Report 2015, # 1.2 REVENUE (page 5-8) Tables 2-7 with narrative, and TABLE A (page 19) : CENTRAL GOVERNMENT REVENUE with 2015 Budget, adjusted Budget (with Supplementary Budget) and End of Year revenue outcome

http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: Table 2 (on page 5) provides a summary of the original revenue Budget, the revised 2015 Budget (following the Supplementary Budget) and the 2015 revenue outcome from tax, revenue, grants and Tax Credit scheme (note: the latter scheme has been discontinued under the revenue figures from 2016 under the 2014 GFS methodology). Subsequent tables 3-7 provide more details of tax and non-tax revenue, on the same basis, with Table A providing details in a single table.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

88: Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

- a. (100) Yes, the Year-End Report presents revenue estimates by category.
- b. (0) No, the Year-End Report does not present revenue estimates by category.
- c. Not applicable/other (please comment).

Answer: a. (100)

Sources: Final Budget Outcome Report 2015, # 1.2 REVENUE (page 5-8) the summary Table 2 (with accompanying narrative) differentiates Tax and Non-Tax (etc) revenue, Table 3 is the summary of main categories of Tax revenue, Table 7 summarises Non-Tax Revenue, and grants are included in the narrative (page 8). TABLE A (page 19) : CENTRAL GOVERNMENT REVENUE provides totals and further breakdown of tax and non-tax revenue.

http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: Table 2 (on page 5) provides a summary of the revenue categories in the 2015 Budget. Subsequent tables 3-7 provide more details of tax and non-tax revenue, on the same basis, with Table A provides more details in a single table.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

89: Does the Year-End Report present individual sources of revenue?

- a. (100) Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.
- b. (67) Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.
- c. (33) Yes, the Year-End Report presents individual sources of revenue accounting for less than two-thirds of all revenues.
- d. (0) No, the Year-End Report does not present individual sources of revenue.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Final Budget Outcome 2015, # 1.2 REVENUE (page 5-8) the summary Table 3 (with accompanying narrative) differentiates the categories of Tax revenue, Table 4-6 further breaks down Tax revenue into components of income and profits taxes, domestic trade and international trade taxes, Table 7 breaks up the Non-Tax Revenue. TABLE A (page 19) : CENTRAL GOVERNMENT REVENUE provides totals and further breakdown between and within categories of tax and non-tax revenue. http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: Tables 4-7 (and accompanying narrative) provide a breakdown of the tax and non-tax revenue sources, which are also provided in a single Table A. These remain summarised figures and the Fiscal Outturn report does not provide the itemised revenue and revenue sources provided in the Executive's Budget Proposal Department and Agency by Agency, or details of non-budgetary income.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

90: Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

- a. (100) Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.
- d. (0) No, estimates of the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year is not presented.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Final Budget Outcome Report 2015. # 1.4 FINANCING and #1.5 PUBLIC DEBT (pages 12-15), notably Table 11: External Borrowing and Principal Repayments 2014 - 2015, Table 12: Domestic Borrowing and Principal Repayments 2014 - 2015, Table 13: Summary of Net Borrowings 2015, Table 14: Interest and Fees, Table 15: Public Debt 2014 - 2015, and TABLE C (page 21): CENTRAL GOVERNMENT FINANCING, which details revenue and borrowing and amortisation in a single table, and TABLE B (page 20): CENTRAL GOVERNMENT EXPENDITURE, which provides details of interest payments http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: The Fiscal Outturn Report provides tables and narrative detailing the original budget, revised budget (from the 2015 Supplementary Budget) and budget outcome for 2015, including net new borrowing, level of total public debt and interest and fees paid, with some explanation of the variations between the Budget estimate and the (estimated) final budget outcome. It provides details of external and domestic debt, but does not provide details of interest rates applicable or maturity profile of the debt (other than a brief reference in the narrative to the preponderance and relatively high cost of shorter term borrowing through Treasury Bills, in the face of below forecast tax revenue) .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

91: Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

- a. (100) Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented.
- d. (0) No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome Report 2015, # 1.1 (page 4) CENTRAL GOVERNMENT FISCAL OPERATIONS 1.2 REVENUE (pages 5-8) # 1.4 FINANCING and #1.5 PUBLIC DEBT (pages 12-15), 1.3 EXPENDITURE AND NET LENDING (page 8)
http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: Macroeconomic details are not provided in the Fiscal Outturn Report, either details of the Budget forecasts or the the actual outcome, except a few brief references to the lower commodity prices and El Nino effect leading to lower tax revenue (pages 4, 6 and 8); (unlike the Mid-Year Economic and Fiscal Outlook report, which contains macro-economic data and narrative, the Fiscal Outturn Report is strictly a Fiscal report).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

92: Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

- a. (100) Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, but a narrative discussion is not included.
- c. (33) Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.
- d. (0) No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome Report 2015, http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: The Fiscal Outturn Report restricts itself solely to financial data and narrative, and provides no detail on non-financial inputs and outputs

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

93: Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

- a. (100) Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, but a narrative discussion is not included.
- c. (33) Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.
- d. (0) No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome Report 2015 http://www.treasury.gov.pg/html/national_budget/files/2013/b...
(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: The Fiscal Outturn Report restricts itself to financial data only, with no information on the non-financial inputs/outputs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

94: Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

- a. (100) Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented.
- d. (0) No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome 2017. PART 2 FINAL BUDGET OUTCOME BY AGENCY #2.2 Expenditure by Sectors (page 22), ATTACHMENT D Provinces – Grants, Personnel Emoluments, and Goods & Services (page 69), Appendix 1 (page 86) Movements of Funds in Trust Accounts 2015, Appendix 2 (page 87) Movements of Funds for DSIP Trust Accounts and Appendix 3, Table A3: Actual Expenditure and Project Status of major Public Investment Program Projects (page 89) http://www.treasury.gov.pg/html/national_budget/files/2013/b...

(http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: There is no specific details of policies, let alone policies for the impoverished, provided in the Final Budget Outcome report, nor of assessing their performance, however some assessment may be gained from examining specific sectoral, administrative expenditure details. Part 2, # 2.2 there details of sectoral allocations and the variation between Budget allocations and outcomes, including priority sectors and programs aimed, in part, at assisting lower income earners, such as Tuition fee free education and free primary health care, and community development; Attachment D also includes details of equalised funding for activities at the sub-national level, which provides most of the critical community services (including for remote and disadvantage areas), Appendix 1-3 provide details of the Trust Funds and major public investment projects, including the District Services Improvement Program, which (purportedly) provides an equal allocation to all 89 district around the country (so is not specifically designed to assist disadvantaged populations, but should, in theory, restore and upgrade districts which may have been barely funded hitherto. Under the PIP it includes the Govt-Church Partnership program aimed, in part, at assisting remoter and more disadvantaged communities and households. The Functional Grants are allocated to all provinces, but have been adjusted partly to ameliorate the large inequalities between provincial funding.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

95: Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

- a. (100) Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.
- b. (67) Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.
- c. (33) Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.
- d. (0) No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Final Budget Outcome 2017. Appendix 1 – Movements of Funds in Trust Accounts 2015 Table A1 Movement of funds in Trust Accounts 1st January to 31st December 2015 (pages 86-88) and narrative (pages 16-18) http://www.treasury.gov.pg/html/national_budget/files/2013/b... (http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: The major extra-budgetary funds are the Sovereign Wealth Fund, including Savings fund, but this was not yet operational in 2015; (the agricultural Stabilisation funds are growers' funds managed by Statutory Authorities, but the balances in each of the funds in any case is low or zero). A few Statutory Authorities, such as National Fisheries Authority and certain Commodity Board (using their levies etc) and SOE's operate extra-budgetary funds, in terms of revenue and expenditure, but rules have been made more specific for SAs and SOEs, including with respect to transfers to the State; In any case no details are provided in the Year-End Report on these. Trust Funds are generally deemed to be in-budget (rather than Extra-budgetary) funds, and the majority are incorporated in the budget process, with opening and year-end balances recorded, including in the Year-End Report (notably # 1.7 (Page 16) and Appendix 1. However, some trust fund balances are excluded from balances shown in #1.7 and Appendix 1 and some Trust Funds were explicitly established, notably in 2007/8, to bypass the Budgetary process. Although, Treasury and Finance Department have been active in seeking to rein the aberrant funds, there remains work ahead on this

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

96: Is a financial statement included as part of the Year-End Report or released as a separate report?

- a. (100) Yes, a financial statement is part of the Year-End Report or is released as a separate report.
- b. (0) No, a financial statement is neither part of the Year-End Report nor released as a separate report.
- c. Not applicable/other (please comment).

Answer: b.

Sources: Final Budget Outcome 2017. http://www.treasury.gov.pg/html/national_budget/files/2013/b... (http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2015%20FBO%20-%20Final.pdf)

Comments: Researcher: Tables 1-2 of the of the Fiscal Outturn Tables provides summaries of the central government revenue, expenditure and net lending and the Budget balance, as well as some details of Central Government Financing in Table 3, and debt level, which comprise a component of a financial statement, but there is no detailed financial statement or no associated provision of a balance sheet including presentation of Government's net worth. (The figures are also not audited)

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Not Qualified

97: What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

- a. (100) The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.
- b. (67) The SAI has conducted two of the three types of audits, and made them available to the public.
- c. (33) The SAI has conducted one of the three types of audits, and made them available to the public.
- d. (0) The SAI has not conducted any of the three types of audits, or has not made them available to the public.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Part 2. PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY ASSESSMENT (PEFA) - IMF 2015 G. External scrutiny and audit <http://www.finance.gov.pg/wp-content/uploads/2016/10/PEFA%2015-2018%20Road%20Map%20and%20Assessment.pdf>) Section 7 (2A) of the Audit Act, 1989 requires that the Auditor-General reports on: (a) Whether the financial statements, to which the report relates, are based on proper accounts and records; (b) Whether the financial statements, to which the report relates, are in agreement with the accounts and records and whether they show fairly the financial operations for the period which they cover and the state of affairs as at the end of that period; (c) Whether the receipt and payment and investment of moneys and the acquisition and disposal of assets during the year have been in accordance with the Public Finances (Management) Act; and (d) Such other matters arising out of the financial statements, to which the report relates, as the Auditor-General considers should be reported. Part 1, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2011 on the Public Account of Papua New Guinea <http://www.ago.gov.pg/docs/reports/PartI2011> (<http://www.ago.gov.pg/docs/reports/PartI2011>) Part 2, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2013 and 2014, National Government Departments and Agencies <http://www.ago.gov.pg/docs/reports/2014PartII> (<http://www.ago.gov.pg/docs/reports/2014PartII>) Part 3 Report of the Auditor-General 2011 – 2013 Auditor-General's Office of Papua New Guinea on the Accounts of Provincial and Local-level Governments and associated entities <http://www.ago.gov.pg/docs/reports/PartIII2013> (<http://www.ago.gov.pg/docs/reports/PartIII2013>) Part 4 Report of the Auditor-General 2015, Auditor-General's Office of Papua New Guinea on the Accounts of Public Authorities and Statutory Bodies established under the Act of Parliament and Government Owned Companies established under the Companies Act <http://www.ago.gov.pg/docs/reports/2015PartIV> (<http://www.ago.gov.pg/docs/reports/2015PartIV>) Performance Audits: to make the reports more timely and meaningful to the public, the SAI has been undertaking at least one Performance Audit and Special Review Reports per annum. Reports to date comprise:- Report No. 1: The Effectiveness of Solid Waste Management in Papua New Guinea Report No. 2: Access to Safe Drinking Water in the National Capital District Report No. 3: District Services Improvement Program Report No. 4: Management and Reporting of Trust Accounts Report No. 5: Review of the Integrated Financial Management System (IFMS) Project Report No. 6: Budget Appropriations and Warrant Authority Reports 3, 5 and 6 are attached as examples; Report 6 (released in 2016) is an examination of the Budget Process itself for 2013 (including in-year reallocations and deficiencies, etc) , pertinent to the OBS process

Comments: Researcher: The Annual Audits, as contained in the SAI's audit reports of the Public Accounts and Specific Departments, Provincial Governments (etc), Authorities and State Enterprises, cover financial and regulatory components and compliance. The SAI also has been undertaking at least one Performance Audit and Special Review Reports per annum, as highlighted under 'sources' above. However, on the basis of the delays in publishing (most of) the audit reports, it is recorded as not meeting the required criteria, hence 'D'. Most of the audits reports have not been released to the public in a timely manner to meet the requirements of this survey, although in many cases the reports were prepared by the SAI within the 18 month deadline. Although audits for BY-2 have been completed partially, they have not yet been presented to the Legislature or (therefore been allowed to be) released to the public. There is both a severe lag in government Departments/agencies submitting financial statements for audit, and the Supreme Audit being able to complete the audit and have the Legislature table them, for them to become public documents. Only a portion of the whole government budget for BY-3 has been released to the public. Part 4, covering State Authorities and SOEs, however, has been tabled and published for 2015, within the deadline, although the audits for some of the organisations contained in the report were still long overdue. From the PEFA 2015 Assessment (from IMF): PI-29. Independence and external audit of the government's financial statements "This indicator assesses the quality of the external audit function and the degree to which audits identify and promote changes to address systemic issues. Summary of Scores (scoring Method M1): - Independence and external audit of the government's financial statements 2015: Assessment: Overall Score D+ (i) A: There is annual coverage of all government entities, using professional standards and highlighting material issues and systemic risks. (ii) D In the last three years there has been a delay of at least 12 months between submission of the Public Accounts to AGO and the submission of the statements along with the audit report. (iii) C There is some evidence of systematic follow up of AGO reports but it may not be timely. (iv) C The AGO has adequate independence except for the determination of its budget and staffing numbers."

Peer Reviewer**Opinion:** Agree with Comments

Comments: I have checked the documentation uploaded by the researcher BUT have not been able independently verify this as the Auditor General website is not available and there are no other sources accessible. However, PEFA 2015, point 168, states that there has been a delay of at least one year in tabling the audit reports on the government's financial statements and has provided a table to support this claim. As per Open Budget Survey Guidelines on the Public Availability of Budget Documents, August 2016, the audit reports should be tabled no later than 18 months after the end of the fiscal year to which it corresponds. As none of the ARs presented to Parliament correspond to that timeframe, the documents are not available publicly and a 'd' score is appropriate.

Government Reviewer**Opinion:** Not Qualified

98: What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

- a. (100) All expenditures within the SAI's mandate have been audited.
- b. (67) Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.
- c. (33) Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.
- d. (0) No expenditures have been audited.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Part 1, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2011 on the Public Account of Papua New Guinea <http://www.ago.gov.pg/docs/reports/PartI2011> (<http://www.ago.gov.pg/docs/reports/PartI2011>) Part 2, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2013 and 2014, National Government Departments and Agencies <http://www.ago.gov.pg/docs/reports/2014PartII> (<http://www.ago.gov.pg/docs/reports/2014PartII>) Part 3 Report of the Auditor-General 2011 – 2013 Auditor-General's Office of Papua New Guinea on the Accounts of Provincial and Local-level Governments and associated entities <http://www.ago.gov.pg/docs/reports/PartIII2013> (<http://www.ago.gov.pg/docs/reports/PartIII2013>) Part 4 Report of the Auditor-General 2015, Auditor-General's Office of Papua New Guinea on the Accounts of Public Authorities and Statutory Bodies established under the Act of Parliament and Government Owned Companies established under the Companies Act <http://www.ago.gov.pg/docs/reports/2015PartIV> (<http://www.ago.gov.pg/docs/reports/2015PartIV>) Performance Audits: to make the reports more timely and meaningful to the public, the SAI has been undertaking at least one Performance Audit and Special Review Reports per annum. Reports to date comprise:- Report No. 1: The Effectiveness of Solid Waste Management in Papua New Guinea Report No. 2: Access to Safe Drinking Water in the National Capital District Report No. 3: District Services Improvement Program Report No. 4: Management and Reporting of Trust Accounts Report No. 5: Review of the Integrated Financial Management System (IFMS) Project Report No. 6: Budget Appropriations and Warrant Authority

Comments: Researcher: As most of the audits have not been released to the public in a timely manner to meet the requirements of this survey (despite, in many cases, being prepared within the time framework), it has been marked as 'D' However, part 4 of the Report for BY-1 being released within 18 months for Authorities and SOEs. A major portion of government entities and public funds have been subject to the audit process over the past year, albeit that the reports have not been published in a timely manner, and albeit that for a substantial portion of government entities the audit process is still working through a backlog of earlier years' accounts, perhaps in a somewhat unsystematic manner, leaving a large portion of BY-2 accounts unaudited. Lack of funding and capacity at the SAI to address the current and accumulated backlog of accounts, combined with poor capacity and compliance to submit accounts for audit in a well-prepared and timely manner by many of the roughly 1,000 government entities involved, and procedural restraints, notably requiring the tabling of the reports in the Legislature before they can be released to the public, all combine to restrain the timely coverage of audits of public finance and state institutions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

99: What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

- a. (100) All extra-budgetary funds within the SAI's mandate have been audited.
- b. (67) Extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.
- c. (33) Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.
- d. (0) No extra-budgetary funds have been audited.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Part 1, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2011 on the Public Account of Papua New Guinea <http://www.ago.gov.pg/docs/reports/PartI2011> (<http://www.ago.gov.pg/docs/reports/PartI2011>) Part 2, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2013 and 2014, National Government Departments and Agencies <http://www.ago.gov.pg/docs/reports/2014PartII> (<http://www.ago.gov.pg/docs/reports/2014PartII>) Part 3 Report of the Auditor-General 2011 – 2013 Auditor-General's Office of Papua New Guinea on the Accounts of Provincial and Local-level Governments and associated entities <http://www.ago.gov.pg/docs/reports/PartIII2013> (<http://www.ago.gov.pg/docs/reports/PartIII2013>) Part 4 Report of the Auditor-General 2015, Auditor-General's Office of Papua New Guinea on the Accounts of Public Authorities and Statutory Bodies established under the Act of Parliament and Government Owned Companies established under the Companies Act <http://www.ago.gov.pg/docs/reports/2015PartIV> (<http://www.ago.gov.pg/docs/reports/2015PartIV>) Performance Audits: Report No. 3: District Services Improvement Program Report No. 4: Management and Reporting of Trust Accounts

Comments: Researcher: Most of the audits have not been released to the public in a timely manner to meet the requirements of this survey. However, much of the extra-budgetary funds are held by the Statutory Authorities and SOEs, which have been audited for 2015 within the allowable reporting timeframe for the Survey. Some have fallen under the Performance and special purpose audits conducted by the SAI in recent years. As stated in the 2015 PEFA report (undertaken by the IMF) "Various statutory bodies collect significant amounts of own-source revenue, which are not generally reported in the budget documents or the annual public accounts. A list provided by the DoF indicates there are some 138 such national bodies of varying size and importance. About half of these bodies receive budget funding but also retain significant amounts of own-source revenue. These entities include the Housing Corporation, the Civil Aviation Authority, the Airport Authority and the National Roads Authority. Each statutory body prepares separate financial statements which disclose their overall financial operations, both budget-funded and financed from own-source revenue. A review of these financial statements is provided in Part 4 of the Auditor-General's annual report on public bodies and national government owned companies but no consolidated financial information is presented Trust Accounts. The budget documents and public accounts include many hundreds of trust accounts which are used in some cases to by-pass the annual appropriations process under which appropriations lapse at the end of the fiscal year. A 2013 performance audit by the AGO on trust account operations notes the limited scrutiny of their operations and the difficulty of identifying all trust accounts. Data on the balances of unknown trust accounts are not available. External sources of finance. A number of private donors

including for example, the Clinton Foundation and the Global Foundation for Health provide funding to various national health and education programs. These funds are not shown in the budget documents and departmental appropriations and are retained by those departments. Nor is the expenditure from these funds recorded in government accounting reports. " Despite recent efforts by some institutions to exempt themselves from the purview of the Supreme Audit, the Constitution of Papua New Guinea does not limit the SAI, and indeed requires it to audit (or commission audits on) all public bodies, including those set up by an act of Parliament etc (unless specific law specifies otherwise) and even then the SAI has the power to inspect if it chooses, wherever public funds are entailed. With SOEs it has the power to undertake audits under specific legislation (notably the Public Finances (Management) Act and the Audit Act) However, there remains a major backlog, with only minority of Statutory Bodies and SOEs had completed their audits by mid BY-2, as required by law, and for BY-4 only still less than 1/2 had completed their audits. The performance audits only scratch the surface, with Trust Funds (and District Grants), which should all be within-budget, rather than extra-budget, however, in many cases have been designed to operate as the latter. The introduction and rolling out of updated and better synchronised financial classifications and managements systems over the past 3 years, should improve the tracking of public funds by Government (Finance Dept) and through the audit process

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

100: Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

- a. (100) Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.
- b. (0) No, the annual Audit Report(s) does not include an executive summary.
- c. Not applicable/other (please comment).

Answer: b.

Sources: Part 1, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2011 on the Public Account of Papua New Guinea <http://www.ago.gov.pg/docs/reports/PartI2011> (<http://www.ago.gov.pg/docs/reports/PartI2011>) Part 2, REPORT OF THE AUDITOR-GENERAL, Report of the Auditor-General 2013 and 2014, National Government Departments and Agencies <http://www.ago.gov.pg/docs/reports/2014PartII> (<http://www.ago.gov.pg/docs/reports/2014PartII>) Part 3 Report of the Auditor-General 2011 – 2013 Auditor-General's Office of Papua New Guinea on the Accounts of Provincial and Local-level Governments and associated entities <http://www.ago.gov.pg/docs/reports/PartIII2013> (<http://www.ago.gov.pg/docs/reports/PartIII2013>) Part 4 Report of the Auditor-General 2015, Auditor-General's Office of Papua New Guinea on the Accounts of Public Authorities and Statutory Bodies established under the Act of Parliament and Government Owned Companies established under the Companies Act <http://www.ago.gov.pg/docs/reports/2015PartIV> (<http://www.ago.gov.pg/docs/reports/2015PartIV>) Performance Audits: to make the reports more timely and meaningful to the public, the SAI has been undertaking at least one Performance Audit and Special Review Reports per annum. Reports to date comprise:- Report No. 1: The Effectiveness of Solid Waste Management in Papua New Guinea Report No. 2: Access to Safe Drinking Water in the National Capital District Report No. 3: District Services Improvement Program Report No. 4: Management and Reporting of Trust Accounts Report No. 5: Review of the Integrated Financial Management System (IFMS) Project Report No. 6: Budget Appropriations and Warrant Authority

Comments: Researcher: At this stage, partly owing to the delays in being able to table the SIA's report to the Legislature, and therefore to be able to release it as a 'public document' to the public (under current requirements), most Parts of the annual Audit Report (including Part 1, the Audit of the Public Account), fail to meet the 18 month deadline required in this survey. However, in 2018, Part 3 of the Report covering Statutory Authorities and SOEs, etc, for 2015 have come within the time limit. In any case, the annual audits (and, incidentally, the performance and special purpose audits) do come with Executive Summaries and the performance audits, which focus on particular themes of public concern, have also incorporated more innovative presentations and summaries of key findings and recommendations, key themes etc, which could capture wider interest.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

101: Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

- a. (100) Yes, the executive reports publicly on what steps it has taken to address audit findings.
- b. (67) Yes, the executive reports publicly on most audit findings.
- c. (33) Yes, the executive reports publicly on some audit findings.
- d. (0) No, the executive does not report on steps it has taken to address audit findings.
- e. Not applicable/other (please comment).

Answer: d.

Sources: PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY ROAD MAP 2015 - 2018 and ASSESSMENT <http://www.finance.gov.pg/wp-content/uploads/2016/10/PEFA%20...> (<http://www.finance.gov.pg/wp-content/uploads/2016/10/PEFA%202015-2018%20Road%20Map%20and%20Assessment.pdf>) The main conclusion on External scrutiny and audit from the PEFA assessment in 2015 (the recommendations from which the Finance Minister stated will be implemented in full as part of the ROAD MAP 2015 - 2018): - "There is annual coverage of all government entities, using professional standards and highlighting material issues and systemic risks (apart from the delays and timelag in releasing the reports also recognised in the PEFA report). The Office of the Auditor General (AGO) undertakes financial, compliance and

performance audits. The audits follow a systems and risk-based approach. The Public Accounts Committee (PAC) holds in-depth hearings on the AGO's reports, and also makes recommendations, focusing on entities which have received adverse comments. There is little evidence, however, that the findings and recommendations of AGO or PAC reports are followed up systematically. This finding reflects the absence of effective accountability mechanisms in the Government, and the absence of legal recourse to impose penalties on non-complying officials for breaches of the law and financial misconduct."

Comments: Researcher: At this stage, partly owing to the delays in being able to table the SIA's report to the Legislature, and therefore to be able to release it as a 'public document' to the public (under current requirements), most Parts of the annual Audit Report (including Part 1, the Audit of the Public Account), fail to meet the 18 month deadline required in this survey. However, in 2018, Part 3 of the Report covering Statutory Authorities and SOEs, etc, for 2015 have coming within the time limit. As highlighted in the 2015 PEFA report, there's no systematic government system of response to the SAI's (and associated Public Accounts Committee's) reports. There's no formal response from the Executive, although there may be individual responses by Ministers to questions raised in Parliament in response during the tabling of the Audit reports, although they're almost always just tabled, but there may be a little more response following questioning and presentation of reports from the Parliamentary Public Accounts Committee (notably after it gains some media coverage). As highlighted in the Auditor General's reports a few (but surprisingly few) of the Government Departments/Agencies do respond to their draft institutional audit report and management letter from the SAI, upon a written invitation by the Auditor-General, and their responses (if any) are recorded in the Auditor report to Parliament, but there seem to be few or no repercussions, at this stage, from failure respond, institutionally, or by government as a whole; as the PEFA assessment highlights, this seems to indicate the absence of effective accountability mechanisms in the Government, and the absence of legal recourse...

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

102: Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

- a. (100) Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.
- b. (67) Yes, the SAI or legislature reports publicly on most audit recommendations.
- c. (33) Yes, the SAI or legislature reports publicly on some audit recommendations.
- d. (0) No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Report of the Auditor-General PART II - 2013 National Government Departments and Agencies On the controls and on transactions with or concerning the Public Monies and Properties of Papua New Guinea. <http://www.ago.gov.pg/docs/reports/2011PartII> (<http://www.ago.gov.pg/docs/reports/2011PartII>) Report of the Auditor-General - 2013 on the Accounts of Public Authorities and Statutory Bodies established under the Act of Parliament and Government Owned Companies established under the Companies Act <http://www.ago.gov.pg/docs/reports/PartIV2013> (<http://www.ago.gov.pg/docs/reports/PartIV2013>) Jurisdiction Report from the Parliamentary Public Accounts Committee, April 2013 (at an ACPAC Conference) highlighting the deficiencies of service delivery and governance, and the almost total failure to respond to reports from the SAI and rectify deficiencies identified year after year. <http://www.parliament.nsw.gov.au/prod/web/common.nsf/key/ACP...>

([http://www.parliament.nsw.gov.au/prod/web/common.nsf/key/ACPACDocuments/\\$FILE/Papua%20New%20G%20inea.pdf](http://www.parliament.nsw.gov.au/prod/web/common.nsf/key/ACPACDocuments/$FILE/Papua%20New%20G%20inea.pdf))

Comments: Researcher: Awaiting feedback from AGOs office and restoration of their website The public release of audits falls outside the time period allowed, partly because of the late tabling of Audit Reports in Parliament. The SAI does provide a management letter highlighting deficiencies identified in the audit and enabling the relevant Government department/agency to respond, advising what action it plans to do to address the issue. That response, if any, (and for the 2013 Audit Report on National Government Departments very few chose to respond) is then included in the final audit report submitted to the Legislature and then made available publicly. The Parliamentary Public Accounts Committee subsequently examines the audits for selected Government Depts/Agencies and holds Public Hearings with the management of those Departments (although recently in 2016 some have been held with the public denied attendance). The outcomes of the Hearing are usually made available during press statements from the Committee Chairman, however this is generally years after the expenditure has occurred. The failure by Government agencies to respond to Audits and management letters from the SAI, highlighting long standing governance and implementation deficiencies, is indicated in the (attached) short report by the PAC Chairman to a regional committee of Public Accounts Committees (ACPAC)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

103: Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

- a. (100) Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.
- b. (67) Yes, there is an IFI, but either its independence is not set in law or its staffing and resources, including funding, are insufficient to carry out its tasks.
- c. (33) Yes, there is an IFI, but its independence is not set in law and its staffing and resources, including funding, are insufficient to carry out its tasks.
- d. (0) No, there is no IFI.

e. Not applicable/other (please comment).

Answer: d.

Sources: The National Economic and Fiscal Commission (NEFC) is Fiscal Council type of IFI. It is a Constitutional Office, established at PNG's Independence under Sn 187H of the National Constitution to 'assess and monitor the economic and fiscal policies of the National Government, Provincial Governments and Local Level Government and make recommendations to Government and Parliament on financial allocations etc. For several years NEFC was inoperative but was restored in the early 2000s and has undertaken valuable annual studies of subnational financial and fiscal disbursement of functional grants at the sub-national level. It has a small staff of about 14 staff and undertakes valuable research and fund allocation, and has made significant impact on resource allocation and redistribution to the provincial level. It doesn't have pretensions however, to oversee overall national fiscal policy and its application, although its power (but not funding) could extend to cover wider fiscal management. <http://www.nefc.gov.pg/> (<http://www.nefc.gov.pg/>)

Comments: Researcher: The NEFC was established under the Organic Law on Provincial Governments and Local Level Governments (OLGPLLG). Article 187H - Constitution Article 117 - PNG Organic Law 117 (6) "In the exercise and performance of its powers, functions, duties and responsibilities, the National Economic and Fiscal Commission shall not be subject to direction or control by any person or authority."

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The main function of the NEFC is to provide independent policy advice to the national government on the distribution of operational (goods and services) grants to the provinces and to local-level governments which is perhaps 4- 5% of the total PNG budget (source: <http://nefc.gov.pg/ceo.html> (<http://nefc.gov.pg/ceo.html>)) and around 85% of the people the PNG that are in rural areas. The NEFC mission is to provide advice to the government on intergovernmental financing. The NEFC is an adviser to Government. Its role is to recommend how to distribute the function grants amongst the Provinces and LLGs. The Treasurer then makes a determination of how the function grants will be distributed based on the advice provided by NEFC. It would be difficult to accept that the NEFC can be categorised as an IFI. The Plans and Estimates Committee is charged with consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. However, there is no evidence that it has met with the NEC and influenced the budget. This committee does not meet the requirements for an IFI either.

Government Reviewer

Opinion: Not Qualified

Researcher response: I would have to agree with you that in practice this is how the NEFC has evolved, which is a valuable role/niche, including an input into the annual budget process, with respect to inter-governmental funding, and advising the Government and Parliament accordingly. Under the Constitution its role was envisaged as potentially having a wider remit (and certainly included more of an economic composition in late 70s/early 80s, including a Budget of its own to facilitate some budget reallocations, perhaps more aligned to IFI..but that wasn't the path it followed, or was allowed to follow. I have revised the score to "d".

104: Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

- a. (100) Yes, the IFI publishes its own macroeconomic and fiscal forecasts.
- b. (67) Yes, the IFI publishes its own macroeconomic or fiscal forecast.
- c. (33) No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.
- d. (0) No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Although NEFC has the powers and indeed responsibilities under the Constitution to undertake independent and longer term fiscal assessments, including assessments on prospective Natural resource revenue, over its existence it has concentrated only on the the total allocation and distribution of funds, notably under various specific mechanisms (notably the functional grants) made in the National Budget to the sub-national, notably Provincial level of government.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

105: Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

- a. (100) Yes, the IFI publishes its own costings of all new policy proposals.
- b. (67) Yes, the IFI publishes its own costings of major new policy proposals.
- c. (33) Yes, the IFI publishes its own costings of a limited number of new policy proposals.
- d. (0) No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.
- e. Not applicable/other (please comment).

Answer: d.

Sources: An annual fiscal report is released by the National Economic and Fiscal Commission (NEFC), (the latest being in relation to the 2017 Budget in hard copy, but not yet available online), but only addressees sub-national financing issues, including the equalisation component) but not wider fiscal policies and management. (the indication of the national Government appears to be to make the NEFC an integral part of the Treasury and Executive Government in future (as highlighted unspecifically in the 2017 Budget Speech - Volume 1, and more specifically in Volume 2 of the 2016 Budget proposal, National Reform Agenda: Chapter 7 Sn 7.2.2 and 2017 Chapter 8, Sn 8.2.2) ,

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

106: In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

- a. (100) Frequently (i.e., five times or more).
- b. (67) Sometimes (i.e., three times or more, but less than five times).
- c. (33) Rarely (i.e., once or twice).
- d. (0) Never.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Neither relevant Parliamentary Committee is meeting to consider the Budget proposal, prior to the Tabling of the Budget (except on the same morning at its tabling) and the NEFC does not meet with this committee during the year, although its annual Fiscal Report (which only covers Provincial level financing over the past year and how that determines subnational allocations also in the current year) is presented to all MPs at the time of the tabling of the Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

107: Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

- a. (100) Yes, the full legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.
- b. (67) Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.
- c. (33) Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.
- d. (0) No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.
- e. (0) Not applicable/other (please comment).

Answer: d.

Sources: The Public Finances (Management) Act Sn. 22.3 " Before any National Budget or Appropriation is prepared for Submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or Appropriation" The Committee with the responsibility for this function is the Plans and Estimates Committee. On the Open Parliament Website it states:- Functions of the Committee The Committee shall be established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. The Committee shall consist of seven Members. The quorum of the Committee shall be three. However, a member of that committee advises that "that committee is now non-functional....we have not met, or if they have it is without me"; ..."99% of Parliamentary Committees are absolutely useless and unfunded" http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) <http://www.parliament.gov.pg/index.php/work-of-committee/per...> (<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>)

Comments: Researcher: The Government argued that during 2016, with a Supplementary Budget tabled on 25th August, there was prior debate in the Legislature on some policies related to the 2017 Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

108: How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

- a. (100) The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.
- b. (67) The legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year.
- c. (33) The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.
- d. (0) The legislature receives the Executive's Budget Proposal less than one month before the start of the budget year, or does not receive it all.
- e. Not applicable/other (please comment).

Answer: b. (67)

Sources: It is standardly tabled in Parliament between 1-2 months of its date of application; For the 2017 Budget it was presented exactly 2 months in advance, on 1st November 2016, for application in the new fiscal year (1st Jan 2017)

http://www.treasury.gov.pg/html/national_budget/files/2017/2...

(http://www.treasury.gov.pg/html/national_budget/files/2017/2017%20Treasurer's%20Budget%20Speech.pdf)

Comments: Researcher: It is first presented to a Parliamentary Committee on the same day it is tabled in Parliament, just under two months in advance of its date of application. For the 2017 Budget tabling of the Proposal occurred on 1st November 2016, for application from the start of the new calendar year (1st Jan 2017)

Peer Reviewer

Opinion: Agree with Comments

Comments: PEFA 2015, point 6, states that 'Typically Parliament has less than one month in which to consider the budget. Given this short time period, and the absence of an effective committee to review the draft budget proposal, the scope of legislative scrutiny is very limited' (page 5).

Government Reviewer

Opinion: Not Qualified

109: When does the legislature approve the Executive's Budget Proposal?

- a. (100) The legislature approves the budget at least one month in advance of the start of the budget year.
- b. (67) The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.
- c. (33) The legislature approves the budget less than one month after the start of the budget year.
- d. (0) The legislature approves the budget more than one month after the start of the budget year, or does not approve the budget.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: The legislature annually approves the Budget during November, prior to its application for the new Budget year, from 1st January. In the case of the 2017 Budget it was passed on 8th November 2016, one week after being tabled in Parliament, and about 7 weeks before the commencement of the new Budget year. Sources: Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) <http://www.paclii.org/pg/Parliament/Parliamentary%20Standing...>

(<http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART>) XXI Debate and Minutes of the approval of the 2017

Budget by the Parliament on 8th December 2016 <http://www.parliament.gov.pg/uploads/hansard/8NOVEMBER2016.pdf>

(<http://www.parliament.gov.pg/uploads/hansard/8NOVEMBER2016.pdf>)

Comments: Researcher: From the Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) PART XXI. - FINANCIAL PROCEDURES Supply and Appropriation Bills and taxation proposals. 237. [28] An appropriation or Supply Bill, or a Bill or proposal the principal provisions of which deal with taxation, may be submitted to the Parliament by a Minister without notice. Message from the Governor-General. 238. (1) A proposal for the appropriation of any public money shall not be made unless the purpose of the appropriation has in the same Session been recommended to the Parliament by a message from the Governor-General. (2) An amendment of any such proposal shall not be moved if it would increase, or extend the objects and purposes and alter the destination of, the appropriation so recommended unless a further message is received. Initiation of taxation proposals. 239. (1) A proposal for the imposition, or for the increase or alleviation, of a tax or duty, or for the alteration of the incidence of such a charge, shall not be made except by a Minister. (2) No Member, other than a Minister, may move an amendment to increase or extend the incidence of the charge defined in that proposal, unless the charge so increased or the incidence of the charge so extended exceeds that already existing by virtue of an Act of the Parliament. Appropriation messages from the Governor-General. 240. (1) An appropriation message from the Governor-General shall be announced by the Speaker, but not during a debate or so as to interrupt a Member whilst he is speaking. (2) A message recommending an appropriation of revenue or moneys for an Appropriation or Supply Bill shall be announced before the Bill to which it relates is presented. (3) A Bill, other an Appropriation or Supply Bill, that requires an appropriation message from the Governor-General under Standing Order 238 may be presented and proceeded with (subject to Part XIX) before the message is announced. (4) In a case to which Subsection (3) applies, the message shall be announced after the Bill has been read a second time. (5) A message recommending appropriation of revenue or moneys for the purposes of an amendment to be moved to a Bill shall be announced before the amendment is moved.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

110: Does the legislature have the authority in law to amend the Executive's Budget Proposal?

- a. (100) Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.
- b. (67) Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.
- c. (33) Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.
- d. (0) No, the legislature does not have any authority in law to amend the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances: http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) Constitution of PNG, Section 210, subsection (2) provides for 'Parliament may reduce, but shall not increase or re-allocate, the amount of incidence of, or change the purpose of, any proposed taxation, loan or expenditure'.

<http://www.paclii.org/pg/Parliament/Parliamentary%20Standing...>

(<http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART>) XXI

Comments: Researcher: The Legislature is not empowered to initiate the raising of taxation, expenditure etc, but is empowered to amend the annual Budget Appropriation and taxation laws, but only downwards (with slightly different restraints upon the allocation approved for the Judiciary). In practice the Budget is presented and accepted in totality, usually after brief debate (assuming the Executive has the numbers), or otherwise rejected if it doesn't have the required numbers. Prior modifications may occur following its consideration by the Plans and Estimates Committee, prior to presentation to Parliament, but in practice this is most unlikely, especially as that committee is currently reported to be inoperative. If the Opposition has the numbers to amend the Budget they may use that power to reject the Budget in totality (in which case a 'Supply Bill' is automatically applied, comprising a portion of the previous year's Budget).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

111: During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

- a. (100) Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.
- b. (67) Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.
- c. (33) No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.
- d. (0) No, the legislature does not have any such authority.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: The 2017 Budget proposal was passed on 8th November 2016, following debate, without alteration.

<http://news.pngfacts.com/2016/11/2017-budget-passed-house-ri...> (<http://news.pngfacts.com/2016/11/2017-budget-passed-house-rises.html>)

<http://www.opposition.gov.pg/2017-budget-fake-budget-says-op...> (<http://www.opposition.gov.pg/2017-budget-fake-budget-says-opposition/>)

Statement by the Leader of Opposition on the Budget

Comments: Researcher: Although the Legislature has the power to make amendment to the Budget, as proposed by the Executive, subject to the restrictions specified in the Constitution, the 2017 Budget proposal was passed on 8th November 2016, following certain budget addresses and responses and a debate, without alteration (with an absolute majority and no votes against it, as the Opposition had already withdrawn from the Chamber)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

112: During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

- a. (100) Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

- b. (67) Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.
- c. (33) Yes, a specialized budget or finance committee examined the Executive's Budget Proposal, but it did not publish a report with findings and recommendations prior to the budget being adopted.
- d. (0) No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The Public Finances (Management) Act 1995, Part IV, Sections 22 (3) specifies "Before any National Budget or appropriation is prepared for submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or appropriation". It also specifies under Section 23, that the "Departmental Head of the Department responsible for financial management may consult withthe Speaker or a member of the Parliamentary Service nominated by the Speaker for the purpose... relating to the estimates of expenditure submitted by the Speaker under Section 209(2B) (Parliamentary responsibility) of the Constitution"
http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Comments: Researcher: Although it is required to present the Budget to any appropriate Permanent Parliamentary Committee, notably the Plans and Estimates Committee, in practice this hasn't been occurring until the last days, immediately before the Budget is tabled. For the 2017 Budget, on 3 successive days Treasury staff tried to arrange a briefing with the Parliamentary Planning and Estimates Committee, but only finally arranged a meeting on the final morning, immediately before the lockup (when the proposed Budget is presented to the media) and tabled before the full Legislature. No committee member, however, turned up, according to the Treasury Secretary. The committee (and other Parliamentary committees) are reported not to be functioning (according to Parliamentarians), partly as Parliament is suffering from lack of funding, according to Parliament staff.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

113: During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

- a. (100) Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.
- b. (67) Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.
- c. (33) Yes, sector committees examined the Executive's Budget Proposal, but they did not publish reports with findings and recommendations prior to the budget being adopted.
- d. (0) No, sector committees did not examine the Executive's Budget Proposal.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The Public Finances (Management) Act 1995, Part IV, Sections 22 (3) specifies "Before any National Budget or appropriation is prepared for submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or appropriation". It also specifies under Section 23, that the "Departmental Head of the Department responsible for financial management may consult withthe Speaker or a member of the Parliamentary Service nominated by the Speaker for the purpose... relating to the estimates of expenditure submitted by the Speaker under Section 209(2B) (Parliamentary responsibility) of the Constitution"
http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Comments: Researcher: Apart from the Plans and Estimates Committee, the other committees have never, or almost never, been given detailed prior oversight of the Budget Proposal or components of it. In any case, apart from the Parliamentary Public Accounts Committee, currently few Parliamentary Committees are functioning, partly from lack of funding.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

114: In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

- a. (100) Yes, a committee examined in-year implementation on at least three occasions during a fiscal year, and it published reports with findings and recommendations.
- b. (67) Yes, a committee examined in-year implementation on one or more occasion (but less than three times), and it published a report with findings and recommendations.

- c. (33) Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.
- d. (0) No, a committee did not examine in-year implementation.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Under Section 215 of the PNG Constitution 'there shall be a Public Accounts Committee, which is a Permanent Parliamentary Committee for the purposes of Subdivision VI.2.E (the Committee system). Section 216, sets out the Functions of the Committee: (1) The primary function of the Public Accounts Committee is, in accordance with an Act of the Parliament, to examine and report to the Parliament on the public accounts of Papua New Guinea and on the control of and on transactions with or concerning, the public moneys and property of Papua New Guinea. (2) Subsection (1) extends to any accounts, finances and property that are subject to inspection and audit by the Auditor-General under Section 214(2) (functions of the Auditor-General), and to reports by the Auditor-General under that subsection or Section 214(3) (functions of the Auditor-General). (3) An Act of the Parliament may expand, and may provide in more detail for, the functions of the Committee under Subsections (1) and (2), and may confer on the Committee additional functions and duties not inconsistent with the performance of the functions and duties conferred and imposed by those subsections. <http://www.parliament.gov.pg/images/misc/PNG-CONSTITUTION.pdf> (http://www.parliament.gov.pg/images/misc/PNG-CONSTITUTION.pdf) The role of the Public Accounts Committee is set out in PART X. of the Public Finances (management) Act 1995, notably in Sections 86 and 87: (1) The functions of the Committee are– (a) to examine the accounts of the receipts and expenditure of the Public Account and each statement and report of the Auditor-General presented to the Parliament under Section 214 of the Constitution or Section 113(8)(a) of the Organic Law on Provincial Governments and Local-level Governments; and (b) in accordance with Section 87, to examine and report on the accounts of a public body; and (c) to report to the Parliament, with such comments as it thinks proper, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed; and (d) to report to the Parliament any alteration that the Committee thinks desirable– (i) in the form of the public accounts; or (ii) in the method of keeping them; or (iii) in the method of collection, receipt, expenditure or issue of public moneys; or (iv) for the receipt, custody, disposal, issue or use of stores and other property of the State; and (e) to inquire into any question in connection with the public accounts that is referred to it by the Parliament, and to report to the Parliament on the question, and include such other duties as are assigned to the Committee by the Standing Orders of the National Parliament. (2) Any member of the Parliament may move for the reference to the Committee of any question in connection with the public accounts, for report to the Parliament. ACCOUNTS OF CERTAIN PUBLIC BODIES. (1) In addition to its other functions and duties under the Constitution or any other law, the Committee may, of its own motion, and shall, if the Parliament so resolves, examine and report on the accounts of a public body to which this section applies in the same way as it is required to examine and report on the public accounts under Section 86. (2) In examining and reporting on the accounts of a public body to which this section applies, the Committee may examine and report on any statement or report of the Auditor-General relating to the public body that has been presented to or tabled in the Parliament. (3) This section applies to any governmental body, authority or instrumentality (corporate or unincorporate) established by or under an Act and also to any subsidiary company of a public body as defined in Section 48– (a) whose accounts are subject to examination or audit by the Auditor-General; or (b) for whose purposes a specified sum of money, or a sum not exceeding a specified sum, has been appropriated by the Parliament by way of grant, or to which a grant of a sum of money has been made out of the Public Account, at any time during the five full financial years– (i) when the Committee acts of its own motion–immediately preceding the commencement of the examination; and (ii) when a resolution referred to in Subsection (1) is passed by the Parliament–immediately preceding the date of the resolution. (4) Where– (a) this section applies to a public body only because of a particular appropriation or grant of money as specified in Subsection (3)(b); and (b) the appropriation or grant is limited to a specific purpose, the provisions of this section relate to the examination of and report on the accounts of the public body only so far as they relate to the application of the money appropriated or granted for that purpose, and do not authorize an examination of those accounts beyond what is necessary to that end. http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) <http://www.parliament.gov.pg/index.php/work-of-committee/per...> (http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/public-accounts)

Comments: Researcher: The Parliamentary Public Accounts Committee is established under Sections 215 and 216 the Constitution, with detailed functions and operating rules and obligations set out under Part X of the Sections 72-101 of the Public Finances (management) Act. However, the Parliamentary Committees are operating under very tight finances and largely inoperative at the moment. (It is understood that this might be the result of the loss or change of its Secretariat, perhaps owing to shortfall of funding). The PAC almost entirely operates on the basis of the annual and thematic audit reports from the office of the Auditor-General, which are in many cases several years behind, The PAC is therefore providing little, or virtually no oversight of the performance of the current Budget. Other Parliamentary Committees, also provided for under the Constitution, to address sectoral, including Budget issues, are currently reported to be inoperative, or largely inoperative, partly as a result of little or no funding for their purpose.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

115: Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to shifting funds between administrative units, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds before obtaining approval from the legislature.
- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Public Finances (Management) Act, notably S.24 with respect to reallocations http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) Appropriation (General Public Services Expenditure 2014) Act 2013, Sections 3-11 on the Adjustment of Appropriation between activities (and for new activities) using the Secretary's Advance, or for Sn 9 by the Treasurer; subject to the ceiling set in the Budget for the Secretary's advance (which has been raised from 40 million PG Kina for 2013 to PGK 100 million for 2014)

Comments: Researcher: So long as the transfers fall within the ceiling set for Secretary's advance (raised from 40-100 million PGK in the 2014 Budget - Division 207, page 184, Volume 2 (1A), transfers may be made to new activities or between activities, subject to the rather open conditions set out in the Appropriation Act. Any unexpended funds under the appropriation may be transferred by the Secretary up to 10% of the total appropriation (PGK 1.8 billion), again subject to rather open restrictions. Various other transfers are allowed, e.g. for capital expenditure, loan funded expenditure, subject to their own ceilings and conditions. Above the ceilings specified any transfers between existing activities or to new activities would require approval from the Legislature in a Supplementary Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

116: Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, but in practice the executive spends these funds before obtaining approval from the legislature.
- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations.S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament' http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations Appropriation (General Public Services Expenditure 2014) Act 2013, Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..." http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) Supplementary (Appropriation) Act 2013 2011 Supplementary Budget was the last time there was unforecast extra revenue which needed to be appropriated: http://www.treasury.gov.pg/html/national_budget/files/2011/b... (http://www.treasury.gov.pg/html/national_budget/files/2011/budget_documents/Speech/2011.minister's_supp_nat_bud.speech.pdf)

Comments: Researcher: Additional expenditure in excess of the original appropriation (or transfers in excess of the ceiling allowed) require the approval of the Legislature through a Supplementary Appropriation, as with the Supplementary (Appropriation) Act 2013, whether it is the result of over-expenditure, and/or is financed by increased taxation or borrowing, or 'windfall' revenue, e.g. from higher tax revenue, notably from improved commodity prices.

Peer Reviewer

Opinion: Agree with Comments

Comments: Section 26, Public Finances (Management) Act 1995, allows the Minister to delegate his responsibility under Section 24. There is no clear reference to seek parliamentary approval for any adjustment of any appropriation as between services. Is it clear that approval is sought from Parliament to increase expenditure in practice? There isn't a functioning PAC and they rely on audit reports which are, at this point in time, several years late. Note the comments by PNG Economics (<http://pngconomics.org/?p=402>) and also <https://pngwoman.com/unlawful-spending-of-k9-9-billion-in-20...> (<https://pngwoman.com/unlawful-spending-of-k9-9-billion-in-2016-by-national-government>) on the incorrect appropriation bill for 2016 that left out almost K10 billion of loan repayments. They claim that expenditure in excess of the 2016 Appropriation Bill was technically illegal. PEFA 2015, point 110, notes that 'Clear rules exist, but they allow extensive administrative reallocation with Treasury approval and are not always respected. All Directions issued for the reallocation of funds under the respective budgets for expenditure must be available through reports in the National Gazette. This forms the legal authority and basis for transfer of funds for reallocation (footnote: page 65). PEFA 2015, point 126, states that 'Significant in-year budget adjustments are frequent, but are undertaken with some transparency. The legal and procedural rules that govern in-year budget amendments by the executive are specified in Sections 24 and 25 of the PF(M)A and in Sections 3 and 4 of the annual Appropriations Act. These adjustments are discussed in detail in PI-18. All other in-year adjustments to the budget require the passage of a supplementary appropriation bill through the Parliament, but such bills are relatively rare'.

Government Reviewer

Opinion: Not Qualified

Researcher response: We haven't had excess revenue since 2011, so recent responses to this scenario have not been available. In 2015 and 2016, with unrealistically high revenue forecasts, the Government was slow restraining expenditure, particularly in 2015, and left authorisation from Parliament until late in the year, notably in 2015, in November. The response time was shorter in 2016, but the cuts (although falling heavily on some priority sectors) was not fully aligned with the revenue shortfalls. I agree with most of your observations; the wording in the Constitution and the PFMA (and Fiscal Responsibility Act) are not specific, and really only require the approval of a Budget and budget ceilings by the Legislature, but don't set out more detailed operational or procedural matters.

117: Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

- a. (100) The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.
- b. (67) The executive obtains approval from the legislature prior to reducing spending below enacted levels, but is not required to do so by law or regulation.
- c. (33) The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.
- d. (0) There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.
- e. Not applicable/other (please comment).

Answer: c. (33)

Sources: Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations. S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament' http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations Appropriation (General Public Services Expenditure 2014) Act 2013, Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..." http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) (note that the 2016 Supplementary Budget Speech seems to have been, presumably accidentally, deleted from the Treasury Website and the Supplementary (Appropriation Reduction) Bill 2016 has not been posted. A copy of what was presented to the Legislature is provided, at an attachment).

Comments: Researcher: Additional expenditure in excess of the original appropriation (or transfers in excess of the ceiling allowed or additional borrowings, as a result of a shortfall in revenue) require the approval of the Legislature through a Supplementary Appropriation. The Supplementary (Appropriation Reduction) Act 2016, is an example of a Supplementary Budget and Appropriation where a reduction in the ceiling on expenditure is required to adjust to reduced actual and forecast revenue, and where proceeding on the basis of the original Budget would entail borrowing in excess of the level authorised in the Budget (but potentially also under the Fiscal Responsibility Act). In 2016 the Supplementary Budget (in August 2016) was introduced and authorised in a more timely manner than in 2015, when a similar revenue shortfall and high expenditure also required authorisation for adjustments, but in 2015 this occurred in November, when the capacity to make timely adjustments was largely diminished.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

118: Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

- a. (100) Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations
- b. (67) Yes, a committee examined the Audit Report on the annual budget within six months (but more than three months) of its availability, and it published a report with findings and recommendations.
- c. (33) Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.
- d. (0) No, a committee did not examine the Audit Report on the annual budget.
- e. Not applicable/other (please comment).

Answer: d.

Sources: Annual Audit reports have been referred by Parliament to the Parliamentary Public Accounts Committee for years 2010-2014 (parts of the each year's audit), but it is advised that no hearings of the Committee have occurred since 2014. <http://www.parliament.gov.pg/uploads/daily-agenda/N-09-20160...> (<http://www.parliament.gov.pg/uploads/daily-agenda/N-09-20160823-149.pdf>) <http://www.parliament.gov.pg/uploads/hansard/H-09-20160816-M...> (<http://www.parliament.gov.pg/uploads/hansard/H-09-20160816-M25.pdf>)

Audit Report on National Departments 2013-14 <http://www.parliament.gov.pg/uploads/hansard/2NOVEMBER2016.p...>
(<http://www.parliament.gov.pg/uploads/hansard/2NOVEMBER2016.pdf>) Audit Report on Public Bodies and State Owned Enterprises 2015
<http://www.parliament.gov.pg/uploads/hansard/26OCTOBER2016.p...> (<http://www.parliament.gov.pg/uploads/hansard/26OCTOBER2016.pdf>) Audit Report on Public Bodies and State Owned Enterprises 2014

Comments: Researcher: The audit of the Public Account (in its entirety) is well behind schedule. The Parliamentary Public Accounts Committee is reported not to have met since 2014 to have consider the reports referred to it by the Legislature. Components of the annual audit of public institutions are being released progressively, mostly very out of date, but some are current, notably the attached Report of the Auditor-General on Public Bodies and their Subsidiaries and National Government-owned Companies, Part IV of 2015. The reports are referred to the Parliamentary Public Accounts Committee for consideration and to report back to the full Legislature, but the Committee has reportedly been inoperative.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

119: Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

- a. (100) Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.
- b. (0) No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.
- c. Not applicable/other (please comment).

Answer: b.

Sources: http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) - The Constitution of Papua New Guinea 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (2) The Auditor-General shall be appointed by the Head of State, acting with, and in accordance with, the advice of the National Executive Council given after receiving reports from the Public Services Commission and the Public Accounts Committee. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority.

Comments: Researcher: The current head of the SAI has held office for several years. He appears to have been appointed in accordance with the relevant laws. Few senior public sector appointments in PNG are made without some attempt at patronage or politics or vendetta.As (<http://vendetta.As>) far as we are aware, the SAI;s appointment was made on merit and without such interference, However, it's true that the appointment process, giving the executive government the main say in the appointment, with only consultation with the Public Services Commission and Parliamentary Public Accounts Committee, does potentially allow for potential undue influence in his appointment by the government. However, the revocation of the appointment does need to gain the consent of various independent authorities, including a Judicial tribunal, providing reasonable independence and autonomy once in office,

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

120: Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

- a. (100) Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.
- b. (0) 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).

Answer: a. (100)

Sources: http://www.paclii.org/pg/legis/consol_act/olotgotraioc552/ (http://www.paclii.org/pg/legis/consol_act/olotgotraioc552/) Organic Law on the Guarantee of the Rights and Independence of Constitutional Office Holders From the Papua New Guinea Constitution Part 3 Removal from Office; S 4-8 (and S9 with respect to suspension) 5. REFERRAL OF MATTERS TO THE TRIBUNAL. (1) If the appointing authority is satisfied that the question of the removal from office of a constitutional office-holder should be investigated, it shall, by notice in writing to the Chief Justice, request that he appoint three Judges to be the Chairman and members of the tribunal to hear and determine the matter. 7. GROUNDS OF REMOVAL. A constitutional office-holder may be removed from office only- (a) for inability (whether arising from physical or mental infirmity or otherwise) to perform the functions and duties of his office; or (b) for misbehaviour; or (c) in accordance with Division III.2 (leadership code) of the Constitution, for misconduct in office; or (d) for a breach or contravention of a condition of employment laid down in the Organic Law relating to the Office-holder. 8. REMOVAL FROM OFFICE. (1) The appointing authority shall, at the same time as it takes action under Section 5, refer the matter of the removal of the constitutional office-holder from office, together with a statement of the reasons for its opinion, to the tribunal for investigation and report back to it. (2) If the tribunal reports that the constitutional office-holder should be removed from office, the appointing authority shall, by notice in writing to the office-holder, remove him from office. (3) The appointing authority shall send a copy of the notice, together with a copy of the report of the tribunal to the Speaker for presentation to the Parliament.

Comments: Researcher: The SAI is a Constitutional Office holder who may only be removed from office following referral by the appointing Authority (which is the Executive) to an Office Holders Rights Tribunal, comprising 3 judges, appointed by the Chief Justice, which must authorise that the Office Holder should be removed, following consideration of the evidence, before the appointing authority may proceed to effect that action, on the grounds permissible under the Organic Law (S 7) PEER

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

121: Who determines the budget of the Supreme Audit Institution (SAI)?

- a. (100) The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. (67) 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. (33) 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. (0) The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The SAI proposes its own Budget, submits it to the Executive, which determines its allocation, and submits that to the Legislature for approval, as part of its Budget Proposal, which is invariably accepted in total. The Funding is inconsistent with the resources needed to fulfill its mandate, after the Executive has made its invariable cuts to achieve its fiscal objectives (and for other possible objectives, including potentially clipping the SAI's wings). VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS http://www.treasury.gov.pg/html/national_budget/files/2017/V...
(http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf)

Comments: Researcher: The Budget is approved by the Legislature, but on the basis of the Executive's Budget proposal. Parliament is very restrained in its authority to adjust the Budget Proposal, apart from accepting or rejecting the proposal in its entirety. Prior to the tabling of the Budget, the Legislature has had almost no opportunity to see, let alone influence the Budget's composition. So, in effect the Budget is determined by the Executive. During the Budget year, the Executive may further adjust the actual release of funds, even to Constitutional Offices, such as the SAI, ostensibly on the basis of cash flow. The responsibilities of the SAI were extending during the 1990s right down to the Local Level Governments. There has also been a multiplication of government agencies, and considerably increased funding provided to the District level, administered through politicised processes (notably District grants, controlled or, at least chaired, if not necessarily controlled, by the local MP). The Budget for the SAI has not increased commensurate to its increased responsibilities, or the growing scale of the total Budget, with now nearly 1,000 Departments and agencies under its purview, and, as the SAI stated in PNG, with its poor infrastructure, there is the need for much air travel and 'we need to swim rivers and climb mountains to inspect projects and district expenditure'. This limited funding, combined with the need for additional funding to be allocated to, and by, various respective agencies to prepare accounts for audit, has contributed to the long backlog of audits which are overdue for completion and submission, as required in law, to the Legislature and public. The 2017 Annual Budget for the SAI involved a further cut, albeit consistent with across the board cuts instituted by the government in the face of low revenue.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

122: Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

- a. (100) The SAI has full discretion to decide which audits it wishes to undertake.
- b. (67) The SAI has significant discretion, but faces some limitations.
- c. (33) The SAI has some discretion, but faces considerable limitations.
- d. (0) The SAI has no discretion to decide which audits it wishes to undertake.
- e. Not applicable/other (please comment).

Answer: a. (100)

Sources: http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Constitution of Papua New Guinea, Subdivision B: Auditor General 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority. 214. FUNCTIONS OF THE AUDITOR-GENERAL. (1) The primary functions of the Auditor-General are to inspect and audit, and to report at least once in every fiscal year (as provided by an Act of the Parliament) to the Parliament on the public accounts of Papua New Guinea, and on the control of and on transactions with or concerning the public moneys and property of Papua New Guinea, and such other functions as are prescribed by or under a Constitutional Law. (2) Unless other provision is made by law in respect of the inspection and audit of them, Subsection (1) extends to the accounts, finances and property

of- (a) all arms, departments, agencies and instrumentalities of the National Government; and (b) all bodies set up by an Act of the Parliament, or by executive or administrative act of the National Executive, for governmental or official purposes. (3) Notwithstanding that other provision for inspection or audit is made as provided for by Subsection (2), the Auditor-General may, if he thinks it proper to do so, inspect and audit, and report to the Parliament on, any accounts, finances or property of an institution referred to in that subsection, insofar as they relate to, or consist of or are derived from, public moneys or property of Papua New Guinea. (4) An Act of the Parliament may expand, and may provide in more detail for, the functions of the Auditor-General under Subsections (1), (2) and (3), and may confer on the Auditor-General additional functions and duties not inconsistent with the performance of the functions and duties conferred and imposed by those subsections. http://www.paclii.org/pg/legis/consol_act/pfa1995224/ (http://www.paclii.org/pg/legis/consol_act/pfa1995224/) Public Finances (Management) Act: S. 48 (defining a Public Body), 49 (defining a subsidiary corporation of a public body, e.g. if 50%+ of its capital is held by a Public Body or publicly-owned corporation, etc) and 63 (the obligations of public bodies to submit accounts to the SAI) and give the SAI authority to audit State-owned enterprises and majority owned-controlled subsidiaries, although registered under the Companies Act, and not (necessarily) specifically those covered by the Constitutional mandate alone. http://www.paclii.org/pg/legis/consol_act/aa198971/ (http://www.paclii.org/pg/legis/consol_act/aa198971/) Audit Act 1989 (amended 1995) 3. FUNCTIONS AND DUTIES OF THE AUDITOR-GENERAL. 4. POWERS OF THE AUDITOR-GENERAL. (1) For the purpose of the performance of his functions and duties under this Act, the Auditor-General may- (a) authorize any person to inspect and audit any accounts and records that are authorized or required by any law to be inspected or audited by the Auditor-General, and to report to him on the inspection and audit; and (b) summon any person- (i) to appear personally before him at a time and place specified by him in writing under his hand; and (ii) to produce to him all accounts and records in the possession or under the control of that person that appear to the Auditor-General to be necessary for the purposes of any inspection or audit authorized or required by any law to be made by the Auditor-General; and (c) examine on oath or affirmation any person respecting- (i) the collection, receipt, expenditure or issue of public moneys; and (ii) the receipt, custody, disposal, issue or use of stores and other property of the State; and (iii) all other matters and things necessary for the due exercise and performance of the powers, functions and duties conferred or imposed on the Auditor-General; and (d) ask such questions of, and make such observations to, any person, and call for such accounts and records and explanations, as he thinks necessary; and (e) without fee, cause searches to be made in, and copies or extracts to be taken from, any document, register or record in any Department, Organization or Agency for which the Auditor-General is the auditor. http://www.paclii.org/pg/legis/consol_act/ca1997107/ (http://www.paclii.org/pg/legis/consol_act/ca1997107/) -Companies Act 1997

Comments: Researcher: The Auditor General (SAI) is an independent Constitutional office, required and empowered under the Constitution to undertake routine annual audits of all public bodies, but also to inspect and audit and report to the Parliament on any accounts, finances or property of a body, as it sees fit, insofar as they relate to, or consist of, or are derived from public moneys or property. On this legal basis the SAI should be rated 'a', however some efforts in recent years apparently to place some institutions (e.g. Petromin and the National Development Bank) outside the remit of the SAI (although the SAI states that he retains the power) have seemed to undermine the SAI's capacity to examine the books of some entities, (although the main constraints to application of its authority are budgetary, and the disinclination of public bodies to submit financial returns to the SAI in a timely manner, rather than specifically the legal mandate). PEER REVIEWER Opinion: Yes, I agree with the score and have no comments to add. 116. Has

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

123: Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

- a. (100) Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.
- b. (67) Yes, an independent agency conducts and publishes a review of the audit processes of the SAI at least once in the past five years, but not annually.
- c. (33) No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.
- d. (0) No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The Office of the Auditor General advises that they have a technical branch with functional responsibility for Quality Assurance over audit methodology and practice. There is also a technical assistance project providing support to the AG's office, including on audit standards and training.

Comments: Researcher: The Office of the Auditor General does have technical branch which carries functional responsibility for Quality Assurance over audit methodology and practice. However it's terribly understaffed and short on the required skills and in reality, performs very few quality processes (so C, might be a bit generous) There is also a technical assistance project providing support to the AG's office (from an overseas government audit office), including reviewing audit reports, and sometimes highlighting where more audit work is required, as well as training. (In the Auditor-General's new corporate plan they are reportedly seeking to enhance the focus and resources given to quality processes, but it will be some time to build up the skills and culture change required for a full quality system.)

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher has provided additional insight which I can not verify. However, the information provides more in-depth analysis to support the 'c' scoring. The question asks whether a unit within the SAI is charged with this responsibility but does not consider the capacity and resources to do this. Therefore, if an internal unit has responsibility but is unable to undertake this role due to lack of capacity or resources, this may be considered a 'd', as the researcher has alluded to.

Government Reviewer

Opinion: Not Qualified

Researcher response: There is very little evidence to support the fact that there exists a review of the audit processes by an internal unit within the SAI. For this reason, I have revised the score to "d".

124: In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

- a. (100) Frequently (i.e., five times or more).
- b. (67) Sometimes (i.e., three times or more, but less than five times).
- c. (33) Rarely (i.e., once or twice).
- d. (0) Never.
- e. Not applicable/other (please comment).

Answer: d.

Sources: The Public Accounts Committee has been highly inactive over the past year, partly owing to lack of funding and reported change of its secretariat. Reports from the Auditor-General have been tabled in Parliament in the past 6 months, and referred to the Public Accounts Committee for examination and for reporting back. Some recent statements have been made by the Committee chairman that the Committee is actioning this, but committee members have stated that no committee meetings have occurred since 2014.

Comments: Researcher: Audit reports from the SAI have been tabled in Parliament during 2016, and referred to the Parliamentary Public Accounts Committee, but the Committee is reported (by Committee members) not to have met since 2014

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

125: Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

- a. (100) Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on the budget.
- b. (67) Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.
- c. (33) Yes, the executive uses participation mechanisms during the budget formulation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: c. (33)

Sources: <http://cimcpng.net/index.php/forums/national-development-for...> (<http://cimcpng.net/index.php/forums/national-development-forum>) PNG National Planning and Monitoring Responsibility Act 2016 - requires the annual Budget complies with a national planning framework, including linkage to the Medium Term Development Plan, and requires the release of an Annual Budget Framework paper, four months before the tabling of the National Budget, (but there's no specific reference to public consultation in the Act, other than in associated policies, such as for development cooperation etc. <http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.p...> (<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) PNG Development Cooperation Policy (Feb 2016), specifying the requirements for consultation, including with civil society, in the planning and utilisation of development assistance. http://www.planning.gov.pg/images/dnpm/pdf/DCP_REAL.pdf (http://www.planning.gov.pg/images/dnpm/pdf/DCP_REAL.pdf)

Comments: Researcher: There is no formal requirement to engage with the public during the Budget formulation process, however with the introduction of the national planning framework in February 2016, the PNG National Planning and Monitoring Responsibility Act 2016, and a series of associated planning requirements, including on development cooperation, there is a requirement to consult government bodies, but only an implied requirement to consult with civil society, although an explicit requirement with respect to budget contributions by development partners, where the CIMC process is specified as facilitating the process. The Consultative Implementation and Monitoring Council (CIMC) process of National and Regional Development Forums provides an avenue for contributing to aspects of the Budgetary process (co-funded by the Government and a development partner), and is actively supported by the Planning Ministry. It entails some public briefings on the economic and budget situation, normally mid-year at the National Forum (but in 2016 it was held in October). The 3 day national forum in October 2016, which was widely attended by the public from around the country, media and government agencies, including presentations by the Prime Minister for a while, also responding to questions from the public, extensively by the Planning Minister, with presentations and questions on the economy and prospective 2017 Budget from the Treasury Secretary, Planning Secretary, Central bank Governor, and other sectoral heads etc.

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: I do not agree with the researcher. There is no evidence that the Executive (government) has an ad hoc mechanism to engage with the public through civil society organisations and/ or there is discretion as to who can participate AND some form of public record so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed. The CIMC does provide at least the nucleus of this engagement but there must be evidence that that engagement is considered in the formulation of the budget proposal. The planning act 'ensures that all relevant state bodies are consulted when developing the MTDP, planning framework and annual budget framework. The definition of state bodies does not include civil society. The development cooperation policy cited only recognises the work of CSOs, that is, 'The Government of PNG intends to take appropriate measures to formally recognise these contributions in its planning and programming process in the medium to long term' (page 18). The researcher has provided an agenda (Theme: Showcasing Achievements: Government fulfilling Development Aspirations & Improving Service Delivery through Strategic Partnerships, dated 18- 20 October 2016) that could provide the 'ad hoc' forum for public participation. However, the outcomes of this forum would not have influenced the EBP which was presented to Parliament on 1 November 2016. Furthermore, there appears to be

some 'community' representation but it would appear to be a Government only invitation heading into an election year AND there is no public record of what was actually discussed.

Government Reviewer

Opinion: Not Qualified

Researcher response: I agree that the NDF in 2016 was late in the year to contribute to the Budget process. The NDF is normally held in June and is the culmination of the 4 regional forums, which are open to anyone, as per the newspaper advertisements, as well as by invitation. 2016 was an aberration but the NDF did occur, and was, as usual open to all and well attended, and there had been the prior 9 sector committee meetings through the year gaining feedback, and making presentations to the Planning Minister in August, to be able to incorporate in the Budget. It is an unusual mechanism as it not specifically run by the executive, but an independent body, but the funding comes from public funds and the Executive (notably Planning Ministry/Dept) sees this as the vehicle for 2 way dialogue on various development issues, but clearly not simply or specifically the annual Budget. C is a pretty weak rating. The Government did ask last year to exclude some from participation but were told no, it was open to invitees and anyone else who chose to come, as per the advertisements. In some years it's recommendations do get incorporated into policies, legislation and the Budget...I can't say that was the case last year (although the CIMC process itself was provided a Budget line item!) Here is the outcome report from 2015 <http://www.cimcpng.net/images/Outcomereport.pdf> ([//www.cimcpng.net/images/Outcomereport.pdf](http://www.cimcpng.net/images/Outcomereport.pdf)) The fuller report from the 2016 National forum was made available to participants in the 2017 Forum, held in June 2017, but it's not yet on the CIMC website. Here's some material on it in the CIMC end of 2016 newsletter: <http://www.cimcpng.net/images/Newsletter3.pdf> For (<http://www.cimcpng.net/images/Newsletter3.pdf>) these reasons, we think "c" is still the appropriate score.

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

126: With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

- a. (100) Yes, the executive takes concrete steps to include individuals and/or CSOs representing vulnerable and underrepresented parts of the population in the formulation of the annual budget.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: New frameworks have been introduced, linked by the National Planning and Monitoring Act 2016 to the annual Budget process, including the State-Civil Society Partnership, but at this stage it only being rolled out and not yet being fully applied, let alone influencing the Budget or budget allocations.

Peer Reviewer

Opinion: Agree with Comments

Comments: The researcher is probably correct on this question. The NATIONAL DEVELOPMENT FORUM, dated 18-20 October 2016, which I have suggested would have no bearing on the formulation of the 2017 budget proposal, does have some sessions focused on socially vulnerable groups and/or underrepresented in national processes. For example, there is a session on 1. Citizen empowerment and district development through partnerships, 2. Health service delivery through partnerships: Outcomes and issues including plans for addressing the ageing health workforce, 3. Approaches to address Women & Gender related issues: Outcomes and the way forward, 4. View on initiatives and approaches by government to women empowerment and inclusive development through partnerships and 5. (Youth) Skills development and employment in partnership with development partners, issues and the way forward.

Government Reviewer

Opinion: Not Qualified

IBP comment: Despite repeated requests to the Government of Papua New Guinea for its comments on the draft Open Budget Questionnaire results, IBP did not receive any response. The survey tool used, however, did not allow the government response to be left blank, and did not permit changes in the answer options. Therefore, the "I am not qualified to judge this indicator" option had to be selected. The appropriate answer would have been "NOT APPLICABLE", because the government did not provide any comments to any of the questions in the Open Budget Survey.

127:

During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

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

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

- a. (100) The executive's engagement with citizens covers all six topics
- b. (67) The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics
- c. (33) The executive's engagement with citizens cover at least one (but less than three) of the above-mentioned topics
- d. (0) The requirements for a "c" response or above are not met
- e. Not applicable (please comment)

Answer: b. (67)

Sources: The coverage of the dialogue is extensive, but relatively tenuous, with respect to how far the feedback, notably through the CIMC consultation process, actually influences the Budget process and composition. http://www.inapng.com/pdf_files/NDF%20Program.pdf (http://www.inapng.com/pdf_files/NDF%20Program.pdf) National Development Forum CIMC National Development Forum - Program and addresses by Treasury Secretary and others. The areas where some influence may bear on the Budget outcome from consultations relate to 3, 5 and 6, notably social spending policies, public investment projects and public services, although with the 2017 Budget entailing major across the Board budget cuts, in view of very tight revenue, it certainly didn't entail any new or increased expenditure for 2017, although might have influenced where cuts were applied or their extent. Copies of presentations here: <http://www.cimcpng.net/index.php/forums/national-development...> (<http://www.cimcpng.net/index.php/forums/national-development-forum>)

Comments: Researcher: There was some dialogue (largely presentations, but some opportunity for feedback), late in the Budget preparation, on a range of issues related to the 2017 Budget during the CIMC National Development Forum, also through the CIMC sector committees, although their mechanism to link up to the Budget is not strong, but depends largely upon recommendations through the CIMC Council meeting, held in mid-August, chaired by the Minister for National Planning. CIMC is co-funded by the Government and managed by civil society to facilitate Government-civil society and private sector partnership. The Minister for National Planning has extensive influence on the Budget process, including through the National Planning and Monitoring Act.

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The researcher has relied upon the CIMC National Development Forum as the basis of the engagement with the public on the budget formulation. This forum was conducted on the 18-20 October 2016 and the Budget Strategy Paper is dated 29 October 2016, the EBP was presented to Parliament on 1 November 2016. I cannot see how this forum could influence the budget formulation at this stage. There is no record of who attended provided or any minutes as to the recommendations and how they 'could' be incorporated into the budget. The CIMC forum appears more of a Government Information session on their achievements rather than active engagement with citizens/ CSOs.

Government Reviewer

Opinion: Not Qualified

Researcher response: I agree that the Budget engagement, explicitly, is tenuous. Some years Treasury invites Budget feedback from the [public (it has in 2017, but didn't in 2016)]; the CIMC and to some extent the NEFC consultations are pretty well the nearest or only thing. As you say the NDF only occurred in October, as opposed to its normal timing in June/July, providing little opportunity for input. However, the CIMC process did include extensive sector committee meetings (from the Budget tracking committee to health and Commerce and Services) and the CIMC Council meeting in August, at which issues/recommendations were provided to the Planning Minister and other Govt participants (several Dept heads etc) from the Chairs of the respective sector committees. The Sector Committees are not as widely open to the public as the Regional and National Development forum, which are advertised as being open to anyone wishing to attend. We disagree with the reviewer and have kept the score unchanged at "b".

128: Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

- a. (100) Yes, the executive uses open participation mechanisms through which members of the public and government officials exchange views on budget implementation.
- b. (67) Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.
- c. (33) Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: CIMC National Development Forum 2016; this is a government-civil society-private sector system of consultation, linked through the National Planning Ministry and framework, including the National Planning and Monitoring Act. Although administered by a civil society organisation, it is established under a Cabinet Decision and part funded in the Budget, and chaired by the Minister for National Planning, who tables the recommendations from the consultations with the Cabinet. <http://www.cimcpng.net/index.php/forums/national-development...> (<http://www.cimcpng.net/index.php/forums/national-development-forum>) Volume 2B - Estimates of Revenue and Expenditure for National Government Departments (Project 20040 'CIMC Support', Department of National Planning and Monitoring, Page 108) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2b_Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf) 2017 Budget, VOLUME 3, PUBLIC INVESTMENT PROGRAM, 2017 – 2021, 'CIMC Support' (page 117-118) http://www.treasury.gov.pg/html/national_budget/files/2017/V... (http://www.treasury.gov.pg/html/national_budget/files/2017/Vol3-Public%20Investment%20Program.pdf)

Comments: Researcher: The CIMC process is an unusual PNG model, which is government endorsed and part-funded, managed by a civil society organisation, but chaired by the Minister for National Planning (who is responsible for the 'Development' component of the Annual Budget - notably Volume 3). The recommendation from the forums and sector committees are presented to the Cabinet, and referred to in some Government policy documents as the required consultative process. The 2016 National Development Forum was addressed by the Prime Minister, who took questions from the public, and attended for the full 3 days by the Planning Minister, and various Departmental heads, as well as civil society, development partners etc. Presentations and feedback were provided by the heads of the Treasury and Central Bank, as well as key line agencies, with

recommendations provided from focus group sessions. The EITI process, chaired by the Treasurer, and engaging government, private sector and civil society, examines the flows from the extractive sector, but apart from seeking to expose transfers and minimise opportunities for leakage, it does not explicitly influence the annual Budget, and in any case, at this stage is only reporting upon BY-2 (it is planned to catch up in 2017, but undertaking reporting for both BY-2 and BY-1, enabling some greater influence on the next year's Budget)

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: I do not agree with the researcher on the scoring that the 'executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone)'. I continue to point to the lateness of this CIMC forum in having any influence on the formulation of the 2017 Budget. An excerpt from the Development Forum would seem to support the Researcher's position. 'The 2016 National Development Forum was again held in Port Moresby and was attended by more than 400 people over three days. Participants included Department Secretaries, Government leaders, Private Sector leaders, Donors, Churches, Development Partners, Persons with Disability, a range of regional civil society organisations, the media and politicians. Again 44 Provincial representatives (two from each province) were invited to represent their provinces at the forum while some attended at their own cost. The Theme for the forum "Showcasing Achievements: Government fulfilling Development Aspirations & Improving Service Delivery through Strategic Partnerships". Discussions were very dynamic with the audience engaging in a wide range of topics presented from foreign policy, governance mechanisms, local level development, transparency in the extractive sector and overall state of the economy. Importantly the forum provided the opportunity for government, development partners and the private sector to highlight development achievements through strategic partnerships in alignment with government policies and plans. An important rationale also was to ensure the opportunity for citizens and their various representative to learn about current government policies and plans was provided'. However, the Executive controlled the agenda, the focus is on 'showcasing achievements and the website cited only includes presentations, not a record of who attended, the discussions and any outcomes for consideration by the Executive. I might also point out that the objectives of the Forums are: • Public education on important policies and plans to enhance wider public understanding • Government to obtain feedback from the public to design or reconsider existing policies and programs, especially to improve implementation of policies • Getting authorities out in the open to explain their positions and the functions of the offices they manage There doesn't appear to be an opportunity to influence the Budget. The researcher also makes the comment that it doesn't 'explicitly influence the budget'. I believe a more appropriate response for the FY2017 budget is a 'd'. The CIMC may, in the future, meet the requirements for this question but the forum(s) must be held earlier and evidence to support the Executive's consideration of the outcomes of the forum is provided.

Government Reviewer

Opinion: Not Qualified

Researcher response: I agree that the 2016 CIMC process allowed limited input into the monitoring implementation of the Budget, as, unlike normal years, there was inadequate funding to host the 4 regional development forums in the first half of the year, and the National forum around mid-year (as occurred in 2015 or 2017). The score was revised to "d".

129: With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and under-represented parts of the population on the implementation of the annual budget?

- a. (100) Yes, the executive takes concrete steps to receive input from individuals from and/or organizations representing vulnerable and underrepresented parts of the population on the implementation of the annual budget.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/forums/national-development-forum>... (<http://www.cimcpng.net/index.php/forums/national-development-forum>) CIMC National Development Forum 2016 <http://www.cimcpng.net/index.php/committees/budget-tracking-...> (<http://www.cimcpng.net/index.php/committees/budget-tracking-sectoral-committee>) CIMC Budget Sectoral Committee

Comments: Researcher: Although the system of consultative process under CIMC is established, and includes some focus on some disadvantaged groups (victims of family and sexual violence and on child protection) and on needs at the subnational levels, the links to the Budget process remain weak at this stage, despite the rolling out of the National Development and Monitoring Responsibility Act and associated National Development Framework and policies, including on citizenship engagement

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

130:

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

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

1. Changes in macroeconomic circumstances
2. Delivery of public services

3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

- a. (100) The executive's engagement with citizens covers all six topics
- b. (67) The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics
- c. (33) The executive's engagement with citizens cover at least one (but less than three) of the above-mentioned topics
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>)

Comments: Researcher: Apart from the release of revenue and expenditure material by the Treasury in the Mid-Year Economic and Fiscal Outlook report and the End of Year Report and the ongoing efforts of CIMC with respect to sharing some budget information during the year, including expenditure under the large Constituency Development Funds, there is little ongoing commitment to dialogue or provision of pertinent material for that purpose by the central agencies, although commitments in relation to the new National Planning and Monitoring Responsibility Act and associated policies, may encourage the process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

131:

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

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

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

- a. (100) Comprehensive information is provided in a timely manner prior to citizens engagement in both budget formulation and implementation phases.
- b. (67) Comprehensive information is provided in a timely manner prior to citizens engagement only prior to one of the two phases (formulation OR implementation).
- c. (33) Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (Please comment).

Answer: d.

Sources: <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>)

Comments: Researcher: information is provided to government, notably through the government/donor co-funded CIMC process, notably at the CIMC Council meeting and National Development Forum on issues related to the Budget, but also other public policy issues, often after lively policy discussion at civil society level, but at this stage the dialogue is still not adequately systematic either in presentation or in terms of feedback and incorporation in the budget. (in 2016, for budgetary reasons, the regional forums were not held, only the National Development Forum, the Council meeting and multiple economic and social sector committee consultations)

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The CIMC NDP Forum has the goal of: • Public education on important policies and plans to enhance wider public understanding • Government to obtain feedback from the public to design or reconsider existing policies and programs, especially to improve implementation of policies • Getting authorities out in the open to explain their positions and the functions of the offices they manage This forum did not, in my opinion, influence the 2017 EBP. However, as an information session, it would certainly draw on the implementation of the budget for FY2016 and the range of presentations, in an election year, point to that. The score rests between a 'c' and a 'd'. In my opinion, a 'd' score would be slightly more realistic but the CIMC development forums could provide a useful avenue for public participation in the future.

Government Reviewer**Opinion:** Not Qualified**Researcher response:** We agree that comprehensive prior information on the process of engagement was not provided and have changed the score to "d".**132:** With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

- a. (100) Yes, the executive provides a written record which includes both the list of the inputs received and a detailed report of how the inputs were used in the formulation of the annual budget.
- b. (67) Yes, the executive provides a written record which includes both the list of inputs received and a summary of the how the inputs were used in the formulation of the annual budget.
- c. (33) Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.**Sources:** <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>)**Comments:** Researcher: information is provided to government, notably through the CIMC process, notably at the CIMC Council meeting on issues related to the Budget, but also other public policy, often after lively policy discussion at civil society level, but at this stage the dialogue is still not adequately systematic either in presentation or in terms of feedback and incorporation in the budget. The Minister and other officials, including the Treasury Secretary and Central Bank Governor, do provide feedback on Budget and other economic issues and performance, including issues raised in current and former forums. (The Prime Minister also presented a paper on performance in relation to successive Budget priorities, including feedback to concerns raised, and responded to questions on budget and development issues)**Peer Reviewer****Opinion:** Disagree**Suggested answer:** d.**Comments:** The CIMC is considered a relevant mechanism to facilitate policy dialogue between government, its partners and citizens. As a dialogue forum it is the only appropriate mechanism recognised by government that can be used by stakeholders to express their opinions concerning government policies and legislation and to bring government to the people. The CIMC NDP Forum has the goal of: • Public education on important policies and plans to enhance wider public understanding • Government to obtain feedback from the public to design or reconsider existing policies and programs, especially to improve implementation of policies • Getting authorities out in the open to explain their positions and the functions of the offices they manage However, this forum did not, in my opinion, influence the 2017 EBP. As an information session, it would certainly draw on the implementation of the budget for FY2016 and the range of presentations, in an election year, point to that. However, no evidence has been provided to support the statement that the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used. The score rests between a 'c' and a 'd'. In my opinion, a 'd' score would be slightly more realistic but the CIMC development forums could provide a useful avenue for future participation by the public.**Government Reviewer****Opinion:** Not Qualified**Researcher response:** I agree and have changed the score to "d" The Planning Department in some years asks CIMC to provide an assessment of implementation by government. CIMC does undertake periodic tracking of the implementation of recommendations, (which are clearly not all budgetary in nature), but they vary considerably, with better outcomes in the social sector than the economic sector, for example.**133:** With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

- a. (100) Yes, the executive provides a written record which includes both the list of the inputs received from the public and a detailed report of how the inputs were used to assist in monitoring the annual budget.
- b. (67) Yes, the executive provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to assist in monitoring the annual budget.
- c. (33) Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.**Sources:** <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>) EITI process in PNG <http://www.pngeiti.org.pg/> (<http://www.pngeiti.org.pg/>)**Comments:** Researcher: Little systematic feedback is provided, except as provided in the CIMC Council meeting by the Minister for National Planning and officials, and in the CIMC National Development Forum and some CIMC sector committees, (plus some ad-hoc business forums) and, with respect to revenue and expenditure from the extractive industries through the EITI process, which at the end of 2016 was finalising its second country report

(for 2014), submitted in February 2017. CIMC itself also provides some analysis of implementation of CIMC recommendations to Government, which it presents to Government and the civil society participants during the forums.

Peer Reviewer

Opinion: Disagree

Suggested answer: d.

Comments: The researcher has not provided any supportive evidence to support a 'c' score and establish that the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used. I accept that CIMC can provide a useful input from the public to the budget formulation process if it is held early enough to influence the budget AND the Executive takes note of the recommendations. However, for FY 2017, I am not convinced that 'the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are take into account to improve budget monitoring, and how/why'. The researcher has not provided any reference to a "written record", a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity. A 'd' score is more appropriate.

Government Reviewer

Opinion: Not Qualified

Researcher response: As the score for Q 128 was "d", I have changed the score to "d" for Q 133.

134: Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

- a. (100) Yes, the executive incorporates participation into its timetable for formulating the Executive's Budget Proposal and the timetable is available to the public.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: <http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.treasury.gov.pg/html/legislation/files/bills/fisc...>

(http://www.treasury.gov.pg/html/legislation/files/bills/fiscal_responsibility_ammend-budg-ammend-bill_2010.pdf) Fiscal Responsibility Act

Comments: Researcher: The timetable required for releasing the end of year and mid year fiscal reports are specified in the Fiscal Responsibility Act, along with the date for the Budget Strategy Paper, Under the National Planning and Monitoring Responsibility Act an annual budget framework paper must be released 4 months before the tabling of the Budget, linking the Budget to the Medium Term Development Plan, which is part of the National Planning Framework and targets the National Service Delivery Frameworks, setting out minimum standards for public sector service delivery. The process requires extensive consultation and timely reporting, although apart from releasing documents to the public, the public consultation process is largely implicit, rather specific. (Hitherto the Treasury circulars used to specify dates for public input into the annual budget process, but these circulars have not been available in recent years)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

135: Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

- a. (100) Yes, at least one line ministry uses open participation mechanisms through which members of the public and government officials exchange views on the budget.
- b. (67) Yes, at least one line ministry uses open participation mechanisms through which members of the public provide their inputs on the budget.
- c. (33) Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: CIMC sector Committees, which meet quarterly, in some cases chaired by the Secretary of one of the key relevant departments, such as Education, Health, Provincial and Local Level Govt Affairs, Community Development, Justice, with the Council chaired by the Planning Minister, but also attended by other line agency heads. <http://www.cimcpng.net/index.php/committees> (<http://www.cimcpng.net/index.php/committees>)

Comments: Researcher: There is no systematic process of consultation by line agencies, Many line agencies attend CIMC sector committees and present and take questions and feedback from the Regional and National Development Forums (National Forum in October 2016) and the CIMC Council meeting (held in August 2016). There is little systematic incorporation of views, or feedback to the forum recommendations from line agencies, although the National Development Forum recommendations are presented by the Planning Minister in Cabinet, (sometimes before but sometimes after the EBP), CIMC undertakes some monitoring of the civil society recommendations, over time, into outcomes, including which sectors are more responsive or less responsive to civil society recommendations.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

136: Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

- a. (100) Yes, public hearings are held, and members of the public/CSOs testify.
- b. (67) Yes, public hearings are held. No testimony from the public is provided during the public hearings, but contributions from the public are received through other means.
- c. (33) Yes, public hearings are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: Parliamentary Committees as they stand in theory (in practice few are meeting) <http://www.parliament.gov.pg/work-of-parliamentary-committee...> (<http://www.parliament.gov.pg/work-of-parliamentary-committees>)

Comments: Researcher: The Parliamentary Plans and Estimates Committee seems to be inoperative at the moment and the Public Accounts Committee, which does hold hearings when it is operating, has held no public hearings on the public accounts over the past year, which could have contributed to the Budget. Other Parliamentary committees are reported to have been largely inoperative over the past year, partly owing to lack of funds; (although the public sector reform committee is reported to have held a meeting in late 2016)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

137: During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

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

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

- a. (100) The legislature seeks input on all six topics
- b. (67) The legislature seeks input on at least three (but less than six) of the above-mentioned topics
- c. (33) The legislature seeks input on at least one (but less than three) of the above-mentioned topics
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: the Parliamentary Committees, in practice are largely inoperative from lack of funding and other factors, and have held no public meetings on the Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

138: Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

- a. (100) Yes, the legislature provides a written record which includes both the list of the inputs received from the public and a detailed report of how the inputs were used during legislative deliberations on the budget.
- b. (67) Yes, the legislature provides a written record which includes both the list of inputs received and a summary of the how the inputs were used.
- c. (33) Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: No Parliamentary committee has been meeting with the public on the Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

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

- a. (100) Yes, public hearings on the Audit Report are held, and members of the public/CSOs testify.
- b. (67) Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings, but contributions from the public are received through other means.
- c. (33) Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the hearings and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: Normally public hearings are undertaken by the Public Accounts Committee on different aspects of the Audit report. But the committee has not been holding meetings in recent months <http://www.parliament.gov.pg/index.php/work-of-committee/per...>
(<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/public-accounts>)

Comments: Researcher: Normally public hearings are undertaken by the Public Accounts Committee on different aspects of the Audit report. But the committee has been dormant over recent months, reportedly in view of a changeover of the secretariat. Various reports have recently been referred to the committee by the Legislature, and the Committee has indicated that Hearings will be resumed

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

140: Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

- a. (100) Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: Auditor General <http://www.ago.gov.pg/about-the-ago> (<http://www.ago.gov.pg/about-the-ago>) Audit Act http://www.pacii.org/pg/legis/conso_act/aa198971/ (http://www.pacii.org/pg/legis/conso_act/aa198971/)

Comments: Researcher: The Constitution and Audit Act specify the powers to access financial and related data pertinent to Public Bodies. Section 214 of the Constitution requires the Auditor-General to report at least once every fiscal year to the Parliament on the Public Accounts of PNG and on the control of, and on transactions with or concerning, public monies and property of PNG. Further, Section 123 (8) of the Organic Law on Provincial Governments and Local-level Governments requires the Office to furnish audit reports on Provincial and Local-level Governments each year. These reporting responsibilities are fulfilled by the preparation of four compendium financial audit reports annually, named Part 1 to 4. The Auditor-General also undertakes a variety of Performance Audit and Special Review Reports, aimed at looking at performance and efficiency issues. Performance audits play an important role in improving the administration and management practices of public sector entities. The performance audits, such as of the District Services Improvement Program, particularly need community input, but the community might also highlight themes worthy of

performance audit, There are no formal arrangements for public engagement by the Auditor General. As the law stands, audit reports can only be made public once they have been presented to, and tabled in Parliament. This can only occur when Parliament is sitting. However, with some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, the SAI has indicated it is keen to be developing mechanisms for public information and feedback. The Auditor General and staff have readily attended workshop and forums to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

141: Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

- a. (100) Yes, the SAI provides a written record which includes both the list of the inputs received and a detailed report of how the inputs were used to determine its audit program.
- b. (67) Yes, the SAI provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to determine its audit program.
- c. (33) Yes, the SAI provides a written record which includes either the list of the inputs received or a report or summary on how they were used.
- d. (0) The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

Answer: d.

Sources: <http://www.ago.gov.pg/publications> (<http://www.ago.gov.pg/publications>)

Comments: Researcher: At this stage the SAI is tightly funded and struggling to perform its basic audit functions of public bodies, and occasional performance audits. It has not yet established a formal mechanism for public input and feedback and therefore is not providing public feedback on their audit proposals and input.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

142: Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

- a. (100) Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.
- b. (0) The requirements for an "a" response are not met.
- c. Not applicable (please comment).

Answer: b.

Sources: <http://www.ago.gov.pg/> (<http://www.ago.gov.pg/>)

Comments: Researcher: There are no formal arrangements for public engagement by the Auditor General. However, with some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, the SAI has indicated it is keen to be developing mechanisms for public information and feedback. The Auditor General and staff have readily attended workshop and forums to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Not Qualified

JOIN OUR INTERNATIONAL NETWORK



Connect with organizations working to improve government budget systems, policies and outcomes!

JOIN
([HTTP://INTERNATIONALBUDGET.ORG/BUDGET-WORK-BY-COUNTRY/JOIN-OUR-NETWORK/](http://INTERNATIONALBUDGET.ORG/BUDGET-WORK-BY-COUNTRY/JOIN-OUR-NETWORK/)) FIND GROUPS
([HTTP://INTERNATIONALBUDGET.ORG/BUDGET-WORK-BY-COUNTRY/FINDGROUP/](http://INTERNATIONALBUDGET.ORG/BUDGET-WORK-BY-COUNTRY/FINDGROUP/))

© 2010–2011 International Budget Partnership. All rights reserved. | Website by  OKFN (http://okfn.org/services/)

ABOUT IBP ([HTTP://INTERNATIONALBUDGET.ORG/WHO-WE-ARE/](http://INTERNATIONALBUDGET.ORG/WHO-WE-ARE/))
CONTACT ([HTTP://INTERNATIONALBUDGET.ORG/CONTACT-US/](http://INTERNATIONALBUDGET.ORG/CONTACT-US/))

PRESS ROOM ([HTTP://INTERNATIONALBUDGET.ORG/PRESSARCHIVE/](http://INTERNATIONALBUDGET.ORG/PRESSARCHIVE/))
COPYRIGHT ([HTTP://INTERNATIONALBUDGET.ORG/LIBRARY/COPYRIGHT/](http://INTERNATIONALBUDGET.ORG/LIBRARY/COPYRIGHT/))