

Open Budget Survey 2019

Questionnaire

Malaysia

April 2020

Country Questionnaire: Malaysia

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:
2019

Source:
There is no PBS published in Malaysia.

Comment:
There is a budget circular -- Garis Panduan Bagi Penyediaan Cadangan Anggaran Perbelanjaan Persekutuan 2019 as of March 2018 (see Wayback Snapshot here: <https://web.archive.org/web/20180309213147/http://1pp.treasury.gov.my/sub-topik/fail/74/muat-turun>), however the Budget Circular only described the budget preparation process and not the policies and priorities, or the expenditure ceilings, that will inform the 2019 Budget, and therefore is not considered a PBS.

The circular also instructs budget preparation to be in line with the Mid-Year Review of the National Plan, but this document does not provide specific information about the specific policies or priorities that will inform the development of the FY 2019 budget:
<http://www.mea.gov.my/sites/default/files/Kajian%20Separuh%20Penggal%20RMK11.pdf>

Peer Reviewer
Opinion: Agree
Comments:

Government Reviewer
Opinion: Agree

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

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

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:
d. 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

Source:
The PBS is not produced

Comment:
The most recent Budget Circular was issued for 2019 in the Garis Panduan Bagi Penyediaan Cadangan Anggaran Perbelanjaan Persekutuan 2019 as of March 2018 (see Wayback Snapshot here: <https://web.archive.org/web/20180309213147/http://1pp.treasury.gov.my/sub-topik/fail/74/muat-turun>), however the Budget Circular only described the budget preparation process and not the policies and priorities, or the expenditure ceilings, that will inform the 2019 Budget, and therefore is not considered a PBS.

The circular also instructs budget preparation to be in line with the Mid-Year Review of the National Plan, but this document does not provide specific information about the specific policies or priorities that will inform the development of the FY 2019 budget:
<http://www.mea.gov.my/sites/default/files/Kajian%20Separuh%20Penggal%20RMK11.pdf>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: Some of the information in a comprehensive PBS are embargoed until Executive's Budget Proposal (EBP) or when it is presented to the legislature.

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

Source:
The PBS is not produced

Comment:
The PBS is not produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

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

Answer:
The PBS is not produced

Source:
Not produced

Comment:
Not produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

Source:

Comment:

Not produced

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the PBS is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Comment:

Not produced

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

c. Produced for internal purposes/use only

Source:

www.treasury.gov.my

Comment:

The treasury produced a guidelines for ministries to provide budget annually (Garis Panduan Penyediaan Bajet) and multi-year plan (the 11th Malaysia Plan and its Mid-Term Review) which have some features that resemble pre-budget statements. These documents contain macroeconomic forecast and major expenditure policies and priorities. But they do not provide forecast for the 2019 budget, and multi-year revenue and expenditure projections.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: c. Produced for internal purposes/use only

Comments: We have a document that is similar to PBS but only selected few will have access to it as some of the information in the document are classified/confidential until an EBP is produced.

Researcher Response

Agree with the GR. Revised the answer to "c"

IBP Comment

The government reviewer's comment is acknowledged. As neither IBP nor the researcher has access to this document, given it is for internal use, we cannot externally verify the contents. This answer is revised to C based on the response in PBS 6b and the described contents of the internal document.

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

With the help of the OBS team I examined two documents that have some PBS features. They are

1. Panduan Penyediaan Bajet 2019 (Guidelines for 2019 Budget Preparation)

2. Mid-Term Review of 11th Malaysia Plan

https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/publication/Mid-Term%20Review%20of%2011th%20Malaysia%20Plan.pdf

Source:

Comment:

After discussion with the OBS Team, we concluded that these two documents are not qualified to be the PBS. Please see comments to Question PBS 6-a for explanation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: As informed in the previous question, a document that is similar to PBS is produced only for internal use. The document does have the policies on why resources were distributed according the sectors, macroeconomics and fiscal projections, indicative ceilings and expected revenues as well expected expenditure for the budget year.

IBP Comment

The government reviewer's comment is acknowledged. As neither IBP nor the researcher has access to this document, given it is for internal use, we cannot externally verify the contents.

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2019 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2018/19."

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

Answer:
Not Produced

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: It is known as

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

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

Answer:
b. No

Source:
PBS is not produced

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2019

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

02/11/2018

Source:

<https://www.thestar.com.my/news/nation/2018/11/02/guan-eng-tables-budget-2019/>

<http://www.parlimen.gov.my/files/hindex/pdf/DR-10122018.pdf#page=77&zoom=70&search=Akta%20Kewangan%202018>

Comment:

The Minister of Finance delivered the budget speech on 2 November 2018 and tabled the Supply Bill at the same time. The Finance Bill (which is the bill for taxation purposes) was tabled on 10 December 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:

<http://www1.treasury.gov.my>

Comment:

The EBP was made available to the public on the day the Minister of Finance, Lim Guang Eng, tabled the document to the parliament (2 November 2018).

The document was made available to the public on the above website after the Minister of Finance delivered the budget speech (marking the tabling of the EBP to the parliament).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:

02/11/2018

Source:

<http://www1.treasury.gov.my>

Comment:

I checked the website after the budget speech was delivered by the Minister of Finance on 2 November 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

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

Answer:

I checked this website <http://www1.treasury.gov.my> (in which the treasury saved the 2019 EBP documents) after the budget speech delivered by the Minister of Finance.

Source:

<http://www1.treasury.gov.my>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

<http://www1.treasury.gov.my> and <http://www.treasury.gov.my/index.php/en/budget.html>

Source:

<http://www1.treasury.gov.my>

<http://www.treasury.gov.my/index.php/en/budget.html>

<http://www.parlimen.gov.my/bills-dewan-rakyat.html?uweb=dr&>

Comment:

The Budget Speech, Estimates of Expenditures, Estimates of Revenue, Economic Report are available in the Treasury website.

The Supply Bill (Rang Undang-Undang Perbekalan 2019) and the Finance Bill (Rang Undang-Undang Kewangan 2018) are available in the Parliament Website

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

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

Source:

<http://www.treasury.gov.my/index.php/en/economy/economic-data.html>

Comment:

The Treasury publishes Economic Data at <http://www.treasury.gov.my/index.php/en/economy/economic-data.html> that includes Excel and CSV files, that has some information on the Budget Estimate Figures from FY 2019, including the Consolidated Public Sector Financial Position, Federal Government Financial Position, Revenue, Operating Expenditure, Development Expenditure, Debt, GDP and Balance of Payments

However, all the detailed tables included in the EBP are not covered in these files.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<http://www.treasury.gov.my/index.php/en/economy/economic-data.html>

<http://www.treasury.gov.my/index.php/en/>

<http://www1.treasury.gov.my>

Comment:

The EBP documents are available in the websites cited above

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2018-19, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

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

Answer:

Annual Budget 2019

Source:

<http://www.treasury.gov.my/index.php/en/>

<http://www1.treasury.gov.my>

Comment:

Malaysia's EBP is a collection of several documents

- Expenditure: Anggaran Perbelanjaan Kerajaan Persekutuan 2019 (2019 Estimated Federal Government Expenditures)
- Revenue: Tinjauan Fiskal dan Anggaran Hasil Kerajaan Persekutuan 2019 (Fiscal Outlook and Federal Government Revenue Estimates 2019)
- Supporting Documents which provide additional information on revenue, expenditures, fiscal assumption, borrowing and debt:
 1. Tinjauan Economy 2019 (Economic Outlook 2019)
 2. Teks Ucapan Bajet 2019 (The 2019 Budget Speech)
 3. Rang Undang-Undang Perbekalan 2019 (The Supply Bill 2019)
 4. Rang Undang-Undang Kewangan 2018 (The Finance Bill 2018)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

b. No

Source:

<http://www.treasury.gov.my/index.php/en/economy/economic-data.html>

<http://www.treasury.gov.my/index.php/en/>

<http://www1.treasury.gov.my>

Comment:

The treasury website stored the powerpoint presentation used the Minister of Finance to deliver the budget speech. We considered this presentation

document a sort of Citizens Version of the EBS since it contains the most basic information about the information presented in various EBP documents. Beside this document, according to the staff at the MoF was used for any engagement sessions they had with any citizen groups. Unfortunately, the power point presentation used during the 2019 budget speech is not stored in the treasury websites above.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2019

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:
06/12/2018

Source:
<https://www.nst.com.my/news/government-public-policy/2018/12/441923/dewan-negara-passes-2019-supply-bill>
<https://www.thestar.com.my/news/nation/2018/12/06/budget-2019-passed-after-16-days-of-debates-at-dewan-rakyat/>
<http://www.parlimen.gov.my/files/hindex/pdf/DR-10122018.pdf#page=77&zoom=70&search=Akta%20Kewangan%202018> (p. 95)

Comment:
The EBP (Supply Bill) was passed by Dewan Rakyat on 6 December 2018 and by Dewan Negara on 18 December 2018
The Finance Bill was passed on 10 December 2018

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:

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

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

http://www.federalgazette.agc.gov.my/outputaktap/aktaBl_20181228_Act812Bl.pdf

Comment:

The Supply Act 2019 was gazetted on 28 December 2018 and available to the public at the Attorney General Website since then.

The Finance Act 2018 was gazetted on 27 December 2018 and available to the public at the Attorney General Website since then.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

27/12/2018

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

Comment:

The Supply Act 2019 was gazetted on 28 December 2018 and available to the public at the Attorney General Website since then.

The Finance Act 2018 was gazetted on 27 December 2018 and available to the public at the Attorney General Website since then.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

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

Answer:

I went to the website of the Attorney General Office to check whether the Supply Act 2019 and the Finance Act 2019 have been gazetted.

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BI_Act%20A1575%20BI.pdf

http://www.federalgazette.agc.gov.my/outputaktap/aktaBI_20181228_Act812BI.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

http://www.federalgazette.agc.gov.my/outputaktap/aktaBI_20181228_Act812BI.pdf

Comment:

The above link is for the Supply Act 2019 and the Finance Act 2018

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

Comment:

The EB is only presented in pdf format

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

http://www.federalgazette.agc.gov.my/outputaktap/aktaBl_20181228_Act812Bl.pdf

Comment:

The EB documents are available in those websites

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

EB-7. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2018."

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

Answer:

Akta Perbekalan 2019, Akta Kewangan 2018

Source:

http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BM_Akta%20A1575.pdf

http://www.federalgazette.agc.gov.my/outputaktap/aktaBl_20181228_Act812Bl.pdf

Comment:

Akta Perbelakan 2019 (Supply Act 2019)

Akta Kewangan 2018 (Finance Act 2018)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

a. Yes

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: A citizen's version of the EB was produced in the form of 2019 Budget Touch Points at the Information Department's website

http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html

IBP Comment

Thank you to the government reviewer for identifying the Touchpoints document as the Citizen Version of the EB. However, as the 2019 Touchpoints document was only published January 20, 2019, it cannot be assessed in this round of the OBS. Instead, as the timeframe for publication of the EB is three months after the budget was approved, we can use the CB of the EB in the previous fiscal year. We have identified the following document as the TouchPoint for EB 2018 (published November 13, 2017):

http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10 The score for this question is revised from B to A.

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 2018

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

As noted in EB-8, as the CB of the EB for FY 2019 was only released in January 2019, for the CB of the EB the OBS will instead consider the previous year's (FY 2018) document. The response to this question is being revised from 2019 to 2018 as a result. See: http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

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

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:
e. Not applicable (the document is publicly available)

Source:
<https://www.youtube.com/watch?v=qdu5D0uHJZ4>

Comment:
Malaysia uses the Power Point Presentation used by the Minister of Finance to deliver his budget speech as Citizen Budget in the 2017 Open Budget Survey. This document is considered as the CB because it provides an easy to understand version of the budget documents. Additionally, according to our interview with the MoF staff, the document was also used for any informative sessions on budget that the government held.

The Minister of Finance used Power Point presentation to present the 2019 Budget (as can be seen from the video in the link above). But this document is not made available in the Treasury Website

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Comments: The 2019 Citizens Budget document was published within 30 days after the enacted budget was approved by the legislature. This document was published in the form of 2019 Budget Touchpoints on a Government Website (Information Department Website) at http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html#p=18 to allow for better public reach as the Information Department website is the main source for public information.

IBP Comment

As the FY 2019 CB of the EB was only released in 2019, this document cannot be considered for the OBS 2019. However, the CB for the EB has a minimum timeliness requirement of three months after the date of approval, meaning that this falls after the OBS research cut-off date. For that reason, the prior year 2018 CB of the EB is considered: See: <https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1>
http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10 As this document was published November 13, 2017, it is considered publicly available by OBS standards. The score is revised from C to E.

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer:

Source:

<https://www.youtube.com/watch?v=qdu5D0uHJZ4>

Comment:

The Minister of Finance used Power Point presentation to present the 2019 Budget (as can be seen from the video in the link above). But this document is not made available in the Treasury Website

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: CB was made publicly available as mentioned in question CB-2a

IBP Comment

The government reviewer's comment is accepted. The document is now assessed as publicly available.

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:

13/11/2017

Source:
CB is not produced

Comment:
CB is not produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: The CB in the form of 2019 Budget Touchpoints were made publicly available on 28 January 2019 on Information Department website - http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html.

IBP Comment
As the document being assessed is the FY 2018 version, the publication on the website is 13 November 2017. See:
<https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1> http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10

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:
Document date is on the website

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: It is usually published within a month from the date of budget approval by the legislature

IBP Comment
The government reviewer's comment is confirmed. The date is also posted on the website of the document:
<https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1>

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

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

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:
<https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1>

Source:
CB is not produced

Comment:
CB is not produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: The CB was published on the following Information Department weblink
http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html

IBP Comment
The FY 2018 version is being assessed (see CB-2a and CB-2b). Website links: <https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1>
http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2018 People's Guide" or "2019 Proposed Budget in Brief: A People's Budget Publication."

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

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:
Budget 2018 Touchpoints

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: The title of the CB is BUDGET 2019 Touchpoints. It is a 72 page report that outlined information on 2019 Budget focus, detailed provision/allocation, important statistics on revenue and expenditure and relevant strategies.

IBP Comment
The Government Reviewer's comment is acknowledged. The 2018 version is assessed in this OBS, however.

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:
Enacted Budget

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: The CB titled BUDGET 2019 Touchpoints corresponds to 2019 Budget document

IBP Comment
The government reviewer's comment is acknowledged. The Touchpoints document corresponds to the Enacted Budget. See:
<https://www.penerangan.gov.my/index.php/ms/penerbitan/buku-kecil-risalah/2017-1/121-touchpoints-bajet-2017-versi-english?format=html&path=buku-kecil-risalah/2017-1> http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=10

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 2018

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:
c. At least every quarter, and within three months of the period covered

Source:
<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:
The latest quarterly report (3rd Quarter of 2018) was made available to the public on 27 November 2018

Peer Reviewer
Opinion: Disagree

Suggested Answer: d. The IYRs are not released to the public, or are released more than three months after the period covered

Comments: I would not consider this document an IYR. It is more an economic report, with some general updates on total government revenue and

spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you to the peer reviewer for noting that this report is mainly an economic report, and not a fiscal report. However, since it contains some basic fiscal information, including expenditures by at least one classification and some individual sources of revenue, this qualifies it as an IYR by OBS standards. The scores for the IYR questions would improve, however, if there was a more comprehensive fiscal report.

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2018 should be entered as 05 September 2018. If the document is not published or not produced, please mark this question "n/a."

Answer:

The 3rd Quarter of 2018 was publicly available online on 27 November 2018 at: http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

The 2nd Quarter of 2018 Report was publicly available online on 28 August 2018 at:

http://www.treasury.gov.my/pdf/flip22018/Second_Quarter_2018.pdf

The 1st Quarter of 2018 Report was publicly available online on 27 May 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/Q2_2018/sukutahun1_2018.pdf

The 4th Quarter of 2017 Report was publicly available online on 21 February 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/suku_tahunan/sukutahun4_2017.pdf

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: I would not consider this document an IYR. It is more an economic report, with some general updates on total government revenue and spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

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

Answer:

The date on the page where the quarterly reports are posted in the Treasury website. Those dates are as follow:

The 3rd Quarter of 2018 was publicly available online on 27 November 2018 at: http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

The 2nd Quarter of 2018 Report was publicly available online on 28 August 2018 at:

http://www.treasury.gov.my/pdf/flip22018/Second_Quarter_2018.pdf

The 1st Quarter of 2018 Report was publicly available online on 27 May 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/Q2_2018/sukutahun1_2018.pdf

The 4th Quarter of 2017 Report was publicly available online on 21 February 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/suku_tahunan/sukutahun4_2017.pdf

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:
Confirmed via Javascript

Peer Reviewer

Opinion: I choose not to review this question

Comments: I do not disagree with the dates. However, I would not consider this document an IYR. It is more an economic report, with some general updates on total government revenue and spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

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

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Source:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The 2nd Quarter of 2018 Report was publicly available online on 28 August 2018 at:

http://www.treasury.gov.my/pdf/flip22018/Second_Quarter_2018.pdf

The 1st Quarter of 2018 Report was publicly available online on 27 May 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/Q2_2018/sukutahun1_2018.pdf

The 4th Quarter of 2017 Report was publicly available online on 21 February 2018 at:

http://www.treasury.gov.my/pdf/ekonomi/suku_tahunan/sukutahun4_2017.pdf

Peer Reviewer

Opinion: I choose not to review this question

Comments: I do not disagree with the link given. However, I would not consider this document an IYR. It is more an economic report, with some general updates on total government revenue and spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the IYRs are not published or not produced, therefore their machine readability cannot be assessed.

Answer:

c. No

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:

Peer Reviewer

Opinion: I choose not to review this question

Comments: I do not disagree with this answer. However, I would not consider this document an IYR. It is more an economic report, with some general updates on total government revenue and spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

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

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:

The IYR documents are available in the above quoted website

Peer Reviewer

Opinion: I choose not to review this question

Comments: The documents are indeed publicly available. However, I would not consider these documents as IYRs. They are more economic reports, with some general updates on total government revenue and spending. There is no breakdown by ministries, for example.

Government Reviewer

Opinion: Agree

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2018."

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:

Malaysian Economy Third Quarter 2018

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:

Malaysian Economy Second Quarter 2018

Malaysian Economy First Quarter 2018

Malaysian Economy Fourth Quarter 2017

Peer Reviewer

Opinion: I choose not to review this question

Comments: I do not disagree with the titles. However, as stated earlier, I do not consider these documents IYRs.

Government Reviewer

Opinion: Agree

Comments: It is a practice for the Ministry of Finance to produce and publish quarterly IYR reports. This reports are usually published on the treasury's website at www.treasury.gov.my

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

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

Answer:

b. No

Source:

<http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2018

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

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

Answer:

d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:

Comment:
MYR isn't produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

Source:

MYR is not produced

Comment:

MYR is not produced

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

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

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

MYR is not produced

Comment:

MYR is not produced

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the MYR is not published or not produced, therefore its machine readability cannot be assessed.

Answer:
d. Not applicable

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
c. Produced for internal purposes/use only

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree
Suggested Answer: c. Produced for internal purposes/use only

Researcher Response
Agree with GR

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer:
I checked the Treasury website

Source:
<http://www.treasury.gov.my/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2017/18" or "Mid-Year Report on the 2018 National Budget."

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

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is

happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2017

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

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

Source:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Publication date is August 6, 2018, which is within 9 months of the end of the reporting period of Dec 31, 2017

Comment:

The YER was tabled to the parliament on 6 August 2018. The document is available to the public since then.

<http://www.parlimen.gov.my/ipms/eps/2018-08-06/ST.63.2018%20-%20PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

06/08/2018

Source:

<http://www.parlimen.gov.my/ipms/eps/2018-08-06/ST.63.2018%20-%20PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The date when the report was tabled to the parliament

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

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

Answer:

The date when the report was tabled to the parliament.

Source:

<http://www.parlimen.gov.my/ipms/eps/2018-08-06/ST.63.2018%20-%20PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

Date was also confirmed with Javascript

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Source:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Comment:

The report is also available in the Parliament website

<http://www.parlimen.gov.my/ipms/eps/2018-08-06/ST.63.2018%20-%20PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Comment:

The report is in Pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see

Question YER-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Comment:

The YER is publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2018" or "Annual Report 2017 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Penyata Kewangan Kerajaan Persekutuan 2017

Source:

<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Comment:
In English: Federal Government Financial Statements

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:
b. No

Source:
<http://www.anm.gov.my/index.php/arkib-ag/terbitan/penyata-kewangan-kerajaan-persekutuan/book/83-penyata-kewangan-tahun-2017/4-penyata-kewangan-kerajaan-persekutuan>

Comment:
Federal Government Financial Statements

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2017

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:

b. 12 months or less, but more than six months, after the end of the budget year

Source:

https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri1/EDARAN%20KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20LKAN%20TAHUN%202017%20SIRI%201_BERNAMA.pdf

Comment:

The report was released on 6 August 2018

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

6/8/2018

Source:

https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri1/EDARAN%20KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20LKAN%20TAHUN%202017%20SIRI%201_BERNAMA.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

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

Answer:

The press statement released by the Auditor General

Source:

https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri1/EDARAN%20KENYATAAN%20AKHBAR%20OLEH%20KAN%20MENGENAI%20LKAN%20TAHUN%202017%20SIRI%201_BERNAMA.pdf

Comment:

Verified the date of publication on the website via Javascript as well.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Source:

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

The National Audit Department tabled their reports to the parliament twice in 2017. The report cited here is the report that was submitted to the parliament in August 2018 (Series 1). The report comprises of (1) report on the audit of the federal government financial statement and the financial management of ministries, agencies and federal statutory bodies (2) report on the audit of federal government agencies and statutory bodies' activities (3) report on the audit of management of federal government agencies and government-owned companies

In December 2018, the Auditor General tabled another set of report (Series 2). The report comprises of (1) report on the audit of financial statement of federal statutory bodies and trust funds, (2) report on the audit of federal government agencies and statutory bodies' activities and (3) report on the audit of management of federal government agencies and government-owned companies

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the AR is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-7. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Laporan Ketua Audit Negara Tahun 2017 Siri 1

Source:

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

Report of the Auditor General of 2017 Series 1

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

b. No

Source:

<https://www.audit.gov.my/index.php/en/laporan/kewangan>

Comment:

The Auditor General Report is only available in Malay and no citizen version of the AR

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.qob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (www.orcamentofederal.gov.br/). Researchers should include details about all of the relevant websites and/or portals that they can be used to access budget information.

Answer:

a. Yes

Source:

1. <https://www.audit.gov.my/index.php/ms/> for SAI Report
2. <http://www.anm.gov.my/index.php> for YER
3. http://www1.treasury.gov.my/index_en.html & <http://www.treasury.gov.my/index.php/en/budget.html> for EBP (Budget Speech, Estimates of Expenditures, Estimates of Revenue, Economic Report)
4. <http://www.treasury.gov.my/index.php/en/economy/economic-data.html>: Machine readable fiscal data
5. <http://www.treasury.gov.my/index.php/en/economy/quarterly-malaysian-economic.html> for IYR
6. <http://www.parlimen.gov.my>
7. http://www.data.gov.my/data/ms_MY/dataset?q=penyata%20kewangan

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Source:

Revenue: http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.3_Hasil_Kerajaan_Persekutuan.xlsx

Operating Expenditure: http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.4_Perbelanjaan_Mengurus_Kerajaan_Persekutuan.xlsx

Development Expenditure:

http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.5_Perbelanjaan_Pembangunan_Kerajaan_Persekutuan_Dis.xlsx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Source:

Revenue: http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.3_Hasil_Kerajaan_Persekutuan.xlsx

Operating Expenditure: http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.4_Pembelajaan_Mengurus_Kerajaan_Persekutuan.xlsx

Development Expenditure:

http://www.treasury.gov.my/pdf/ekonomi/dataekonomi/2018/1.5_Pembelajaan_Pembangunan_Kerajaan_Persekutuan_Dis.xlsx

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

b. No

Source:

<http://www.treasury.gov.my/index.php/en/economy/economic-data.html>

http://www.data.gov.my/data/ms_MY/dataset/perbelanjaan-mengurus-kerajaan-persekutuan-mengikut-sektor

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://www.kenyalaw.org/lex/actview.xhtml?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://www.finance.gov.mk/files/u11/Audit%20law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

Federal Constitution Part VII (Financial Provisions)

[http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20\(BI%20text\).pdf](http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20(BI%20text).pdf)

Financial Procedure Act 1957 (Act 61)

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2061.pdf>

Audit Act 1957 (Act 62)

Comment:

The above cited laws are laws that guide public financial management and audit in Malaysia. They do not have specific provisions on budget transparency and citizen participation in budget processes. The Audit Act however has one provision for transparency which states that the submission of the Audit Report by the Auditor General to the Minister of the Dewan Rakyat "shall cause the statement and report to be published" (Audit Act 1957, Article 9.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. More information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, can be found here: <http://www.right2info.org/laws/constitutional-provisions-laws-and-regulations#section-1>.

Answer:

b. No

Source:

<https://www.straitstimes.com/asia/se-asia/official-secrets-act-to-stay-says-malaysian-pm-mahathir>

<https://www.thestar.com.my/opinion/online-exclusive/a-humble-submission/2016/07/11/time-to-replace-official-secrets-act/>

Comment:

Access to information in Malaysia is restricted by the Official Secret Act 1972 (Act 88). The Act provides discretion to public officials to classify any documents, information, materials secret. The Act also penalizes those who owns, stores and obtains the secrets unlawfully. The new government that came to power in May 2018 promised to review the law, but later decided to retain the act with amendments. They also promised to enact Freedom of Information Act, but later decided to put a timeline of 5 years to realize it.

Laws that guide the public finance management does not have provisions for budget transparency and citizen participation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

2019 Estimated Federal Expenditure, p. 15-462

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Comment:

The document cited above showed government expenditures by administrative classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

2019 Estimated Federal Expenditure p. 3-9

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/anggaran_belanja_persekutuan_2019.pdf

Section 3 of Fiscal Outlook 2019, p. 7

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section3.pdf

Fiscal Outlook 2019.Public Finance Statistics Table 3.2

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section3.pdf

Comment:

The pages cited above provides an overview of how the federal government expenditures looks like if they are classified based their sectoral purposes. They provide information on how much the government will spend on certain sectors. For the 2019 budget for example the government allocates 35.3% of the operating expenditure for social sector. However, they do not show from which ministries those sectoral expenditures come from.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

Answer:

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

Source:

2019 Estimated Federal Expenditure, p. 3-9

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/anggaran_belanja_persekutuan_2019.pdf

Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics (p.8)

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 3 (p.7)

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section3.pdf

Comment:

The expenditures are classified into these sectors (functions):

1. General Administration (General Services, Foreign Services, refunds and reimbursements, Repairs and Renovation)
2. Economy (Agriculture and Rural Development, Mining Development, Trade and Industry, Transport, Communication, Energy and Public Facilities, Research and Development, Finance, and Environment)
3. Social (Education and Training, Health and Population, Information, Housing, Culture Youth and Sports, Local Councils, Community Development, National Unity and Indigenous People, Land Purchase, Rural Development)
4. Security (Defense and Domestic Security)
5. Other Sectors (e.g. Pensions, Bonuses, Loan Payments)
6. Contingency Reserves

These sectors are not identical to COFOG, but the categories can be mapped to it.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and

salaries, capital projects, or social assistance benefits.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

2019 Estimated Federal Government Expenditure, p. 469-479 (Operating Expenditures by Economic Classification)

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/LampiranC.pdf

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/LampiranC1.pdf

Fiscal Outlook and Federal Government Revenue Estimates (PDF p. 7 in the Public Finance Statistics Section, section 3.1. Federal Government Operating Expenditures by Object)

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The budget documents only present economic classification for operating expenditures. They don't present economic classification for development expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

b. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

Source:

Estimated Federal Expenditure 2019, p. 469 (Ringkasan Anggaran Perbelanjaan Mengurus Tahun 2019 Mengikut Objek Sebagai dan Am)

http://www1.treasury.gov.my/pdf/perbelanjaan/maklumat_bajet_kerajaan/2019/LampiranC.pdf

Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics, 3.1 Federal Government Operating Expenditure by Object

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The classification does not completely follow the IMF standard. However, there are several items that match the standard such as emoluments (compensation to employees) and subsidies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

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

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

Estimated Federal Expenditure 2019, p. 31- 465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Comment:

The operating expenditure budget for the Ministry of Education for example was broken down into several units, among them are management, policy educational operations, research and knowledge development, professional development, strengthening educational operation, policy and evaluation, special programs, and one-off programs. These unit are further broken down into smaller units, for example the "educational operation" (operasi pendidikan) is broken down into pre-school education, primary education, secondary education and post-secondary education. See Estimated Federal Expenditure 2019, p. 439-462 (program expenditures start on p. 453).

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.63_P.63.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

2019 Estimated Federal Government Expenditures, p. 31-465
<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Medium-Term Fiscal Framework 2019-2021 in Fiscal Outlook 2019,
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

The Executive Budget Proposal and its supporting documents only present expenditures estimates for the budget year (FY2019).

The Fiscal Outlook presents Medium-Term Fiscal Outlook which outlines aggregate revenue and expenditure for three years (see PDF p. 9-10).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

None of the above

Source:

2019 Estimated Federal Government Expenditures, p. 31-465
<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Medium-Term Fiscal Framework 2019-2021 in Fiscal Outlook 2019,
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

The EBP only presents the estimates of expenditures for the budget year (FY 2019)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its

supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

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

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

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

2019 Estimated Federal Expenditure, p. 31-465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Medium-Term Fiscal Framework 2019-2021 in Fiscal Outlook 2019,

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

The EBP only presents estimates of expenditures for the budget year (FY 2019). The Medium-Term Fiscal Framework presents aggregate expenditure and revenue for three years (2019-2021)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

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

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019, no page

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The EBP disaggregates individual revenue sources. In general there are two sources of revenue: tax and non-tax. The tax revenue is broken down into direct and indirect taxes. These two categories are further broken down. For example the direct tax revenue are broken into two sub-categories: income and other direct taxes. The income taxes are further broken down into six categories: 1. Individual Income Tax 2. Companies Income Tax 3. Petroleum Income Tax 4. Cooperatives Income Tax 5. Withholding Tax and 6. Others.

'Other' Direct Taxes and 'Miscellaneous Indirect Taxes' account for only 1.6% of the total tax revenue

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:

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

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019, no page
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The EBP presents all non-tax revenue (1. Licences, Registration Fees and Permits 2. Service Fees 3. Proceeds from Sales of Goods 4. Rental 5. Interest and Return on Investments 6. Fines and Penalties 7. Contribution and Compensation from Overseas and Local Contribution 8. Income from Exploration of Oil and Gas MTJA). There is no 'other' category.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

b. No, multi-year estimates of revenue are not presented by category.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019, no page
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Medium-Term Fiscal Framework 2019-2021 in Fiscal Outlook 2019,
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

The EBP only presents estimates of revenue for the budget year (FY 2019).
The Medium-Term Fiscal Framework only present total revenue in the next three years (2019-2021)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019, no page
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Medium-Term Fiscal Framework 2019-2021 in Fiscal Outlook 2019,
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

The EBP only presents the revenue estimates for the budget year (FY 2019) while the Medium-Term Fiscal Framework only presents the total revenue in the next three years (2019-2021).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the

country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies no information on borrowing and debt is presented for the budget year.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

Net new borrowing: Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics, Table 1.1 Federal Government Finance http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Debt service charges: Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics, 3.1 Federal Government Operating Expenditure by Object http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019, p. 45)

http://www1.treasury.gov.my/pdf/perbelanjaan/maklumat_bajet_kerajaan/2019/T.13.pdf

Note, the documents provide information about debt service charge, which includes payment of the principal.

Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 4-10

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section4.pdf

Comment:

EBP documentation provides information for 2 of the 3 core elements related to Government borrowing and debt for the budget year.

EBP documents do not provide information about the central government's total debt burden at the end of the budget year and the interest payments on the outstanding debt for the budget year.

The latest information about the central government's total debt burden is only available until June 2018 (Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 4-10).

Peer Reviewer

Opinion: Agree

Comments: I agree with the answer - two out of three. However, the reviewer's comments are not quite clear. The two out of three I would refer to are: Net new borrowing, and interest payments. No information is explicitly presented on year/end debt.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with PR

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

The interest payments on outstanding debt for the budget year

The amount of net new borrowing required during the budget year

Source:

Net new borrowing: Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics, Table 1.1 Federal Government Finance http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Debt service charges: Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics, 3.1 Federal Government Operating Expenditure by Object http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019, p. 45)
http://www1.treasury.gov.my/pdf/perbelanjaan/maklumat_bajet_kerajaan/2019/T.13.pdf
Note, the documents provide information about debt service charge, which includes payment of the principal.

Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 4-10
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section4.pdf

Comment:

The latest information about the central government's total debt burden is only available until June 2018 (Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 4-10).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:

d. No, information related to composition of total debt outstanding is not presented.

Source:

Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics,
Table 1.1 Federal Government Finance
3.1 Federal Government Operating Expenditure by Object
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 8
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section4.pdf

Comment:

The requested information for composition of the total debt outstanding at the end of the budget year (2019) is not available in the above cited

documents. The information is available only up to end of June 2018. (Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 8).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

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

Comments: The composition of the total debt outstanding for 2018 were presented to the Parliament Select Committee in few rounds on 12 March 2019, 26 March 2019, 4 April 2019, 23 May 2019, 18 June 2019 and the last being on 10 July 2019. The full report of the presentation was made publicly available on the Malaysian Parliament website at <https://www.parlimen.gov.my/e-risalat.html?uweb=dr>. The report were also presented to the House of Representatives in the national language.

Researcher Response

This question asks question about the availability of information about debt outstanding for FY2019.

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are are presented in the Executive's Budget Proposal:

Answer:

None of the above

Source:

Fiscal Outlook and Federal Government Revenue Estimates 2019, Public Finance Statistics,
Table 1.1 Federal Government Finance
Table 3.1 Federal Government Operating Expenditure by Object
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 8
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section4.pdf

Comment:

The requested information for composition of the total debt outstanding at the end of the budget year (2019) is not available in the above cited documents. The information is available only up to end of June 2018. (Fiscal Outlook and Federal Government Revenue Estimates 2019, Section 4: Debt Management, p. 8).

Peer Reviewer

Opinion: Disagree

Suggested Answer: Information is provided on whether the debt is domestic or external. For example, 2nd last paragraph on page 4 of this document, which as been cited by the reviewer states on-shore and off-shore borrowings:

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section4.pdf Page 6 has external debt as defined by IMF. On interest rates, while no mention is made of yields of current issues, there is information on the range, for example, this excerpt from page 4 "In the first half of 2018, yields on 5-year MGS ranged between 3.502% and 3.908%, while the yields on 10-year stood within the range of 3.841% to 4.264%"

Government Reviewer
Opinion: Agree

Researcher Response

Question 14 asks question about total debt outstanding by the end of FY2019. The information cited by the PR only for 2017 and 2018

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

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

Source:

Economic Outlook 2019, Chapter 3: Macroeconomic Outlook, p. 53-80 <http://www.treasury.gov.my/pdf/economy/2019/chapter3.pdf>

Economic Outlook 2019, Malaysia Key Data and Forecast

http://www.treasury.gov.my/pdf/economy/2019/chart_Malaysia.pdf

http://www.treasury.gov.my/pdf/economy/2019/st_accounts.pdf

Comment:

The Economic Outlook provides information on

- Nominal GDP level of BY (see p.1 Malaysia Key Data and Forecast),
- Inflation rate of BY (see p. 2 Malaysia Key Data and Forecast, CPI)
- Real GDP growth of BY (see p. 1 Malaysia Key Data and Forecast or p. 65 of Macroeconomic Outlook)

Information on Interest Rate is only available until BY-1 (2018).

The EBP also provides additional information on the following

1. BY-1 Oil Price: Fiscal Outlook 2019, Section 2: Federal Government Revenue, (p. 9-10)

<http://www1.treasury.gov.my/pdf/revenue/section2.pdf>

2. BY Rate of Employment and Unemployment : Economic Outlook 2019, Labour Market, Table 3.16 Labour Force

http://www.treasury.gov.my/pdf/economy/2019/st_labourmarket.pdf

3. By-1 Exchange rate: Economic Outlook 2019, Financial and Capital Markets, Table 4.3 Key Exchange Rates

http://www.treasury.gov.my/pdf/economy/2019/st_financialmarkets.pdf

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The reviewer does note that only historical information is presented for interest rates. As such, I am of the view that c is the more appropriate answer.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with PR. Final answer in "C"

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's

Budget Proposal:

Answer:

Nominal GDP level
Inflation rate
Real GDP growth

Source:

Economic Outlook 2019, Chapter 3: Macroeconomic Outlook, p. 53-80 <http://www.treasury.gov.my/pdf/economy/2019/chapter3.pdf>

Economic Outlook 2019, Malaysia Key Data and Forecast

http://www.treasury.gov.my/pdf/economy/2019/chart_Malaysia.pdf

Comment:

The Economic Outlook provides information on

- Nominal GDP level of BY (see p. 1 Malaysia Key Data and Forecast),
- Inflation rate of BY (see p. 2 Malaysia Key Data and Forecast, CPI)
- Real GDP growth of BY (see p. 1 Malaysia Key Data and Forecast or p. 65 of Macroeconomic Outlook)

Information on Interest Rate is only available until BY-1 (2018).

The EBP also provides additional information on the following

1. BY-1 Oil Price: Fiscal Outlook 2019, Section 2: Federal Government Revenue, (p. 9-10)

<http://www1.treasury.gov.my/pdf/revenue/section2.pdf>

2. BY Rate of Employment and Unemployment : Economic Outlook 2019, Labour Market, Table 3.16 Labour Force

http://www.treasury.gov.my/pdf/economy/2019/st_labourmarket.pdf

3. By-1 Exchange rate: Economic Outlook 2019, Financial and Capital Markets, Table 4.3 Key Exchange Rates

http://www.treasury.gov.my/pdf/economy/2019/st_financialmarkets.pdf

Peer Reviewer

Opinion: Disagree

Suggested Answer: The Oil Price and Exchange Rate information cited by the reviewer is historical. The question asks about forecasts. As such, I am of the view that the above two are irrelevant for the purpose of this question; and the more appropriate response is there is no information beyond the core elements.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with PR. No information beyond core information is not presented

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

d. No, information related to different macroeconomic assumptions is not presented.

Source:

Economic Outlook 2019, Chapter 3: Macroeconomic Outlook (p. 43) (<http://www.treasury.gov.my/pdf/economy/2019/chapter3.pdf>)

Section 1 of the Fiscal Outlook and Federal Government Revenue Estimates 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section1.pdf

Comment:

Chapter 3 of the Economic Outlook 2019 discusses the overview of the prospects for the Malaysian Economics. However, it does not discuss how the changes in the outlook may affect the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Persekutuan 2019)

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/anggaran_belanja_persekutuan_2019.pdf

Budget Speech 2019, <http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

Comment:

The impact of new policies to the 2017 and 2018 budget were seen more clearly than in the 2019 budget because the 2017 and 2018 Estimates of Federal Government Expenditure document had items called "new policy" (dasar baru) and "one-off activities" for each ministry. The 2019 Estimate does not have these items.

However, the budget speech discussed some policies that impact expenditures. For example at the beginning of the speech, the minister discussed how the debt payment affect deficit target (point 22), the increase in allocation for school maintenance (point 117).

The budget speech however does not discuss the impact on many policies on the expenditures. For example how the many subsidies and assistance

introduced by the new government affect the total allocation for subsidy in the budget year.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, information that shows how new policy proposals affect expenditure is not presented.

Comments: I agree with the reviewer's comments. And based on those comments, I believe the more appropriate answer is (d).

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewer's comments. Based on the researcher's citations of some examples where the government has described new policies and their impact on expenditures. These examples are enough to qualify for a C on this indicator. The researcher's response is confirmed.

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

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

The Budget Speech, p. 49-79

<http://www.treasury.gov.my/index.php/en/budget/annual-budget.html>

Federal Government Expenditures after taking into account budget measures proposed in 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/hasil.pdf

Comment:

New tax measures are listed in the Budget Speech. The proposal cover new measures for income tax, other direct tax as well as excise duties and service tax.

The second document listed the estimates of gain from implementing those measures. The document however only show the gain generally, it does not show individual sources. Narrative discussion on the gains is also not included.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Comments: I agree with the reviewer's comments. However, in my opinion, (c) is the more appropriate answer. As the reviewer notes, the document shows the gain 'generally'. To earn a (b) response, I am of the view that more detail is required.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the PR. Revised the answer to "c"

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

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

The 2019 Estimated Federal Expenditures, p. 31-465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/ringkasan_belanjaSebenar_dan_anggaran_urus&pemb.pdf

The Fiscal Outlook and Federal Government Revenue Estimate 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The 2019 Estimated Federal Expenditures (p. 31-465) presented estimates of operating expenditures for BY-1 by administrative and economic classification. The estimates of development expenditures for BY-1 is by administrative classification only.

The Fiscal Outlook and Federal Government Revenue Estimate 2019 presented estimates of operating and development expenditures for BY-1 by functional classification. (Tables 3.1 and 3.2 on p. 7-8).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

The 2019 Estimated Federal Expenditure, p. 31-465

Example: http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.5.pdf (p. 78-79)

Comment:

The 2019 Estimated Federal Expenditure presents expenditures for individual programs for the year preceding the budget year (BY-1)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

The 2019 Estimated Federal Expenditure, p. 31-465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

The Fiscal Outlook and Federal Government Revenue Estimate 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf p. 7-8

Comment:

The 2019 Estimated Federal Expenditure present the amended (dipinda) Estimates of BY-1 expenditure (2018). But it has not been updated to reflect actual expenditures (Perbelanjaan Sebenar).

The Fiscal Outlook and Federal Government Revenue Estimate also has revised BY-1 (2018) figures for the functional and economic classifications.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Administrative: Estimated Federal Government Expenditure 2019, p. 15-465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/ringkasan_belanjaSebenar_dan_anggaran_urus&pemb.pdf

Functional: Fiscal Outlook 2019 - Public Finance Statistics, Table 3.2 Federal Government Operating Expenditure by Sector, Table 3.3 Federal Government Development Expenditure by Sector

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Economic: Fiscal Outlook 2019 - Public Finance Statistics, Table 3.1 Federal Government Operating Expenditure by Object

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

Expenditure estimates for BY-2 (FY2017) are presented for all three expenditure classifications in EBP documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:

Administrative classification

Economic classification

Functional classification

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

The 2019 Estimated Federal Expenditures, p. 31-465

For example, see http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.6_P.6.pdf

Comment:

The 2019 Estimated Federal Expenditures only present BY-1's individual programs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

2019 Estimated Federal Expenditures, p.31-465

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

The Fiscal Outlook (Public Finance Statistics Section)

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The 2019 Estimated Federal Expenditure presents BY2017 's actual expenditure for each program.

However the Fiscal Outlook document presents actual expenditures of BY2015 (BY-4), BY2016 (BY-3), BY2017 (BY-02) by economic and functional classifications.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The document cited above presented tax and non-tax revenue for 2018

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The above cited document presents all individual sources of revenue for 2018 (BY-1). The 'other' categories only represent 1.6% of the total revenues.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The revenue estimates has been updated from the original enacted level. But it is not the actual revenue collection yet. The amount presented for BY-1 (2018) is revised estimates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The above cited document presents actual tax and non-tax revenue collection for year 2017 (BY-2)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The above cited document presents individual sources of revenue for 2017. The 'other' revenue category only represents 1.5% of total revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Details of Federal Government Revenue Estimates in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The above cited document presents actual revenue collection for year 2017.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*

- whether it is domestic or external debt.

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

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

Source:

4.1 Federal Government Net Borrowings in Public Finance Statistics in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The document cited above presents

1. Total debt outstanding at the end of BY-1;
2. Interest payments on the debt on BY-1;
3. Whether it is domestic or external debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 32 asks for which year the actual outcome for debt is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Sub-Section 4.1, 4.2, 4.3, in Public Finance Statistics in Fiscal Outlook and Federal Government Revenue Estimates 2019
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The above cited document presents the actual federal government debt and external debt of BY-2, BY-3, BY-4, and BY-5

Peer Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Answer:

d. No, information related to extra-budgetary funds is not presented.

Source:

Fiscal Outlook 2019 - Public Finance Statistics, Table 6.4 Statutory Bodies Consolidated Finance
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Fiscal Outlook 2019 - Public Finance Statistics, Table 6.5 Non-Financial Public Corporations' Financial Position
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

For the 2017 OBS, the researcher refer to statutory bodies and NFPCs (Non Financial Public Corporations) as extra-budgetary funds in the Malaysian context. The researcher will use the same definition for the 2019 OBS. Statutory Bodies are corporate bodies set up by federal or state laws such as EPF (Employees Provident Fund), Malaysia's pension fund. NFPCs are public bodies that are set up to undertake commercial activities and in which the government has more than 50% shares. Among the examples of NFPCs are Petronas, Malaysia Airlines Berhad.

They are considered as extra-budgetary funds because they are financed wholly or partly by the government, sometimes receive transfer from the government, but they operate outside the budget.

EBP documentation includes consolidated financial position of Statutory Bodies and Non-Financial Public Corporations (NFPCs). The EBP presents the aggregate financial position of statutory bodies and NFPCs by BY-1 to BY-5. There is information on income, expenditure, balance and financing. However, no information from the current budget year.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>). For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

a. Yes, central government finances are presented on a consolidated basis.

Source:

Fiscal Outlook 2019 - Section 6: Consolidated Public Sector, Table 6.4 Consolidated Public Sector Financial Position 2017-2019, (p.90)
<http://www1.treasury.gov.my/pdf/revenue/section6.pdf>

Fiscal Outlook 2019 - Public Finance Statistics, Table 6.1 Consolidated Public Sector Finance
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

Information requested for a consolidated report for the budget year, including both budgetary and non-budgetary finances, is provided in the Fiscal Outlook 2019, Section 6: Consolidated Public Sector

The Economic Report also provides information separately on the consolidated financial positions of two types of non-budgetary organisations; Statutory Bodies Consolidated Finance and Non-Financial Public Corporations' Financial Position.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

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

Answer:

c. Yes, estimates of some but not all intergovernmental transfers are presented.

Source:

3.1. Federal Government Operating Expenditure by Object in Public Finance Statistics in Fiscal Outlook and Federal Government Revenue Estimates 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf

Comment:

The above cited document presents estimates of intergovernmental transfers, but a narrative discussion is not included.

The Malaysian Constitution requires federal government to transfer capitation grant and state road grant to all states. In addition to those grants, Sarawak and Sabah receive import duty and excise duty on petroleum products as well as export duty for timer products. In addition to grants outlined in the constitution, there are other types of federal government's transfer to the states such as special grants and annual grants for local government bodies. Full list of intergovernmental transfers can be found in the Estimated Federal Government Expenditure 2019, p. 481 http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/LampiranE.pdf The document only reports transfers for 2017, however.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of all intergovernmental transfers are presented, but a narrative discussion is not included.

IBP Comment

Thank you for the Government Reviewer's comment. This indicator did score B in OBS 2017, however, the OBS methodology is also clear that when individual transfers to each subnational unit are not reported for the budget year - and instead only a total of subnational transfers to all units is reported - this should score a C. For that reason, based on the information in the budget in the Federal Government Operating Expenditure by Object in Public Finance Statistics in Tables 3.1, 6.2, 6.2 and 6.4, the assessment should be C for this question.

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

GUIDELINES:

Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).
- The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf

- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).*

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:

2019 Estimated Federal Expenditures

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Section 3 Federal Government Expenditures in 2019 Fiscal Outlook

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section3.pdf

Comment:

The Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019) only present estimates of expenditures by administrative, functional, and economic classification. The requested information for alternative displays of expenditures is not available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:

None of the above

Source:

2019 Estimated Federal Expenditures

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Section 3 Federal Government Expenditures in 2019 Fiscal Outlook

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section3.pdf

Comment:

The Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019) only present estimates of expenditures by administrative, functional, and economic classification

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Answer:

c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/st_kewangan.pdf (Table 3.1 Federal Government Expenditure by Object)

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.11.pdf, p. 138

Comment:

The above cited document present transfers to public corporations in FY-2019. Among them are KTMB, and KLIAB. The researcher can't ascertain whether the treasury allocates transfer to other public corporations in FY-2019.

Peer Reviewer

Opinion: Agree

Comments: I concur that not all transfers to public corporations are presented. The fact is, GLCs (Government-linked Companies) are a major part of the Malaysian economy. Professor Terence Gomez at the University of Malaya has written extensively on this. A sample is available here:

<http://www.ideas.org.my/ideas-launches-the-malaysia-glc-monitor-2018-government-in-business-diverse-forms-of-intervention/> From his research, it is clear that a substantial number of GLCs are not mentioned in the EBP.

Government Reviewer

Opinion: Agree

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:

Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);
- The identification of intended beneficiaries of the quasi-fiscal activity.

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.

Answer:

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

Source:

2019 Budget Speech

<http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

2019 Estimated Federal Government Expenditures

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Comment:

The Estimated Federal Government Expenditures 2019 does not have a specific section reporting quasi-fiscal activities. However, the Budget Speech provide some examples of quasi-fiscal measures in the 2019 Budget. Among the measures are:

1. a monthly public transportation pass (point 108, p.25),
2. Allocation of RM25 million to Cagamas Berhad to provide mortgage guarantees for first-time home buyers (Point 100, p. 23)
3. Commitment from the Real Estate Housing Developers Association (REHDA) of the 10% reduction in the price of houses
4. 'Property Crowdfunding' platforms

The Budget speech provide reasons and intended beneficiaries of these activities. But since the Budget only provide an overview of the overall budget, it is unclear whether it captures all quasi-fiscal activities in the Budget Year.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, information related to quasi-fiscal activities is not presented.

Comments: In substance, I believe (d) is the more appropriate answer. The examples cited by the reviewer are of relatively small items running into a few million ringgit, whereas, for example, the issues at 1MDB are in the billions.

Government Reviewer

Opinion: Agree

Researcher Response

This survey evaluates the 2019 EBP. The speech discusses payment made for 1MDB related debts. Additionally, there were significant discussion about incorporate the off-balance sheet expenditures into the budget and some key infrastructure project that are carried out by government linked companies such as Prasarana and MRT Corp (see point 29). The speech also discusses REIT (Real Estate Investment Trust) which will be managed by MAHB (point 40). I maintain answer "c"

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- A listing of the financial assets; and
- An estimate of their value.

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or

supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:

d. No, information related to financial assets is not presented.

Source:

2019 Fiscal Outlook 2019 and Federal Government Revenue Estimates , p. 179-180

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The document cited above presents information about revenue from investments, but they do not present financial assets owned by the government.

The YER document (Penyata Kewangan Kerajaan Persekutuan) presents financial assets owned by the government by the end of BY-2.

<http://www.parlimen.gov.my/ipms/eps/2018-08-06/ST.63.2018%20-%20PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The researcher's response of D is confirmed. Even though the score of this question decreased from C to D from OBS 2017, the information presented shows only revenues from assets, not the purchase or sale of assets, which is the minimum for a C on this question. As this question is asking about stocks, however, ideally financial assets should be shown on a balance sheet for the government for the BY.

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019)

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/anggaran_belanja_persekutuan_2019.pdf

2019 Fiscal Outlook, p. 178-179

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/perincian.pdf

Comment:

The 2019 Estimated Federal Expenditures does not present information about non-financial assets. The 2019 Fiscal Outlook document however presents revenue generated from non-financial assets such as land, building, machinery and equipment. The document however does not list the

assets.

The Ministry of Finance has a division tasked to manage public assets and they are supposed to provide annual reports on the asset. But the researcher could not find publicly available reports from this division (<http://www.treasury.gov.my/index.php/en/ministryprofile/divisions-units/pam.html>)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

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

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

Answer:

d. No, estimates of expenditure arrears are not presented.

Source:

Estimated Federal Expenditure 2019 (Anggaran Perbelanjaan Kerajaan Persekutuan 2019)
http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/anggaran_belanja_persekutuan_2019.pdf

2019 Fiscal Outlook

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section5.pdf, p. 9

Comment:

The Estimated Federal Government Expenditures does not provide information about expenditure arrears. The 2019 Fiscal Outlook document provides information about "outstanding government commitment" to about 100 PPP Projects. However, the data is only presented until the end of June 2018. It should be noted here that this type of information was previously not available in the EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

d. No, information related to contingent liabilities is not presented.

Source:

Fiscal Outlook 2019

http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section5.pdf

Comment:

Section 5 of the 2019 Fiscal Outlook document provides information about fiscal risks posed by government contingent liabilities. The reports provides information about the major types of contingent liabilities and the policy rationale for each. For example p. 124-125 provides information about government guarantee and the total outstanding guarantee by the end of June 2018 as well as the top 10 loan guarantee made by the government. Page 125-126 provides information about liabilities arising from PPP projects. The document reports the "outstanding government commitment" of RM135,1 billion for about 100 PPP Projects by the end of June 2018.

This is a relatively new information presented in the EBP. EBPs of FY 2017 did not present this information. However, the information presented is only until June 2018 and there is no estimates for BY-2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

During an IBP cross-country consistency check, the score for this question is revised from C to D as the question requires information for the budget year (2019) and cannot count BY-1 (or even June 2018) information.

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- Projections that cover a period of at least 10 years.
- The macroeconomic and demographic assumptions used in making the projections.
- A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.

The IMF's Fiscal Transparency Handbook (2018) ([https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859.xml](https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml)) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

Fiscal Outlook 2019 -
http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section5.pdf

Comment:

Section 5 of the 2019 Fiscal Outlook provides information about government liabilities. It provides information about government commitment in the next 10-30 years by presenting outstanding commitment for 100 PPP projects (p. 9) as well as maturity profiles of loan guarantees (p. 11).

The reports provides information about the percentage of this liability against GDP and steps that have been taken and will be taken to reduce the ratio.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Comments: In my view, I believe (d) is the more appropriate response. There is no discussion on, for example, a) The macroeconomic and demographic assumptions used in making the projections. b) The fiscal implications and risks highlighted by the projections. Bear in mind that this budget was presented by a completely new government. The Pakatan Harapan government took office only in May 2018, after landmark general elections that resulted in the Barisan Nasional coalition that had governed Malaysia since Independence in 1957 losing. The new government has taken steps to improve transparency and accountability, but it is still early days for them.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the PR. Revised the score to "d". However, it should be noted that the new government has taken a significant first step in improving the transparency of government debt and liabilities information. The information mentioned in the comment section was not available in the previous budget documents. However, as noted by the PR, these newly available information falls short of the requirements needed to get score "c".

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and

in-kind, for at least the budget year?

GUIDELINES:

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

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

Answer:

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

Source:

Estimates of Federal Government Revenue 2019 (p. 10), Contribution and Compensation from Foreign Countries and Local Contributions
<http://www1.treasury.gov.my/pdf/revenue/perincian.pdf>

Comment:

There appears to be financial official donor assistance for the budget year in the budget documents, however, there is no discussion included in the EBP reports stating where exactly did they come from.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

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

Source:

The 2019 Budget Speech Appendices 1-21 (p. 49-50) http://lampiran1.hasil.gov.my/pdf/pdfam/Budget_2019.pdf

Comment:

The EBP documentation provides some information about tax expenditures, but it is not complete. At least one core element is absent. A statement of purpose or policy rationale is provided and a listing/description of the intended beneficiaries are provided. The extent of detail provided varies. However, an estimate of the revenue foregone is not provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

c. Yes, estimates of some but not all earmarked revenues are presented.

Source:

2019 Budget Speech
<http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

Comment:

Earmarked Revenue in the Budget Speech

1. Special dividend of RM30 billion from Petronas Nasional Berhad (Petronas) which will go towards repaying the GST and income tax refunds of RM37 billion. (P. 15)

2. Tabung Harapan Malaysia which has amounted to RM196.5 million. The fund is to assist the Federal Government to pay off the country's debts inherited from the previous Government. (P. 45)

3. Great Eastern Life's RM 2 Billion contribution to be used for B40 Health Protection Fund (P. 20)

These are earmarked revenue under new government. Some revenues that were earmarked in the previous administration for example contribution of power companies to MESITA or contribution of petroleum companies to KWAN is not disclosed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and

existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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

Source:

Budget 2019 Speech <http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

Comment:

The Budget Speech presents some information about how some policy goals are reflected in its budget choices. For example

The government determines three major policy goals for the 2019 Budget: (1) to implement institutional reforms

To achieve the first policy goal, the government will pursue three strategies (1) Strengthening Fiscal Administration (2) Restructuring and Rationalising Government Debt and (3) Raising Government Revenue.

These strategies reflected in the government's decision for example to raise RPTG (p. 14) and implement departure levy (p. 14)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. 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.

Comments: Based on the researcher's comments that 'some policy goals are reflected', which I agree with, (c) is the more appropriate response, in my view.

Government Reviewer

Opinion: Agree

IBP Comment

Based on the researcher's comments, which show the budget speech outlines the policy goals, and for each policy goals the Minister of Finance mentions measures of revenues and expenditures to achieve it - for cross-country consistency the response is confirmed as A.

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

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are

completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. 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.

Source:

Budget Speech 2019 <http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

Mid-Term Review of the 11th Malaysia Plan

https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/publication/Mid-Term%20Review%20of%2011th%20Malaysia%20Plan.pdf

Comment:

The Mid-Term Review of the 11th Malaysia Plan is the current government's stated policy goals until 2020. In the review, the government that was voted into the office on 5 May 2018 evaluated multi-year policy goals of the previous government and put new priorities and emphases.

Among the new priorities is strengthening economic growth (p. 15-2). One of priority to strengthen economic growth is by improving infrastructures including water services and energy supply. The Budget of 2019 puts forward proposal "to broaden the electricity and water supply to rural areas with an allocation of RM694 million and RM738 million respectively" (Budget Speech, p 40).

The reference to Mid-Term review in the Budget Speech is quite minimal. The Speech only mentions it once (p. 44) when discussing the public sector reform. However, the Development Expenditures shows the total budgetary allocation (that can be considered as multi-year budget) for each program.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. 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.

Comments: As the researcher comments, 'reference to mid-term review ... is quite minimal'. Hence, I am of the view that (c) is the more appropriate answer.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with PR- "C" is the answer

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

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates

of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

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

Source:

Budget Speech 2019 <http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

2019 Estimated Federal Expenditures

<http://www.treasury.gov.my/index.php/en/budget/estimated-federal-expenditure.html>

Comment:

The Estimated Federal Expenditures present information about the number of staff paid by the budget for individual programme. However, this information does not provide a clear picture to the public on other non-financial inputs such as lands. The budget speech mentioned one of the potential non-financial inputs. "The Government plans to convert 380 acres of land in Pulau Indah into a Free Trade Zone to support and catalyse increased shipping and logistics activities in Port Klang". (p. 36).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, nonfinancial data on inputs are not presented.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you to the peer reviewer for the comment. However, the number of staff assigned counts as a non-financial input for this question. Since this information is provided for each ministry (even without comprehensive information on other inputs) the researcher's response of a B score is confirmed.

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

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

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

Source:

2019 Estimated Federal Government Expenditure

(<http://www.treasury.gov.my/index.php/en/budget/estimatedfederal-expenditure.html>)

Estimated Expenses of the Ministry of Health (Anggaran Perbelanjaan Kementerian Kesihatan), p. 343,

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.42_P.42.pdf

Comment:

The Estimated Federal Government Expenditure presents outcomes for programs in every ministry

For example: one of the outcomes for public health program under the Ministry of Health is effective disease control and prevention. The indicators for the outcome are 85% of TBC cases cured, 56% of malnourished children under PPKMZ program gain weight.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Comments: There is some nonfinancial data, but not for all.

Government Reviewer

Opinion: Agree

IBP Comment

Based on the feedback from the researcher, as all programs have non-financial data on results, except for charged expenditure which is only salaries, this qualifies as an A for this question.

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

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

a. Yes, performance targets are assigned to all nonfinancial data on results.

Source:

2019 Estimated Federal Government Expenditure
(<http://www.treasury.gov.my/index.php/en/budget/estimatedfederal-expenditure.html>)

Estimated Expenses of the Ministry of Health (Anggaran Perbelanjaan Kementerian Kesihatan), p. 343,
http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.42_P.42.pdf

Comment:

EBP documentation provides an extensive set of program-level performance for specific spending activities. Each program under the individual ministries or departments will be given specific outcome and for each outcome, there are indicators of performance. For example an indicator for the effective disease control outcome in the public health program is 30% of smokers to quit smoking with the help of the Stop Smoking Clinic.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, performance targets are assigned to some nonfinancial data on results.

Comments: For example, page 8 of the Entrepreneur Development Ministry Estimated Expenditure shows various programmes, but no performance targets. Document is available here: http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.26_P.26.pdf

Government Reviewer

Opinion: Agree

Researcher Response

Thank you for the response. All the non-salary operating expenditures have performance target. For that reason I am maintaining answer "A" for this question. In regards to the example that the PR mentioned above, the non-financial data on results for the Ministry of Entrepreneur Development have performance target. For example, for the competitive entrepreneur outcome, the target is to increase the percentage of Small and Medium Enterprise to GDP by 40% in 2019.

IBP Comment

See also Q50. All programs have performance targets associated to the indicators that are presented. There is some amount of funding called charged expenditures, which are salaries, that do not have performance targets. However all programs that are shown in the budget are assigned both

indicators and targets. This counts as an A score. The researcher's response is confirmed.

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

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

c. Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.

Source:

Budget Speech 2019 <http://www.treasury.gov.my/pdf/budget/speech/bs19.pdf>

Comment:

EBP documentation (Budget Speech) does provide information on the assistance given to groups of people who are likely to earn below the average income. However, EBP documentation does not provide any specific consolidated report on the scope of such policies, budget estimate or the percentage of this assistance within the overall budget.

Some examples from Budget Speech:

- Point 65, p.16 - Improving income opportunities for the B40 groups
- Point 66, p.16 - Assistance for vulnerable groups such as low-income families, elderly and people with disabilities
- Points 170, p.37 - Assistance for rubber smallholders
- Point 188, p.40 - Allocations for the indigenous people (Orang Asli)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The information in the budget speech shows both descriptions of a program and overall allocation. For example p. 16 notes that the cash grants program will get an allocation of RM 5 billion. This qualifies as a C response.

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for

submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

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

Source:

Budget Preparation Process (Proses Penyediaan Bajet) <http://www.treasury.gov.my/index.php/bajet/proses-penyediaan-bajet.html>

Comment:

The executive does release/make public its timetable for formulating the EBP. This is available on Treasury website, with the timeline providing a monthly schedule for the budget preparation process. However it does not record the consultation process with the public which usually take place between July-September.

The Treasury web page presents a timeline for EBP formulation that includes the following information: January: The issuance of Guidance on how to prepare the estimates of the expenditures by the Treasury.

March: The treasury receive the estimates from each ministry

April-June: The Treasury scrutinises the submitted estimates

July: Consolidation of all the estimates

August- September: Approval from the Minister of Finance and Cabinet

September: Tabling of the EBP

September-December: Budget Discussion in the Parliament

December: Issuance of General Warrant for Expenditure

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a timetable is released, but some details are excluded.

Comments: For example, exact dates for each Ministry are not given. Therefore, I am of the view that either (b) or (c) are more appropriate responses.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewer's comment. While this is a good observation that there are not specific dates on the timetable, as the overall document provides guidance on the months during the year where budget preparation events take place, this is enough for an A score on this question as per OBS cross-country consistency. The researcher's original response of A is confirmed.

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

d. No, information related to the macroeconomic forecast is not presented.

Source:

PBS is not produced

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- *a discussion of expenditure policies and priorities; and*
- *an estimate of total expenditures.*

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

d. No, information related to the government's expenditure policies and priorities is not presented.

Source:

PBS is not produced

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:

d. No, information related to the government's revenue policies and priorities is not presented.

Source:

PBS is not produced

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- *the amount of net new borrowing needed in the upcoming budget year;*
- *the central government's total debt burden at the end of the upcoming budget year; and*
- *the interest payments on the outstanding debt for the upcoming budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

PBS is not produced

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

b. No, multi-year expenditure estimates are not presented.

Source:

PBS is not produced

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.

Answer:

c. Yes, the Enacted Budget presents expenditure estimates by only one of the three expenditure classifications.

Source:

Supply Act 2019 http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BI_Act%20A1575%20BI.pdf

Comment:

Malaysia's operating expenditures are divided into two components: Supply and Charged Expenditures. Charged expenditures are obligatory payments under the law to pay pensions, debt charges, maintenance of the sovereign (civil list), salaries of the Auditor General and judges. They are charged to Consolidated Fund but do not require to be appropriated each year.

Supply expenditures are also charged to Consolidated Fund, but the government have to obtain parliamentary approval before spending them. They are to cover emolument of public servants, procurement of assets, goods and services, as well as for transfer payments to statutory funds, state governments and public enterprises. Parliamentary approval for supply expenditure is the Supply Act.

The Supply Act presents authorised supply expenditures for each administrative function. It does not present charged expenditures and development expenditures.

For a complete expenditure allocation for every budget year, one has to refer to Estimates of Federal Expenditure document (Anggaran Perbelanjaan Kerajaan Persekutuan)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: In substance, the Supply Act should be taken together with the proposed Budget. The total of the enacted Supply Act is consistent with the total Federal Government Expenditure Estimate. Thus, the answer for this should be consistent with the earlier answers to Qs 87-92.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you to the peer reviewer for the comment. In OBS methodology, the proposed budget (even if approved without amendment) can only be considered part of the approved budget if: 1) The document is republished as a version that clearly shows it is the approved version, or 2) The approval law explicitly references the proposed documents and notes that they approved without any changes in the allocations. Given that the Malaysian budget is approved without either of these confirmations that the proposed budget should then be considered the approved version, the Supply Act can only be considered without the EBP. The researcher's original response is confirmed.

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification

Source:

Supply Act 2019 http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BI_Act%20A1575%20BI.pdf

Comment:

It should be noted here that the Supply Act only present supply expenditures; it does not present charged expenditures.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Following on from my comments and review of the previous question, I am of the view all three - admin, economic and functional classifications are provided.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewer's comment. Please refer to the response in Q59.

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

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

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

Answer:

d. No, the Enacted Budget does not present expenditure estimates by program.

Source:

Supply Act 2019 http://www.federalgazette.agc.gov.my/outputaktap/20181227_A1575_BI_Act%20A1575%20BI.pdf

Comment:

EB documentation does not present program-level estimates. The documentation provides information about the amount of money allocated for each ministry for supply expenditures (not charged one)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Following on from my review and comments to the previous two questions, I am of the view that the answer to this should be consistent with the answers to Qs 87-92.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewer's comment. Please refer to the response in Q59.

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

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

Finance Act 2018

http://www.federalgazette.agc.gov.my/outputaktap/aktaBI_20181228_Act812BI.pdf

Fiscal Outlook 2019 and Federal Government Revenue Estimates

<http://www.treasury.gov.my/index.php/en/economy/estimated-federal-revenue.html>

Comment:

The Finance Act does not present revenue estimates by category. The Finance Act only spells out the amendments to tax-related policies such as the Income Tax Act, the Petroleum Income Tax Act, the Good and Services Tax Act, and the Real Property Gains Tax. However, revenue estimates are not provided.

Details of estimates of the revenue (tax and non-tax) is presented in the Fiscal Outlook 2019 and Federal Government Revenue Estimates. But it is not revised after the taxation measures were passed by the parliament.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Comments: In Malaysia, the practice has been parliament approves the Federal Government Revenue Estimates in toto. As such, I am of the view that the Enacted Budget, in substance, incorporates the Federal Government Revenue Estimates and (a) is the more appropriate answer.

Government Reviewer

Opinion: Disagree

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

Comments: The Government presents revenue estimates by category (such as tax and non-tax) through a document that is presented together with the Enacted Budget, titled 'Fiscal Outlook and Federal Government Revenue Estimates 2019'. The report outlines all revenue estimates by category in a detailed manner. It can be found at the Treasury's website http://www.treasury.gov.my/pdf/budget/budget_info/2019/revenue/section2.pdf

IBP Comment

Thank you for the reviewers' comments. Please refer to the response in Q59. Since the 'Fiscal Outlook and Federal Government Revenue Estimates 2019' was presented along with the EBP in November 2018, it is considered an EBP supporting document, and not part of the Enacted Budget.

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

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

d. No, the Enacted Budget does not present individual sources of revenue.

Source:

Finance Act 2018

http://www.federalgazette.agc.gov.my/outputaktap/aktaBI_20181228_Act812BI.pdf

Fiscal Outlook 2019 and Federal Government Revenue Estimates

<http://www.treasury.gov.my/index.php/en/economy/estimated-federal-revenue.html>

Comment:

EB documentation does not present revenue estimates for individual sources of revenue. The Finance Act only spells out the amendments to tax-related policies such as the Income Tax Act, the Petroleum Income Tax Act, the Good and Services Tax Act, and the Real Property Gains Tax. However, revenue estimates are not provided.

The details of estimates of the revenue is presented in the 2019 Fiscal Outlook 2019 document. But this document not revised after the taxation measures were approved by parliament.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Comments: My proposed answer should be read in conjunction with my comments to the previous question.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the reviewers' comments. Please refer to the response in Q59.

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

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing required during the budget year;*
- *the total debt outstanding at the end of the budget year;*
- *the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

Finance Act 2018

http://www.federalgazette.agc.gov.my/outputaktap/aktaBl_20181228_Act812Bl.pdf

Supply Act 2019

Fiscal Outlook 2019 and Federal Government Revenue Estimates

<http://www.treasury.gov.my/index.php/en/economy/estimated-federal-revenue.html>

Comment:

Finance Act and Supply does not present information on government borrowings.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Comments: As mentioned earlier, I am of the view that the actual Acts should be read in conjunction with the proposals. On this basis, the answer to this should be consistent with the answer to Q 100.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the reviewers' comments. Please refer to the response in Q59.

64. What information is provided in the Citizens Budget?

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

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- expenditure and revenue totals;
- the main policy initiatives in the budget;
- the macroeconomic forecast upon which the budget is based; and
- contact information for follow-up by citizens.

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

a. The Citizens Budget provides information beyond the core elements.

Source:

Meeting with the National Budget Officer director and staff, 12 April 2019.
Pasca Belanjawan 2019 (Power Presentation Slides used for engagement/outreach sessions with government servants and the public)

Comment:

The Presentation Slide presents (1) expenditure and revenue totals; (2) the main policy initiatives in the budget; and (3) the macroeconomic forecast upon which the budget is based. But the Slide does not provide contact information for follow-up by citizens and it is not published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The Citizens Budget provides the core information.

Comments: The 2019 Citizens Budget document was published within 30 days after the enacted budget was approved by the legislature. This document was published in the form of 2019 Budget Touchpoints on a Government Website (Information Department Website) at http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html#p=18 to allow for better public reach as the Information Department website is the main source for public information. It is a 72 page report that outlined information on 2019 Budget focus, detailed provision/allocation, important statistics on revenue and expenditure and relevant strategies.

Researcher Response

Thank you for the response from the GR. I am revising my answer to "A" based on the 2018 citizen budget document published by the Ministry of Communication. http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=72 The document contains all key information that should be available in the CB: p. 4 - Expenditure and revenue totals p. 5 - Macroeconomic forecast p. 11-63 - Discussion of policy initiatives p. 72 - Contact details including email address Beyond the core: p. 8 - Details on revenue sources p. 9 - Details on sectoral expenditures

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

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

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

Source:

Meeting with the National Budget Officer director and staff, 12 April 2019.
List of outreach programs organised by the MoF to disseminate budget (sent by the National Budget Office)

Comment:

The list of outreach programs showed that the Citizen Document Budget was used in MoF outreach programs in TV, Radio as well as public debate/talk.

As the slides were not published online, however, the document cannot be considered a Citizens Budget and this question automatically scores a D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. A Citizens Budget is disseminated only by using one means of dissemination.

Comments: CB was published and disseminated via http://www.penerangan.gov.my/dmdocuments/budget_2019_touchpoints/mobile/index.html on 29 January 2019

Researcher Response

Thank you for the GR response. I revised my answer to "A" based on the 2018 Citizen budget published by the Ministry of Communication in this link http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=72 So, the CB is disseminated through (1) internet, (2) radio and TV (3) public talk

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

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

Meeting with the National Budget Officer director and staff, 12 April 2019

Comment:

There is no reported mechanism used.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

c. A citizens version of budget documents is published for at least one stage of the budget process.

Source:

Meeting with the National Budget Officer director and staff, 12 April 2019.
Pasca Belanjawan 2019 (Power Presentation Slides used for engagement/outreach sessions with government servants and the public)

Comment:

The Citizens Budget documentation is produced only after the budget was passed by the parliament (EB).

However, since the document was not published online by the finance ministry, it is not considered a citizen's budget in the OBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Thank you for the GR response. I revised my answer to "C" based on the 2018 Citizen budget published by the Ministry of Communication in this link http://www.penerangan.gov.my/dmdocuments/2018_budget_touchpoints/mobile/index.html#p=72 Based on this document, there is CB for at least one stage of the budget process (EB)

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

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

d. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

Source:

Malaysian Third Quarter Report 2018 (p. 7-9) http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The IYR provides actual expenditure in economic classifications (emoluments, subsidies and social assistance, Debt service charges, and supplies and services) however the information is in narrative form and it does not account for all expenditures.

Peer Reviewer

Opinion: Disagree

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

Comments: This report is really about the state of the economy. It is not intended to be a budget review report. Hence I am of the view that (e) is the more appropriate answer ie In-Year reports are not produced,

Government Reviewer

Opinion: Agree

Researcher Response

The current document that we treat as IYR is not an ideal in-year reports, but it has some information about expenditure and revenue. However, the information about expenditure is only partial and for that reason, I agree with the PR to revise the answer to "d"

IBP Comment

Thank you to the peer reviewer for noting that this report is mainly an economic report, and not a fiscal report. However, since it contains some basic fiscal information, including some individual sources of revenue, this qualifies it as an IYR by OBS standards. The scores for the IYR questions would improve, however, if there was a more comprehensive fiscal report.

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:

None of the above

Source:

Malaysian Fourth Quarter Report 2018 (p. 7-9) <http://www.treasury.gov.my/pdf/ekonomi/Q4-2018/Q4-2018.pdf>

Comment:

The IYR document provides actual expenditures in economic classification

Peer Reviewer

Opinion: Disagree

Suggested Answer: None of the above

Comments: Consistent with my comment to the previous answer, I would not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68. As noted by the researcher in Q68, there is some information by economic classification, but as it is not comprehensive (and covers less than 2/3 of the budget) it is not counted by OBS standards. The score here is 'none of the above'.

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

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

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

Answer:

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

Source:

Malaysian Third Quarter Report 2018
http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The IYR document does not provide program-level actual expenditures. The IYR presents some expenditures in economic categories.

Peer Reviewer

Opinion: Disagree

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

Comments: i do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

Malaysian Third Quarter Report 2018 (p. 7-9) http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The IYR provides a comparison of actual expenditures (quarterly data for IYR reporting year = BY-1 or FY2018) with quarterly data including the same periods for the previous year (BY-2).

Peer Reviewer

Opinion: Disagree

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

Comments: I do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

b. No, In-Year Reports do not present actual revenue by category.

Source:

Malaysian Third Quarter Report 2018 (p. 7-9) http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The IYR provides actual revenue data for broad categories of revenue (in the narrative discussion, not in table format). The narrative discussion includes some explanation as to why the amount received is lower or higher than the amount received in the same quarter for previous year. However, the report does not report the total value for each category (tax and non-tax).

Peer Reviewer

Opinion: Disagree

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

Comments: I do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

b. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

Source:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf

Comment:

The IYR document provides data for individual sources of revenue that account for a little more than 2/3 of total revenue.

The individuals sources of tax revenue for which information is available include:

Direct Tax: Company Income Tax RM 19.5 billion and PITA RM 2.8 Billion

Indirect taxes: GST RM9.4 Billion

Non-tax revenues - PETRONAS dividend = RM9.5 billion

Together, the individual source data account for RM41.2 billion

Total actual Q3 revenue is RM58.9 billion.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).
Comments: I do not consider this document an IYR.

Government Reviewer
Opinion: Agree

IBP Comment
Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf p. 7

Comment:

IYR documentation provides a comparison of actual revenues against revenues for the same period in the previous year.

Peer Reviewer

Opinion: I choose not to review this question
Comments: I do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf p. 8-9

Comment:

The IYR presents estimates two core elements of government borrowing and debt.

Net new borrowing so far during the year: See the deficit figure of 3.7 billion as a proxy for net new borrowing, Gross borrowing also reported RM26 billion, from which RM20.5 billion as used for principal payment

Central government's total debt burden: RM731 billion;

Peer Reviewer

Opinion: Disagree

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

Comments: I do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

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

Source:

http://www.treasury.gov.my/pdf/flip32018/Third_Quarter_2018.pdf (p. 9)

Comment:

The IYR presents estimates for 1 of the 3 core elements related to the composition of outstanding total debt - Information on whether the debt is external (2.9%) or domestic (97.1%).

No information is provided for either the maturity profile or interest rates on debt.

Peer Reviewer

Opinion: Disagree

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

Comments: I do not consider this document an IYR.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the comment from the peer reviewer. Please see the response in Q68.

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

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

N/A

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Comments: The researcher says "the Mid-Year Review is not produced". I concur. On this basis, (e) is the more appropriate answer, in my view.

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

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

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year, and provides an explanation of the update.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:

d. No, expenditure estimates have not been updated.

Source:

N/A

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Comments: The researcher says "the Mid-Year Review is not produced" in the answer to Q 170. I concur. On this basis, (e) is the more appropriate answer, in my view.

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

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

GUIDELINES:

Question 78 asks if expenditure estimates in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Comments: The researcher says "the Mid-Year Review is not produced" in the answer to Q 170. I concur. On this basis, (e) is the more appropriate answer, in my view.

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: I choose not to review this question

Comments: The researcher says "the Mid-Year Review is not produced" in the answer to Q 170. I concur. On this basis, this question is irrelevant.

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer 'None of the Above'.

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

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

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

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Comments: The researcher says "the Mid-Year Review is not produced" in the answer to Q 170. I concur. On this basis, (e) is the more appropriate answer, in my view.

Government Reviewer
Opinion: Agree

IBP Comment
Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

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

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year, and provides an explanation of the update.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

d. No, revenue estimates have not been updated.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Comments: The researcher comments that 'the Mid-Year Review is not Produced'. I concur. On this basis, I am of the view that (e) is the more appropriate response.

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

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

GUIDELINES:

Question 81 asks whether revenue estimates in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer B.

82. Does the Mid-Year Review of the budget present individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue are presented in the Mid-Year Review. The question applies to both tax and non-tax revenue.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: I choose not to review this question

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*

- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

d. No, estimates of government borrowing and debt have not been updated.

Source:

n/a

Comment:

The Mid-Year Review is not produced

Peer Reviewer

Opinion: Disagree

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

Government Reviewer

Opinion: Agree

IBP Comment

Based on OBS methodology, when a document is not available, all the questions related to the document's content should be scored as 0, in this case, answer D.

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

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

Discussion & financial statements for:

1. Statement of Operating Expenditure (p. 20-21) (p. 62-48)
2. Statement of Development Expenditure (p. 23-24) (p. 71)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. 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.

Comments: I perused the pages cited by the researcher, and was unable to see the narrative discussion.

Government Reviewer
Opinion: Agree

Researcher Response
The narrative discussion is on page 20-22, 24-25

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

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

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The YER document presents expenditure estimates for 2 of the 3 expenditure classifications - administrative and economic (noting that the structure of the economic classification does not fully comply with international standards).

The Federal Government Financial Statements provides separate reporting operating expenditure and development expenditure. Both are presented by administrative classification. Within the administrative classification, there is information on how much money is spent on emoluments (personnel), purchase of assets, and for purchases of goods and services.

There is also separate consolidated reporting for interest payments on public debt, another category in a standard economic classification (noted first on p. 51 and again as item T.13 on p.63 in English language version).

See PDF p. 334 for the economic classification, and p. 341 for the Administrative Classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification
Economic classification

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The YER document presents expenditure estimates for 2 of the 3 expenditure classifications - administrative and economic (noting that the structure of the economic classification does not fully comply with international standards).

The Federal Government Financial Statements provides separate reporting operating expenditure and development expenditure. Both are presented by administrative classification. Within the administrative classification, there is information on how much money is spent on emoluments (personnel), purchase of assets, and for purchases of goods and services.

There is also separate consolidated reporting for interest payments on public debt, another category in a standard economic classification (noted first on p. 51 and again as item T.13 on p.63 in English language version).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

Answer:

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

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (Malay version) (p. 64-242)

Comment:

The YER provides data for program-level spending accounting for all expenditures.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Comments: The answer to this is very difficult. If the standard is "any level of detail below the administrative unit", then I would concur with the researcher. However, if you peruse the document cited, the level of detail is only "emoluments" and "supplies". There are no details on what the administrative units are doing. Hence, for me, (b) is the more appropriate response.

Government Reviewer

Opinion: Agree

Researcher Response

The answer is based on OBS definition of programs which is "any level of detail below an administrative unit, such as a ministry or department".

IBP Comment

The researcher's response is confirmed. Under each 1st-level administrative classification there are details of departments. For example, on p. 64 the main administrative head is T.03 KETUA HAKIM NEGARA, HAKIM BESAR DAN HAKIM, and then underneath this classification are two sub-divisions: 010000 MAHKAMAH PERSEKUTUAN, 020000 MAHKAMAH RAYUAN Under OBS methodology these sub-divisions count as programs.

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

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The YER document provides estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Diagrams (pp.7-8) and tables (pp.48-49) show the enacted budget revenue estimates, the revised budget revenue estimates and the actual revenue collected. Narrative can be found on pp.18-21.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. 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.

Comments: Yes, some narrative is given. However, in my view, this narrative as cited by the researcher takes just 3 pages and is a big-picture narrative. In my opinion, (b) is the more appropriate response.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the PR that narratives can be improved but the document present the difference and the narrative. Answer A is maintained.

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"– that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The tables present individual sources for tax and non-tax revenue. (pp.48-49)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The YER does present revenue estimates for individual sources of revenue accounting for all revenue. (pp.48-49). No "Other" Category. It means all individual sources of revenue are presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the

differences are not presented.

Answer:

c. 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.

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

The YER document presents information about the actual borrowing and debts including its composition, but only presented the estimates of new borrowing by showing the original estimates of deficit, which was funded by borrowing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year

Source:

Federal Government Financial Statements 2017 (<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>) (English version)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

Federal Government Financial Statements 2017 (Penyata Kewangan Keranjan Persekutuan 2017)

<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The YER document does not have specific section that analyses differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year. However, it presents some of macroeconomic assumption that affects revenue and expenditure. For example in p. 18 (english version), the YER discusses the impact of difference between estimated and actual oil price on the revenue.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

During a cross-country consistency check, this question is revised to D. Even as there is information on oil prices, which is important in the Malaysian context, this question requires at least one of the core elements from Q15 to be presented to qualify for a C score.

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Federal Government Financial Statements 2017 (Penyata Kewangan Keranjan Persekutuan 2017)

<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The YER discusses the impact of difference between estimated and actual oil price on the revenue (p. 18, english version).

Peer Reviewer

Opinion: I choose not to review this question

Comments: This is perhaps best left to the ultimate reviewers. The problem is that the year-end report does not explicitly refer to differences between nominal/real GDP levels and inflation rate. However, it does refer to oil prices, which are of significance to the Malaysian economy. To me, saying 'information beyond the core elements' is provided gives too much credit to the government. It does give information on oil prices, but not on the core elements. On balance, I would say "none of the above" is the more appropriate answer, But, over to you to decide :-)

Government Reviewer

Opinion: Agree

IBP Comment

Thanks to the reviewer for the comment. The score for Q90 has been revised to reflect the lack of core information assessed by this question.

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the

actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

Federal Government Financial Statements 2017 (Penyata Kewangan Keranjan Persekutuan 2017)
<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The YER document does not provide estimates of original estimates of non-financial data on inputs and the actual outcome.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

2019 Estimated Federal Government Expenditures
(<http://www.treasury.gov.my/index.php/en/budget/estimatedfederal-expenditure.html>)

Federal Government Financial Statements 2017 (Penyata Kewangan Keranjan Persekutuan 2017)
<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The YER document does not provide estimates of original estimates of non-financial data on results and the actual outcome.

2019 Estimated Federal Expenditure presents the actual outcome of the non-financial data of FY2017. But it does not present the difference between its original estimates.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

b. 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.

Source:

Federal Government Financial Statements 2017 (Penyata Kewangan Keranjan Persekutuan 2017) (p. 63-239)
<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

YER documentation provide the differences between the enacted estimates, revised estimates and actual expenditure for each programs under administrative function. This include programs that benefits the poor for example "poor families program under the Ministry of Women and Community Development (p. 186), poverty eradication program under the Prime Minister's Department (p. 208), Urban poverty eradication program under the Ministry of Urban Wellbeing, Housing and Local Government (p. 230).

However, the YER does not have specific section that show the difference between the enacted budget for all programs for the poor with the actual expenditure.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

Federal Government Financial Statements 2017 (Penyata Kewangan Kerajaan Persekutuan 2017)
<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

Extra-budgetary funds for Malaysia in survey refers to statutory bodies and Non-Financial Public Corporations.

Transfer to statutory bodies is part of expenditure for Grants and Fixed Charges. The YER provides information on the estimates and actual expenditures for this purpose (p. 48). but no specific amount for statutory bodies and corporations. Additionally, the YER provide information of the actual loans and investment to statutory bodies. But it does not give their estimates, nor provide a consolidated actual and estimate funds managed by various statutory bodies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:

Federal Government Financial Statement 2017, pp. 35-258
<http://www.anm.gov.my/images/ArkibMedia/Penyata-Kewangan-Kerajaan-Persekutuan/PENYATA%20KEWANGAN%20KERAJAAN%20PERSEKUTUAN%202017.pdf>

Comment:

The year end report is the financial statement of the federal government.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing->*

[principles.htm](#)) for more detail.

- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more details. ≈

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:

https://www.audit.gov.my/index.php/ms/?option=com_content&view=category&id=81&Itemid=219&lang=ms

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

<https://www.nst.com.my/news/nation/2018/12/436742/298-recommendations-auditor-generals-report-2017-series-2>

Comment:

All three types of audits are performed.

Financial and Compliance Audits

1. Laporan Ketua Audit Negara Tahun 2017 Siri 1 : PENYATA KEWANGAN KERAJAAN PERSEKUTUAN DAN PENGURUSAN KEWANGAN KEMENTERIAN/ JABATAN/ BADAN BERKANUN PERSEKUTUAN
2. Laporan Ketua Audit Negara Penyata Kewangan Kerajaan Persekutuan 2017 Siri 2: Pengesahan Penyata Kewangan Badan Berkanun Persekutuan, Kumpulan Wang Persekutuan, Akaun Amanah dan Agensi Lain Serta Pengurusan Kewangan Jabatan/ Agensi Persekutuan

Compliance Audit

1. Laporan Ketua Audit Negara Tahun 2017 Siri 1 : PENGURUSAN SYARIKAT KERAJAAN DAN AGENSI KERAJAAN PERSEKUTUAN
2. Laporan Ketua Audit Negara Pengurusan Syarikat Kerajaan Dan Agensi Kerajaan Persekutuan Tahun 2017 Siri 2: Pengurusan Syarikat Kerajaan Dan Agensi Kerajaan Persekutuan

Performance Audit

1. Laporan Ketua Audit Negara Tahun 2017 Siri 1 : AKTIVITI KEMENTERIAN/ JABATAN KERAJAAN PERSEKUTUAN DAN BADAN-BADAN BERKANUN PERSEKUTUAN
2. Laporan Ketua Audit Negara Aktiviti Kerajaan Persekutuan Tahun 2017 Siri 2: Mengenai Aktiviti Kementerian/ Jabatan Kerajaan Persekutuan Dan Badan-Badan Berkanun Persekutuan

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d"

response applies when no expenditures have been audited.

Answer:

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

Source:

Audit Act 1957

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2062.pdf>

Federal Gazette on Audit (Account of Companies) Order 2017

[http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20(A)%20294%202017.pdf)

LKAN Siri 2

https://www.audit.gov.my/index.php/ms/?option=com_content&view=category&id=81&Itemid=219&lang=ms

LKAN Siri 1

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

Audit Act authorises the Auditor General to "examine, inquire into, audit" the following:

the accounts of accounting officers of the Federation and of the States i.e financial statement of federal and state governments

the accounts of any separate fund established in a State or the Federal Territory under Article 97(3) of the Federal Constitution notwithstanding any law to the contrary e.g. government and trust funds

the accounts of any other public authority or body if it is so provided by law in any case; and, where it is not so provided, at the request of that authority or body and with the consent of the Minister of Finance to be notified in the Gazette e.g. financial statements of statutory bodies and government agencies

(d) the accounts of any other body, including a company registered under the Companies Act 1965 [Act 125], in receipt of a grant or loan from the Federation or a State, and including also a company where more than half its paid-up share capital is held by the Federation, a State or a public authority or is so held in the aggregate by two or more of them: Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution and notwithstanding any law relating to the audit of the accounts of any such body; i.e Government linked companies listed in Audit Order Federal Gazette. As of 2017, there are 1858 companies listed in the gazette

the accounts of any other public authority if the Minister of Finance is satisfied that the public interest requires that the accounts of the authority shall be examined, inquired into and audited by the Auditor General notwithstanding any law relating to the accounts and audit of any such authority: Provided that the Minister shall not cause the accounts of any such authority exercising powers vested in it by State law to be so examined, inquired into and audited unless he shall first have consulted the Menteri Besar or Chief Minister of that State.

The Auditor General Report 2017 which were published in July and December 2018 (Series 1 and 2) presents audit of the following:

1. Financial Statement of Federal Government
2. Financial Statement of 135 Statutory Bodies , 11 Trust Funds and 2 Government Agencies
3. Accounts of 13 government companies

The number of companies audited is small compared to the number of companies in the gazetted list. However, considering the substantial number of statutory bodies and trust funds audited, as well as the fact that these institutions represent at least four out of five types of institutions that are mandated to be audited in the Audit Act, the researcher choose answer (b).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response

applies if extra-budgetary funds have not been audited.

Answer:

b. 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.

Source:

Audit Act 1957

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2062.pdf>

Federal Gazette on Audit (Account of Companies) Order 2017

[http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20(A)%20294%202017.pdf)

LKAN Siri 1: Federal Government Financial Statement

<https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri1/LKAN2017%20Siri%201%20-%20Penyata%20Kewangan%20Kerajaan%20Persekutuan.pdf>

LKAN Sirir 2: Financial Statements of Agencies and Statutory Bodies

<https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri2/LKAN2017S2%20Penyata%20Kewangan.pdf>

Comment:

In this survey, Extra-budgetary funds in Malaysia refers to statutory bodies and government linked companies (mostly Non-Financial Public Corporations)

The Auditor General Report 2017 which were published in July and December 2018 (Series 1 and 2) presents audit of the following:

1. Financial Statement of Federal Government
2. Financial Statement of 135 Statutory Bodies , 11 Trust Funds and 2 Government Agencies
3. Accounts of 13 government companies

The number of companies audited is small compared to the number of companies in the gazetted list. However, the reports present audit of substantial number of statutory bodies and trust funds. For that reason, the researcher choose (b)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

Source:

LKAN Siri 2

https://www.audit.gov.my/index.php/ms/?option=com_content&view=category&id=81&Itemid=219&lang=ms

LKAN Siri 1

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

All reports (6 of them) have executive summaries

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

a. Yes, the executive reports publicly on what steps it has taken to address audit findings.

Source:

Audit Act 1957

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2062.pdf>

Federal Gazette on Audit (Account of Companies) Order 2017

[http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/outputp/pua_20170930_P.U.%20(A)%20294%202017.pdf)

LKAN Siri 2

https://www.audit.gov.my/index.php/ms/?option=com_content&view=category&id=81&Itemid=219&lang=ms

LKAN Siri 1

<https://www.audit.gov.my/index.php/ms/laporan/arkib/lkan-2017/713-laporan-ketua-audit-negara-tahun-2017-siri-1>

Comment:

The Executives' responses to the audit evaluation including the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI) are included in the Auditor General Reports. The response are written in red and blue.

For example in response to audit findings of the loan repayment arrears of government companies, the Ministry of Finance is committed to hold meetings with respective companies and set a stricter rules for providing loans (p. 43)

<https://www.audit.gov.my/images/pdf/2018/LKAN2017Siri1/LKAN2017%20Siri%201%20-%20Penyata%20Kewangan%20Kerajaan%20Persekutuan.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:

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

Source:

Statistik Status Tindakan Susulan Laporan Ketua Audit Negara Tahun 2019: <https://agdashboard.audit.gov.my/#/>

Comment:

The Auditor General's Dashboard Portal shows the progress of actions taken by the executive to address audit recommendations. The Portal shows the number of cases that are being addressed (Dalam Tindakan), completely addressed (Selesai) and not addressed (Tiada Tindakan) and their details.

The Portal also shows the aggregate number of unresolved cases based on ministry. Data available is up til 31 March 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>), the Fiscal Policy Council in Sweden (Finanspolitiska Rådet, <http://www.finanspolitiskaradet.com/>), and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).*

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

<http://www.treasury.gov.my/index.php/arkib/2018/siaran-media/item/4371-siaran-media.html>

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

Comment:

On 19 September 2018, the Minister of Finance, Lim Guan Eng, announced the establishment of two committees to tackle fiscal deficit problems. They are the Public Finance Committee and the Tax Reform Committee. The Public Finance Committee is chaired by the Minister of Finance. Among its members are Minister of Economic Affairs and the Governor of Central Bank (The Edge Market, 30 August 2018). The Tax Reform Committee, meanwhile, was established in September and chaired by former Director General of Inland Revenue Board, Tan Sri Hasmah Abdullah. Its members includes finance and tax experts Verinderjeet Singh, Datuk Chua Tia Guan and Amardeep Singh. Meanwhile, Tax Department Secretary Datuk Khodijah Abdullah, Tax Department Deputy Secretary Mohd Sakeri Abdul Kadir and Fiscal and Economic Department Deputy Secretary Mohd Hassan Ahmad represented the Finance Ministry (Malay Mail, 14 September 2018).

The PFC is tasked to "outline the government's medium-term fiscal plans",.. "be the platform to balance out the needs for fiscal consolidation and the need for the government to spend in order to raise the living standards of the rakyat while contributing to future economic growth". It is a platform for agencies and ministries in charge of public finance and economy to coordinate and consolidate action. It is not to provide an oversight, analysis or even advice the government on public finance matters. It is therefore not an IFI.

The Tax Reform Committee on the other hand has the IFI features which is to provide an oversight and analysis. The press statement says that the TRC is "to assess the Malaysian taxation system holistically with the intention of making it more efficient, more neutral and more progressive without burdening the rakyat, while promoting the long-term productivity of the economy. The Committee will study measures to halt the decline by, among others, minimising tax leakages and tax evasion". However, since its authority is limited to taxation system, we consider the TRC not an IFI.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

d. 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.

Source:

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

Comment:

Malaysia does not have an IFI. Please see comments to Question 103 for explanation.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

Comment:

Malaysia does not have an IFI. Please see comments to Question 103 for explanation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

Comment:

Malaysia does not have an IFI. Please see comments to Question 103 for explanation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debates budget policies prior to the tabling of the Executive's Budget Proposal. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

c. 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.

Source:

<https://www.parlimen.gov.my/takwim-dewan-rakyat.html?&uweb=dr&id=2&ssid=1&lang=en>
<https://www.theedgemarkets.com/article/highlights-midterm-review-11th-malaysia-plan>
<https://www.malaysiakini.com/news/447955>

Comment:

This answer considers the tabling of the Mid-Term Review of 11th Malaysia Plan on 18 October 2018 as an occasion in which members of parliament debate to "review the government's broad budget priorities and fiscal parameters". For example in this document <http://www.parlimen.gov.my/files/hindex/pdf/DR-01112018.pdf> page 40, minister mentioned about the allocation for industrial research in 2019 budget and the policy to increase minimum wage to RM1,050. Based on the Malaysian Parliament website, the debate run from 18 October 2018 to 1 November 2019.

The tabling of the mid-term review allows the government to present the revised priorities of the new government such as the revised ceiling for development expenditures (reduced from RM260 billion to RM220 Billion, the measurements to increase indirect taxes, as well as the possibility of the government having to revise fiscal deficit targets.

MPs posed questions in relations to the plan during those period and the questions were then answered by the ministers in charge of the portfolio. The debate ended with the parliament passed government's motion on the mid-term review on 1 November 2019.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Comments: I do not consider the Mid-Year review to be a debate prior to the Budget Proposal.

Government Reviewer

Opinion: Agree

Researcher Response

While the Mid-Term Review is not a budget proposal, the tabling of the document, and subsequently the debate, has an element required by this question which is to allow "the executive to present updated reports on its medium-term budget strategy and policy priorities". For this reason, I maintain answer "c" For the fiscal target see page 9-14 and 9-15 of the mid term review document https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/publication/Mid-Term%20Review%20of%2011th%20Malaysia%20Plan.pdf

IBP Comment

IBP confirms the researcher's response to this question. The debate on the Mid-Year Review of the 11th Malaysia Plan does contain elements of medium-term fiscal policy prior to the tabling of the EBP, and the EBP does reference that it is developed to be consistent with the 11th Malaysia Plan. It would be better practice for this discussion to include additional information found in a Pre-Budget Statement, including projected fiscal estimates for the upcoming year, further in advance of the EBP being submitted to Parliament. However, for cross-country consistency, a C is confirmed for this question.

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

Source:

Amin Ahmad (Kangar MP), 8 April 2019

Comment:

The MPs received the EBPs on the day when they are tabled to the parliament (2 November 2018).

The budget year started 1 January 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. 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.

Source:

<https://www.thesundaily.my/local/budget-2019-passed-by-dewan-rakyat-FF227373>

<https://www.nst.com.my/news/government-public-policy/2018/12/441923/dewan-negara-passes-2019-supply-bill>

Comment:

The 2019 Budget was passed by Dewan Rakyat (the Lower House of the Parliament) on 6 December 2018 and approved by Dewan Negara (the Upper Chamber) on 18 December 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

Section 66 (Point No. 9 - 17) of the Standing Order of the Dewan Rakyat

http://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf

Comment:

The amendment can be proposed by the member of the legislature in the committee level debate. However, the amendment proposal is limited to reducing the sum allocated to the head of expenditures, and the member has to provide notice two days before the proposal is brought up in the debate.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

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

Source:

Section 66 (point no 9. - 17) of the Standing Order of the Dewan Rakyat
Amin Ahmad (Kangar MP), 8 April 2019
Parliamentary Hansard from 2 November to 6 December 2018
<https://www.parlimen.gov.my/hansard-dewan-rakyat.html?uweb=dr&arkib=yes>
(Parlimen keempatbelas-Penggal Pertama-Mesyuarat kedua)

Comment:

The legislatures in Malaysia has authority to amend the Supply Bill during committee level debate. However, the amendment proposal is limited to reducing the sum allocated to the head of expenditures, and the member has to provide notice two days before the proposal is brought up in the debate.

However, no amendments proposed to the proposal. The debate focused mostly on clarifying the amount and the purpose of the program.

YB Amin Ahmad confirmed that the Supply Bill was passed without amendments.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget and to publish a report. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:

d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:

The Standing Orders of the Dewan Rakyat (Section 76-88A)

Comment:

Malaysia did not have specialised budget committee yet during the 2019 budget debate. The Standing Order of Malaysia's Dewan Rakyat outlines five permanent committees: (1) Committee of Selection, (2) Public Accounts Committee, (3) Standing Orders Committee, (4) House Committee, and (5) Committee of Privileges. But it also allows the formation of Special Select Committee.

On 4 December 2018, the Speaker of the House announced the formation of six new select committees including Special Select Committee on Budget. But the committee only started its first meeting on 28 January 2019 (New Straits Times, 29 January 2019).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

The Standing Orders of the Dewan Rakyat (Section 76-88A)

<https://www.nst.com.my/news/nation/2018/12/437067/six-new-parliament-standing-committees-announced>

Comment:

The Standing Order of Malaysia's Dewan Rakyat outlines five permanent committees: (1) Committee of Selection, (2) Public Accounts Committee, (3) Standing Orders Committee, (4) House Committee, and (5) Committee of Privileges. But it also allows the formation of Special Select Committee.

On 4 December 2018, the Speaker of the House announced the formation of six new select committees including Special Select Committee on Budget. But the committee only started its first meeting on 28 January 2019 (New Straits Times, 29 January 2019).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

The Standing Orders of the Dewan Rakyat (Section 76-88A)

http://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf

<https://www.theedgemarkets.com/article/process-parliamentary-reforms-continues-dewan-rakyat-speaker>

Comment:

Until 4 December 2018, Malaysia's Parliament did not have special committees on budget or specific government policies. The Public Accounts Committee only reviews the Audited Financial Statement, not in-year budget implementation.

See Comments to Question 112.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

d. 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.

Source:

Section 5 of the Financial Procedures Act 1957 (Act 61) on Estimates and Virement
<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2061.pdf>

Comment:

The Act is silent on transfer between administrative units (which is referred as "purpose" in the Act). It only explicitly rules transfer between sub-administrative units (referred to as "subdivision in the act). Transfer between sub-administrative units only requires Treasury approval. However, the Act suggests that any shifts between sub-division can be made "provided that the amount appropriated under any purpose of expenditure by a Supply Act or Enactment is not thereby exceeded". This provision seems to suggest that shifts between administrative units require parliamentary approval.

However, supplementary bills (at the last in the past four years), which may involve changes and transfers between administrative units, had been tabled by the government after the money spent. The Financial Procedures Act allows such practice.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

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

Source:

Article 101 of the Federal Constitution

<http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/FEDERAL%20CONSTITUTION%20ULANG%20CETAK%202016.pdf>

Amin Ahmad (MP for Kangar Constituency), 14 April 2018

Comment:

Article 101 of the constitution provides rule for supplementary budget. The article's wording suggests that the government allows to spend more than what was "appropriated for that purpose by the Supply Act", but they should table a supplementary bill to the parliament for the spent amount. Most of the supplementary bills, according to interview we did in the past with a member of parliament and also with the current MP (Amin Ahmad), was laid before the house for the amount that had been expended.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Financial Procedures Act

<http://www.agc.gov.my/agcportal/uploads/files/Publications/LOM/EN/Act%2061.pdf>

Federal Constitution

<http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/FEDERAL%20CONSTITUTION%20ULANG%20CETAK%202016.pdf>

Comment:

The Federal Constitution and The Financial Procedures Act do not have provisions for spending below the level in the Enacted Budget.

In 2015, the minister of finance delivered a speech to revise the 2015 budget as a response to the fall of oil price. The address was not delivered to require approval from parliament, but merely to inform the public of the budget cut plan.

The government indeed spent less than what was approved. The report that was published two years after the EBP tabled showed that in 2015 the total actual operating expenditure was RM 216,998 Million, while the proposed amount was 223.4 billion.

A comparison for the 2016 actual and proposed expenditure showed the same trend. The government proposed (and approved) RM215.2 billion for the 2016 Operating Expenditures (http://www.bnm.gov.my/files/Budget_Speech_2016.pdf), but they only spent RM 210 billion. The government also underspend the development expenditure (52 billion proposed, 41.9 billion spent).

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. 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.

Source:

<https://www.parlimen.gov.my/pac/publication-details.html?id=66>

https://www.researchgate.net/publication/278030318_The_Role_of_the_Public_Accounts_Committee_in_Enhancing_Government_Accountability_in_Malaysia

Comment:

The Dewan Rakyat Standing Order outlines tasks of the PAC is to examine as follow:

1. The accounts of the Federation and the appropriation of the sums granted by Parliament to meet the public expenditure;
2. such accounts of public authorities and other bodies administering public funds as may be laid before the House;
3. reports of the Auditor-General laid before the House in accordance with Article 107 of the Constitution;
4. such other matters as the Committee may think fit, or which may be referred to the Committee by the House.

The PAC published reports, but these reports were only pertaining examination on selected cases reported in the Auditor General. For that reason the researcher choose "c".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

b. No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Source:

Federal Constitution Article 105 (1)

Comment:

The Federal Constitution says that an auditor general "shall be appointed by the Yang di-Pertuan Agong on the advice of the Prime Minister and after consultation with the Conference of Rulers".

Under this provision, the prime minister is required to propose candidates for the office to the King and the King, after consultation with the Conference of Rulers, appoints the candidate to the office.

The Conference of the Ruler is a council comprising the nine rulers (kings) of the Malay states, and the governors or Yang di-Pertua Negeri of the other four states. One of its many powers is to appoint The Yang Dipertuan Agong, Head of State in Malaysia, and being consulted for any decisions regarding several top positions in the country (see <https://www.malaymail.com/news/what-you-think/2019/04/23/the-role-of-the-conference-of-rulers-in-the-appointment-of-the-chief-justice/1745888>).

Most of the constitutional experts agree that the Agong has to act upon the advice of the prime minister and the Conference of Rulers' consultation is not to seek consent. Therefore in a way, the Prime Minister's choice is final. However, the Yang Dipertuan Agong and the Conference of the Ruler may provide a check and balance mechanism to the decisions made by the prime minister
[9https://www.thestar.com.my/opinion/columnists/reflecting-on-the-law/2018/08/02/the-king-reigns-he-does-not-rule-when-exercising-most-of-his-constitutional-functions-the-yang-diper/](https://www.thestar.com.my/opinion/columnists/reflecting-on-the-law/2018/08/02/the-king-reigns-he-does-not-rule-when-exercising-most-of-his-constitutional-functions-the-yang-diper/)).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:

Federal Constitution Article 104 (3)

[http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20\(BI%20text\).pdf](http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20(BI%20text).pdf)

Comment:

The article says "(3) The Auditor General may at any time resign his office but shall not be removed from office except on the like grounds and in the like manner as a judge of the Federal Court." Judges of Federal Court can only be removed by the recommendation of the tribunal appointed by Yang

Dipertuan Agung (Article 125 of the Federal Constitution)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

The Audit Act 1957

Comment:

No records of amendments to the Act and to the process of budget formulation. Therefore, as in 2017, the National Audit Department, like other government agencies, is required to submit their budgets to the ministry of finance and the Ministry then will make final decision on their budget. The Audit Act only regulates the remuneration of the Auditor General, not the allocation for the SAI.

The 2017 annual statement (latest statement available) showed that the SAI spent less than its allocation, indicating that their budget is broadly consistent with their needs.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

b. The SAI has significant discretion, but faces some limitations.

Source:

Audit Act 1957

[http://www.federalgazette.agc.gov.my/output/pua_20170930_P.U.%20\(A\)%20294%202017.pdf](http://www.federalgazette.agc.gov.my/output/pua_20170930_P.U.%20(A)%20294%202017.pdf)

Comment:

The Audit Act provides the Auditor General an authority to audit at least five categories of accounts. (1) accounts of federal and state governments (2) accounts of federal or state funds established under Article 97(3) of the Federal Constitution (3) public authorities and bodies (4) state-owned companies (established under Companies Act) (5) other public authorities

For categories (3), (4), (5), the Act only allow audit of these categories "Provided that the Yang di-Pertuan Agong so specifies by order under Article 106(2) of the Federal Constitution", or "with the consent of the Minister of Finance to be notified in the Gazette" or if the Minister of Finance is satisfied that the public interest". By September 2017, there were 1858 state owned companies that are gazetted to be audited.

While the number of gazetted companies is substantial, the fact that such audit can only be carried out under certain circumstances proves that there are limitations to the power of NAD to do its audit. Hence answer "b"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:

Dr Nor Haiza Abd Aziz, Director of Research and Quality Assurance Review Division at the National Audit Department

Comment:

A Quality Assurance Unit has been set up since 2016 and has started internal assessment on the financial and performance audit since 2018.

The National Audit Department is also involved in IDI Intosai's SAI Performance Measurement Framework Project. The project is to encourage the SAI to do voluntary assessments of their performance against the International Standards for Supreme Audit Institutions (ISSAIs).

There is a plan to have an independent assessment every five years in line with practises in private sectors in Malaysia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:

b. Sometimes (i.e., three times or more, but less than five times).

Source:

<http://www.parlimen.gov.my/risalat.html?uweb=dn&>
<https://www.parlimen.gov.my/pac/hansard-pac-list.html?>

Comment:

The answer is based on the interaction took place in the year of 2018.

Based on the PAC Hansard and Meeting Schedules of Parliament, the SAI took part in parliamentary activities for four times:

1. 20 August 2018: Tabling the Auditor General Report 2017 Series 1
2. 13 November 2018: PAC Meeting
3. 27 November 2018: PAC Meeting
4. 10 December 2018: Tabling the Auditor General Report 2017 Series 2

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to

support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

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

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

<http://belanjawan2019.treasury.gov.my/index.php/my/>

<https://www.thestar.com.my/metro/metro-news/2018/10/15/we-want-a-say-in-budget-2019-supp-there-have-been-delays-in-delivering-promised-projects-in-the-past/>

Discussion with NBO Staff, 14 April 2019

Comment:

The government held public consultation forum on 12 July 2018 where various organisations were invited to solicit their inputs for the budget. In between August and September 2018, the government held seven focus group discussions on selected issues in which relevant organisations were invited to provide inputs and have discussion on the subject.

The consultation was one-way in nature (where the public provide inputs and the government accept). Dialogue only took place during the focus group discussion, even then, based on my experience attending one of them in 2014, was quite limited.

The MoF also established online platform for the public to submit their inputs from 28 August-30 September 2018. The categories on the website were given, however citizens could input suggestions to the platform, and others could 'like' the submissions. The input feature closed after the consultation period ended. Online consultations are open to everyone, therefore the choice of answer is 'b'.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. 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).

Government Reviewer

Opinion: Agree

Researcher Response

This question is about whether the platform is open or not, not whether the views from the public are considered significant or not. online platform is considered open as long as the public does not have to pay to submit inputs. As per PR comments, I would say that the current mechanism is not perfect and yes it captures ad-hoc views. But it is open and more importantly to quote the questions, these platforms are relatively "structured and well established, and not ad-hoc" The answer remains "b"

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from vulnerable and underrepresented communities and/or civil society organizations representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Meeting with National Budget Office Director and Staff, 12 April 2019

Comment:

Groups representing orang Asli (indigenous people) and those that works on SDGs such as UNDP were invited to the townhall meeting as well as to the Focus Group Discussion sessions that were held in between July-August 2018.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. The requirements for an "a" response are not met.

Comments: In substance, I am of the view that (b) is the more appropriate response. At this juncture, in my view, the Executive does not actively seek out the views of vulnerable groups.

Government Reviewer

Opinion: Agree

Researcher Response

I agree with the PR. Revised the answer to "b"

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

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

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

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

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

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

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

Answer:

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

Source:

Invite from the MOF to IDEAS to submit memorandum
<http://belanjawan2019.treasury.gov.my/index.php/my/>

Comment:

The invite to IDEAS did not specify any topics for consultation. The invite is to submit memorandum for any issues of our concerns.

The website that was set up to receive public inputs invite the public to submit proposal and memorandums on the following topics: (1) Cost of Living (2) Entrepreneurship and Business (3) Healthcare and Healthy Lifestyle (4) Education and Training (5) Access to Financing (6) Housing, Infrastructure and Public Safety (7) Public Sector Reform (8) Income and Employment Opportunities (9) Social Justice and Equitable Development (10) Technology and Innovation (11) Rakyat Welfare and Well-being and (12) Environment and Sustainable Development.

Based on these topics, the government engaged the public on the following topics: Social Spending Policies (3), Public Services (6) and Macroeconomic issues (1).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The answer to this one is difficult. The Executive is reaching out to citizens, but the effort is still relatively minimal. For example, IDEAS is only one NGO. That said, bear in mind this Executive took office only in late May 2018, which was effectively only 5 months before the Budget was due. On this basis, I am of the view that (c) is the more appropriate response.

Government Reviewer

Opinion: Agree

Researcher Response

The answer is based mostly on the website set up to give the chance to the public to give input: belanjawan2019.treasury.gov.my. The site was no longer available during the review, but there are news report on government's invite to the public to give input. For example: <https://www.thesundaily.my/archive/govt-invites-public-share-inputs-budget-2019-GUARCH574931> So the answer remains "b"

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence

of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

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

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.

Source:

<http://www.treasury.gov.my/index.php/en/e-participation-feedback/your-voice.html#>

<https://bsh.hasil.gov.my/>

<https://treasury.spab.gov.my/eApps/system/index.do>

Comment:

The National Budget Office or the MoF does not have a special unit to implement participation mechanism. However, there are mechanism for the public to provide inputs or feedback on matters such as public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes. These mechanisms are being managed by agencies in charge of the project.

For example, for the implementation of social transfer scheme (Bantuan Sara Hidup), the Inland Revenue Board of Malaysia created a website (<https://bsh.hasil.gov.my/>) in which the public can access information about the transfer and provide feedback to the implementation and delivery.

The MoF website also dedicates a special page where the public can provide feedbacks and complaints (<http://www.treasury.gov.my/index.php/en/e-participation-feedback/your-voice.html#>).

Another platform for public complaints is <https://treasury.spab.gov.my/eApps/system/index.do>. This platform is set up by the MoF as part of the programme initiated by Public Complaints Bureau (PCB). This platform is also a platform for general complaints that may or may not relate to budget implementation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

During an IBP cross-country consistency check, the score for this question is revised from C to B. Because the Public Complaints Bureau (PCB) and the related e-Participation Mechanism from the MoF are online mechanisms, where anyone can access and provide feedback, according to the guidelines this qualifies for a B score.

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the

public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from vulnerable and underrepresented community and/or civil society organizations representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

<http://www.treasury.gov.my/index.php/en/e-participation-feedback/your-voice.html#>
<https://bsh.hasil.gov.my/>

Comment:

The website cited here and in the previous question are open to everyone. The MoF may not specifically invite inputs from this group, but line ministries with related portfolios may do. Please see answer to Q. 135 for example of government's attempt to receive inputs from this group.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

GUIDELINES:

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

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

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

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

Answer:

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

Source:

<http://www.treasury.gov.my/index.php/en/e-participation-feedback/e-participation-and-feedback-policy.html>
<https://bsh.hasil.gov.my/>

Comment:

The website cited above offers opportunities for the public to provide feedback on the implementation of cash transfer programme and any feedback related to policy development and decision making process. In my opinion, the website provide opportunities for the public to give feedback on the implementation of special spending and delivery of services.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

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

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

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

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

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

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

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

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

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

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

Answer:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

<http://www.treasury.gov.my/index.php/en/gallery-activities/press-release/item/4298-media-release-2019-budget-preparation-and-focus-group-discussions.html>

Comment:

The press statement above is a call to the public to provide input for the 2019 budget. The statement shows that the MoF outlines purpose, scope, process and timeline of the consultation. But it does not provide information about the intended outcomes as well as the constraints.

The information about complaints mechanisms available for the public to provide feedback or complaints during budget implementation (as noted in Question 128) is not comprehensive either. It provides information on the purpose and scope, but no information on the intended outcomes as well as the constraints.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

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

Answer:

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

Source:

2019 Budget Speech Point 78

<http://www.treasury.gov.my/pdf/ucapan/ub19.pdf>

<http://belanjawan2019.treasury.gov.my/index.php/my/>

Discussion with NBO Staff, 14 April 2019

Comment:

The Belanjawan 2019 Websites records all the inputs given by the public. But the MoF did not publish any summary or reports on the inputs they received either through this website or from other consultation platforms (forum and FGDs).

The staff at the NBO told me that "tax deduction incentive for companies employing ex-convicts" (see Point 78) was from one of the inputs received in the website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

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

Answer:

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

Source:

<https://treasury.spab.gov.my/eApps/sdmscasepool/SdmsCasePool/check.do>

<http://www.treasury.gov.my/index.php/en/e-participation-feedback/your-voice-gallery.html>

<http://www.treasury.gov.my/index.php/en/e-participation-feedback/complaint-enquiry-archive.html>

Comment:

The complaint platform at the MoF Website recorded the complains and enquiries made by the public. However, the latest complaints recorded were from 2016. It is not clear whether it is because the system does not record new complaints or because there are no complaints made through this platform since 2016.

The SPAB platform records all the complaints by the public, however such records are not available for the public.

As for the platform for giving feedback on social transfer scheme, the researcher could not find any pages in the website that record the complaints made by the public

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation

mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

<http://www.treasury.gov.my/index.php/en/budget/budget-formulation-process.html>

Comment:

The page in which the Treasury displays information about the budget formulation process is no longer available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 135 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public,

minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

c. 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).

Source:

http://www.treasury.gov.my/pdf/bajet/maklumat_bajet_kerajaan/2019/perbelanjaan/B.42_P.42.pdf

Discussion with NBO Staff, 14 April 2019

<http://www.pcb.gov.my/bm/aduan/sistem-pengurusan-aduan-awam-sispaa>

<https://murninet.townplan.gov.my/murninetsv2/page/kt3-p5-indeks-kebahagian-happiness-index>

Comment:

For the formulation stage, the staff at the NBO told me that the line ministries may have held their own consultation events to gain inputs from the public. But I have not had a chance to confirm this with any ministries. I did not see any specific platforms in their websites to invite the public to provide inputs for budget.

As for the implementation stage, like the Treasury, some line ministries have established websites for the public to submit general complaints (this websites were established under a program initiated by the Biro Pengaduan Awam). But these complaints are general and they should be related to portfolios under the MACC and the Public Account Committees.

But they can also engage the public to evaluate the outcome of their budgetary measures. In 2019 for example one of the outcome indicators for program under the Ministry of Federal Territories is Happiness Index and percentage of Satisfaction Level to Local Authority services.

These two indicators require the line ministry to gather feedback and input from the public

(<https://murninet.townplan.gov.my/murninetsv2/page/kt3-p5-indeks-kebahagian-happiness-index>). However the website does not inform the public on the frequency and timeline of the data gathering.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

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

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

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

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

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

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

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs; but
- There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

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

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

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

Answer:

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

Source:

The Standing Orders of the Dewan Rakyat (Section 85)

http://www.parlimen.gov.my/images/webuser/peraturan_mesyuarat/PMDR-eng.pdf

<https://www.parlimen.gov.my/images/webuser/Akta347.pdf>

<https://www.freemalaysiatoday.com/category/nation/2018/10/24/speaker-better-to-keep-pac-hearings-private/>

<https://www.thesundaily.my/opinion/time-for-parliamentary-reform-GM680923>

Comment:

The public can follow general parliamentary session, not the select committee sessions, through television programme and read the Hansard. However, the hansard show that the legislatures did not invite any testimony from the public nor there are mechanisms through which the public can contribute. It should be noted however that individual MP may seek input from their constituents, but no record shows any MP call for anyone's testimony or opinion.

There was a discourse to open the hearing of the Public Account Committee (PAC) to the public at the end of 2018. However, the Speaker of the House argued that it is better for the PAC hearing to be kept private. He mentioned provisions in the Standing Order and The House of Parliament (Privileges and Powers) Act that may prohibit public hearing to take place.

The newly established budget committee hearing was also conducted in close-door.

However, Special Select Committee on Electoral Reform did several public hearings (<http://www.parlimen.gov.my/jawatankuasapilihankhas.html?&uweb=dr&lang=en&bgcolor=>). But it seems that such hearing is not a norm in the parliament

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

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

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

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

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

Answer:

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

Source:

The Standing Orders of the Dewan Rakyat (Section 76-88A)

Comment:

Malaysia did not have specialised budget committee yet during the 2019 budget debate. The Standing Order of Malaysia's Dewan Rakyat outlines five permanent committees: (1) Committee of Selection, (2) Public Accounts Committee, (3) Standing Orders Committee, (4) House Committee, and (5) Committee of Privileges. But it also allows the formation of Special Select Committee.

On 4 December 2018, the Speaker of the House announced the formation of six new select committees including Special Select Committee on Budget. But the committee only started its first meeting on 28 January 2019 (New Straits Times, 29 January 2019).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

Answer "c" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

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

Answer:

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

Source:

The Standing Orders of the Dewan Rakyat (Section 76-88A)

Comment:

Malaysia did not have specialised budget committee yet during the 2019 budget debate. The Standing Order of Malaysia's Dewan Rakyat outlines five permanent committees: (1) Committee of Selection, (2) Public Accounts Committee, (3) Standing Orders Committee, (4) House Committee, and (5) Committee of Privileges. But it also allows the formation of Special Select Committee.

On 4 December 2018, the Speaker of the House announced the formation of six new select committees including Special Select Committee on Budget. But the committee only started its first meeting on 28 January 2019 (New Straits Times, 29 January 2019).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

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

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

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

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

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

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

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

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

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

Answer:

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

Source:

<https://www.freemalaysiatoday.com/category/nation/2018/10/24/speaker-better-to-keep-pac-hearings-private/>

Comment:

The legislative committee tasked to examine audit reports is PAC (Public Account Committee). As of 2019, the proceeding of the committee is not open for public. Member of the PAC filed a motion in October 2018 to make the proceedings open. But the Speaker of the House viewed that it is better for the proceedings to remain private.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Answer:

b. The requirements for an "a" response are not met.

Source:

<https://www.audit.gov.my/index.php/ms/>
<https://www.facebook.com/auditmalaysia/>

Comment:

The response is based on comparing previous years practice with the current one. In the previous Survey, based on the interview with Dr Haiza, the NAD received suggestions from the public and the Auditor General decided whether or not to carry out an audit based on the facts and circumstances of each case. However, the NAD does not maintain formal mechanisms to receive suggestions from the public on issues to be audited. A check on NAD's website and facebook suggest that this practice has not changed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*

- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the SAI provides a written document that includes:

- The inputs received from the public and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.

Answer "c" applies when the SAI provides a written document that includes:

- The received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

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

Source:

<https://www.audit.gov.my/index.php/ms/>

Comment:

The website of the National Audit Department does not features any reports on public inputs for audit process

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

b. The requirements for an "a" response are not met.

Source:

Dr Nor Haiza Abd Aziz

Director of Research and Quality Assurance Review Division at the National Audit Department (NAD)

Comment:

The NAD maintains Facebook and Email accounts for the public to provide inputs on audit programs. But they do not have formal mechanism for the public to be involved in the investigation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

