

Open Budget Survey 2019

Questionnaire

Papua New Guinea

April 2020

Country Questionnaire: Papua New Guinea

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

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

Answer:

FY 2019

Source:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Presented in Parliament on 31st August 2018

The Fiscal Responsibility Act 2006 (passed in April and effective from September 2016) specifies in Section 6 that the "Treasurer shall release publicly and table a Budget Strategy Paper at least three months before presentation of the Budget to National Parliament". The National Planning and Monitoring Responsibility Act 2016 specifies that the Annual Budget Framework Paper, linking the Annual Budget to the Medium Term Development Plan, shall 'be published at least 4 months before the Budget is tabled' and 'provide guidance in the preparation of the Budget Strategy Paper' (<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>)

Comment:

Comments: Researcher: The Pre-Budget Statement is for the Budget year 2019. The requirement for this statement is specified in law in the Fiscal Responsibility Act 2006, and shall be released at least 3 months prior to the Executive's Budget proposal. It was released nearly 11 weeks ahead of the tabling of the Budget proposal, which is an improvement on prior years, even if not yet in full compliance with the Act.

The 2016 National Planning and Monitoring Act also requires an annual Budget Framework Paper four months ahead of the Budget proposal and ahead of the BSP. In 2018, no such Framework Paper was presented (although this can be largely explained as consultations for the preparation of the Medium Term Development Plan 3 were ongoing from February till August 2019)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

b. At least two months, but less than four months, in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

The PBS was published on the treasury website for public view on the 29th of August, 2018, which is less than 4 months but at least 2 months before the Executive Budget Proposal was tabled in the Parliament on the 13th of November, 2018.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

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

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

Answer:
29/8/2018

Source:
The document was uploaded online on the 29th, August 2018. However, the official launching of the PBS was 2 days after which was on the 31st of August, 2018.

Comment:

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 for 2019 was uploaded on the Treasury website on the 29th August 2018, which was 2 days before the Treasurer made the official launching and media statement on the 31st of August, 2018. This was verified with Treasury staff.

Source:
http://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: The date was determined to comply with the Fiscal Responsibility Act (2006) which requires the publication of the PBS or known as Budget Strategy Paper in PNG's case to be published atleast three months before the presentation of the Budget to the National Parliament in November. The Budget Strategy Paper usually follows the release of the Mid Year Economic and Fiscal Outlook report which is usually published on 31st July to set the base for the budget strategy paper to ensure that the budget strategy paper is reflective of current fiscal trends to guide the formulation of the actual budget.

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:

http://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Source:

2019 Budget Strategy

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf. Confirmed that the researcher has quoted the correct URL under comments. However, the citation above is slightly different. Not sure why.

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:

c. No

Source:

It was only released as a pdf document

Comment:

It is only released as pdf document

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:

e. Not applicable (the document is publicly available)

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Comment:

The 2019 Budget Strategy Paper was available online on the 29th, August 2018 and was formally launched by the Treasurer on the 31st of August, 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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:

2019 Budget Strategy Paper

Source:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

http://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

b. No

Source:

Comment:

There is no "citizen budget". However, there has been concern raised by civil society in the country to the government to make the "citizen budget" available to the public. The citizen budget is part of the 20189-2020 National Action Plan for the Open Government Partnership, with the intention to provide material in an additional national language and have material for key stages of the Budget process.

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:

The Fiscal Year for Papua New Guinea coincides with the calendar year, i. e. 1st January- 31st December

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:
13/11/2018

Source:
The EBP in PNG comprises a series of documents, including the Budget proposal and legislative Bills, including the three proposed Budget Appropriation Bills, and other Budget-related legislative proposals and amendments. These were presented by the Treasurer to the Legislature/Parliament on 13 November 2018

Comment:

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:
During the Budget 'lockup', the media, accounting firms, development partners, government departments and research bodies were presented with copies of the EBP and a briefing in advance of the EBP being presented to the legislature (Parliament), on condition that they don't reveal the contents publicly until it was tabled. The Budget documents were uploaded on the Treasury Website in the afternoon immediately after it was tabled in Parliament. It was one week before the Budget proposal was approved by Parliament, and 1 1/2 months before the start of the new budget year.

Comment:

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:
13/11/2018

Source:
The EBP for 2019 was published on the 13th November, the same day it was tabled in the parliament.

Comment:

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:
The Treasury Website was being continually monitored by researchers, including from the INA and the ANU and other domestic and overseas researchers and verified the prompt availability of the EBP on the day it was tabled. The media, accounting firms, some researchers and development partners also attend the Budget Press Lockup, which occurs immediately prior to the tabling of the EBP on the floor of Parliament, and receive hard and electronic copies of the EBP, on condition that attendees do not release the contents until it has been tabled. This 'lockup' is conducted to enable the press and others to receive the contents in a timely manner to prepare prompt reports, broadcasts etc. The media also attends the Parliament Session and broadcasts the tabling of the Budget proposal live.

Source:
Researchers from INA, ANU and independent researchers monitoring the Budget process verified that it was published online that same afternoon

Comment:

Peer Reviewer
Opinion: Agree

Comments: I based my confirmation on other sites citing the date of the EBP in their narrative of the 2019 budget. For example, see <http://pngconomics.org/2018/11/2019-png-budget-analysis-guide/>

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:

National Budget http://www.treasury.gov.pg/html/national_budget/2019.html Budget Speech: By Hon. Charles Abel, MP Deputy Prime Minister and Minister for Treasury http://www.treasury.gov.pg/html/national_budget/files/2019/2019%20Budget%20Speech.pdf Economic and Development Policies http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf Volume 2A - Estimates of Revenue and Expenditure for National Government Departments http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf Volume 2B - Estimates of Revenue and Expenditure for National Government Departments (cont...) http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf Volume 2C - Estimates of Revenue and Expenditure for National Government Departments (cont...) http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf Volume 3A - Public Investment Program for National Government Departments 2019-2023 http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2019-2023 http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf Appropriation and Taxation Bills <http://www.treasury.gov.pg/html/legislation/bills.html>

Source:

All the EBP and the supporting documents (as specified here) can be downloaded from the Treasury website.

Comment:

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:

c. No

Source:

All Budget Documents from the Treasury are online in Pdf format only or a limited number of copies available few in hard copy format. (only the Central Bank -BPNG - provides economic and fiscal data in machine readable format)

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

The Budget Proposal was made available to the public online promptly after its presentation to the Legislature. It was also broadcast live via Television and Radio.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

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:

National Budget 2019

Source:

The National Budget 2019

Documents comprising: -

Budget Speech: By Hon. Charles Abel, MP Deputy Prime Minister and Minister for Treasury

Volume 1: Economic and Development Policies

Volume 2:

Volume 2A - Estimates of Revenue and Expenditure for National Government Departments

Volume 2B - Estimates of Revenue and Expenditure for National Government Departments (cont...) Volume 2C - Estimates of Revenue and

Expenditure for National Government Departments (cont...) Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts

Volume 3:

Volume 3A - Public Investment Program for National Government Departments 2019-2023

Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2019-2023

Bills: Appropriation and Taxation Bills

Comment:

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:

There has been ongoing discussion between government and civil society to have a 'citizen budget'. It has not materialised for the 2019 Budget, but it is planned as part of the Open Government Partnership (OGP) National Action Plan 2018-2020.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Note that there is "budget snapshot" online from the PNG Parliament at

http://www.parliament.gov.pg/images/misc/Snapshot_of_the_2019_National_Budget_.pdf. the snapshot is funded by the UNDP.

Government Reviewer

Opinion: Agree

Researcher Response

The citizens' version of the EBP would not be a major task, in that summary material is already provided for the Budget Lock-up, and briefs are prepared by accounting firms, thinktanks and academic bodies and the media; the Parliament's snapshot is a valuable initiative for the 2019 Budget, but doesn't adequately fulfil the requirements for a CB; the discussions for the CB have been around clear communication of the core details and use of 'tok Pisin' as a means of communication for the wider public. Under the OGP 2018-20 it is planned to proceed with this for the 2020 Budget.

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 2018

Source:

2018 Appropriation:

Appropriation (General Public Services Expenditure 2018 Budget) Act 2017

Appropriation (Judiciary Services 2018 Budget) Act 2017

Appropriation (National Parliament 2018 Budget) Act 2017

Budget Related Legislation:

Income Tax (2018 Budget)(Amendment) Act 2017

Income Tax (Salary or Wages Tax)(Rates)(2018 Budget)(Amendment) Act 2018

Goods and Services Tax (2018 Budget)(Amendment) Act 2017

Excise Tariff (2018 Budget)(Amendment) Act 2017

Customs Tariff (2018 Budget) (Amendment) Act 2017

Oil Gas Act (2018 Budget) Amendment) Act 2017

Comment:

In Papua New Guinea the EBP is invariably accepted as the EB in its totality if passed by Parliament; there is no opportunity in the legislation to make amendments at this stage, only to reject the Budget in its entirety. There is no legislation related to revenue, only legislation (notably 3 Appropriation Bills) related to expenditure, which become legislation. The Appropriation Acts specify that the details provided in the EBP become the details of the Budget allocations, without spelling out these details again in the Appropriation. Even before the Appropriation has been certified, which often occurs early the next year, and before it's been uploaded for public access, the Budget expenditure has invariably commenced, shortly after the beginning of the new fiscal year.

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:

05/12/2017

Source:

The EB, and associated Acts and Legislative Amendments, was passed by Parliament on the 5th December (one week after it was tabled). It was certified by the Speaker of Parliament on 27 March 2018.

Comment:

The EB, including associated legislation and amendments, was approved in full by Parliament, as tabled.

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:

d. The EB is not released to the public, or is released more than three months after the budget has been enacted

Source:

The 2017 EB was certified by the Speaker of Parliament on 27 March 2018, and uploaded on the Parliament website on the 29 May 2018, <http://www.parliament.gov.pg/bills-and-legislation/2017>

Comment:

In practice, the EBP is taken to be the EB, for the most part, by the bureaucracy and the public in PNG, and this is essentially the case with respect to expenditure, as specified in the Appropriation Bills themselves; therefore it could be deemed that the EB is already available in the main, following the release of the EBP, once the Budget was passed.

References are made throughout the Appropriation (General Public Services Expenditure 2018 Budget) Act 2017 to the Volumes of the EBP, e.g. - Under Section 2, Appropriation

"(a) for the purposes of identifying the activities of agencies referred to in this Act, Volume 2, A,B,C and D of the 2017 Budget Books may be considered relevant documents; and

(b) for the purpose of identifying the capital expenditure referred to in this Act Volume 2, A,B,C and D of the 2017 Budget Publications are to be considered relevant documents;"

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

IBP Comment

IBP notes the government reviewer's disagreement, however, since the existing evidence supports the researcher's answer, the response is maintained.

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:
29/5/2018

Source:
The EB was certified by the parliament on 27th of March, 2018, and published on the Parliament website on 29 May 2019. (only the Bills are posted on the Treasury website, and occasionally some enacted legislation, but not yet for 2018 Budget)

Comment:

Peer Reviewer

Opinion: Agree
Comments: The narrative needs to correct the date quoted from 2019 to 2018.

Government Reviewer

Opinion: Agree
Comments:

Researcher Response

PR is correct, that the date needs to be corrected to 2018 in the narrative.

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

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

Answer:
The Appropriation Acts and other associated budget legislation were passed by Parliament on 5th December 2017, but only posted on the Parliament website 5 1/2 months later, once certified by the Speaker on 27th March 2018. The date of uploading was verified with the Website administration at Parliament after verification with the Web developer

Source:

Comment:

Peer Reviewer

Opinion: Agree
Comments: I cannot determine the veracity of the researchers statement. I can confirm that the EB was passed on 5/12/2017 and certified on 27/3/2018. i cannot confirm when it was uploaded to the Parliamentary website. i have checked the source code but cannot locate a date.

Government Reviewer

Opinion: Agree
Comments: Generally, the date of publication should be on or close to the certification date.

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:
Tax Administration Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/tax-administration-act-2017> Income Tax (Salary or Wages Tax)(Rates)(2018 Budget)(Amendment) Act 2018 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-salary-or-wages-tax-rates-2018-budget-amendment-act-2018> Income Tax (2018 Budget)(Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2018-budget-amendment-act-2017> Goods and Services Tax (2018 Budget)(Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/goods-and-services-tax-2018-budget-amendment-act-2017> Excise Tariff (2018 Budget)(Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/excise-tariff-2018-budget-amendment-act-2017> Customs Tariff (2018 Budget) (Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-tariff-2018-budget-amendment-act-2017> Appropriation (National Parliament 2018 Budget) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and->

legislation/view/appropriation-national-parliament-2018-budget-act-2017 Appropriation (Judiciary Services 2018 Budget) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2018-budget-act-2017> Appropriation (General Public Services Expenditure 2018 Budget) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2018-budget-act-2017> Public Money Management Regularization Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/public-money-management-regularization-act-2017> Supplementary Appropriation Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/supplementary-appropriation-act-2017> Papua New Guinea Fiscal Responsibility (2017 Supplementary Budget)(Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/papua-new-guinea-fiscal-responsibility-2017-supplementary-budgetamendment-a> Income Tax (Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-amendment-act-2017> Customs Tariff (2017 Supplementary Budget) (Amendment) Act 2017 <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-tariff-2017-supplementary-budget-amendment-act-2017>

Source:

The legislation was published on the Parliament Website.

<http://www.parliament.gov.pg/bills-and-legislation/2017>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs 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:

The Budget documentation from Parliament (and from Treasury) is all provided only in Pdf format (and/or hard copy) at this stage.

Comment:

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:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

<http://www.parliament.gov.pg/bills-and-legislation/2017>

The enacted 2018 Budget Appropriation and associated Budget legislation were published online, but 5 1/2 months after the legislation was passed on 5th December 2017.

On the other hand, as the Budget Appropriation Acts specify that the EBP documents should be considered as components of the EB, it might be considered that EB exists, at least in part, once the Budget is passed, notably on 5th December 2017... .

"Appropriation.

Sums granted by this Act out of the Consolidated Revenue Fund for the year ending 31 December 2017 are appropriated for the activities of the agencies listed in the Schedule of this Act in the year ending 31 December 2017 as follows:

(a) for the purposes of identifying the activities of agencies referred to in this Act, Volume 2, A,B,C and D of the 2017 Budget Books may be considered relevant documents; and

(b) for the purpose of identifying the capital expenditure referred to in this Act Volume 2, A,B,C and D of the 2017 Budget Publications are to be considered relevant documents";

Comment:

Peer Reviewer

Opinion: Agree

Comments: I cannot confirm the date that the EB was uploaded onto the PNG Parliamentary website only the date of certification.

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:

2018 National Budget; Appropriation (National Parliament 2018 Budget) Act 2017; Appropriation (Judiciary Services 2018 Budget) Act 2017; Appropriation (General Public Services Expenditure 2018 Budget) Act 2017; Income Tax (Salary or Wages Tax)(Rates)(2018 Budget)(Amendment) Act 2018; Income Tax (2018 Budget)(Amendment) Act 2017; Goods and Services Tax (2018 Budget)(Amendment) Act 2017; Excise Tariff (2018 Budget)(Amendment) Act 2017; Customs Tariff (2018 Budget) (Amendment) Act 2017; Oil and Gas (2018 Budget)(Amendment) Act 2017

Source:

It should be noted that the details of the EB, in terms of specific expenditure allocations and revenue forecast etc, for the purpose of monitoring etc, are specified in the EBP; the EBP volumes are deemed under the Budget Appropriation legislation to provide the specific expenditure allocations (not spelt out in the Acts), and therefore once the Acts are passed are complementary, or integrally connected with, the Acts.

<http://www.parliament.gov.pg/bills-and-legislation/2017>

Comment:

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:

b. No

Source:

There is no Citizen Budget. (However, it has long been under discussion with civil society and now included under the Open Government Partnership 2018-2020 National Action Plan, so will hopefully be provided for 2019, including in a second language - Tok Pisin)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Note that the Parliament does produce a snapshot at

http://www.parliament.gov.pg/images/misc/Snapshot_of_the_2019_National_Budget_.pdf.

Government Reviewer

Opinion: Agree

Researcher Response

The citizens' version of the EB would not be a major task, in that summary material is already provided for the Budget Lock-up, and briefs are prepared by accounting firms, thinktanks and academic bodies and the media; the Parliament's snapshot is a valuable initiative for the 2019 Budget, but doesn't adequately fulfil the requirements for a CB; the discussions for the CB have been around clear communication of the core details and use of 'Tok Pisin' as a means of communication for the wider public. Under the OGP 2018-20 it is planned to proceed with this for the 2020 Budget.

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 2019 FY 2019

Source:
n/a

Comment:

Peer Reviewer

Opinion: Agree

Comments: Technically, there is no CB evaluated as one is not produced.

Government Reviewer

Opinion: Disagree

Suggested Answer: PNG yet to adopt citizens' budget.

Comments: The fiscal year will be same as calendar year 1 January to 31st December, when PNG takes on citizens's budgeting.

IBP Comment

The Government Reviewer's comment is noted. This question asks about which fiscal year would have been evaluated, if there was a Citizen's Budget, which is why the researcher correctly indicated FY 2019.

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:
d. Not produced at all

Source:
n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

produced at all.

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

Answer:

A summary presentation of the budget is provided during the Budget 'lockup'. This could form the basis for CB. However, it is not circulated widely and does not at this stage meet the requirements of a CB, either in terms of wide circulation, nor level of explanation. (There have been plans and commitments made to produce a Citizens Budget, which have not yet materialised, drawing upon these summary presentations, but now as part of the Open Government Partnership National Action Plan 2018-20, but this has been approved by Government, including for translation into a second language/lingua franca, but too late for 2019.)

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Comments: See snapshot at http://www.parliament.gov.pg/images/misc/Snapshot_of_the_2019_National_Budget_.pdf.

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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:

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: None published.

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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

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

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Not applicable until adopted.

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:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Not applicable.

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:
n/a

Source:
n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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:

n/a

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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:

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

Source:

No in-year reports (Fiscal Outturn Reports or Treasury Economic Monitor) have been released since 2011

Comment:

this lack of IYRs since 2011 is partly the result of multiple financial management systems being run concurrently over recent years, making preparation of timely financial reporting hard. They are now being consolidated and potentially by 2020 only the Integrated Financial Management System will be functioning across all Departments/agencies.

Peer Reviewer

Opinion: Agree

Comments: No IYR reports are produced. i am not in a position to verify the reason why no reports are produced.

Government Reviewer

Opinion: Agree

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

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

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

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

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

Answer:

n/a

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable until reports are published.

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

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

Answer:

n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Not applicable.

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:

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Not applicable.

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:
d. Not applicable

Source:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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:

d. Not produced at all

Source:

The PNG government stopped publishing IYRs since 2011.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. Not produced at all

Comments: If the PNG Government are NOT producing IYRs within the time-frame of the survey, then the response should be 'd'. I am not in a position to verify whether they are produced for internal purposes or not. However, the researcher should state that and provide some evidence to support that statement. In the absence of that information, the response must be 'd'.

Government Reviewer

Opinion: Agree

Comments: Attempts have been made to produce the report for internal purpose but affected by untimely availability of updated information in the IFMS.

Researcher Response

It had been reported during dialogue with Departments that some IYRs were being produced, but, as stated by the GR, owing to difficulties with producing all-of-government fiscal data under the IFMS, which has been being progressively rolled out through national and latterly Provincial Departments/agencies, even this hasn't been achieved successfully to date.

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:

The PNG government through Finance and Treasury departments stopped publishing IYRs since 2011. From consultations with Treasury and Finance staff, the Finance Department have had difficulty publishing timely/accurate of all-of-government financial reports for many years because they have been operating 3 different incompatible financial management systems (IFMS, PGAS and Oracle); finally, this is being rationalised, with Oracle discontinued (from the Works Dept) and IFMS having largely been rolled out across government departments and now being rolled out in the 22 Provinces (including NCD and ABG). However, despite this roll-out many provinces are still posting accounts to dual systems, leaving Finance Department having difficulty in reconciling accounts in a timely manner. So, they are preparing monthly internal attempts at updates, but not

releasing them at this stage.

Source:
n/a

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: The IYR reports have not been produced since 2011.

Comments: The researcher makes some valid points about how FIN/ TSY are managing monthly reporting difficulties. However, i still consider that IF they haven't been produced since 2011, they are not released and, based on the above information, are not useful for decision making, i still think the answer should be they are not produced at all.

Government Reviewer

Opinion: Agree

Comments: I agree with comments above.

Researcher Response

Yes, this should be changed to not being produced at all

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:
n/a

Source:
n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Not applicable.

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:
n/a

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: No in year reports and no citizens' version.

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:
a. Six weeks or less after the midpoint

Source:
The MYR was published by the Treasury department on the 31 July 2018. Under the PNG Fiscal Responsibility Act; the treasurer shall release publicly and table (in the legislature) an economic and fiscal outlook report by the end of July.

Comment:

Peer Reviewer

Opinion: Agree

Comments: I cannot confirm the date that it was tabled in Parliament. The parliamentary website does not allow for establishment of when the MYR was tabled.

Government Reviewer

Opinion: Agree

Comments: Department of Treasury releases to the public the MYR no later than 31st July according to the Fiscal Responsibility Act. For FY2018, the report was publicly released on 31st July 2018 which was one month after the mid point.

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:

31/07/2018

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Date of publication on Department of Treasury website 31st July 2018.

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

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

Answer:

The Treasury website was monitored closely when the release date for the MYR fell due. It was released on the 31st, July 2018 which was within the due date set under the Fiscal Responsibility Act which requires the Treasurer to release the MYR to the public before the 31st of July each year.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The Fiscal Responsibility Act (2006) requires the MYR to be released to the public no later than 31st July.

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:

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Source:

Comment:

Link to the MYR on the website of the Treasury

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: [https://www.treasury.gov.pg/.../2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Repor...](https://www.treasury.gov.pg/.../2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Repor...)

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:

c. No

Source:

The MYR is only published as a Pdf document.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The MYR is only published as a Pdf document.

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Not applicable. The MYR is publicly available.

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:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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:

2018 Mid-Year Economic and Fiscal Outlook (MYEFO) Report

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:

There is No Citizens Version of the MYR yet for PNG, although there has been discussion on this between civil society and government and it is part of the 2018-2020 PNG Open Government Partnership National Action Plan.

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:

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

Comment:

Peer Reviewer
Opinion: Agree
Comments: Released 14 March 2018.

Government Reviewer
Opinion: Agree
Comments: There's already the FY 2018.

IBP Comment

Thank you to the Government Reviewer for noting the release of the FY 2018 Year-End Report. Since it was published in 2019, however, this OBS round will assess the FY 2017 report.

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:

a. Six months or less after the end of the budget year

Source:

It was released within 3 months after the end of the financial year, as required under the PNG Financial Responsibility Act 2006.

Comment:

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:

14/03/2018

Source:

It was tabled in Parliament on 13th March 2018, and uploaded online on 14th March 2018

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

<https://postcourier.com.pg/release-2017-budget-outcomes-premature/>

<https://postcourier.com.pg/revenue-track-says-treasurer/>

Comment:

There was some criticism from the Opposition Finance spokesman that it was released prematurely (it's due out and normally released on 31 March each year) and therefore there was inadequate time to verify the financial outcomes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The 2018 YER was published on 31st March 2019. The 2017 YER was published on 14th March 2018.

IBP Comment

Thank you to the Government Reviewer for noting the release of the FY 2018 Year-End Report. Since it was published in 2019, however, this OBS round will assess the FY 2017 report.

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 YER (Final Budget Outcome - FBO- Report) is required by law to be released by 31 March each year. For 2017 the Treasury was (surprisingly) ahead of time, with the Treasurer tabling it in Parliament on 13 March and it being published online on 14th March. The date of the tabling is specified in the attached newspaper articles (PNG Post Courier), including the critical commentary from the Opposition Finance Spokesman that the release was premature, and therefore the quality and reliability of the content in question. The Treasurer also highlighted this early release in a meeting with EITI and civil society organisations in April. The researcher verified this with Treasury staff and other online media on the release of the YER.

Source:

<https://postcourier.com.pg/release-2017-budget-outcomes-premature/>
<https://postcourier.com.pg/revenue-track-says-treasurer/>

Comment:

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.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Source:

FINAL BUDGET OUTCOME 2017

Comment:

Peer Reviewer

Opinion: Agree

Comments: Confirmed

Government Reviewer

Opinion: Agree

Comments: URL to 2018 YER

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Final%20Budget%20Outcome.pdf

IBP Comment

Thank you to the Government Reviewer for noting the release of the FY 2018 Year-End Report. Since it was published in 2019, however, this OBS round will assess the FY 2017 report.

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:

The YER is only published as a Pdf Document; (none of the Treasury's Budget documentation is currently released in machine-readable format)

Comment:

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document is publicly available.

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:

Final Budget Outcome 2017

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: For YER 2018 Final Budget Outcome 2018

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:

PNG does not produce the citizen Version of the YER. (There has been ongoing discussion between Civil Society and Government on the need for this and under the Open Government Partnership (OGP) 2018-2020 National Action Plan, approved by the Government in November 2018, it is

planned to provide a citizen's version (maybe also released in another national language) of at least some of the Budget documents).

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Agree to comments above.

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 2016

Source:

The Annual Financial Audit report from PNG Auditor General is broken up into 4 parts. Part 1: the 'Public Accounts of Papua New Guinea' has been publicly released only up to 2012. The other 3 parts cover the National Government Departments and Agencies, which have been released to 2014, Provincial Governments and Local Level Government and Public Bodies and their Subsidiaries, which have been released until 2016, and the Government Owned Companies, National Government Shareholdings in Other Companies, released until 2016, but not comprehensively, respectfully. <http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

Although 2016 is selected as the evaluated year, only 2 Parts of the 4 Part audit of Government accounts are for 2016 (notably covering Provincial and Local Government and State-Owned enterprises and Authorities, and, as stated in the reports, although many of these institutions have not yet been audited for 2016 as the accounts for that year have not yet been submitted).

Peer Reviewer

Opinion: Disagree

Suggested Answer: Part 1 2012 Report of the Auditor General on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea . FY2014 appears to be the latest however i am not able confirm the date of uploading.

Comments: 1. Part 1 2014 Report of the Auditor General on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea (<http://www.ago.gov.pg/images/downloads/Report%20of%20the%20Auditor-General%20-%20Part%201%202014.pdf>) is available online. Part 2 PART II - 2015-2014, National Government Departments and Agencies is also available online (<http://www.ago.gov.pg/docs/ReportoftheAuditorGeneralPartII20152014.pdf>). However, I am not in a position to determine the date of uploading. Hence 2012 is the appropriate choice. Where is the 2013 Audit Report? 2. Part 1 and Part 2 are focused on National Government, whereas Part 3 and 4 are focused on Provincial Government and SOEs. State and local government are not considered in the OBS survey. I think we should concentrate on the AG's audit of the national government accounts consistent with the focus of the survey. 3. i would like to add that i do not think that the audit report on the public accounts is actually a valid audit opinion. Whilst an opinion is provided, there are no attached financial statements. How can Parliament be assured that the financial statements have been audited IF no statements are provided with an audit opinion? How can the public be assured that the accounts have been audited IF no financial statements are included with the Audit opinion?.

Government Reviewer

Opinion: Agree

Researcher Response

It is perhaps rather harsh to ignore the considerable material covered in Parts 3 and 4 of the Annual Audit, which covered 2016, but strictly Volume 1 is the audit of the public account, for which 2012 was the most recent year (2014 having been ready to be tabled in Parliament for an extended period, but only finally uploaded at the start of 2019); so probably strictly one should specify 2012 as the valid year, as specified by the PR.

IBP Comment

Thank you to the reviewers for their comment. This question, however, refers to which audit report should have been released in the year prior to the cut-off date for the OBS research, not the last year an audit was released. Since that is the case, the year should have been FY 2016 - the response is revised to reflect that.

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:

d. Does not release to the public, or is released more than 18 months after the end of the budget year

Source:

Part 1 - Public Accounts of Papua New Guinea – is only available to 2012, and even then does not provide a full picture of the state of accounts at the time

Part 2 - National Government Departments and Agencies- available up to 2013 (some departments are not complete to that year)

Part 3 - Provincial Governments and Local-level Governments- available up to 2016 (but many are not up to date).

Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies- available up to 2016 (many SOEs/Authorities have not yet submitted accounts for audit though)

http://www.ago.gov.pg/images/downloads/Part_I_NGAD_12_DAG_QUALITY_REVIEW%20_29%20-11-15.pdf

http://www.ago.gov.pg/images/Annual_Reports/Part_2/Part_II_2013-2014.pdf

http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf

www.ago.gov.pg/images/downloads/Part%204%20Report%20of%20the%20Auditor%20General%20-%202016.pdf

Comment:

Only 2 parts of the 4 Parts of the AR, which comprise the Audit of the Public Accounts for Papua New Guinea, were released for 2016 by the end of 2018. Part 1, which comprises the overall report of the Public Account was only released until 2012, and the Government Departments until 2014.

(It may be noted that several additional reports were uploaded in the 2nd week of February 2019, notably Part 1 for 2014, Part 4 for 2017, plus some special reports; these had been prepared well in advance of the date of release on the website)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree with comments above.

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:

00/00/0000

Source:

There is no audit report as assessed by the OBS methodology, but there are two parts released on 20/5/2018.

This date only applies to Part 3 and 4 of the AR, which relate to the year 2016, but cover only the Audits of the Provincial and local level governments and State-owned entities and Statutory Authorities, but not to the audit of the overall public accounts. It can only be released upon tabling and being deemed a Public Document in the National Parliament, which can be many months, even years, after being prepared and submitted by the Auditor General's office to the Speaker of Parliament. Unfortunately, the Minutes from the National Parliament are several months out of date, and the only way to ascertain the date of publishing is from the SA's ICT staff (currently being verified)

Comment:

Parts 1 & 2 of the series of the 4 part audit reports for Papua New Guinea were published separately. Part 1, which provides the Audit Report of the Public Accounts was only published for 2012 by the end of 2018 and Part 2 covers the National Government Departments and was only published until 2014 at the end of 2018. The other two parts are more up to date (to 2016, although not comprehensive of institutions covered)

Peer Reviewer

Opinion: Disagree

Suggested Answer: I believe that only Parts 1 and 2 of the AR are valid reports for the national government. Hence, only 2012 should be considered.

Comments: It should be noted that the researcher has identified Parts 1 and 2 from 2012 as being uploaded before 31 December 2018. I have identified part 1 from 2014 on the website but cannot determine the date of uploading. The researcher has suggested that later reports may have been uploaded in early 2019. If this is correct, then, in my opinion, only Parts 1 and 2 are applicable to National Government, hence only 2012 can be accepted.

Government Reviewer

Opinion: Agree

Comments: I agree with comments above.

IBP Comment

Thanks for the peer reviewer comments. This is in agreement with the researcher about the relevance of Parts 1 and 2, and that these documents have not been published since 2012.

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 Audit of the Public Accounts of Papua New Guinea is divided into 4 parts. Part 1. The overall Public Account, for which the latest published audit is 2012; Part 2, the audit National Departments and agencies, for which the most recent audits are for 2014; Part 3, for Provincial Governments and Local governments; and Part 4, for the State-owned Corporations and other public bodies. These reports were submitted to the Speaker of Parliament on 1 October 2015, 29 Sept 2015, 27 Sept 2017 and 11 Aug 2017, respectively. They then had to be tabled for consideration by Parliament, before they could be released to the Public. The first part was available online briefly at the end of 2016. The latter two Parts were available online from 20 May 2018 according to staff of the Auditor General.

Source:

The Audit Report for Papua New Guinea is divided into 4 Parts on the Auditor General's website: with 2012 still the latest posted for Part 1 at the end of 2018, 2014 for part 2, 2016 for parts 3 & 4: <http://www.ago.gov.pg/index.php/8-annual-reports>
Agenda for Parliament on 20 Nov 2018, the last sitting day for 2018: <http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20181120-61.pdf>

Comment:

The 4 sections of the AR uploaded online are as follows:

Part 1 - Public Accounts of Papua New Guinea – is only available to 2012, and even that does not provide a full picture of the state of accounts at the time (the 2014 Report has been tabled in Parliament in Sept 2018, and is therefore, deemed a public document but was not posted online until the first week of February 2019)

Part 2 - National Government Departments and Agencies- available up to 2014 (some departments had not submitted accounts for audit, however, for that year).

Part 3 - Provincial Governments and Local-level Governments- available up to 2016 (although many are not up to date). This was tabled in Parliament and became a public document in Sept 2018, and published online before the end of 2018.

Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies- available up to 2016 (many SOEs/Authorities are well behind that date) (the 2017 Report for Part 4 was submitted to the Speaker in July 2018, but not tabled until Jan 2019, and published online in Feb 2019)

Peer Reviewer

Opinion: Agree

Comments: The researcher has provided clarity as to the timing of the upload of documents.

Government Reviewer

Opinion: Agree

Comments: I agree with comments above.

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:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Source:

Part 1, Public Accounts of Papua New Guinea 2012

http://www.ago.gov.pg/images/downloads/Part_I_NGAD_12_DAG_QUALITY_REVIEW%20_29%20-11-15.pdf

Part 2, National Government Departments and Agencies 2014

<http://www.ago.gov.pg/images/downloads/Part-2-NGAD-Merge-Report-JTen-AVui-4-11-15.pdf>

Part 3, Provincial Governments and Local-level Governments 2016

http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf

Part 4, Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies 2016

<http://www.ago.gov.pg/images/downloads/Part%204%20Report%20of%20the%20Auditor%20General%20-%202016.pdf>

Comment:

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:

d. Not applicable

Source:

It is published only as a series of Pdf documents

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Agree with comments above.

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:

d. Not produced at all

Source:

The audits are not produced in a timely manner, and they are heavily qualified (the SA issues no opinion, as there are many gaps and other deficiencies in what's been submitted); however, audits are ongoing and some components, and audits of some institutions and special audits are up to date and publicly released.

Part 1 2014, which is the Audit of the Public Accounts was submitted by the SA to the Speaker of Parliament in March 2017 (as a highly qualified audit), but only tabled in Parliament and therefore released as a public document in 2018, but not posted online until the start of 2019. The 2015 audit report has been prepared and submitted, but it has not yet been released publicly. The 2016 will be under preparation, but is not submitted or released.

Part 2, the audit of the Government Departments is also several years behind schedule, although the report for 2015 has been prepared (and maybe submitted to the Speaker **check update) and the 2016 is also well advanced in preparation.

On the other hand Parts 3 and 4, comprising the audits of the sub-national government transfers etc, and SOEs and public authorities, have been published online for 2016 during 2018, and the 2017 report was submitted to the Speaker in mid-2018 and it was a public document during 2018 (although not published online until early 2019)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: On-going work in public finance management reform aimed to improve the audit report.

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:

As specified, the audit reports (parts 3 & 4) for the Subnational government and the State-owned enterprises and statutory authorities were submitted and publicly released in a timely (though not comprehensive) manner, but Parts one and two, comprising the Audit of the Public Accounts, and the report on National Departments, were long overdue. However, it was known that some additional years of reports were already public documents in 2018 (notably Part 1 for 2104 and Part 4 for 2017) from online public documents from the Legislature, but the reports themselves were not available online. It is also known from meetings and other dialogue with the staff of the Supreme Audit that there were additional reports under preparation, or even submitted, but not yet tabled and deemed public documents. (in 2018 the SA experienced governance issues, and some ensuring staff changes, with further disrupted progress)

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

There has been a long delay in finalising the audits for government departments and agencies and the overall public account for many years for various reasons, particularly related to the late release of accounts for audit, as well as the limited funding and other capacity of the supreme audit for the task of auditing over 1,000 public bodies spread across the country. Once audited there have also been long delays before the audits are tabled in Parliament and deemed 'Public Documents', as required before they are permitted to be released to the public. There have also been extended delays in recent years with the non-operation of the Auditor General's website (through half of 2017) but this seems to have been addressed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

n/a - as the report is well outside the allowable deadline. The latest report at the end of 2018 of the Auditor of the Public Account of Papua New Guinea (Part 1) was entitled "Report of the Auditor-General 2012 on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea"

Source:

Although the Core of the AR (notably, Part 1, the Audit of the Public Accounts) is unavailable within the required deadline, some components of the AR, notably Reports 3 & 4 have been released in a timely manner. The reports are entitled:

Part 1 - Public Accounts of Papua New Guinea

Part 2 - National Government Departments and Agencies

Part 3 - Provincial Governments and Local-level Governments

Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Report of the Auditor-General 2012 on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea

Comments: The differences are marginal! I think I am being picky!!!!

Government Reviewer

Opinion: Agree

Comments: Agree to comments above.

Researcher Response

The AR was not produced, as per the requirements of timeliness etc. (at least, Part 1, comprising the Audit of the Public Account of PNG, as opposed to the audits of the provincial Governments and the SOEs and Statutory Authorities - comprising parts 3 & 4, which have been more timely). Part 1 was entitled the "Report of the Auditor-General 2012 on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea"

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:

No citizen budgets have been produced yet in PNG.

Comment:

(There have been ongoing discussions on this between the government and civil society, and, under the Open Government Partnership National Action Plan 2018-20, approved by the Government in November 2018, it is planned to have CBs launched at least for components of the Budget in 2019.)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Agree, no citizens budgets have been produced yet.

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

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

The Treasury: <http://www.treasury.gov.pg/>
The Department of Finance: <http://www.finance.gov.pg/>
Auditor-General's Office: <http://www.ago.gov.pg/index.php/8-annual-reports>
National Parliament of Papua New Guinea: <http://www.parliament.gov.pg/>
National Economic & Fiscal Commission (NEFC): <http://www.nefc.gov.pg/>
Bank of Papua New Guinea: <https://www.bankpng.gov.pg/>
Department of National Planning and Monitoring: <http://www.planning.gov.pg/>

Comment:

The Treasury provides the main website for fiscal documents, including draft Budget-related legislation.
The Auditor General provides the Audit reports.
The National Parliament provides copies of the approved legislation and schedules and minutes of tabling of legislation.
The Bank of Papua New Guinea provides wide economic, including fiscal data in machine readable format, released on a quarterly basis, as well as regular updates on government financing.
The Department of National Planning website has plans and strategies, including the current Medium Term Development Plan 2018-22, which is meant to frame the annual Budget expenditure priorities during the period. The website also provides some (though currently limited) details on projects under the Public Investment Program
NEFC provides income and expenditure details at the sub-national level and for the functional grants and equalisation payments
The Finance Department website just provides some legislation (e.g the recent Public Money Management Regularisation Act 2017 etc), policy updates, progress on rolling out the Integrated Financial Management System

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Agree to comments above.

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:

c. Yes, but only revenue data can be downloaded as a consolidated file

Source:

Quarterly Economic Bulletin - September 2018: Sn 7 page 23, Public Finance, and Tables S46-48 Government Operations Tables 7.1-7.5

<https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

<https://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>

Table 7.1 has only high-level expenditures (not by any expenditure classification), therefore they are not counted for the purpose of this question.

Revenues have sufficient detail within the Excel files and therefore are counted.

Comment:

The Treasury files are only available in Pdf format(<http://www.treasury.gov.pg/>).

The BPNG (Central Bank) website provides machine-readable data in Excel (<https://www.bankpng.gov.pg/>).

The Treasury:

Volume 1, the National Budget 2019: ECONOMIC AND DEVELOPMENT POLICIES:

Tables 10 to 15, pages, pages 175-181.

Table 10: Statement of Operations for General Government

Table 11: Statement of Sources and Uses of Cash

Table 12: General Government Revenue by Economic Classification

Table 13A: General Government Expense by Economic Classification

Table 13B: General Government Expense by Agency Type

Table 14: Transactions in Assets and Liabilities for General Government

Table 15: Stocks of General Government Debt

CHAPTER 3: FISCAL STRATEGY AND OUTLOOK page 43, for various graphs and tables on forecasts and outcomes and different scenarios and future forecasts

CHAPTER 4: REVENUE Page 63 various graphs and summary tables

CHAPTER 6: EXPENDITURE, page 91, various graphs and summary tables, including expenditure by sector and function

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Bank of Papua New Guinea:

Quarterly Economic Bulletin - September 2018: Sn 7 page 23, Public Finance, and Tables S46-48 Government Operations Tables 7.1-7.5

<https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

<https://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Agree to comments above.

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:

c. Yes, but only revenue data can be downloaded for multiple years in consistent formats

Source:

On the Bank of Papua New Guinea (Central Bank) website, the fiscal tables are machine readable, and provide consolidated revenue and expenditure data for the previous 10 years, plus the current year's Budget forecast and year to data (with a 3 months lag)

Expenditure information is provided only in aggregate, however there are details of revenues with sufficient details to count for this question.

Comment:

2019 NATIONAL BUDGET: VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES; Tables 10-15 Pages 175-181

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

The expenditure and revenue data are available on the Treasury website for 2 years prior (actuals), the current year (estimate) and the Budget year (projected), plus projections for the 4 subsequent years. Provided in Pdf format.

Bank of Papua New Guinea: Government Operations tables 7.1-7.5
<https://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>

Peer Reviewer

Opinion: Disagree

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

Comments: I think a) is more appropriate as both consolidated revenue and expenditure for multiple years in a consistent format is available in a spreadsheet on the Bank of PNG website. I agree that it is a summarised but there is still considerable information available to the public on the fiscal operations of the Government.

Government Reviewer

Opinion: Agree

Comments: Agree to comments above.

Researcher Response

Material provided by the Central Bank is both machine readable (in Excel) and covers multiple years, but the Bank hasn't been deemed an eligible 'government' source on fiscal data in previous surveys. The Treasury's website does provide aggregate revenue and expenditure details in Volume 1, Tables 12-13B (in Pdf) for BY-1 (estimates) to BY-2 & 3 (actuals) and more detailed revenue and expenditure data just for BY-1 & 2, so, as suggested by PR 'a' might be more suitable; (it may be noted that this wasn't considered adequate for a 'yes' classification, however, in the 2017 survey)

IBP Comment

In an IBP consistency review, it is confirmed that the XLS data from the Central Bank can be accepted for this question. However, there needs to be some level of detail for both revenues and expenditures (at least one classification) to score for this question. Since the expenditures only show aggregates, however, and not even one level of classification, this is not enough detail to count as expenditure data for this question. The score of C is confirmed.

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:

There is very little graphics included on the Budget on the Treasury website (on revenue and expenditure trends etc...) with respect to revenue and expenditure. There are graphs in the economic section on global economic conditions, but only a few charts on Lending and Borrowing trends, Medium Term Fiscal and Revenue forecasts.

Comment:

National Budget 2019: Volume 1. ECONOMIC AND DEVELOPMENT POLICIES: Chapter 4, Revenue
Chart 29 (page 56): Net Borrowing (-) / Net Lending (+) as a percentage of GDP over the Medium Term
Chart 30: (p. 56) Medium Term Fiscal Outlook
Chart 31: (p 72) Annual Revenue Inflows PNG LNG Project – Projections 2014-2040
Chart 32: (p 73) Medium Term Revenue (2017-2023), Kina Million

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Peer Reviewer

Opinion: Agree

Comments: Whilst they may not be available in the above nominated websites, I have previously noted that the parliament has a snapshot of the 2019 budget at http://www.parliament.gov.pg/images/misc/Snapshot_of_the_2019_National_Budget_.pdf.

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

The Papua New Guinea Constitution, Public Finance Section, Part 8 (209-215)

Sn 215 on the Auditor General,

Sn 215 on the Public Accounts Committee,

Public Finances (Management) Act 2014 (amended), notably Sn 23 on the National Budget,

Sns 24-34 Budget Controls, Part 6 borrowing/loans etc...

Sn 63 on reporting and Financial Statements,

Part 10 Public Accounts Committee

Audit Act 1989,

Fiscal Responsibility Act 2006 (esp debt ceiling, requirements and timelessness of BPS, MYR and YER) PNG Planning and Monitoring Responsibility Act (linking budgeting and expenditure with the Medium Term Planning and service delivery framework)

Comment:

<http://www.parliament.gov.pg/constitution-of-the-independent-state-of-papua-new-guinea>

<http://www.nefc.gov.pg/documents/legislations/Public%20Finance%20Mgt%20Act%20FINAL.pdf>

http://www.paclii.org/pg/legis/consol_act/aa198971/

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

<http://extwprlegs1.fao.org/docs/pdf/png162494.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Agree with comments above. There is also the Public Money Regularization Act 2017 to regularise the handling and management of public money received by public bodies.

<http://www.treasury.gov.pg/html/legislation/files/acts/2018/Public%20Money%20Management%20Regularisation%20Act%202017%20CERTIFIED.pdf>

Researcher Response

Yes, as part of the 2018 Budget, the Government also introduced the Public Money Management Regularisation Act 2017 (certified in Feb 2018) to regularise the handling and management of public money received by public bodies. This was partly a mechanism to help plug the revenue shortfall faced by the government, and tap into the substantial accumulated funds built up by a few Statutory Authorities (notably the National Fisheries Authority - collected from offshore fishing license fees), but partly also concentrate revenue collection to Consolidated Revenue and dissemination to the national Budget allocation process, rather than being controlled substantially by a wide range of public bodies, some, such as the Fisheries Authority, running a parallel budget process.

<http://www.treasury.gov.pg/html/legislation/files/acts/2018/Public%20Money%20Management%20Regularisation%20Act%202017%20CERTIFIED.pdf>

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.ncss.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:

a. Yes

Source:

PNG Constitution -The Preamble of the National Constitution, Basic Rights:

d) freedom of conscience, of expression, of information and of assembly and association;

Sn 51 of PNG Constitution:

Section 51: Right to Freedom of Information: Every citizen has the right of reasonable access to official documents, subject only to the need for such secrecy as is reasonably justifiable in a democratic society in respect of— (a) matters relating to national security, defence or international relations of Papua New Guinea (including Papua New Guinea's relations with the Government of any other country or with any international organization); or (b) records of meetings and decisions of the National Executive Council and of such executive bodies and elected governmental authorities as are prescribed by Organic Law or Act of the Parliament; or (c) trade secrets, and privileged or confidential commercial or financial information obtained from a person or body; or This is an official copy of the Legislation of PNG PNG National Legislation Page 31 (d) parliamentary papers the subject of parliamentary privilege; or (e) reports, official registers and memoranda prepared by governmental authorities or authorities established by government, prior to completion; or (f) papers relating to lawful official activities for investigation and prosecution of crime; or (g) the prevention, investigation and prosecution of crime; or (h) the maintenance of personal privacy and security of the person; or (i) matters contained in or related to reports prepared by, on behalf of or for the use of a governmental authority responsible for the regulation or supervision of financial institutions; or (j) geological or geophysical information and data concerning wells and ore bodies. Section 38: 2(a) General qualifications on qualified rights: For the purpose s of Subsection (1), a law must—(a) be expressed to be a law that is made for that purpose; This may regulate or restrict the right guaranteed by this section. (3) Provision shall be made by law to establish procedures by which citizens may obtain ready access to official information. (4) This section does not authorize— (a) withholding information or limiting the availability of records to the public except in accordance with its provisions; or (b) withholding information from the Parliament. 38. General qualifications on qualified rights. (1) For the purposes of this Subdivision, a law that complies with the requirements of this section is a law that is made and certified in accordance with Subsection (2), and that— (a) regulates or restricts the exercise of a right or freedom referred to in this Subdivision to the extent that the regulation or restriction is necessary— (i) taking account of the National Goals and Directive Principles and the Basic Social Obligations, for the purpose of giving effect to the public interest in— (A) defence; or (B) public safety; or (C) public order; or (D) public welfare; or (E) public health (including animal and plant health); or (F) the protection n of children and persons under disability (whether legal or practical); or (G) the development of under-privileged or less advanced groups or areas; or (ii) in order to protect the exercise of the rights and freedoms of others; or (b) makes reasonable provision for cases where the exercise of one such right may conflict with the exercise of another, to the extent that the law is reasonably justifiable in a democratic society having a proper respect for the rights and dignity of mankind. (2) For the purpose s of Subsection (1), a law must— (a) be expressed to be a law that is made for that purpose; and (b) specify the right or freedom that it regulates or restricts; and This is an official copy of the Legislation of PNG PNG National Legislation Page 24 (c) be made, and certified by the Speaker in his certificate under Section 110 (certification as to making of laws) to have been made, by an absolute majority. (3) The burden of showing that a law is a law that complies with the requirements of Subsection (1) is on the party relying on its validity.

Comment:

The National Constitution (basic rights) provides for freedom of information, subject to certain constraints, and the requirement that a law is made that specifies the procedures under which citizens may secure that information and the conditions under which certain information may be withheld. That enabling legislation has yet to be enacted (now 44 years after the Constitution became effective), but it's preparation was authorised in November 2018 as part of the Open Government Partnership National Action Plan 2018-22.

Peer Reviewer

Opinion: Agree

Comments: I have confirmed the references cited by the Researcher.

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

VOLUME 2a 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

Table 1 Sectoral Classification of Expenditure by Agency (pages 2-6)

Table 5 Expenditure of Affairs, Functions, and Main Programs (pages 14-29)

SECTION (III) DETAILS OF EXPENDITURE SUMMARY OF APPROPRIATION (pages 62-77)

SECTION (IV)– NATIONAL GOVERNMENT DEPARTMENTS (page 78-695)
VOLUME 2b 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2a - pages 1-636)
VOLUME 2c 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2b - pages 1-612)
VOLUME 2d 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS (Statutory Authorities pages 1-359, Provincial Governments pages 360-385)
Volume 3A - Public Investment Program for National Government Departments 2019-2023
Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2019-2023

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
VOLUME 3 PUBLIC INVESTMENT PROGRAM 2017 – 2021: Summary Table by Agency: Table 3, page 3, Details by Agency from page 8
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes, I agree to comments above.

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 National Budget VOLUME 1 Economic and Development Policies, Chapter 6, Expenditure (page 91)
Volume 2a 2019 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary Tables:
Table 3: Functional Classification of Expenditure, pages 9-11,
Table 4: Economic and Functional Cross-Classification of Expenditure, pages 12-13,
Table 5: Expenditure of Affairs, Functions and Main Programs, pages 14-29
(Volumes 2a-d) Budget Estimates of Revenue and Expenditure for National Government Departments and for Statutory Authorities, etc; detailed expenditure break up by agency, including by 'program structure', which is broadly consistent with functional classifications

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by Agency and sector: Table 3, page 3, Details by Agency from page 12
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

Volume one provides summary tables and text by road sectoral categories. The Estimates of Expenditure for 2019 are provided in Volume 2a in summary form in a succession of tables, table 3, by function; table 4, by cross-classification with economic classifications and, in more detail, and table 5, by affairs, functions and main programs, but including multi-functional expenditure, (where there is no attempt to breakup functions of various transfers to provincial authorities etc.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

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

Source:

The new Classification of Functions of Government (COFOG) was introduced into the 2016 Budget, which, as stated in the 2018 Final Budget Outcome Report (section 1.8 Government Finance Statistics) "shows the cross-economic functional classification of expenditure for the general government, detailing where government expenditure is directed by function. COFOG provides meaningful information that may be used to study the effectiveness of government programs in areas like health, education, economic affairs, social protection and general public services. There are ten major functions. It is an internationally standardised table that allows cross-country comparisons of government priorities".

Volume 2a 2019 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary Tables:

Table 3: Functional Classification of Expenditure, pages 9-11,

Table 4: Economic and Functional Cross-Classification of Expenditure, pages 12-13,

Table 5: Expenditure of Affairs, Functions and Main Programs, pages 14-29

Volumes 2a-d provides allocations for each Department/agency by summarised program, and in details

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

Comment:

The Budget for 2019 is subdivided in Volume 2a into several tables by different functions; according to the Year-End report for 2018 these have been made consistent with the International (COFOG) top and lower level classifications since 2016. This classification is provided in the summary tables and in more detail in the full allocations by institution into classified programs (as well as administrative) functions; unlike in 2017 when there was extensive 'cross-functional' expenditure, notably for transfers to the provinces (code 41), these transfers now seem to be categorised by function.

The PEFA report 2015 questioned the full consistency with COFOG classifications, greater compliance has been progressively applied since 2016. There is doubt whether it has yet reached adequate compliance to achieve 'A' at this stage in this application.

Under the Financial Improvement Program there has been some reclassification into more consistent classifications, and with the rationalization of the current and development budget there is some attempt to classify institutional allocations.

Given that there is a category for 'other multi-functional expenditures', which is about 13% of the total budget, for now the score remains B, however it could be revised should the government be able to show a clear COFOG mapping to the current display of expenditure.

Peer Reviewer

Opinion: Agree

Comments: Confirmed the scoring in PEFA of a 'C'. Checked against OECD's COFOG on first and second level consistency. The EBP is NOT consistent with COFOG classifications. The Researcher is correct in selecting option 'b'.

Government Reviewer

Opinion: Agree

Comments: The COFOG classification will be shown in the 2020 Budget in line with the IMF GFS international reporting standing which will be extended to volumes 2 of the national budget.

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 Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 3,

Table 12: General Government Revenue by Economic Classification, page 177

Table 13A: General Government Expense by Economic Classification, page 178

Volume 2a Budget Estimates of Revenue and Expenditure for National Government Departments 2019 Summary Tables:

Table 2: Economic Classification of Expenditure, pages 7-9

Table 4, Economic and Functional Cross-Classification of Expenditure, pages 12-13

There's a breakup by implementing agency for the National Government Departments, by Recurrent and Development Expenditure: Volume 2a-2d 2019, Budget Estimates of Revenue and Expenditure for National Government Departments - Section IV: Details of Expenditure for National Government Departments

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

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by

Agency and sector: Table 3, page 3, Details by Agency from page 12

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

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

Source:

Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 2, Tables 13 A & 13B (pages 178 & 179) provide aggregates of general government expenditure by economic classification, and by economic classification and agency type

The economic classification used in the PNG Budget was upgraded from being based upon the IMF's Government Finance Statistics Manual (GFSM) 1996 to GFSM 2014 in 2016. As stated in the Year-End report for 2018, 'The classification of Expense by economic type under GFSM 2014 is broadly similar to the corresponding classification in the GFSM 1986 with primary exception being acquisitions of non-financial assets are not considered an expense and repayment of borrowing is regarded as transactions in assets in liabilities under GFSM 2014. Other differences include: Consumption of fixed capital which is an expense under GFSM 2014 was not included under the GFSM 1986 as it is a non-cash expense.

Transfer payments are classified by type of payment under GFSM 2014. Under the GFSM 1986 they were classified by the sector receiving the payment. The major types of transfer payments are subsidies, grants, and social benefits. The GFSM 2014 now includes all in-kind related payments where data is available".

Volume 2a, 2b, 2c & 2d of the 2019 Budget Estimates: Section II, Details of Expenditure Table 2, (pages 7-8), and Section IV, Details of Expenditure, National Departments and Statutory Authorities; Each agency with a summary by economic classification and full break down by agency item (e.g from P 82).

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by

Agency and sector: Details by Agency from page 13

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

the economic classifications have been aligned with IMF GFSM 2014 economic types and standards, with codes. Expenditure from the (substantial) Trust Funds, however, has not been broken down into economic types.

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:

Volumes 2a, 2b & 2c 2017 Budget Estimates of Revenue and Expenditure for National Government Departments -Section IV. :from page 79, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. then providing details by program
http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2a-Revenue%20and%20Expenditure%20National%20Govt%20Depts.pdf

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

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

and for the Statutory bodies, Provincial Government, Debt Servicing and Trust Accounts: http://www.treasury.gov.pg/html/national_budget/files/2017/Vol2d-Stat%20Authorities,%20Prov.%20Govts,%20Debt%20Services%20n%20Trust%20Accounts.pdf

Details of the Capital Investment component of the Budget is broken down by program in Volume 3 PUBLIC INVESTMENT PROGRAM 2017 – 2021
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by Agency and sector: Details by Agency from page 13
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

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

Source:

2019 Budget, Volumes 1 Economic and Development Policies, Appendix 2, (Aggregated) Tables 13A and 13 B, Volumes 2a, 2b & 2c 2019 Budget Estimates of Revenue and Expenditure for National Government Departments -(Summary) Tables 1,2,3, and 5, and Section III. :from page 61, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. then providing details by program
Volume 2d for the Statutory bodies, Provincial Government, Debt Servicing (no figures for the Trust Accounts):
Details of the Capital Investment component of the Budget is broken down by program in Volume 3a and 3b PUBLIC INVESTMENT PROGRAM 2019 – 2023

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by Agency and sector: Details by Agency from page 13
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

The aggregated Budget estimates and the summary estimates for each agency by program structure and economic classification cover a multi-year period for 2019, and 3 years beyond the Budget year (i.e. 2020-2022)

Since 2014 the Budget has been merged to embrace both the former Recurrent and Development components, although the Capital Investment component (PIP) is spelt out in more detail in Volume 3, including development assistance covering the period 2019-2023 (ie the term of the balance of the Medium Term Development Plan 3)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In addition, the expenditure estimates presented four years out (2020-2023) from the budget year in the policy document (2019 Budget Volume 1, Economic and Development Policies) for expenditure by economic classification.

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

Answer:

Administrative classification

Economic classification

Functional classification

Source:

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by Agency and sector: Details by Agency from page 13
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

The Aggregated tables in Vol 1 and the Summary tables in Vol 2a provide multi-year estimates by all three classifications (2019-2022), and summary tables for each agency also details by program, classified by functions and by economic classification. Volume 3 divides the capital budget by administrative unit by economic classification for 2019-2023.

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

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

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

Answer:

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

Source:

Volume 1, 2019 Budget. Economic and Development Policies, Chapter 6, pages 91 provides a break up, by sector mostly in text form on programs for 2019 in the context of the priorities of the MTDP 3, 2018-23, for the entire Budget, except the Trust Funds; the multi year tables are not provided, but the chapter is to be read together with the Medium Term Development Plan 3 (MTDP3 2018-2022), launched in October 2018 and the Medium Term Fiscal Plan (MTFP 2018-22).

Volumes 2a, b, c, and d, 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (Public Investment Program), all provide expenditure forecasts for 3 years beyond the budget year, by program

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2019 – 2023: Summary Table by Agency and sector: Details by Agency from page 13

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

Medium Term Development Plan 2018-22 Volumes 1 & 2 (Dept of National Planning and Monitoring)

http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf

[http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof\(Web\)_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

Comment:

Summaries forecasts for all programs are provided for 3 years beyond the Budget year (2017), and in aggregate form for 4 years beyond. Volume 1 provides little further detail of program expenditure forecasts in subsequent years, but is intended to be read together with the MTF3 MTDP3 released immediately prior to the 2019 Budget tabling. Progress is made in providing greater detail over recent years in this regard.

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:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 4, Revenue (pages 63-73); Appendix 2, Tables on Economic and Fiscal Data, Table 12, (page 177) Central Government Revenue by Economic Classification
Volume 2a 2019 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue Grants and Loans, Departmental and General Revenue (pages 43-55)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

Comment:

The composition of tax revenue estimates are provided in aggregated form in Volume 1, Chapter 4 (in tables and text) and in Table 12, of Appendix 2, as well as in detail in Volume 2 A

All revenues shown are classified according to a revenue source, therefore there are no other revenue categories, which justifies an A answer.

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:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 4, summarises non-tax revenue in section 4.3 (pages 68) and section 4.4. for grants, and Appendix 2, Table 12, Central Government Revenue by Economic Classifications, (page 177)
Volume 2a, 2019 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue, Grants and Loan Estimates, Departmental Revenue (Page 43) and General Revenue (page 49) and Grants (p 53)

Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Account, Section IV Details of Trust Accounts, (page 428)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Summary of sources of non-tax revenue, including Departmental and general revenue and grants are provided in summary form in Volume 1 in both

the text (Ch 4) and tables (Table 12), and in Part 2a in summary and some more detail; estimates of receipts into Trust funds are also provided in Volume 2d under Trust Accounts.

In Table 12, the level of unclassified revenues is below 1%, which justifies an A score.

Peer Reviewer

Opinion: Agree

Comments: Based on the OBS definition, Table 12 page 177 lists 'Other' and 'sundry (other) income' in the accounts. in aggregate, these are less than one percent as the researcher has pointed out.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Source:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 4, Medium Term Revenue Forecasts provides graphs of revenue from different sources and grant receipts to 2023, and forecasts from a major resource project to 2040 (page 71); Appendix 2, Tables on Economic and Fiscal Data, Table 10 (page 175), summary, Table 12 (page 178): General Government Revenue by Economic Classification, provides estimates for 2019 and forecasts for the subsequent 4 years.

VOLUME 2a 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 44-51) provides largely blank tables for more detailed revenue and grants beyond 2019, with almost no estimates provided for 2020 and subsequent years

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Table 12 in Appendix 2 of Volume 1 provides 5 year aggregate projections (2019-2023) by category of tax and non-tax revenue; Table 2A of Section (II) in Volume 2a provides tables for those years in greater detail, except that the table has largely not been filled out beyond 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-

thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Source:

2019 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 12 (page 178): General Government Revenue by Economic Classification, provides estimates for 2019 and forecasts for the subsequent 4 years. VOLUME 2a 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 44-51) provides largely blank tables for more detailed revenue and grants beyond 2019, with almost no estimates provided for 2020 and subsequent years
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Table 12 in Appendix 2 of Volume 1 provides 5 year aggregate projections (2019-2023) by category of tax and non-tax revenue, but in Section (II) (page 44-51) the estimates for revenue from specific sources listed for the years beyond the Budget year (2019) have not been provided.

However, since Table 12 provides sufficient detail to be considered individual sources, and the level of unclassified revenues is below 1%, this justifies an A score.

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:

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

Source:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 8, (pages 128-136), Financing and Debt Strategy (providing more details and explanation on the status, composition and policies with respect to debt management), Table 31, Deficit Financing Projections by Instrument 2018-2023, Table 32 Debt Stock as Chare of GDP 2018-2022;
Appendix 2, Tables on Economic and Fiscal Data, Table 13A (Page 178) General Government Expenses by Economic Classification (on forecast interest payments 2019-2023), Table 13B, (page 179), General Government Expenses by Agency Type, Table 14 (page 180) Transactions in Assets and Liabilities for Central Government (on forecast of net domestic and international liabilities), and Table 15 (page 181), Stocks in General Government Debt (on current and forecast debt levels).

Volume 2D, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section (III), (pages 386-426), Details of Debt Services, including summary table (page 387) with 3 year forecasts beyond the Budget year (2019)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

This covers all the current and forecast State borrowings, other than those related to State-owned enterprises, superannuation funds and contingent liabilities (which have increased substantially in recent years, including for State equity in commercial extractive industry projects), including guarantees.

Data is also provided in the Central Bank's (Bank of Papua New Guinea's) Quarterly Economic Bulletin and the Governor's 6 monthly Monetary Policy Statement (notably as BPNG manages most of the domestic debt - notably Treasury Bills and Inscribed Stock) for the Government
Peer

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

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

Source:

Estimates of New borrowings for 2019 and forecasts for 2020-23 provided in Vol 1, Chapter 8, Section 8.2 Financing Requirements, as set out in the Fiscal and Debt Strategies (page 132); Appendix 2, Tables 14 (p180);
Total debt in Table 15 (p181)
Total interest servicing costs in Tables 13A and 13B (P178 & 179) and
Details of Public Debt charges in Vol 2D Section III, (page298 onwards) with summary by lending institution on pages 299-300), and interest payments and charges (page389) and interest payments and charges (and principal repayment) by lending institution (from page 391 onwards)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: Just note that Vol 2D Section III starts at page 387, not page 298.

Government Reviewer

Opinion: Agree

Researcher Response

PR is correct; Section III (details of Debt Services) of Volume 2D (2019 Budget Estimates for Statutory Authorities etc) starts on page 398

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:

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

Source:

2019 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 15, (page 181), Stocks in General Government Debt (provides a breakdown between domestic and overseas debt, broken up into more detailed sources)
2019 Budget, Volume 1, Economic and Development Policies, Chapter 8, Sn 8.2 notably Table 32 Debt Stock, and prior paragraphs of text (pages 132-133), provides summary of debt and basic composition, but also average interest rate for domestic and external debt, but neither Volume 1, nor Section III over Volume 2D (Detail of Debt services, pages 386-426) provide a breakdown of the actual interest rates on the respective instruments, nor the maturity dates.

(Details on the past and current Treasury Bill and Inscribed Stock interest rates, amounts auctioned and issued, are available from the Bank of Papua New Guinea (Central Bank) website: - <https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bond-market-operations-and-development/treasury-bills/tbillsweekly-auction-announcement/> <https://www.bankpng.gov.pg/financialmarkets/domestic-money-and-bond-market-operations-and-development/treasury-bills/bills-weekly-auction-results/>
<https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bondmarket-operations-and-development/government-inscribed-stock/announcement-of-tender-results/>)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The aggregate debt figures are provided, broken into the various components (overseas - multilateral, bilateral, commercial and Sovereign Bond, and domestic, including Treasury Bonds and Inscribed Stock), with some discussion on debt policy (in Chapter 8, Vol1), the challenges of securing take up of instruments issued, issuing of the 2018 Sovereign Bond, including interest rate risk and trends. While there's a detailed break up of debt servicing and forecast debt servicing costs in Volume 2d, Sn (III), and composition of debt from different sources, there's no details of maturity or related interest rates and charges.

Peer Reviewer

Opinion: Agree

Comments: Confirmed. There is limited information on interest rates payable by instrument. There is some information contained on page 132 on a new commercial bank loan facility of \$US300 million at 6-7 percent at 10 years maturity PLUS some details on a sovereign bond issue in the second paragraph. However, there is no more granular information available.

Government Reviewer

Opinion: Agree

Comments: There are no specific details on maturity profiles, except information only presented on total amortisation (repayment) flows as shown in

2019 Budget Volume 1, Economic and Development Policies Appendix 2 Table 14.
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf Debt servicing details also provided in 2019 Budget Volume 2d, Section III -Details of Debt Service. http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

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 presented in the Executive's Budget Proposal:

Answer:

Whether the debt is domestic or external
Information beyond the core elements (please specify)

Source:

Volume 1, Section 8.2 of Chapter 8 (Financing and Debt Management) on page 132-133
Appendix 2, Table 15, Stocks in General Government Debt (p181)
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

There's a break up of the composition of the debt (in Table 15, Appendix 2 Vol 1 and in Chapter 8), including by type and source, only averages interest rates are provided for domestic and external debt, including the new sovereign bond, and some discussion on options for future more affordable domestic and overseas commercial borrowing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Composition of total debt stock outstanding are presented in the 2019 Budget Volume 1, Economic and Development Policies, Appendix 2 Table 15 (Stocks of General Government Debt). The composition is provided by domestic and external sources and by financing instruments. http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf Interest Rates are only presented as flows due in 2019 Budget year as shown in 2019 Budget Volume 1, Economic and Development Policies, Appendix 2 Table 13A and 13 B where Interest Rate payment is presented by payment source to domestic and external only. http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf Specific details of interest rate flows in 2019 Budget also presented in Volume 2d.

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

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

GUIDELINES:

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

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

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

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

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present

all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

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

Source:

Volume 1, Economic and Development Policies, Chapter 2 (page 14)- Sn 2.1 world Economic Growth and commodity forecasts, Sn 2.3 Domestic Economic Developments and Outlook (page 25) including forecast real Economic Growth rate (Chart 14 page 27), Sn 2.7 page 35 "Consumer Price Index" including outlook to 2023, discussion and analysis.

Appendix 2, Table 1 (page 166) GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CURRENT AND CONSTANT PRICES; for current and forecast inflation and interest rates: Table 9(page 174), Major Assumptions Underlying the Budget

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

There is extensive discussion of the macroeconomic forecast and key assumptions (for such factors as inflation, real GDP growth, employment rate, and interest rates) stated in Volume 1, Chapter 2 of the budget documents, together with the tables. There are more details of strategies and longer term conditions provided in other chapters of Volume 1. There is explanation of the forecasts (based upon external and domestic determinants) and some assessments of the risks experienced and likely to be encountered from external factors, such as changing commodity prices (and the impact of natural disasters, such as the 2018 earthquake) and inflationary pressures etc, or domestic, including seasonal conditions, but also government actions, such as issuing (further) tax concessions. Although exchange and interest rates have been relatively stable, the rigid figures provided poorly demonstrate market conditions

Peer Reviewer

Opinion: Agree

Comments: Certainly there is considerable discussion on the macro-economic indicators used to underpin the budget projections. i would have liked to see a summary table.

Government Reviewer

Opinion: Agree

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

Answer:

Nominal GDP level

Inflation rate

Real GDP growth

Interest rates

Information beyond the core elements (please specify)

Source:

Tables 1 & 9 in Appendix 2 of Volume 1 pages 166 & 174, and Chapter 2 (p14), Economic Developments and Outlook;

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

<https://www.bankpng.gov.pg/>

<https://www.bankpng.gov.pg/monetary-policy/bi-annual-statements/>

Comment:

These details are provided in tables (notably extensive additional macro-economic information and discussion is provided including on employment, although some components are relatively light, with limited information provided, notably on interest rates, More information on interest rates and other monetary aspects is provided by the Bank of Papua New Guinea, as the legally mandated independent Monetary Authority (notably from its Quarterly Economic Bulletin, Statistical Tables and 6 Monthly Monetary Policy Statement)

Peer Reviewer

Opinion: Agree

Comments: Again, I would have preferred a summary table of the above macro-economic indicators. i also note that there isn't really a summary of different interest rates and maturity attached to Government debt. The interest rate component of the indicators is only mentioned in Chapter 2 of Volume 1.

Government Reviewer

Opinion: Agree

Comments: Other economic forecasts guiding macroeconomic forecasts such as commodity prices and exchange rate projections are also presented in Table 9 in Appendix 2 of the 2019 Budget.

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:

2019 Volume 1, Economic and Development Policies, Chapter 2 - Economic Developments and Outlook, including Section 2.9 (page 41) Risks to Macroeconomic Stability; Chapter 8 on financing and debt management
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

Volume 1 (notably Chapter 2, and other chapters, such as Ch 8, page 128, on financing and debt management) provides details of market conditions and forecasts, and a section on risks to macro-economic stability, but there's limited explanation for forecasts used and very limited specification of the implications of those risks (or improved outlook) on economic conditions, without any sensitivity analysis provided.

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:

Volume 2019: Volume 1 Economic and Development Policies, Chapter 3 (page 43) Fiscal Strategy and Outlook, provides the fiscal and policy setting, including Table 10, (page 60) Key Measures included in the Medium Term Expenditure Strategy 2018-22; Chapter 6 (page 91) - 'Expenditure'. Policy and related expenditure details (with subjective indications of impacts from programs). More details on longer term strategies are provided in Chapter 9 (page 137)(National Reform Agenda), notably on decentralisation, amalgamation of public sector institutions, competition and ICT investment and reform; and Chapter 10 (page 152) (improving State’s Commercial Interest)

The details of allocations by program, including past years expenditures are in Volumes 2 and 3 of the budget documents.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/2019.html

Comment:

The broad policy setting is provided in Chapter 3, of Volume 1, including the tight current fiscal conditions, the 2019 Budget strategy and its compliance with the strategic objectives in the Medium Terms Fiscal Strategy (2018-22), including the Expenditure Strategy and the linkage with the revenue strategy and forecasts, and the debt strategy, including implications if the latter fail to be fully implemented. Narrative and expenditure details are provided in Chapter 6 (including association with the Medium Term Development Plan) including some link between program allocations and both longer term and more immediate Planning and Fiscal plans. Later chapters (9 & 10) are about reforms and improved performance, including through institutional reforms, amalgamation and some public investment. Although the details of the actual budget allocations program by program are provided in Sections (IV) of Budget volumes 2a-2c for

National Departments and Section (I-III) of Volume 2d for Statutory Authorities and Provincial Governments, and Volume 3 for the Capital Investment component of the Budget, there is virtually no reference to planning, program or allocation changes in the text provided

Peer Reviewer

Opinion: Agree

Comments: Yes, agreed. there is some narrative of proposed new policies but it is very broad and certainly doesn't discuss how these policies will affect expenditures. It is borderline whether 'c' or 'd' is applicable but i believe the Researcher has made the most appropriate option.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer “a,” the Executive’s Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer “b” for either question, the Executive’s Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A “c” response applies if the presentation includes only a narrative discussion, 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:

2019 Volume 1 Economic and Development Policies, Chapter 3 Fiscal Strategy and Outlook Section 3.3 (page 49) The Budget Strategy and the context set in the Medium Term Fiscal Strategy, including the Key Reforms in the Medium Term Revenue Strategy (page 57);

Chapter 4 Revenue (page 63) and particularly Chapter 5 (page 74), Tax and Non-Tax Measures and developments, detailing the Tax Measures for 2019 (in summary p.74 and in detail p.77 onwards, consistent with the MTRS 2018-22, provided some indicated revenue implication of each reform measure; The previous years' revenue is detailed in Volume 2a - Revenues and Estimates,

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

Comment:

The information that is presented does highlight, or at least indicate the expected impact of key policy proposals on revenues provided in Chapter 4 and 5 of Volume 1, notably associated with the Medium Term Revenue Strategy (2018-22) and more specific for 2019, Indications of the outcome, notably in terms of raised or adjusted revenue, rather than the specific calculations to reach those conclusions, are provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Volume 1, Economic and Development Policies, Chapter 4 (page 91) provides BY-1 summary figures by sector (table 21 P. 93), and for BY-1 (to BY-3) in summary form in Appendix 2, Tables 13A & 13B, BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION (page 178) and by AGENCY TYPE (p 179).

Volume 2A 2019 Budget Estimates of Revenue and Expenditure of National Governments

Departments, Section I Summary Tables, Table 1 (page 2) Sectoral Classification of Expenditure by Agency, Table 2 (page 7) Economic Classification of Expenditure, Table 3 (page 9)

Functional Classification of Expenditure, Table 5 (page 14) Expenditure of Affairs, Functions, and Main Programs
SECTION (III) DETAILS OF EXPENDITURE, SUMMARY OF APPROPRIATION (page 62) Details of the Expenditure (page 63) provides detailed expenditure for (revised estimates) BY-1 (and actual for BY-2) for National Departments; (page 69) for Statutory Authorities and (page 73) for Provincial Governments.
SECTION (IV) NATIONAL GOVERNMENT DEPARTMENTS (page 79 onwards, continuing Volumes 2B, 2C) and Volume 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed Budget appropriations for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

All BY-1 data in the summary tables comprise data as revised in the Supplementary Budget (of November 2018, tabled simultaneously with the 2019 Budget) and not actuals. The actuals available are for BY-2. The detailed break up is classified by administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down. The provincial expenditure details are not broken up functionally.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

Answer:

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

Source:

Volume 2A-2C 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 79 onwards) National Government Departments, provides detailed expenditure by program for BY-1 (and actual for BY-2) for National Departments; Volume 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure by program for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities. VOLUME 3A & 3 B PUBLIC INVESTMENT PROGRAM, Capital Budget, by Department and Agency, by Project

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: 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 Budget documents used the BY-1 Appropriation figures, as revised by the Supplementary Budget of August 2018 (which was tabled concurrently with the 2019 Budget); Volume 1, Economic and Development Policies, Chapter 3, Fiscal Strategy and Outlook Sn 3.2 2018 Supplementary Budget (page 46) provides some details on the over-expenditure and remedial action required, Chapter 6, Expenditure, provides little detail on 2018 expenditure, except Section 6.8 (page 113), Trust Fund Movement in 2018; Appendix 2, Table 13A & 13B, (pages 178 & 179), BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE, Volume 2A Section (I) (page 2-42) the Summary Tables, Section (III) (page 62-77) Details of Expenditure, Summary of Expenditure and Section (IV) National Government Department (from page 78 and continued in Volume 2B & 2C) Volume 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

All expenditure estimates for BY-1 have been revised from the original 2018 appropriations, notably following the Mid-Year Economic and Fiscal Outlook report, and for the 2018 Supplementary Budget in November 2018

Peer Reviewer
Opinion: Agree

Comments: I agree that the BY-1 has been updated from the original enacted 2018 budget. However, the MY 2018 Supplementary figures tabled in Parliament, apparently at the same time, are slightly different from those stated in Volume 1. For example, the Supplementary budget for total Expenditure for 2018 (enacted) Budget is 14,717.8, 2018 MYEFO is 14,931.1 (table 11.1) however in Volume 1, Table 10, Appendix Two, 2018 Budget is 14,717.9, 2018 Supplement Budget is 15,297. Not sure why there is a variance if they were tabled at the same time.

Government Reviewer
Opinion: Agree

Comments: Every years' EBS always show revised expenditure reflective of the supplementary budget adjustment.

Researcher Response

The Budget documents referred to by the PR relate to the 2018 Supplementary Budget and the 2019 (not 2018) EBP. These were indeed tabled at the same time. The MYEFO figure is invariably further revised for the Supplementary Budget, which should be consistent with the record shown in the 2019 EBP. It is unclear from the figures provided by the PR that there is any variance.

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:

Volume 1, Economic and Development Policies, Appendix 2, Tables 13A & 13B, BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE (provides BY-2 and BY-3).

Volume 2A 2019 Budget Estimates of Revenue and Expenditure of National Governments Departments, Sn (I) Summary Tables 1-5 (pages 2-29) provide Expenditure by administrative,

economic, and functional classifications for BY-1 and BY-2. Section (III) (page 62) Details of the Expenditure, Summary of Appropriation includes BY-2 for all Administrative unit; Section (IV)(page 78 and continuing in Volumes 2B & 2C) National Government Departments, provides detailed expenditure for BY-2 for National Departments;

Volume 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-2 (actual) for Provincial Governments and Statutory Authorities, plus Debt Servicing and Trust Funds

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The aggregate 'actuals' are provided for BY - 2 as shown in Table 13A & B, and in the Summary tables derived from the expenditure classifications by programs and functional classifications and are shown in more detail in the summary tables of Volume 2A by economic, functional and administrative classifications. The detailed break up is classified by administrative units and programs for national, provincial and statutory bodies and the Trust Accounts (which are not broken down).

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:

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

Volume 2A-2C, 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 78 onwards) National

Government Departments, provides detailed expenditure for BY-2 for National Departments by program;

Volume 2D 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-2 for Provincial Governments, Statutory Authorities and Debt Servicing (notably in the initial summary table by program for each department/agency and then program by program)

VOLUME 3A & 3B PUBLIC INVESTMENT PROGRAM FOR STATUTORY AUTHORITIES AND PROVINCIAL GOVERNMENTS 2019 – 2023

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

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:

Volume 1, Economic and Development Policies, Appendix 2, Table 13A & 13B (p.178-179) BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE, has BY-2 as the most recent year using actuals

2019 Budget Estimates of Revenue and Expenditure of National Government Department Volume 2A, Summary Tables on Expenditure Sections (I) Table 1- 5 (pages 2-42)

Section (III), Details of Expenditure (page 62) and Section (IV) (Volumes 2A-2C) Details of Expenditure, National Government Departments shows BY-2 as the most recent year using actuals

Volume 2D for Statutory Authorities, Provincial Governments and Debt Servicing

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

The B-Y2 (unaudited) actuals are presented in the 2019 National Budget documents, in aggregate in volume 1 and in summary and full in volumes 2A-D and Volumes 3 A & 3 B.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It would be the 2019 National Budget

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:

2019 Volume 1 Economic and Development Policies, Chapter 4, Revenue (page 63), Tables 12-18 (pages 63-19); Appendix 2, Economic and Fiscal Data Tables, Table 12 (page 177) CENTRAL GOVERNMENT REVENUE BY ECONOMIC CLASSIFICATION shows the break up for BY-1.

VOLUME 2A, 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS: SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (Page 44-55) for revenue and grants for Y-1

Volume 2 D Section IV, Details of Trust Accounts (pages 427-442)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The composition of revenue for BY-1 is broken up in Table 12 (page 63) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and subsequent tables (13-18) further detailing the revenue into Income and Profits, Personal Income tax, Company tax, and other direct taxes etc, Taxes on Goods and Services, Taxes on International Trade, Property Income, Value Added Tax (VAT) Mining Levies, Import and Export Duty and grants. Chart 32 provides a summary graphic break up. More details are provided in table 12 in the appendices and Volume 2A and Volume 2D for Trust Funds.

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:

2019 Volume 1 Economic And Development Policies, Chapter 4, Revenue, tables 13-18 (pages 64-70) for tax and non tax revenue and grants for BY-1, and associated text, and Appendix 2,

Table 12, Central Government Revenue provide a revenue breakdown into sources for BY-1.

Volume 2A, Budget Estimates of Revenue and Expenditure..., Section (II) Details of Revenue,

Grants and Loan Estimates (page 44-55 for revenue and grants), provide summary and more detailed breakdowns for BY-1.

Volume 2D Section IV Details of Trust Accounts, including receipts BY-1

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The revenues are broken up into: Tax on Income and Profits: Personal Income Tax, Company Tax, Mining and Petroleum Taxes etc., Taxes on Goods and Services: Excise, GST, Mining Levies, Gaming Taxes etc., Taxes on International Trade: Import and Export Duty, Excise Duty on Imports etc. and other Non Tax Revenues, and Grants for BY-1 (Trust fund receipts are listed by trust fund in Vol 2D)

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:

2019 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 63-70) tables 12-18 and associated text, and Appendix 2, Table 12, Central Government Revenue by Economic Classification provide the original Budget revenue Estimates and the 2018 Supplementary Budget estimate (from November 2018) for BY-1

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

The original budget revenue estimates for BY-1 are provided in the tables and text of Chapter 4 and Table 12 in Appendix 2, together with revised estimates based on the actual revenue data (receipts) and estimates for the balance of the year, as included in the Supplementary Budget in November 2018.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: 2019 Budget reflected updated 2018 estimates.

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:

2019 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 19) tables 3 and associated text, and Appendix 3, Table 8, Central Government Revenue provide a revenue breakdown into sources for BY-2. Volume 2a Section (I) Summary Tables, Table A2 (page 2), and Section(II) Details of Revenue, Grants and Loan Estimates (page 44-60), provide summary and more detailed breakdowns for BY-2.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

Peer Reviewer
Opinion: Agree
Comments: Table 12, page 177, Volume 1 provides detail.

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:

2019 Volume 1 Economic And Development Policies, Chapter 4, Revenue, tables 13-19 (pages 64-70) for BY-2, and Appendix 2, Table 12, Central Government Revenue by Economic Classification provide a revenue breakdown into sources for BY-2 to BY-4. Volume 2A Section(II) Details of Revenue, Grants and Loan Estimates (page 44-55), provide summary and more detailed breakdowns of revenue from different Departmental and other Government sources and grants for BY-2.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

In Volume 1 Economic Development Policies document shows the revenue break up for BY-2 in Chapter 4, and back to BY-4 in Appendix 2, table 12. More detailed the break down is shown in Section II of Volume 2A Recurrent Budget Estimates of Revenue and Expenditure of National

Government Departments for BY-2.

Peer Reviewer

Opinion: Agree

Comments: Not sure what researcher means by BY-4, only goes to BY-3.

Government Reviewer

Opinion: Agree

Researcher Response

PR is correct, that must have been a typo, it should read BY-3...

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:

VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES, Chapter 4 Revenue (page 63-70), Tables 12-18, and Appendix 2, Table 12 (page 177), BY-2 applies actual (although not audited) outcomes Volume 2A 2019 Recurrent Budget Estimates For Revenue and Expenditure For National Government Departments, Section (II) Details of Revenue, Grants and Loans- (page 44-55) Volume 2D 2017 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services And Trust Accounts. (highlighting revenue from Trust Funds) Part IV, Details of Trust Accounts (page 429)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The BY - 2 actuals are presented in the 2019 National Budget, together with receipts from a few of the Trust funds (in Vol. 2D), although most figures remain unaudited.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: That would be 2019 National Budget.

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:

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

Source:

2019 Volume 1 Economic and Development Policies: Appendix 2, Table 15, (page 181) Stocks in General Government Debt, which provides the level and composition of the debt, between domestic and external and sources for BY-1, Table 13A & 13B General Government Expense by Economic Classification and by Agency Type (pages 178 & 179) showing debt servicing costs and Table 14 (page 180), Transactions in Assets and Liabilities for General Government showing the overall level of transactions (including new borrowings and amortisation) in domestic and external and other debt instruments for BY-1.

2019 Volume 1 Economic and Development Policies: Chapter 8: Financing and Debt Management Strategy (notable Sn 8.1 Financing Background to the 2018 Budget, page 128) provides some further details on the composition, foreign currency, refinancing, operational and interest rate risks, average maturity of domestic debt portfolio, plans for BY-1, but only specifying prevailing interest rate applicable for some of specific borrowings.

VOLUME 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section

(III) Details of Debt Services (page 387-3426) provides the interest and other debt charges by amended Appropriation for BY-1

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The basic information is provided on public debt levels and composition for BY-1 in Volume 1, Table 15 (estimate for BY-1), on total debt service costs in Table 13 A & B (revised estimate), and on debt transactions in Table 14, with related explanation and analysis in Chapter 8. There is considerable detail on Public Debt Charges in Volume 2D, on the revised appropriation figures for BY-1 (actual for BY-2), but the Budget Proposal provides very limited details (in Vol 1, Chapter 8) on interest rates and maturity of debt of its respective financing.

Some information on interest rates for specific debt instruments in BY-1 is provided (see p. 129 and 133), however the maturities profile of debt is not shown. However, because there is information beyond the core, the score of B is selected.

(Some additional information, notably on interest rates is available from the Central Bank - as cross-referenced in the Budget Proposal, but again without a detailed breakdown in relation to maturity and other details of public debt)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: I think 'c' is more appropriate as some of the core elements are not included including 'interest rates on debt instruments' and 'maturity profile of government debt'.

Government Reviewer

Opinion: Agree

Researcher Response

This is a case of the EBP going beyond core elements with respect to most components of borrowings and the debt portfolio, but providing some, but limited detail on interest rates and maturity. This deficiency had been highlighted with the 2017 OBS as needing to be rectified; some improvement has occurred since 2017 in the debt reporting, but with the deficient detail on interest/maturity it should remain at 'C' again for 2019.

IBP Comment

During an IBP consistency check, the score of B is confirmed for this question. While interest rates are missing, there is enough information on maturity rates - namely the average maturity of domestic debt portfolio for BY-1, and the prevailing interest rate applicable for some of specific borrowings, to count as an element for this question. Given that there is only one core element missing, and there is information beyond the core, this question can be scored as B.

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:

2019 Volume 1 Economic and Development Policies: Chapter 8, : Financing and Debt Strategy, Sn 8.1 Table 30 (page 130) and Appendix 2 Table 15 Stocks in General Government Debt (page 181) shows BY-2 as actuals, Table 13A & 13B Budgetary Government Expense... shows debt servicing for BY-2 as actuals.

VOLUME 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (III) DETAILS OF DEBT SERVICES (page 387-426) show BY-2 as actuals

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The public debt figures in Chapter 8 show BY-2 figures for instruments and total for debt outstanding, but only Table 30 as (unaudited) actuals, Appendix 2, table 15 reflect the BY-2 debt figures. The cost of debt servicing is shown in Volume 2D, Debt Services, as actuals and in summary form Vol 1, Appendix 2 Table 13 A & B as actuals. (so for the marking for this probably lies between A and B, on the basis of information provided in the Budget Proposal documents)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: 2019 Budget

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:

c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

Source:

2019 Volume 1 Economic and Development Policies: Chapter 4 Revenue makes reference to the Sovereign Wealth Fund (although not yet operational owing to deficient revenue) (page 72). Chapter 6, Expenditure, provides some details of the Trust Accounts, including funds, such as the 2018 Earthquake Disaster Restoration Trust Account, intended to carry funds from different sources over from year to year. Chapter 9, National Reform Agenda, 9.5 (page 150) gives further detail on the Implementation of the Sovereign Wealth Fund, Chapter 10, 'Improving State's Commercial Interest', notably 10.3 (Managing Mining and Petroleum Assets), 10.4 (Broader Reforms) spell out some policies over revenue management, including from SOEs and public authorities, including the use of the Public Money Management Regularisation Act to recoup funds collected from diverse sources and sometimes held in trust accounts.

Appendix 2, Table 16 & 17 (pages 182-3) Sovereign Wealth Fund, Stabilisation Fund and Savings Fund, although it is not resourced to date. Volume 2D 2019 Recurrent Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section IV, Details of Trust Accounts. (page 428-459)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The core information is provided, but, as highlighted in Chapter 9, reforms are ongoing consistent with the new and prior Medium Term Fiscal Strategy to better identify public funds and ensure prudent fiscal management of the use of these funds. Many statutory bodies have been set up operating funds without a set of investment parameters or guidelines provided by Government. There are extensive trust funds and new extra-budgetary funds, including the long planned Sovereign Wealth Fund due to commence in 2019 (although unlikely to secure significant funding initially until commodity prices improve, project debts reduced and overall revenue raised). With many government bodies (Statutory bodies and SOEs) have been receiving and spending public funds independently, in many cases in defiance or in the absence of clear guidelines, from varied sources such as immigration permits, work permits, license fees, fees for services, the Government introduced the Public Money Management Regularisation Act in the 2018 Budget, largely to enhance flagging revenue. This has achieved much of its objective, but with ambiguity over its application, it has left many state authorities short on operational funding, but as the funds (such as royalties) secured under various levies or project agreements are collected wholly or in part on behalf of third parties (project landowners, forest resource owners etc.) there are further issues of ownership and accountability still to be addressed.

Public concerns relate to revenue accruing to, and financing arrangements for major resource and construction projects undertaken through SOEs (notably Kumul Petroleum and Kumul Consolidated Holdings) or other vehicles, imposing contingent liabilities on the State, and lack of public access to the contract arrangements. The deficient sharing of information between State-Owned Enterprises and the Treasury undermines the latter's capacity to forecast and track revenue and debt's particularly as Kumul Petroleum has been allowed to be audited outside normal government processes, with the audit not even tabled in Parliament. (The EITI process has helped expose and clarify arrangements and responsibilities related to the resource sector, but further progress is required particularly by some public institutions). Details of trust funds are provided in Volume 2D (section IV), that "the Public Accounts consists of the trust fund and the Consolidated Revenue Fund. The Trust Accounts are individual accounts that make up the trust accounts. The monies held in trust accounts are third party monies in trust, but can also be monies held for individuals and Government of PNG monies funded by development partners.:

1. Revenue Trust: Used to account for Revenue collected from customers/industry for paying specific expenses of services provided by the government.

2. Beneficiary Investment Trust: Record receipts from various sources and payment made to beneficiaries of investments made by the station on their behalf.

3. Royalty Trusts: Used to account for royalties for oil, timber, etc and payments to the beneficiaries (eg: Provincial Government and Resource Owners).

4. Temporary Holding Trust: Used to hold third party monies that are in dispute.

5. Special Purpose Trust: Used to hold third party monies that are in dispute.

6. Project Trust: holds monies from donor and / or GoPNG counterpart funds for development projects"

Peer Reviewer

Opinion: Agree

Comments: The trust funds are summarised in Section IV of Volume 2d including statement of purpose and actuals/ estimates of closing balances. not all extra-budgetary funds are necessarily captured including Kumul Consolidated Holdings (KCH). KCH has been summoned by the Public Accounts Committee but this is outside our survey scope (July 2019- see <http://www.looppng.com/png-news/public-accounts-committee-issues-reminder-kphl-85901>). it is interesting to note that KCH does not believe it is accountable to Parliament. It is also interesting to note that a number of SOEs, MDAs and private sector organisations that handle public funds are to be called before the PAC which may indicate that not all extra-budgetary funds are captured in the budget- again outside the survey scope. Nevertheless, i believe the researcher has selected the most appropriate option.

Government Reviewer

Opinion: Agree

Comments: In addition, 2019 Budget Volume 1, Economic a Development Policies Appendix 1, Table 1.2 presented some of the extra budgetary transactions own source revenue). The 2016 to 2019 National Budget have included GST and Bookmakers Turnover Tax revenues retained by provinces in the fisca reporting in national budget. This will extend to include other internal revenues and expenditures. The roll out of the GFS 2014 reform to all state entities should improve reporting of extra-budgetary transaction.

Researcher Response

PR and GR's comments noted, including with respect to the KCH/Kumul Petroleum subjectivity to the Public Accounts Committee. The Audit Act and the Constitution seem clearcut that all public bodies, including SOEs and funds, are subject to oversight, notably by the Auditor General and Legislature, despite specific legislation introduced seek to exempt these bodies. It is a matter that the SIA has referred to the Supreme Court for a Ruling

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:

b. No, central government finances are not presented on a consolidated basis.

Source:

2019, Volume 1 Economic and Development Policies: Appendix 2, Tables (pages 175-179) Table 10 Statement of Operations for General Government, Table 11 Statement of Sources and Uses of Cash, Tables 12 General Government Revenue, Table 13A and 13B General Government Expense Appendix 2, Tables 2.1 and 2.2 (pages 82-83)) Grants and Transfers to Provinces; Tables 14 Sovereign Wealth Fund; Chapter 4 Revenue (page 63), notably 4.3 Other Revenue (page 68), including 'statutory transfers' and 6, 'Expenditure' (page 91) provides some combined detail on both Budget and some extra-budgetary funds collection, including 6.6 Trust Funds (page 111), 6.7 and 6.8, Trust Fund Movements during BY-1, but no forecasts for BY.

Chapter 8 National Reform Agenda emphasises the need for greater consolidation, including administration of the SWF.

Volume 2A 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

With the reforms to the Public Finances (Management) Act and the Regularisation Act (PMMR), and the continued rolling out of the Integrated Financial Management System (IFMS), the objective is for all receipts and transactions into and by Trust Funds to be reflected in the IFMS by the end of 2020. Some progress has been made towards this, including under the PMMR, with much of the funds formerly held or deposited in the respective trust accounts being swept up and transferred to consolidated revenue. However, as some of these funds are dedicated for specific functions or in

some cases are funds held on behalf of third parties, greater accountability is required throughout. Nevertheless, some of the substantial funds retained in Trust Funds and other off-budget arrangements are not routinely or necessarily accurately recorded and reflected in the Budget, including project expenditure from Kumul Holdings Ltd (the State's SOE and equity holding corporation).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: The EBS for 2016 to 2019 have started to include the fiscal transaction in GST and Bookmakers Turoverover tax retained by provinces and will extend to other internal fiscal transactions subject in line with teh GFS 2014 reform.

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

GUIDELINES:

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

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

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

2019 Budget, Volume 1, Economic and Development Policies, Appendix 1, Tables 1.1 & 1.2 (pages 163-164): Grants and Transfers to Provinces (including Local Level Governments): Chapter 6, 'Expenditure' #6.4.7 (page 104) Provincial Sector, with brief summary of funding totals for the provinces, including under the District Support Improvement Program (DSIP) of K10 million per District, (a mechanism chaired at the District level by the local Member of Parliament); VOLUME 2A 2019 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I), Sectoral Tables Table 1, Sectoral Classification of Expenditure by Agency, Table 5 (page 14) Expenditure of Affairs, Functions, and Main Programs, (particularly Multi-Functional Expenditure page 26)
Volume 2D, 2017 Budget Estimates for Statutory Authorities and Provincial Governments...: SECTION (II) DETAILS OF PROVINCIAL GOVERNMENTS (pages 361-385)
Details of Expenditure - Provincial Governments:
Allocations for the Provincial Health Authorities are recorded under Statutory Authorities (page 328-358)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf

Comment:

The estimates provided in in the summary tables (1.1 & 1.2) in Volume 1 are comprehensive (or at least intended to be such), comprising budget transfers (detailed in Table 1.1, including grants for personnel emoluments and goods and services), combined with tax transfer (shared GST etc), royalties and dividends, and own revenue, in table 1.2. The narrative in the Budget document (Chapter 6) is brief, especially considering that it is the largest allocation in the Budget @ 19% of total, plus the allocation for the District Grants, now oddly categorised under 'Administration', rather than 'provinces'.

Extensive detail is provided in the summary tables in volume 2A, by different categorisations and more fully for the provinces and Provincial Health Authorities in Volume 2D.

The National Economic & Fiscal Commission (NEFC -an Independent Constitutionally established advisory body), is required to provide a report on sub-national financing and advises the Treasurer on the amount (notably for functional grants for essential public services) to be distributed to each province each year on the basis of an equalisation provision, in relation to the total amount projected to be available in total in the budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of 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:

No alternative display is provided in the EBP

https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf

Comment:

No specific provision has been made for alternative Budgetary presentations, although an annual determination and report, based upon BY-2, is provided by the National Economic and Fiscal Commission (NEFC) on subnational funding, particularly around funding for certain essential services. Its reports are used to adjust (or at least influence) the interprovincial allocations in the annual budgets. NEFC is an independent Constitutional Advisory body, which is required to make an input into the annual Budget process, advising on an equalisation amount for allocations to the provinces and Local Level Governments, based upon the amount made available for sub-national distribution and the NEFC's analysis of the cost of minimum priority activities and performance indicators.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Agree, need to improve in this area.

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:

https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf

Comment:

some detail is provided in the NEFC report on interprovincial funding for basis services, including a portion of health and education funding, notably from the functional grants. It is not contained in the EBP itself, but the NEFC report is a legally required component of the Budget process. Nevertheless, the NEFC reporting cannot be deemed to provide an alternative display of the overall budget allocation to meet the requirements for this question.

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:

a. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

Source:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 6, # 6.4.9 Utilities Sector (page 107) provides brief details on allocations for utilities (largely SOEs); Chapter 10, (pages 152) 'Improving State's Commercial Interest' ; (provides details of the public corporations, equity and policies on investment and dividends, including the General Business Trust assets (table 34 page 154), Kumul Consolidated Holdings, and Kumul Mineral and Petroleum Holdings, but most of the emphasis is on managing revenues and dividends flows to government; Appendix II, Table 13B, (page 179) General Government Expense by Agency Type (for a summary of transfers to Commercial and Statutory Authorities)
VOLUME 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF EXPENDITURE – STATUTORY AUTHORITIES (pages 1-359); this list comprises largely Statutory Authorities but includes the SOEs, such as PNG Power Ltd (p 227) and Telekom PNG Ltd (p. 240) Kumul Consolidated Holdings (p 123). and other corporations etc.
Volume 3 (Part B), Public Investment Program (PIP) 2019-2023, Statutory Authorities (pages 1-261; notably pages 94, 165, 177 and 195 for Kumul Holdings, DataCo, PNG Power and Telekom PNG, etc.)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

The State's grants and loans to respective public corporations (and other entities in which it holds a stake), including the (non-minerals) holding corporation, Kumul Consolidated Holdings, are specified in Volume 2D and for specific project details in Volume 3, together with specific transfers to

other companies, such as the power and telecommunications utilities, etc. (These figures don't including borrowings by the SOEs which might incur a liability on the State). Volume 1 provides details of equity in SOEs and resource projects in which there's a stake and dividends paid to Kumul Consolidated Holdings. It also provides policies or proposed policies, including with respect to financing and dividends, which have been administered inconsistently, and generally (according to recent ADB reports) at a poor level of performance. The administration of SOEs has been changing in recent years, ostensibly to increase accountability, but major unexplained transfers (some subject to inquiries, e.g. the Manumanu land acquisition, of land already belonging to the State) continue to leave major questions. Aspects of the policies on taking up equity, transfers, PPPs and dividends are still subject to review, particularly related to resource sector projects.

Peer Reviewer
Opinion: Agree

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:

d. No, information related to quasi-fiscal activities is not presented.

Source:

2019 Budget, Volume 1, Economic and Development Policies, Chapter 7 Tax Expenditure, provides greater detail on tax expenditure and incentives, including the Infrastructure Tax Credit Scheme (page 118) the Customs incentives and the incentives for resource projects, noting the paucity of reliable data and accountability, including on the tax credit scheme. This mechanism has been used increasingly during recent years for urban infrastructure and status projects, without apparent public tendering in some cases, outside its original remit, but in other cases is argued as justified in providing prompt service/infrastructure provision in the absence of delays with weak government capacity .

VOLUME TWO - PART 2D - III ESTIMATES OF REVENUE AND EXPENDITURE FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, Section B, Statutory Authorities (including limited details of subsidised credit by the National Development Bank, (pages 195)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

Minimal reference is made in Volume 1 to amounts of funding defined and reported upon under Trust Funds (partly listed in Volume 2D) and various other ill-defined expenditure; the controversial Tax Credit Scheme implemented by the private sector in the provision of selected public infrastructure projects receives only brief reference in the EBP; it provides valuable infrastructure development in the field in a relatively efficient manner, but in recent years is being used extensively for major urban infrastructure projects, (outside its original purpose) and sometimes in the absence of normal tendering processes; it can be readily subject to abuse (from transfer pricing to other improper transfers, in the absence of closer oversight, including in the EBP). There are also questions about management of royalty funds held by MRDC on behalf of landowners for public, and Forest Development Levies. The National Gaming Control Board collects major 'revenue' and funds a variety of sporting and other projects, without reference to the Budget process. The nature and operations of various trust funds continues to be deficient. The administration of the Sovereign Wealth Fund, will be subject to extensive rules, but full application and reporting through mandated procedures, including budgetary will be critical. However, it is not yet operational. The EITI reporting process is exposing some of the weakness with respect to resource sector financial management and accountability, including over royalties and other landowner funds held by State entities and at risk of diversion.

In Volume 2D and Volume 3B there is reference to a credit for indigenously-owned SMEs from the National Development Bank, but in 2019 not specifically referring to it as subsidised, as in previous years. A major mechanism for quasi fiscal activities, notably by certain public authorities, such as the Fisheries Authorities, using their license fees, has been restrained by the State sweeping much of it into Consolidated Revenue since 2018 under the Public Money Management Regularisation Act, and at least centralising fiscal management. But it is still acknowledged in Volume 1 (Chapter 1, p 42) under Fiscal Risks, that Failure of Statutory Authorities to pass through the collection of fees and charges, and failure of SOEs to pay the appropriate levels of Dividends restrains revenue, but it also enables some of these entities to continue practicing quasi fiscal activities (sometimes closely associated with the political cycle and political influences)

Peer Reviewer

Opinion: Agree

Comments: The researcher has clearly researched this area.

Government Reviewer

Opinion: Agree

Comments: This will be addressed when GFS 2014 reform is roll out to public corporations and other state entities.

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- A listing of the financial assets; and
- An estimate of their value.

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

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

Answer:

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

Source:

National Budget Volume 1 Economic And Development Policies, Chapter 6, Expenditure, 6.8 Trust Account Fund Movements, (pages 113) provides details of the balances in Trust Accounts; Chapter 9, 'Improving State's Commercial Interest' (page 152) provides details of equity and estimated valuation of the State's corporate investments (table 34, page 154) and (page 156) for text and table on mineral and petroleum dividends, but not asset value and under Broader Reforms (p158) on financial and other assets. There is also some discussion in 10.3, Managing Mining and Petroleum Assets, on policy options over State equity and other revenue mechanisms.

Annex 2, Table 14 (page 180) provide details of transactions in assets and liabilities, but not a statement of current worth. Tables 16 and 17, Sovereign Wealth Fund Stabilisation and Savings Funds, provides the basis for reporting, but at this stage the fund has not yet accumulated assets.

Volume 2D, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts; Part IV, (pages 428-442) Details of Trust Fund Balances

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

There is some information provided on financial assets, but not comprehensive, and leaves out details of the major resource sector equity valuation (and debt), likewise the details of Trust funds are not comprehensive or fully updated (but more information is provided than hitherto).

Peer Reviewer

Opinion: Agree

Comments: Based on the explanations provided in the OBS guide and the researcher's comments, this is the most appropriate response.

Government Reviewer

Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

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

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

Apart from references to the need to upgrade and maintain infrastructure there is no reference to non-financial public assets in the 2019 Budget, Volume 1, Economic and Development Policies or other volumes.

Comment:

Commitments have been made to developing a 'whole of government Balance Sheet framework' embracing the various public sector institutions with responsibility for managing the State's assets. Work has also been done providing an inventory of infrastructure assets, at different tiers, for the purpose of maintenance or replacement (e.g. funded by development partners for the Transport and Works Depts), rather than an asset register for valuation. The Planning Department and the Provincial Affairs Departments are working on improving national information and data systems, including registers of public goods across the country, but this will take time and is far from becoming a register of the valuation of public asset. An impediment to financial or other assets records has been government operating 3 financial management systems (which is now reduced to 2), as highlighted in Chapter 8, National Reform Agenda, (IFMS, PGAS); the National agencies are now all using IFMC and the provinces also starting to roll it out now; when systems are rationalised there should be a better base for asset registers and financial and non-financial asset management, once better inter-agency coordination, including communication with PNG's rural areas occurs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It is also the part of GFS 2014 reform to report on State's Balance Sheet. Work is expected to commence in 2020.

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:

2019 National Budget Volume 1, Chapter 2 Economic Developments and Outlook, #2.9 (page 41-42) Risks to Macroeconomic Stability: Fiscal and Financial Risks, including unbudgeted expenditure, debt guarantees and contingent liabilities; Chapter 3 Fiscal Strategy and Outlook (page 43); Chapter 8 Financing and Debt Management Strategy (page 128); Chapter 9 ' National Reform Agenda' (page 137); Appendix II, table 15, page 181, Stocks in General Government Debt. These sections all highlight the problems with fiscal, including cash flow management, with uncertain revenue, refer to deficiencies in planning and timely expenditure, including arrears, and they provide actions and intentions for improved fiscal planning and management, but don't provide details of the end of year arrears.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

There is extensive commentary on the challenges of debt management, including revenue shortage, over-expenditure, including from unforeseen factors and the requirement for the 2018 Supplementary Budget, and actions being taken to address these, including risks; there's a breakdown on Public Debt (Appendix 2, Table 15); some detail of measures to limit arrears, such as early closure of the annual books and cancellation of BY-1 Government commitments, in seeking to prevent them rolling over to subsequent years; but there's no estimate of prospective arrears provided.

Peer Reviewer

Opinion: Agree

Comments: There is a considerable discussion on arrears in Volume 1. On page 47, there is a discussion on the Supplementary Budget 2018 and some estimates of arrears. However, the arrears estimates are aggregated with other provisions. Hence, the researcher has chosen the most appropriate response.

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:

Vol 1, Chapter 8, Financing and Debt Strategy, notably # 8.3 (133-4) Medium Term Debt Strategy, managing debt at sustainable levels and #8.5, Managing Portfolio Risk 2019-23, both giving specific reference to the need for monitoring the debts of SOEs and contingent liabilities and cross reference (page 136) to "Records relating to these liabilities are available in Statement 1 of the Annual Public Accounts Statement"

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

As stated in Vol 1, Chapter 8, Financing and Debt Strategy, concern is raised over the growing level of debt and risks of Debts from SOEs and contingent liabilities and the need and measures applied to manage it.

However, other than providing some detail of the debt management strategy and associated risks, and cross reference to the Annual Public Accounts Statement (which is invariably itself far in arrears in its public release), there is no attempt to specifically quantify or provide estimates in these liabilities in the EBP.

Peer Reviewer

Opinion: Agree

Comments: Some discussion in Volume 1 as to the risks but there is no quantification and/ or identification of those liabilities.

Government Reviewer

Opinion: Agree

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- Projections that cover a period of at least 10 years.
- The macroeconomic and demographic assumptions used in making the projections.
- A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.

The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

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

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

2019 National Budget, Volume 1 Economic Development Policies, Chapter 3 Fiscal Strategy and Outlook, notably # Table 11 Medium Term Debt Strategy 2018-2022 (page 61) managing risks Chapter 8 (#8.3 p. 8133-4) Medium Term Debt Strategy 2018-22, including discussion on foreign currency, interest rate, refinancing, operational risks and SOE borrowings/contingent liabilities, and # 8.5 Managing Portfolio Risk 2019-23 (notably vii) (page 135)

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

Extensive reference is given in the 2019 Budget to forecasting revenue and managing expenditure, debt and risks, including the sustainability of debt and risks, including contingent liabilities, including, reference to the medium term debt strategy, and the need (in 8.5 viii) for "publishing a more detailed and timely debt management borrowing plan in early 2019".

However, beyond recognising the need for better data and estimates, no figures (or forward figures) are provided for 'operational risk'.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

2019 National Budget Volume 1 Economic Development Policies, Chapter 6 Expenditure, 6.2 Donor Funding from Development Partners (pages 93-95), including summary table 22, 2019 Loans Grants and Counterpart Funding (page 95).

Appendix II, Table 12 General Government Revenue (page 177) 'Grants from Foreign Governments and International Organisations'

Volume 2a 2019 Budget Estimates of Revenue and Expenditure For National Government Departments, Section II, Details of Revenue, Grants and Loans. Pages 53-55 for grants, and Pages 57-59 for external financing; Section IV, in Volumes 2A-D Details of Expenditure (page 61 onwards) (provides details of domestic and donor funding for specific programs);

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

(These plans are cross referenced to the revised Papua New Guinea Development Cooperation Policy 2018-2022, earlier version approved in early 2016; revised version printed and circulated, but not yet apparently uploaded:

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

Medium Term Development Plan 2018-22 Volumes 1 & 2, including expenditure forecasts, 5.3 Funding Requirements for Implementing MTDP III (page 55)

http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf

[http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof\(Web\)_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

Comment:

Extensive summary information provided in text and table in Chapter 6 of Volume 1, with aggregated figures for 2019 and earlier and future forecasts in Table 12 in Appendix 2.

Section II (Loan Service Receipts, External Financing and Grants) of Volume 2a provides some details of grants and loans, but without specifying the donors in many cases; part IV providing more detailed information on expenditure and some detail of funding source (rather inconsistently), and Volume 3 A & B, Public Investment Program providing further details of donor funding programs and projections linked with the Medium Term Plan 3 priorities.

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:

2019 National Budget Volume 1 Economic Development Policies, Chapter 7 (page 116) , including sections and statements for key components: Tax Expenditure Statements, Tax Incentives in the Income Tax Act (page 117), GST Act 2003, Tax Incentive Administered by the Customs Tariff Act 1990, PNG LNG Expenditure Estimates
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

Comment:

As stated in Chapter 7, 'the 2019 Budget makes the second year of reporting tax expenditure as part of the Government's effort to strengthen and promote transparency consistent with the Fiscal Responsibilities Act 2006 and Medium Term Revenue Strategy 2018-22'. The 2018 reporting covered incentives under GST and Infrastructure Tax Credit (although it should be noted that the latter is not strictly a tax credit as a major portion of the benefit is intended to be for the provision of an approved public good). the 2019 Budget extends the coverage of tax credits under various additional Acts. As stated these are what were reported by the respective tax payers, and are not verified figures. The Budget documents recognises the weaknesses in the data, the need to assess the benefits from these concession and the need to complete the tax incentive review during 2019.

The document certainly provided extensive information and explanation, but the information may still omit significant items; this lists the generic tax incentives applicable to sectors or subsectors, but also some specific business enterprises, notably PNG LNG, but not some of the other beneficiary companies, notably in the extractive sector , although some of these explicit tax holidays might gain different definitions).

The estimates of the tax foregone only extend from 2015 to 2017, however since the explanations about the tax expenditures make clear which of the tax expenditures are still in effect in 2019, this counts as one of the three core elements for this question.

Peer Reviewer

Opinion: Agree

Comments: This response hovers between a 'b' and a 'c'. Chapter 7, Volume 1 provides considerable information and meets the most, if not all, of the core components. however, i am not in a position to assess the veracity of those estimates, whether all beneficiaries have been identified, and whether all tax expenditures have been captured. Therefore, i concur with the researcher.

Government Reviewer

Opinion: Agree

Researcher Response

Remain with 'c'...

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 National Budget Volume 1 Economic Development Policies : Chapter 5 Revenue, 5.2 MTRS Goals and Progressive Update (page 75) highlights the objective and progress with the Public Money Management Regularisation Act 2017 (PMMR) in diverting non-tax revenue (often collected in license fees, levies etc) away from trust funds managed by statutory authorities, and as operational revenue for these authorities, to consolidated revenue. Until 2020 the government has introduced a 90:10 rule, where the Statutory bodies can retain 10% of this revenue but their core operations must be funded from normal Budget allocations; after 2020 the Act requires 100% of such revenue is transferred to consolidated revenue, with these

authorities 100% dependent upon central Government allocations in the Budget; (this does not apply to sub-national governments with their own revenue raising powers). 6. Expenditure #6.5 Non Financial Instructions, (despite the disincentive under the PMMR, with revenue diverted to the Central Government) the requirements for self-financing by Statutory authorities, by enhancing revenue generation but application of the 90:10 rule, which is specified has been achieved. Amounts collected and expended are not provided, and specific former arrangements 5.2.5 such as the excise on diesel collected by Customs payable directly to the National Road Authority have been discontinued. Estimates. The funds retained by Departments, such as work permit fees etc, are all now required to be submitted to Consolidated revenue and not used directly for earmarked purposes.

Volume 2a, Section II (page 44), Details of Revenue, Grants and Loan Estimates, Department and General Revenue (Page 44-48) provides details of sources of Departmental revenue, some of which used to be earmarked, or retained in trust accounts by the respective agency

Volume 2d 2019, Budget Estimates For Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. Section IV, Details of Trust Accounts, (page 428-442), details trust accounts accumulated from different sources, including direct government grants, including from donor funded projects, but also some directly financed (although Dept of Finance has been directing the discontinuation of this practice, and requiring the direct remission to consolidated revenue.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Public Money Management Regularisation Act 2017 (PMMR):

<http://www.treasury.gov.pg/html/legislation/files/acts/2018/Public%20Money%20Management%20Regularisation%20Act%202017%20CERTIFIED.pdf>

Comment:

There is no consolidated list or details of the earmarked revenues, although aggregated figures of revenue swept up from authorities under the PMMR are provided. The amounts spent by respective authorities/agencies are not specified in the National Budget. At this stage the Government's emphasis has been to collect these institutional revenues to help alleviate the Government's revenue shortfall; Some of these revenue mechanisms should always have been State revenue - (such as the Fisheries license fees) and some of which have been very lucrative and cumulative. The PMMR has had the effect of leaving many Statutory Institutions underfunded and with weakened capacity; some funds were collected under specific legislation for the purpose of specific service functions, but have now been absorbed into general revenue, but the detailed breakdowns are not provided. The government allocations to the Statutory authorities are provided in Volume 2 D, but no details of the earmarked revenue and expenditure, or the revenue shortfall these institutions are now facing since PMMR swept up these dedicated revenue collections.

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:

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.

Source:

2019 National Budget Volume 1 Economic and Development Policies in Chapter 1, Budget Overview, notably 1.4 2019 Budget and Outlook (page 6), 1.5 Tax Expenditures, 1.6 National Reform Agenda and 1.7 Improving State's Commercial Investments

Chapter 3 'Fiscal Strategy and Outlook' (page 43), notably 3.3 (page 49) 2019 Budget Strategy and 3.4 provide some linkage between the 2019 Budget Strategy and Medium Term Fiscal, Revenue, Expenditure and Debt Strategies, 2018-22.

Chapter 5, Tax and non-Tax Measures and Developments, (page 74) (notably # 5.2 and 5.3) links new tax and non-tax revenue measures to the Medium Terms Revenue Strategy 2018-22, however not all proposals or measures show how the policies will impact 2019 revenue collections

Chapter 6, Expenditure, notably #6.3 Budget Reforms and 6.4 Sector Expenditure (from page 96) seek to link expenditure with the new Medium Term Development Plan 3 2018-22, launched in October 2018.

Chapter 8, Financing and Debt Management Strategy, (page 128) further links measures being applied in 2018 and planned for 2019, including refinancing and use of international sovereign bonds, consistent with the Medium Term Debt Strategy for the financing of the 20189 Budget

Chapter 9, National Reform Agenda, provides further focus on links between longer term government strategies, in advancing public sector consolidation and performance, decentralisation and equity, consistent with the longer term strategies

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf

[http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof\(Web\)_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

Comment:

With the introduction of several Medium Terms Strategies in 2018 (Fiscal, Revenue, Expenditure, Debt and Development) the Budget document seeks to demonstrate the alignment of the 2019 Budget with these, albeit constrained by the prevailing revenue constraints and expenditure pressures. Extensive information is provided in the text and some tables, even if it's recognised that they are in part aspirational, being an effort to determine the outcome and constrain the inevitable economic and political pressures to divert funds towards various shorter term priorities.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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:

2019 National Budget Volume 1 Economic and Development Policies in Chapter 3 'Fiscal Strategy and Outlook' (page 43), notably 3.3 (page 49) 2019 Budget Strategy and 3.4 provide some linkage between the 2019 Budget Strategy and Medium Term Fiscal, Revenue, Expenditure and Debt Strategies, 2018-22.

Chapter 5, Tax and non-Tax Measures and Developments, (page 74) (notably # 5.2 and 5.3) links new tax and non-tax revenue measures to the

Medium Terms Revenue Strategy 2018-22 .

Chapter 6, Expenditure, notably #6.3 Budget Reforms and 6.4 Sector Expenditure (from page 94) seek to link expenditure with the new Medium Term Development Plan 3 2018-22, launched in October 2018, and links with the requirements of the National Planning and Responsibility Act 2016. Chapter 8, Financing and Debt Management Strategy, (page 128) further links measures being applied in 2018 and planned for 2019, including refinancing and use of international sovereign bonds, consistent with the Medium Term Debt Strategy for the financing of the 20189 Budget Chapter 9, National Reform Agenda, provides further focus on links between longer term government strategies, in advancing public sector consolidation and performance, decentralisation and equity, consistent with the longer term strategies

Volume 3A Public Investment Program 2019-2023, or Capital Investment Program, specifies giving priorities in the Medium Term Development Plan III and summarising the Key Results Areas in the MTDP 3.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf

[http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof\(Web\)_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>

<https://png-data.sprep.org/dataset/national-strategy-responsible-sustainable-development-papua-new-guinea2014>

Comment:

There is extensive reference in Volume 1, economic and development policies, on linkages with the longer term policies, notably the Medium Term Fiscal, Revenue, Expenditure, Debt and Development Strategies and Plans, covering the period 2018-22, as well as some references to long term plans (notably: Vision 2050 and National Strategy for Responsible Sustainable Development).

The text also highlights the constraints imposed by current fiscal conditions to achieving the ambitious objectives in the MTDP3 but there's little attempt to quantify, except, briefly (or by cross reference to volume 2 of the MTDP3) and details provided in Volume 3 Public Investment Plan, which provides linkages with the key longer term plans and priorities, including the KPAs, with actual capital expenditure.

Peer Reviewer

Opinion: Agree

Comments: The multi-year perspective is only a narrative- the Researcher is correct in selecting 'c'.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Volume 2A, 2019 Budget Estimates of Revenue and Expenditure for National Departments, Section I, Table 6 (30-36) 2019 Public Service Establishment,

Volume 2A-C, Section IV (page 78 onwards), National Government Departments, provides staffing details and vehicles for each department, and Volume 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF STATUTORY AUTHORITIES (page 1-359), the same details are provided for the Statutory Authorities, and Section 2, Details of Provincial Governments (pages 360-385) - such non-financial details are not provided

Volume 3A & B Public Investment Program 2019-23 provides some details, if inconsistent, on inputs and outputs for respective capital investment programs, for National Government Departments, Statutory Authorities and Provincial Governments, respectively

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, nonfinancial data on inputs are not presented.

Comments: The researcher has cited the reference to vehicles and staffing in Volume 2A as evidence of non-financial indicators. I do not consider, based on the OBS guidelines, that staffing numbers and vehicles, qualify for the intention of the indicator. The non-financial indicators should focus on the outcomes of the programme or MDA and allow a member of the public to assess the success or otherwise of a programme. Hence, for education, it could be a teacher-student ratio, number of school rooms renovated or for health, number of children under 10 vaccinated. The use of numbers of staff/ vehicles for each MDA does not allow that level of analysis.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you to the Peer Reviewer for the comment. However, according to OBS methodology, staffing and vehicles are counted as inputs. While the inputs could be more detailed, the score on this question is confirmed as C.

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:

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Source:

Volume 2A-C 2019 Estimates of Revenue and Expenditure for National Government Departments, Section IV, (pages 78-579 in 2a, and throughout 2b and 2c) brief and sporadic output data/ performance indicators for programs, by administrative unit

VOLUME 2D 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS; likewise brief and sporadic output data for programs, by administrative unit

Volume 3A & B Public Investment Program 2019-2023, more extensive output data for all programs under the Capital Budget

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

Intended non-financial data are provided for many programs and administrative (functions) in a somewhat ad-hoc manner (though in a somewhat more extensive manner than in previous years), notably in volume 3A & B (PIP) and in some of the performance indicators under Volume 2 Parts (1a-1d).

For example, see Volume 2a, pages 99-101, for several activities under the Prime Minister's Office that do not have performance indicators. There are other examples on pages 466-484. This justifies a C response.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, nonfinancial data on results are not presented.

Comments: See my previous comments on Question 49.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewers comments. Even though the KPIs (Performance Indicators/Targets) in the cited documents may not be specific, they do count as 'non-financial data on results' for this question. Given that they are not provided for all programs and departments, however, a C score is confirmed.

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:

c. Yes, performance targets are assigned to some nonfinancial data on results.

Source:

Volume 2A-D 2019 Budget Estimates of Revenue and Expenditure for National Government Departments: Section IV (page 78 onwards & entire 2B-2D), some brief performance indicators specified under most programs, and VOLUME 2d 2017 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section I, Statutory Authorities: B Other data in 2019: likewise brief performance indicators for most programs

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf
http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

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

Peer Reviewer

Opinion: Agree

Comments: I agree- the stated KPIs are vague, brief and not measurable.

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 as 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:

2019 Budget Volume 1 Economic and Development Policies, notably Chapter 6, Expenditure (page 91) #6.4.2 Community and Culture Sector, including 6.4.4 Education Sector (p 101), including Tuition Fee Free Policy, 6.4.5 Health Sector, including so-called free primary healthcare policy, 6.4.7 Provincial Sector, including equitable local level basic services, 6.4.9 Utilities Sector (p107) including implementation of the WaSH policy for 'increased access' to clean and safe drinking water, sanitation and hygiene. Chapter 9 National Reform Agenda # 9.2.1 (page 138) Equitable Resource Allocations to Provincial Governments (notably under NEFC and equalisation measures) to provide set of basic services; 9.3.7 Microfinance Expansion Program (page 148)

Volumes 2A-D, 2019 Budget Estimates of Revenue and expenditure for National Government Departments, Section IV, (page 78 onwards), specific programs under specific Departments, specified, eg. Vol 2C, (pages 8-15) various welfare services for persons with special needs
VOLUME 3A & B PUBLIC INVESTMENT PROGRAM 2019 – 2023, Introduction, Emphasis of MTDP3 Key Results Areas, notably KRA 3, Sustainable Social Development (Health, Education and Community) KRA 5, Improved Service Delivery, including basic water and other service provision at the local level, KRA 8, Sustainable Population, including family planning, but also youth skills and opportunities and access to employment/micro-small business opportunities, and Section I and II

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203A.pdf

http://www.treasury.gov.pg/html/national_budget/files/2019/Public%20Investment%20Program%20Volume%203B.pdf

Comment:

There are few policies specifically aimed at addressing the needs of the poor, although some form components of the Medium Term Development Plan 3, and associated policies on population, WaSH etc. There is no systematic provision of material in the Budget proposal to provide estimates of policies designed to benefit the most impoverished populations. There a few programs explicitly designed to assist more remote or disadvantaged groups, with brief details provided

in Volumes 1 (Expenditure) and more details of allocations in Volumes 2 A-D, and for program period 2019-23 in Volume 3 (including in the foreword, with its emphasis on the MTDS3 priorities) and in some of the explicit programs in Vol 3, related to access to basic services under the Minimum Standard provision, WaSH, population planning, Child protection and address violence against women and children. Further details on service delivery costs and reallocations to provinces to meet equalisation requirements (reducing inter-provincial inequitable funding) are provided in the annual report from the National Economic and Fiscal Commission (an independent Constitutionally-mandated authority) released simultaneously with the tabling of the annual Budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

c. Yes, a timetable is released, but it lacks important details.

Source:

Consolidated Budget Operating Rules issued by Treasury, Feb 2015, which should go together with the Annual Budget Circulars issued by Treasury during the year. During 2018, for the preparation of the 2019 the circular was not uploaded to the website, and dates only circulated internally within government.

https://www.treasury.gov.pg/html/national_budget/files/2015/consolidate%20budget/consolidated_budget_operating_rules.pdf

See page 5 for specific dates of when funding proposals must be submitted to the Treasury.

The Fiscal Responsibility Act 2006 (amended 2018), which specifies required specific or broader allowable dates for various parts of the Budget cycle (Budget Strategy Paper - the PBS, the EBP, Mid-Year Economic and Fiscal Outlook Report and Final Budget Outcome - End of Year Report). No specific dates are provided, for example, the Budget Strategy Paper has a requirement that it be released publicly and tabled at least three months before the presentation of the budget to the National Parliament.

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

The National Planning and Monitoring Responsibility Act 2016 specifies a range of general deadlines for planning and administration of the annual Budget, such as that the Annual Budget Framework Paper must be published four months before the budget is tabled in Parliament.

<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>

Comment:

The Consolidated Budget Operating Rules, provide a broad framework (together with the requirements specific in the Fiscal Responsibility Act and National Planning and Responsibility Act), but these should be combined with detailed annual Budget Circulars (including invitations for inputs by the public and Legislature etc). In 2017 in the Budget Circular No 1, the Budget schedule was issued to the public online, but this didn't occur during 2018; until 2015 multiple Budget circulars were provided through the year on the Treasury's website Budget (or on the Finance Dept or Planning's site, both of which only contain very obsolete information). Information was only anecdotal, although also provided in forums and workshops.

Peer Reviewer
Opinion: Disagree
Suggested Answer:

d. No, a timetable is not issued to the public.

Comments: The cited reference does not include a timetable. I accept that page 5 has some hard dates for presentation. however, a budget timetable is normally specific to the BY in question and ensures that all MDAs provide their respective budget estimates and new policy proposals on time for consideration by TSY department. This is not evident and it is certainly not available to the public.

Government Reviewer
Opinion: Agree

Researcher Response

Some details of the timetable are specified in law, and a generic schedule provided in the Consolidated Budget Operating Rules (page 5), as well as

specified in various venues, including during the MTDP3 Summit and regional consultations. It is true that no specific Annual Budget Circular was released online for 2018, which was deficient on the part of the Treasury, but I consider the generic material adequate to stick with 'c', of some material being provided, but lacking detail.

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

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

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

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

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

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

Answer:

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

Source:

The Pre-Budget Statement for 2019 provides in Table 2 on p. 12 all elements for BY, including historical information through BY-2 and projections through BY+3: nominal GDP, GDP growth rates, inflation and interest rate projections. Information beyond the core includes exchange rates and commodity prices.

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Comment:

The narrative focuses on GDP growth, but the table provides all components.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer “a,” the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government’s expenditure policies and priorities as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the government’s expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the government’s expenditure policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government’s expenditure policies and priorities.

Source:

The pre-budget statement is a brief summary, although fairly comprehensive in its coverage

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Comment:

P. 13 includes the total expenditure ceilings for 2019, with a discussion on p. 14 -16. Information beyond the core is provided in the table on p. 16 with expenditure ceilings by economic classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government’s revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government’s revenue policies and priorities in the Pre-Budget Statement, asking whether “core” information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer “a,” the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government’s revenue policies and priorities as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the government’s revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the government’s revenue policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government’s revenue policies and priorities.

Source:

The core information on revenue policies and priorities is presented, but in a very brief manner

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

Comment:

Revenue projections for 2019 are shown on p. 13 with a discussion on p. 13-14. Revenue sources from different categories (tax, non-tax, donor grants) are provided on p. 14 as information beyond the core.

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:

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

Source:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20%20Presentation%20Final.pdf

Comment:

Net new borrowing is shown on p. 18, Gross government debt is shown on p. 13, Interest payments are shown on p. 16

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:

a. Yes, multi-year expenditure estimates are presented.

Source:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20%20Presentation%20Final.pdf

Comment:

All tables are shown with BY+3 (2022) for revenues, expenditures and financing - see tables in the Strategy Paper on p. 13, 14, 16 and 18

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: 2019 PNG's Budget Strategy Paper presents estimates of total expenditure three years out from budget year.

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2019%20BSP%20Master%20FINAL.pdf

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:

d. No, the Enacted Budget does not present expenditure estimates by any expenditure classification.

Source:

The 2018 EB is assessed as published late (see Section 1) therefore all related questions are score as 'no' (D).

The 2018 EB was posted outside the time period allowed (notably after the legislation was certified in March 2018 and uploaded on to the Parliament Website)

For the 2018 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2018) Act 2017, clause 'a' states "for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2018 Budget Books may be considered relevant documents" and clause 'b' states "for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2018 Budget Books are to be considered relevant documents":

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2018-budget-act-2017>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2018-budget-act-2017>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2018-budget-act-2017>

VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf

Volume 2A - Estimates of Revenue and Expenditure for National Government Departments

www.treasury.gov.pg/html/national_budget/files/2018/Volume%202a.pdf

Volume 2B - Estimates of Revenue and Expenditure for National Government Departments

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202b.pdf
Volume 2C - Estimates of Revenue and Expenditure for National Government Departments
http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202c.pdf
Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts
http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202d.pdf

Proposal provides aggregates only in Volume 1, 2018 Budget, Economic and Development Policies, APPENDIX 3, Tables 13A & 13B (pages 116-117)
General Government Expense by Economic Classification & General Government Expense by Agency Type:
Chapter 6 Expenditure, (page 64) provides aggregates, and more detail, sector by sector and program for 2018-2021
VOLUME 2a, 2016 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I),
Tables 1 (page 4-8), Sectoral Classification of Expenditure by Agency;
Table 2 (page 9-10) Economic Classification of Expenditure (only forecasts beyond the Budget year of main categories are provided);
Table 3 (page 11-13) Functional Classification of Expenditure;
Table 4 (pages 14-15) Economic and Functional Cross-Classification of Expenditure
Table 5 (page 16-30) Expenditure of Affairs, Functions, and Main Programs
SECTION (III), (pages 63-79), DETAILS OF EXPENDITURE, SUMMARY OF APPROPRIATION (by department and agency)
Volumes 2a, b, c, and d, 2017 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account,
Volume 3 (Public Investment Program), by sector and agency
all provide expenditure forecasts for 3 years beyond the budget year by economic classification

Comment:

The legislation was made available to the public online too late to meet the requirements of OBS.
On the basis that the EBP documents incorporate the details of the EB (see above wording in Sn 2, clauses 'a' & 'b' the Budget Appropriations, for Goods and Services - i.e the EB), the same response is considered correct as for a similar question under the EBP (notably question 7, covering the 3 classifications, plus forecasting), although in this case the 2018 Budget details are provided (rather than 2019). On this basis the EB also provides estimates by all three classifications

Peer Reviewer

Opinion: Agree

Comments: Researcher has identified that Parliament approved 5 December 2017; Certified by Speaker 27 March 2018; Uploaded 29 May 2018. According to OBS methodology, it is considered publicly available if uploaded within three months of approval by Parliament. In this case, it hasn't been publicly available within that timeframe, hence 'd' is applicable. The researcher is correct although I was unsure until I re-checked the dates.

Government 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: Timing difference between legislative consideration of budget and its approval does not change how the budget is reported, therefore I think d answer is not fair.

Researcher Response

It is recognised that the Government uses the EBP details as the Enacted Budget, and this is even specified in the Appropriation Act with reference to the details of expenditure; however, it is the 3 Appropriation Acts themselves that comprise the enacted Budget, in combination with the EBP, and, (unfortunately) the 2019 Budget Appropriation Acts were certified and then uploaded on the Parliament website outside the required period (with respect to timeliness) to meet the OBS survey requirements.

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

None of the above

Source:

The 2018 EB was posted outside the time period allowed (notably after the legislation was certified in March 2018 and uploaded on to the Parliament Website)
details as provided under 59

Comment:

Peer Reviewer

Opinion: Agree

Comments: See previous comment- not considered publicly available.

Government Reviewer

Opinion: Disagree

Suggested Answer: Timing difference between legislative consideration of budget and its approval does not change how the budget is reported, therefore I think 'none of the above' answer is not fair.

Researcher Response

The Enacted Budget for 2018, when combined with the associated EBP, does indeed provide Expenditure details by several classifications; however it is the lack of timeliness in making the documents accessible online which resulted in these documents being deemed unavailable for the purpose of this survey. The Appropriation Acts were only certified into law on 27 March 2018, nearly 4 months after being passed by Parliament, and were then only uploaded onto the Parliament website 2 months later in May 2018, we'll outside the period allowed under the Open Budget Survey.
<http://www.parliament.gov.pg/bills-and-legislation/2017>

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:

The 2018 EB is assessed as published late (see Section 1) therefore all related questions are score as 'no' (D).

The 2018 EB was posted outside the time period allowed (notably after the legislation was certified in March 2018 and uploaded on to the Parliament Website)

For the 2018 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2018) Act 2017, clause 'a' states "for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books may be considered relevant documents" and clause 'b' state "for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2016 Budget Books are to be considered relevant documents":

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2018-budget-act-2017>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2018-budget-act-2017>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2018-budget-act-2017>

Volume 2A - Estimates of Revenue and Expenditure for National Government Departments

www.treasury.gov.pg/html/national_budget/files/2018/Volume%202a.pdf

Volume 2B - Estimates of Revenue and Expenditure for National Government Departments

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202b.pdf

Volume 2C - Estimates of Revenue and Expenditure for National Government Departments

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202c.pdf

Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202d.pdf

Volume 3 - Public Expenditure Program 2018-2022

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%203%20PIP.pdf

On the basis that the EBP documents incorporate the details of the EB (see above wording of the EB), the response to question 7 (covering application of 3 classifications) is considered correct as for the similar question under EBP:

Volumes 2a, 2b & 2c 2017 Budget Estimates of Revenue and Expenditure for National Government Departments -

Vol. 2 A, Section III. :from page 80 (continuing through to page 426 of Volume 2D), for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure.

and for the Statutory bodies, Provincial Government, Debt Servicing

Section IV (P 427, Vol 2D) provides details of Trust Accounts by agency and project

Comment:

The 2018 EB was posted outside the time period allowed (notably after the legislation was certified in March 2018 and uploaded on to the Parliament Website)

On the basis that the EBP documents comprise the details of the EB (see above wording of the EB), the response to the same question (covering application estimates for all programs) is considered correct as for the similar question (no 6) under EBP (although in this case it covers the 2018, as opposed to the 2019 Budget): the Enacted Budget, therefore, presents estimates for programs accounting for all expenditures, consistent with the EBP, which comprises the details of the EB

Peer Reviewer

Opinion: Agree

Comments: See previous comment- not considered publicly available.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Comments: Timing difference between legislative consideration of budget and its approval does not change how the budget is reported, therefore I think d answer is not fair.

Researcher Response

Although the Government certainly treats the details of expenditure specified in the EBP as the Enacted Budget, and indeed, this is specified in the Appropriation Acts, nevertheless it is the latter which provide the legal basis for the expenditure in the Enacted Budget, and the 2018 Appropriations were certified in February 2018 but then only made accessible to the public online outside the time limit allowed under the OBS (notably in May 2018)

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

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

The 2018 EB is assessed as published late (see Section 1) therefore all related questions are score as 'no' (B).

The 2018 EB was posted outside the time period allowed (notably after the legislation was certified in March 2018 and uploaded on to the Parliament Website, and even the formal record - Hansard- of the Parliament approval was not made available online)

Estimates of revenue are provided in the Executive's Proposed Budget, which effectively becomes the enacted Budget upon approval in the legislature. The Enacted Budget, which is certified, specifically, comprises only the respective Appropriation Acts and legislated new revenue measures, with no specific reference to the revenue forecasts.

2018 Budget Volume 1, Economic and Development Policies, Appendix 3, Table 12 (pages 140-141), - General Government Revenue by Economic Classification and Chapter 4. Revenue (Page 40)

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf

Vol 2A, 2018 Budget Estimates of Revenue and Expenditures...SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 44): including general revenue (including tax and non-tax, such as dividends) and departmental revenue (fees, charges, fines, land rents etc)

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202a.pdf

(Parliament Minutes covering the tabling and passing of the 2018 Budget, including revenue estimates and revenue legislative measures, unavailable - no Minutes uploaded since 30 March 2017

<http://www.parliament.gov.pg/hansard>)

Comment:

Details not made available within the allowable time period.

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

Peer Reviewer

Opinion: Agree

Comments: See previous comment- not considered publicly available.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Comments: Timing difference between legislative consideration of budget and its approval does not change the how the budget is reported, therefore I think b answer is not fair..

Researcher Response

It's true that the Government tends to treat the EBP as enacted Budget, and that the EBP details are specified in the Appropriations Acts as providing the composition of allocation details, nevertheless, it is the certified and uploaded Budget legislation (as approved by Parliament) which comprises the Enacted Budget, complemented by the EBP documents, and the late certification and uploading online of the 3 Appropriation Acts on to the Parliamentary Website means that 'b' must unfortunately be recorded for this question, in compliance with the survey requirements. The Treasury in the past sometimes released the Appropriation Acts (and the Office of the First Legislative Council, in hard copy form), but in more recent years, with the opening of the Parliament website, legislation has been uploaded there; but over the past 12 months the delay in uploading the material has been slower than hitherto.

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:

The 2018 EB is assessed as published late (see Section 1) therefore all related questions are scored as 'no' (D).

The 2018 EB was not posted online within the time period allowed (i.e. no record of the Parliamentary minutes - Hansard- online and with the legislation only certified on March 2018 and uploaded subsequently on to the Parliament Website)

Estimates of revenue are provided in the Executive's Proposed Budget, rather than in the Enacted Budget, which comprise only the respective Appropriation Acts and legislated new revenue measures. 2018 Budget Volume 1, Economic and Development Policies, Appendix 3, Table 12 Central Government Revenue and Grants and Chapter 4. Revenue http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf) Greater detail is provided in Volume 2a, Section I, Summary Tables, Table A2 (page 2), Economic Classification Of Revenue, Grants and Loans, and SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 38) http://www.treasury.gov.pg/html/national_budget/files/2016/V... (http://www.treasury.gov.pg/html/national_budget/files/2016/Volume2a-Rev&Exp_GovtDepts.pdf)

Comments: Researcher: The enacted Budget does not detail sources of revenue, except with respect to

Comment:

Not permissible, owing to failure to post the EB in a timely manner.

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

Peer Reviewer

Opinion: Agree

Comments: See previous comment- not considered publicly available.

Government Reviewer

Opinion: Disagree

Suggested Answer:

Comments: Timing difference between legislative consideration of budget and its approval does not change how the budget is reported, therefore I think d answer is not fair.

Researcher Response

The GR's comment has some validity in practice in PNG, particularly as the EBP is generally considered to be the EB once approved by the Legislature (and as specified in the Appropriation Act, with respect to Budget details), but legally it does require certification by the Speaker and then for the purpose of the OBS and its requirements it must meet deadlines for timeliness and public accessibility. Unfortunately, in this case it was only certified on 27 March 2018 and uploaded to the Parliament Website in May 2018, well outside the timeline required.

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:

The 2018 EB is assessed as published late (see Section 1) therefore all related questions are scored as 'no' (D).

The 2018 EB was not posted online within the time period allowed (i.e. no record of the Parliamentary minutes - Hansard- online and with the legislation only certified on March 2018 and uploaded subsequently on to the Parliament Website)

The enacted Budget (Appropriations and related legislation) does not provide estimates related to borrowing and debt, but as the Budget is adopted in its entirety, effectively the Executive's Budget Proposal is treated by Government (and others) as the enacted Budget. 2018 Budget, Volume 1, Economic and Development Policies, Appendix 3, Table 14 (page 143), Transactions in Assets and Liabilities for General Government and Table 15 (page 144), Stocks of General Government Debt. The former includes the level of amortisation and new instruments, latter provides levels of domestic and external public debt by component in summary. http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf

Volume 2a 2018 Budget Estimates of Revenue and

Expenditure for National Government Departments, Part II, Details of Revenue, Grants and Loans, Financing.

http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202a.pdfhttp://www.treasury.gov.pg/html/national_budget/files/2018/Volume%202d.pdf

StatAuth&Prov&Debt&Trusts.pdf)

Comment:

Not applicable, as the public availability of material online was outside the allowable timeline.

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

Peer Reviewer

Opinion: Agree

Comments: See previous comment- not considered publicly available.

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Timing difference between legislative consideration of budget and its approval does not change how the budget is reported, therefore I think d answer is not fair.

Researcher Response

the Government tends to use the EBP as though its the Enacted Budget and indeed in the Budget Appropriations it does indeed specify that details of the Budget (notably over expenditure) should be read from the EBP documents. However, in accordance with the Open Budget Survey requirements over Budget accessibility and timeliness, the Enacted Budget documents themselves (notably the Appropriations Acts) need to be available online within a deadline, but (unfortunately) they were not certified (making them law) or uploaded to the Parliament website (and therefore publicly available) until May 2018, outside the allowed timeline.

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:

d. The Citizens Budget is not published.

Source:

there is no Citizen's budget published

Comment:

There are plans to introduce a Citizens Budget (notably for 2020, translated into Tok Pisin, the major lingua franca), in association with the EITI and OGP processes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

d. A Citizens Budget is not published.

Source:
not provided

Comment:
There are plans to introduce a Citizens Budget (notably translated into Tok Pisin, the major lingua franca), in association with the EITI and OGP processes

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: I agree to comments above.

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:
no citizens budget

Comment:
There are plans to introduce a Citizens Budget (notably for 2020, translated into Tok Pisin, the major lingua franca), in association with the EITI and OGP processes)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: I agree to comments above.

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:

d. No citizens version of budget documents is published.

Source:

not produced

Comment:

there are no citizens' versions of any of budget documents

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

In year reports not published (since the last decade)

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:
no reports published

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: I agree to comments 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:
no in-year reports currently published

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:
Comments: I agree to comments above.

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:

b. No, comparisons are not made for expenditures presented in the In-Year Reports.

Source:

No in-year reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

no in-year reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

Comments: I agree to comments above.

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:

d. No, In-Year Reports do not present individual sources of actual revenue.

Source:

no In-Year reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

b. No, comparisons are not made for revenues presented in the In-Year Reports.

Source:

no In-Year reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

No In-Year Reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree to comments above.

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:

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

Source:

No In-Year Reports currently published

Comment:

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also currently transferring to it, hopefully In-Year reports will recommence again during 2019

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

Comments: I agree to comments above.

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:

a. Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.

Source:

Mid-Year Economic and Fiscal Outlook Report 2018, Overview (page 5), Economic Outlook (page 8-27)
[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

The 2018 Mid-year Economic and Fiscal Outlook Report (MYEFO) provides a macro-economic update and forecast in the overview (including assessment of the impact of the February earthquake, closing 4 the major resource projects, apart from the social and humanitarian effect) and international economic outlook (including commodity prices and financial markets) and domestic factors impacting the economy and fiscal scenario.

GDP growth rate adjustment from the budget figure of 2.4% to a revised estimate of 1% is provided in the narrative on p. 5
A summary table on p. 19 provides both the original and revised 2018 estimates for nominal GDP, real GDP growth, inflation and interest rates.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year, 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:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

Source:

Mid-Year Economic and Fiscal Outlook Report 2018 Sn. 1.6 EXPENDITURE AND NET LENDING (page 41), 1.7 STATUS OF TRUST ACCOUNTS (page 45), Table 10: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING (Kina, million) (page 41) and subsequent tables by agency type, economic items, for employment, Sn 1.11 Fiscal Outturn Tables: Table 4 GENERAL GOVERNMENT BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (Kina, million) and Table 5 GENERAL BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (Kina, million)
PART 2 Mid- Year Expenditure (P 60): 2.1 FUNDED EXPENDITURE SINCE THE 2018 BUDGET
Part 3 Attachments (p 68): Mid-Year Expenditure by department and agency([http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf))

Comment:

The 2018 report provides updated mid-year aggregate expenditure outturn and revised 2018 estimates, together with the 2018 Budgeted figures, and in Part 2, a more detailed summary of expenditure and trust funds, including the District Grants (DSIP), together with an explanatory narrative, and presentation of risks to the 2018 Budget and details of expenditure by department and agency and for personnel emoluments and goods and services in Part 3.

Peer Reviewer
Opinion: Agree

Comments: it is interesting to note that all of the increases from EB2018 to MYR2018 involved increases in salaries and wages for civil servants.

Government Reviewer
Opinion: Agree

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:

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

Source:

Mid-Year Economic and Fiscal Outlook Report 2018, provides updates and a summary of annual expenditure estimates by overall administrative and economic classifications, in 1.6 EXPENDITURE AND NET LENDING, Summary Tables 10-14 (pages 41-44).

TABLE 4 (page 56): GENERAL GOVERNMENT BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (Kina, million:

TABLE 5 (page 57): GENERAL BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (Kina, million

Part 2, Mid-Year Expenditure summaries and explanation

Sn. 2.1 FUNDED EXPENDITURE SINCE THE 2018 BUDGET

Part 3: attachments detailing expenditure (pages 69-96):

ATTACHMENT A: SUMMARY OF NATIONAL BUDGET EXPENDITURE

ATTACHMENT B: NATIONAL DEPARTMENT BUDGET EXPENDITURE

ATTACHMENT C: COMMERCIAL STATUTORY AGENCY BUDGET EXPENDITURE

ATTACHMENT D: PROVINCIAL ADMINISTRATION BUDGET EXPENDITURE

ATTACHMENT E: MOVEMENTS IN SECTION 4 TRANSFERS

ATTACHMENT F: GOODS & SERVICES AND PERSONNEL EMOLUMENTS EXPENDITURE

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

The report provides expenditure estimates (including from Trust Funds) by administrative and economic in summary and more comprehensive form, with various summary tables and commentary provided, notably in parts 2 and 3. IT doesn't provide details by functional classification

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

Administrative classification

Economic classification

Source:

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

details as provided in 78

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

classification.)

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

Answer:

c. Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

Source:

Part 2 Mid-Year Expenditure: 2.1 FUNDED EXPENDITURE SINCE THE 2018 BUDGET (page 60)

Section 2.2. Budget Execution.

Table 21: Summary by Government Priorities (Kina, million)

Spending on MTD3 Enablers

FUNDING FOR CAPITAL INVESTMENT EXPENDITURE

Table 22: Spending on Government Priority Projects 2018 (Kina, million)

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

Some details are provided on a portion of the Governments priorities and priority projects under the Medium Term Development Plan in Part 2, in text and table form, but this isn't a detailed or comprehensive programmatic analysis of budget progress.

Furthermore, the priorities listed only cover 55% of total expenditure for the budget year in Table 21, and 8% in Table 22.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year, 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:

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

Source:

Mid Year Economic And Fiscal Outlook Report 2018, Section 1.4 TOTAL REVENUE AND GRANTS, (page 30), Tables 3-9 for different taxes and other revenue sources (plus grants), and

TABLE 3: GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (Kina, million) (page 55)

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Source:

Mid Year Economic And Fiscal Outlook Report 2018, Section 1.4 TOTAL REVENUE AND GRANTS, (pages 30-36), Tables 3-9 for different taxes and other revenue sources (plus grants), and Sn. 1.11 FISCAL OUTTURN TABLES: TABLE 3: GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (Kina, million) (on page 55)

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

The Mid Year Economic and Fiscal Report does break up the Revenue estimates from different sources, in the text and the Tables 3-9, by taxes on Income and profits, goods and services, international trades and non tax revenues such property income, interest and fees etc., and in the Fiscal Outturn Tables in a single table 3 Tax revenue and non-tax revenue (plus grants).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Source:

The Mid-Year Economic and Fiscal Outlook Report: Section 1.11 Fiscal Outturn Tables, TABLE 3 (page 55): GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (Kina, million), and Section 1.4 TOTAL REVENUE AND GRANTS (page 30) notably tables 4-9 and accompanying text provide details

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

The Mid Year Report does provide individual sources of revenue, from different Tax and Non Tax sources and grants, notably in Sections 1.4 and 1.11.

Table 3 on p. 55 presents sufficient level of detail that the level of non-classified revenues is below 1%, which justifies an A answer.

Peer Reviewer
Opinion: Agree

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:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Source:

Mid Year Economic and Fiscal Outlook Report 2018: Section 1.8 FINANCING (page 48) text and Tables 15-17 and Section 1.9 PUBLIC DEBT (page 51) text and Table 18. This also includes a narrative on the differences between the original and revised projections.

In Section 1.11, Fiscal Outturn Tables, TABLE 1: STATEMENT OF OPERATIONS FOR THE GENERAL GOVERNMENT¹ (Kina, million) provides a summary of revenue, expenditure, financing and debt.

TABLE 6 (page 58): TRANSACTIONS IN ASSETS AND LIABILITIES FOR GENERAL GOVERNMENT (Kina, million) (including external and domestic liabilities) and

TABLE 7 (page 59): GENERAL GOVERNMENT DEBT (Kina, million)

[http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\)%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2018%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO)%20Report.pdf)

Comment:

Estimates of Governments borrowing and debts are updated in the Mid Year Report. Table 6 in the fiscal outturn tables, provides details of new borrowing and amortisation, as budgeted, mid-year and estimates for the full year, and summarised in tables 15-17 (pages 49-50) in the main text, with net borrowing (external and domestic).

Table 18 provides a summary of the prevailing mid-year total debt level and forecast by year end (page 51), including whether the debt is domestic or external.

Table 7 (page 59) in the fiscal outturn tables provides the level of domestic and international debt. The cost of debt servicing is provided in the expenditure figures, but there are no details provided of interest rates or the maturity schedules; (it may be noted that during the presentation of the 2017 OBS in January 2018, the Treasurer has explicitly responded that they would provide such details in future Budget documents).

Table 4 (page 56) provides interest payments under the economic classification of expenditures.

While general information is provided on interest rate projections as part of the macroeconomic forecast, the interest rate on debt instruments is not shown, nor is there information on the maturity profile of debt.

Peer Reviewer

Opinion: Agree

Comments: Agreed- there is no evidence to suggest that interests rates/ maturity is available in MYEFO.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

Final Budget Outcome Report 2017, Section 1.3 Expenditure and Net Lending (page 14), text and Table 9: Expenditure by Funding Source 2016-17 (Kina Million), Table 10: Expenditure by Agency Type 2016-17 [Excluding Donor Grants, and Concessional Loans] (Kina Million) Agency; Fiscal Tables Table D (i & ii) (page 32): General Budgetary Expenditure by Economic Classification PART 2 (page 37) FINAL BUDGET OUTCOME BY AGENCY (provides details per sector and agency)
http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Fiscal Responsibility Act 2006 (specifies the legal requirements for year end reporting, deadlines etc)

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

Comment:

The Final Budget Outcome Report provides both summary and detailed Budgeted figures, 2017 supplementary budget adjusted figures and expenditure outcome to year end, plus accompanying narrative. Under the Fiscal Responsibility Act the Year-End Report is required to be released by 31st March in the subsequent year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by

adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Final Budget Outcome Report 2017, Section 1.3 Expenditure and Net Lending (page 14-18) tables 8- 10 (pages 9-11) are essentially summary administrative expenditure tables;

Table 10 is a summary of expenditure from domestic sources by functional classification, In the Fiscal Tables: Table D (i & ii)(pages 32-34): General Budgetary Expenditure by Economic Classification

PART 2 FINAL BUDGET OUTCOME BY AGENCY (page 37), Sn 2.2 2017 Expenditure Outcome, includes a summary by Sector (p. 37) and Section 2.2. Expenditure details (page 39-50) broken up by administrative units and 11 sectors (including debt servicing and misc.) by economic classifications; http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

The end of year expenditure is provided by Administrative and Economic classification in summary and in detail in the tables in Part 2, where there's also are details of administrative expenditure by sector , which counts as a functional classification.

This table is limited, because in total it only covers 83% of the total expenditures, and the provincial spending accounts for 31% of the total functional classification, which is not broken down by sectors. However, for cross-country consistency in the OBS this table is counted as a functional classification.

Although in the subsequent attachments (from page 51 onwards) there are further breakups by province (in attachment E) by functional reference (but that's really related to specific functional grants, rather than the system of 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

Functional classification

Source:

Table D (i & ii) (pages 32-34): General Budgetary Expenditure by Economic Classification

PART 2, FINAL BUDGET OUTCOME BY AGENCY (pages 37 onwards), Section 2.1 2017 Expenditure Outcome,

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Budgeted, revised and actual expenditure is divided by Administrative, economic and sectoral classifications (the latter is only a limited functional classification, because the provincial allocation, which is the largest allocation component, is not divided by function, although some attachments do provide a break up in part by function, notably by functional grants)

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:

d. No, the Year-End Report does not present expenditure estimates by program.

Source:

Final Budget Outcome Report 2017; #1.3 Expenditure and Net Lending (page 14) provides the aggregates, but Sn 1.7 Trust Accounts (page 22) provides summary figures for trust funds and references to a few major programs, including the major District Services Improvement Program (DSIP), but no details are provided in PART 2 FINAL BUDGET OUTCOME BY AGENCY, Appendix 2 (page 81)
http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Details of programs are not provided in the 2017 Mid-year report, even of levels of expenditure under Trust funds for the District Grants Improvement Program, with the districts merely listed but without figures provided.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

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:

Final Budget Outcome Report 2017, Section 1.2 REVENUE: 1.1.2 Total Revenue and Grants (page 9-14) Tables 2-8 with narrative, and In the Fiscal Tables (pages 30-31) Table C: General Government Revenue by Economic Classification, provides the 2017 Budget, adjusted Budget (with Supplementary Budget) and End of Year revenue outcome.

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Table 2 (on page 9) provides a summary of the original revenue Budget, the revised 2015 Budget forecast (following the Supplementary Budget) and the 2017 revenue outcome from tax and grants. Tables 3-6 provides details on different taxes and Tables 7 & 8, provide grants and non-tax revenue details on the same basis. Table C in the Fiscal tables provides greater details in a single table.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Final Budget Outcome Report 2017, # 1.2 REVENUE: 1.1.3 Tax Revenue (page 10-12), provides details of revenue from different taxes in tables and text, # 1.2.3. Grants and # 114 Other Revenue (pages 13-14) , provide the details of grants and revenue from dividends, interest, fines and other sources. In the Fiscal tables Table C (page 30): General Government Revenue by Economic Classification provides details further breakdown of tax and non-tax revenue in a single table.

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Section 1.2 Revenue provides details of revenue from different sources in text and tables, with Table C in the Fiscal Tables providing more details in a single table.

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:

Final Budget Outcome 2017, # 1.2 REVENUE, 1.1.2 Total Revenue and Grants (page 9-14) and Tables 3-8 Fiscal Tables, Table C: General Government Revenue by Economic Classification (page 30)http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Tables 3-8 (and accompanying narrative) provide a breakdown of the tax and non-tax revenue sources, which are also provided in a single Table C in the Fiscal Tables. These remain summarised figures and the Fiscal Outturn report does not provide the itemised revenue and revenue sources provided in the Executive's Budget Proposal Department and Agency by Agency, or details of non-budgetary income.

Table C only has un-categorized revenues of less than 1% which justifies an A score to this question.

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:

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:

Final Budget Outcome Report 2017. Section 1.4 FINANCING (pages 18-20) and #1.5 PUBLIC DEBT (pages 21), notably Table, 13 (summary), Table 14: External Borrowing and Principal Repayments 2016 - 2017 (Kina, Million). Table 15: Domestic Borrowing and Principal Repayments 2016 - 2017 (Kina, Million), Table 16: Interest and Fees - 2017 (Kina, Million), Table 17: Central Government Debt 2016 - 2017 (Kina, Million) 2016 Actuals and accompanying text

In the fiscal tables:

Table E: Transaction in Assets and Liabilities for the General Government (page 35)

Table F: Stocks in General Government Debt (page 36)

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

The Fiscal Outturn Report provides tables and narrative detailing the original budget, revised budget (from the 2017 Supplementary Budget) and

budget outcome for 2017, including net new borrowing, level of total public debt and interest and fees paid, with some explanation of the variations between the Budget estimate and the (estimated) final budget outcome. It provides details of external and domestic debt, but does not provide details of interest rates applicable or maturity profile of the debt (other than a brief reference in the narrative of #1.4.4 to a "slight increase in domestic interest rates and yields as well as an increase in the frequency of refinancing or roll-over of Treasury Bills" and "21.4 per cent of the total increase in debt service costs compared to the 2016 level is related to external borrowing related charges. These are management and penalty fees charged to PNG for not drawing down on existing loans").

Though the report shows differences between all of the estimates in the EBP - it is still missing two core elements: interest rates on debt and maturity profile of debt. For this reason, the score is 'B'.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

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

Comments: The question refers to difference and not specific to narratives, therefore I think b answer is not fair. The differences are clearly shown in the 2017 Final Budget Outcome Report on Table D, E, F. Table E also shows debt repayment or amortisation, except the maturity not included.

Researcher Response

While comparative details and narrative are provided, the absence of maturity details and interest rates, as required for a 'a' mark, it is necessary to adhere to 'b'. These requirements were highlighted in the presentation of the previous (2017) OBS, and acknowledged by the Treasurer as being required in future.

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year
Whether the debt is domestic or external

Source:

Tables 13, 14 and 15 (pages 18-20) showing overall new and net borrowing, broken up into overseas and domestic borrowing
Table 17 (page 21) total domestic and overseas debt burden at year end
Tables 16 (page 20) total interest and charges paid
Details on Interest rates (other than general references) and maturity not provided

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Interest rate in debt presented in Table D.

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:

Final Budget Outcome Report 2017, # 1.1 (page 7) 1.1 General Government Fiscal Operations

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

Macroeconomic details are not provided in the Fiscal Outturn Report, either details of the Budget forecasts or the the actual outcome, except a single paragraph referring to lower GDP growth, partly resulting from lower agricultural and extractive commodity prices, without any detail; (unlike the Mid-Year Economic and Fiscal Outlook report, which contains macro-economic data and narrative, the Fiscal Outturn Report is strictly a Fiscal report).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: I agree with comments, need to improve on this.

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:

only passing reference to the difficult global economic conditions causing the reduction in overall growth rates and downward revision of mining and petroleum GDP by 0.5%, but no other figures provided

Comment:

Peer Reviewer

Opinion: Agree

Comments: The Researcher is correct. There are a number of references to GDP in the YER but they are only generic comments.

Government Reviewer

Opinion: Agree

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

The Fiscal Outturn Report restricts itself solely to financial data and narrative, and provides no detail on non-financial inputs and outputs

Peer Reviewer

Opinion: Agree

Comments: There are no references to non-financial information.

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:

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

The Fiscal Outturn Report restricts itself to financial data only, with no information on the non-financial inputs/outputs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: 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:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

Source:

Section 1.7 Trust Accounts (page 23) with some details of Tuiton Free Education Program, Part 2, # 2.2 2017 Budget Expenditure Outcome (page 37): # 2.4 Detailed Expenditure: Community and Culture (page 42), Education (page 45), Health (page 46), Provinces (page 48), Attachment E: (page 61) 2017 Personnel Emoluments and Goods and Services Expenditure under provincial Government grants & Subsidies (including functional grants), and Appendix 2 for District Grants (DSIP) listed, but not details provided.
http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

There is no specific details of policies, let alone policies for the impoverished, provided in the Final Budget Outcome report, nor of assessing their performance, however some assessment may be gained from examining specific sectoral, administrative expenditure details. Part 2, # 2.2 there details of sectoral allocations and the variation between Budget allocations and outcomes, including priority sectors and programs aimed, in part, at assisting lower income earners, such as Tuition fee free education and free primary health care, and community development; Attachment E also includes details of functional grants, including for health, education etc, which including components designed to 'equalise' variations between provinces, determined by historic and other factors (including for remote and disadvantage areas), Appendix 2 provide a list of the District Services Improvement Program for 89 district around the country, but no details are provided.

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:

c. Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

Source:

Final Budget Outcome 2017. Appendix 1 – Movements of Funds in Trust Accounts 2017 Table A1 Movement of funds in Trust Accounts 1st January to 31st December 2017 (pages 80) and narrative (pages 22)
http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

P. 23 Table 19 shows the differences between the original appropriations and the actual outcomes for only two Trust Funds.

Comment:

The major extra-budgetary funds are the Sovereign Wealth Fund, including Savings fund, but this was not yet operational in 2017; (the agricultural Stabilisation funds are growers' funds managed by Statutory Authorities, but the balances in each of the funds in any case are low or zero). Various Statutory Authorities, such as National Fisheries Authority (with major funding from license fees), Mineral Resources Authority and certain Commodity Board (using their levies etc) and SOE's operate extra-budgetary funds, in terms of revenue and expenditure, which are not shown in the Year End report.

The rules have been tightened for SAs and SOEs, including with respect to transfers to the State (particularly in the, subsequent, 2018 Budget, with the Public Money Management Regularisation Act 2017 Certified on 14 FEB 2018, to ensure greater central control of the fiscal cycle, and enhance State revenue); Trust Funds are generally deemed to be in-budget (rather than Extra-budgetary) funds, and the majority are supposedly incorporated in the budget process, with original and revised balances for budget-funded trust funds provided, including in the Year-End Report (notably Section 1.7, Trust Accounts (Page 22) and Table A1: Movement of funds in Trust Accounts 1st January to 31st December 2017 (Kina, millions) (Page 80). However, despite the efforts of the Treasury and Finance Departments, some trust fund balances are excluded from balances shown in #1.7 and Appendix 1, and some are not really updated for the report, partly as some Trust Funds were explicitly established, notably in 2007/8, to bypass the Budgetary process. Although, Treasury and Finance Department have been active in seeking to rein the aberrant funds, there remains work ahead on this

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: 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:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

Final Budget Outcome Report 2017:

Section 1.8 Government Finance Statistics (page 25) provides details of the accounting system used and the recent reforms "Since the 2016 Budget, the Government undertook a major reform to improve the reporting of its finances by moving to the updated international standard of reporting in GFS 2014. This has resulted in some re-categorisation of revenues and expenditures."

Section 1.8.1 Changes between the GFSM 1986 and GFSM 2014, provides details of the application of the GFSM 2014 standard, and the additional details provided, reclassifications and adaptations to long used reporting and tables in the Budget and the Year-End report.

1.8.2 Balancing items provides details of the Gross Operating Balance and Net Lending/Net Borrowing balance, presented in the Statement of Operations, in Table A: Statement of Operations for the General Government of Papua New Guinea (page 28) of the Fiscal Tables

http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2017%20FINAL%20BUDGET%20OUTCOME.pdf

Comment:

This is partially provided with the Table A, a Statement of Operations for the General Government of Papua New Guinea, and associated explanation of revised accounting and reporting system. But there is no balance sheet of assets and net liabilities provided.

GFSM 2014 framework of Budget reporting

Gross Operating Balance is provided in Table A of the Fiscal Tables and Net Lending/Net Borrowing balance, and some explanation of the revised statistical recording and accounting system used, and changes made in recent years with the adoption of GFSM 2014.

Subsequent tables provide further details, including Statement of Sources and Uses of Cash, revenue, expenditure, financing, lending and borrowing, transactions in Assets and Liabilities, and stocks in Government debt.

So an income statement showing transactions and change in net worth and cash flow details are provided, but without provision of a balance sheet

showing government's overall net worth; although net debt and related details are provide. (The figures are also not audited)

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:

d. The SAI has not conducted any of the three types of audits, or has not made them available to the public.

Source:

Annual Financial Audit Reports:

<http://www.ago.gov.pg/index.php/publications>

<http://www.ago.gov.pg/index.php/8-annual-reports>

Performance Audit and Special Review Reports:

<http://www.ago.gov.pg/index.php/special-and-performance-audit-report>

Audit Act and powers and responsibilities of the SAI in PNG under this Act and the Constitution:

http://www.paclii.org/pg/legis/consol_act/aa198971/

<https://pefa.org/assessments/papua-new-guinea-2015>

Comment:

The Annual Audits were have been released outside the allowable time; however, the SAI's audit reports of the Public Accounts and Departments, Provincial Governments (etc), Authorities and State Enterprises,, Authorities and State Enterprises, cover all three types or functions of audit, notably, financial and regulatory components and compliance. The SAI also has been undertaking at least one Performance Audit and Special Review Reports per annum. However, on the basis of the delays in publishing (most of) the audit reports, it is recorded as not meeting the required criteria, hence 'D'. Although some reports are prepared by the SAI within the 18 month deadline (notably on SOEs/ public authorities etc), most of the audits reports have not been released to the public in a timely manner to meet the requirements of this survey. Although audits for BY-2 have been completed partially, they have not yet been presented to the Legislature or released to the public. There is both a severe lag in government apartments/agencies submitting financial statements for audit, and the Supreme Audit being able to complete the audit and have the Legislature table them, for them to become public documents. Only a portion of the whole government budget for BY-3 has been released to the public. Part 4, covering State Authorities and SOEs, however, has been tabled and published for 2016 (and 2017), within the deadline, although the audits for some of the organisations contained in the report were still long overdue. From the PEFA 2015 Assessment (from IMF): PI-29. Independence and external audit of the government's financial statements "This indicator assesses the quality of the external audit function and the degree to which audits identify and promote changes to address systemic issues. Summary of Scores (scoring Method M1): - Independence and external audit of the government's financial statements 2015: Assessment: Overall Score D+ (i) A: There is annual coverage of all government entities, using professional standards and highlighting material issues and systemic risks. (ii) D In the last three years there has been a delay of at least 12 months between submission of the Public Accounts to AGO and the submission of the statements along with the audit report. (iii) C There is some evidence of systematic follow up of AGO reports but it may not be timely. (iv) C The AGO has adequate independence except for the determination of its budget and staffing numbers."

Peer Reviewer

Opinion: Agree

Comments: I am not in a position to verify the dates that the AG uploaded these reports. The latest report for part 1, which focuses on the national accounts is 2014. however, the researcher has pointed out that these were uploaded in Feb 2019. there is No comment on what happened to 2013, so we have accepted that 2012 is the latest, clearly well outside the OBS methodology. The latest part 2 is a compliance report on Health Dept, dated 2015. Part 3 latest date is Provincial Govt in 2016. Finally latest part 4 is 2017 for individual SOEs. The above reports include both financial and compliance audits. The last performance audit is 2015 and it was sent to parliament in September 2017. The above comments reinforce the PEFA findings and the Researcher's conclusions.

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:

d. No expenditures have been audited.

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

As most of the audits have not been released to the public in a timely manner to meet the requirements of this survey (despite, in many cases, being prepared within the time framework), it has been marked as 'D' However, part 4 of the Report for BY-1 has been released within 18 months for Authorities and SOEs. A major portion of government entities and public funds have been subject to the audit process over the past year, albeit that the reports have not been published in a timely manner, and although a substantial portion of government entities the audit process is still working through a backlog of earlier years' accounts leaving a large portion of BY-2 accounts unaudited. Inconsistency of the financial management systems used by public authorities, lack of funding and capacity at the SAI to address the current and accumulated backlog of accounts, combined with poor capacity and compliance to submit accounts for audit in a well-prepared and timely manner by many of the roughly 1,000 government entities involved, and procedural restraints, notably requiring the tabling of the reports in the Legislature before they can be released to the public, all combine to restrain the timely coverage of audits of public finance and state institutions. The rationalisation of the financial management systems under the single IFMS, now being rolled out in the provinces, should enable more timely and comprehensive auditing and release of reports in the future.

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:

d. No extra-budgetary funds have been audited.

Source:

Annual Financial Audit Reports

<http://www.ago.gov.pg/index.php/publications>

Audit of the Public Account Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies (2017)

<http://www.ago.gov.pg/images/downloads/Report%20of%20the%20Auditor-General%20%20Part%20IV%202017.pdf>

Audit of the Public Account Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies (2016)

<http://www.ago.gov.pg/images/downloads/Part%204%20Report%20of%20the%20Auditor-General%20-%202016.pdf>

<https://pefa.org/assessments/papua-new-guinea-2015>

http://www.paclii.org/pg/legis/consol_act/aa198971/

Comment:

Most of the audit reports have not been released to the public in a timely manner to meet the requirements of this survey. However, much of the extra-budgetary funds are held by the Statutory Authorities and SOEs, which have been audited for 2016 and 2017 within the allowable reporting timeframe for the Survey. However, it will be noted from the audit reports for the Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies, a large portion had not submitted their financial statements for audit within the timeframe, so the audit report is more like a record of progress with submitting accounts for audit by different bodies, than an actual audit report for all these public bodies. Little specific reference is given in the report to the major revenue gained by Public Authorities, such as the National Fisheries Authority to the major proceeds from license fees etc. Some public bodies have fallen under the Performance and special purpose audits conducted by the SAI in recent years. As stated in the 2015 PEFA report (undertaken by the IMF) "Various statutory bodies collect significant amounts of own-source revenue, which are not generally reported in the budget documents or the annual public accounts. A list provided by the DoF indicates there are some 138 such national bodies of varying size and importance. About half of these bodies receive budget funding but also retain significant amounts of own-source revenue. These entities include the Housing Corporation, the Civil Aviation Authority, the Airport Authority and the National Roads Authority. Each statutory body prepares separate financial statements which disclose their overall financial operations, both budget-funded and financed from own-source revenue. A

review of these financial statements is provided in Part 4 of the Auditor-General's annual report on public bodies and national government owned companies but no consolidated financial information is presented Trust Accounts. The budget documents and public accounts include many hundreds of trust accounts which are used in some cases to by-pass the annual appropriations process under which appropriations lapse at the end of the fiscal year. A 2013 performance audit by the AGO on trust account operations notes the limited scrutiny of their operations and the difficulty of identifying

all trust accounts. Data on the balances of unknown trust accounts are not available. External sources of finance. A number of private donors including for example, the Clinton Foundation and the Global Foundation for Health provide funding to various national health and education programs. These funds are not shown in the budget documents and departmental appropriations and are retained by those departments. Nor is the expenditure from these funds recorded in government accounting reports."

Despite recent efforts by some institutions to exempt themselves from the purview of the Supreme Audit, the Constitution of Papua New Guinea does not limit the SAI, and indeed requires it to audit (or commission audits on) all public bodies, including those set up by an act of Parliament etc (unless specific law specifies otherwise) and even then the SAI has the power to inspect if it chooses, wherever public funds are entailed. With SOEs it has the power to undertake audits under specific legislation (notably the Public Finances (Management) Act and the Audit Act) However, there remains a major backlog, with only minority of Statutory Bodies and SOEs had completed their audits by mid BY-2, as required by law, and for BY-4 only still less than 1/2 had completed their audits. The performance audits only scratch the surface, with Trust Funds (and District Grants), which should all be within-budget, rather than extra-budget, however, in many cases have been designed to operate as the latter. The introduction and rolling out of updated and better synchronised financial classifications and the Integrated Financial Management System (IFMS) into all Departments and public bodies (including provinces and NSAs - still ongoing) over recent 3 years, will improve the tracking of public funds by Government (Finance Dept) and through the audit process, however, severely deficient or non-existent prevailing internet access through most of the country will invariably drag this process out.

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:

b. No, the annual Audit Report(s) does not include an executive summary.

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

At this stage, partly owing to the delays largely beyond the SIA's control (notably severe delays in receipt of accounts for audit, and extensive delays by the Legislature in tabling the Reports, and therefore enabling them to be released as a 'public document') most Parts of the annual Audit Report (including Part 1, the Audit of the Public Account), fail to meet the 18 month deadline required in this survey. However, in 2018, Part 4 of the Report covering Statutory Authorities and SOEs, etc, for 2017 have come within the time limit. In any case, the annual audits (and, incidentally, the performance and special purpose audits) do come with Executive Summaries and the performance audits, which focus on particular themes of public concern, have also incorporated more innovative presentations and summaries of key findings and recommendations, key themes etc, which could capture wider interest.

Peer Reviewer

Opinion: Agree

Comments: Note that there is a ANNUAL REPORT IN TERMS OF SECTION 19 OF THE ORGANIC LAW ON CERTAIN CONSTITUTIONAL OFFICE HOLDERS AND SECTION 27 OF THE AUDIT ACT 1989 YEAR 2018 is dated May 2019 but outside our scope. however, this is more of an organisational summary for Parliament rather than an opinion on government financial statements.

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:

d. No, the executive does not report on steps it has taken to address audit findings.

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Part 1: Audit of the Public Account of Papua New Guinea (2014)

<http://www.ago.gov.pg/images/downloads/Report%20of%20the%20Auditor-General%20-%20Part%201%202014.pdf>

Comment:

At this stage, partly owing to the delays beyond the SIA's own control, the public release of the Audit of the Public account, and specific audit of Departments and other public agencies, fail to meet the 18 month deadline required in this survey (although, some parts, notably Part 4 of the Report covering Statutory Authorities and SOEs, etc, for 2017 were released within schedule as a public documents in 2018) As highlighted in the 2015 PEFA report, there's no systematic government system of response to the SAI's (and associated Public Accounts Committee's) reports. There's no formal response from the Executive, although there may be individual responses by Ministers to questions raised in Parliament in response during the tabling of the Audit reports. As highlighted in the Auditor General's reports a few (but surprisingly few) of the Government Departments/

Agencies do respond to their draft institutional audit report and management letter from the SAI, upon a written invitation by the Auditor-General, and their responses (if any) are recorded in the Audit reports to Parliament (as with the appended letter from the Secretary for Finance to the 2014 Report - Part A), but there seem to be few or no repercussions, at this stage, from failure to respond, institutionally, or by government as a whole; as the PEFA assessment highlights, this seems to indicate the absence of effective accountability mechanisms in the Government, and the absence of legal recourse...The Public Account Committee, during one of its few Hearings with government agencies during 2018 (after a 5 year gap) did give a warning to agency heads to be responsive in a timely manner to the SIA's demands and provide suitable feedback.

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:

d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

The public release of Public Account of Papua New Guinea falls well outside the 18 month time limit required by this survey, although some Parts of the Report are released on a timely basis. The SAI does provide a management letter highlighting deficiencies identified in the audit and enabling the relevant Government department/agency to respond, advising what action it plans to do to address the issue. That response, if any, (and for the 2017 Audit Report Part 4 on National Public Authorities and SOE very few chose to respond) is then included in the final audit report submitted to the Legislature and then made available publicly. The Parliamentary Public Accounts Committee subsequently examines the audits for selected Government Depts/Agencies and holds Public Hearings with the management of those Departments (although these only recommenced in 2018 after a 5 year gap and only entailed 3 preliminary Hearings). The outcomes of the Hearing are usually made available during press statements from the Committee Chairman, however this is generally years after the expenditure has occurred. The failure by Government agencies to respond to Audits and management letters from the SAI, highlighting long standing governance and implementation deficiencies, is indicated in the (attached) short report by the PAC Chairman to a regional committee of Public Accounts Committees (ACPAC)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: 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:

d. There is no IFI in PNG

The Parliamentary Plans and Estimates Committee should be performing this function, at least in part, but has not been operative for many years.

The National Economic and Fiscal Commission (NEFC) is Fiscal Council which could also perform this role, but it has been focusing on a small portion of the Budget, notably around inter-government financing, or around 5% of the Budget. It is a Constitutional Office, established at PNG’s Independence under Sn 187H of the National Constitution to ‘assess and monitor the economic and fiscal policies of the National Government, Provincial Governments and Local Level Government and make recommendations to Government and Parliament on financial allocations etc. For several years NEFC was inoperative but was restored in the early 2000s and has undertaken valuable annual studies of subnational financial and fiscal disbursement of functional grants at the sub-national level. It has a small staff of about 14 staff and undertakes valuable research and fund allocation, and has made significant impact on resource allocation and redistribution to the provincial level. It doesn’t have pretensions however, to oversee

overall national fiscal policy and its application, although its power (but not funding) could extend to cover wider fiscal management. Neither of these bodies therefore meet the requirement of a functioning IFI for this purpose.

<http://www.nefc.gov.pg/> (<http://www.nefc.gov.pg/>)

Comment:

The NEFC was established under the Organic Law on Provincial Governments and Local Level Governments (OLGPLLG). Article 187H - Constitution Article 117 - PNG Organic Law 117 (6) “In the exercise and performance of its powers, functions, duties and responsibilities, the National Economic and Fiscal Commission shall not be subject to direction or control by any person or authority.”

Peer Reviewer

Opinion: 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:

there is no IFI

National Economic and Fiscal Commission Fiscal Reports.

<https://www.nefc.gov.pg/publications/fiscal-reports.html>

Bank of Papua New Guinea Quarterly Economic Bulletins and 6 monthly Monetary Policy Statements

<https://www.bankpng.gov.pg/monetary-policy/bi-annual-statements/>

<https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

Comment:

Although NEFC has the powers and indeed responsibilities under the Constitution to undertake independent and longer term fiscal assessments, including assessments on prospective Natural resource revenue, over its existence it has concentrated only on Inter-Government financing, notably the total allocation and distribution of funds under various mechanisms (notably the functional grants) made in the National Budget to the sub-national, notably Provincial level of government.

The Parliamentary Committee responsible for Budget overview has been inoperative for many years.

The Bank of Papua New Guinea (which has independence in law - in principle- to conduct monetary policy) provides some economic and fiscal advice to government in its quarterly economic bulletins and 6 monthly statements, and with the State running a major annual fiscal deficit each year since 2012 the Bank's input has been important in securing domestic and international finance from financial markets.

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.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf

Comment:

An annual fiscal report is released by the National Economic and Fiscal Commission (NEFC), (the latest being in relation to the 2019 Budget in hard

copy and 2018 Budget online), but only addresses sub-national financing issues, including the equalisation component) but not wider fiscal policies and allocations

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:

No such IFI operating

<https://www.nefc.gov.pg/about/vision-mission.html>

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

Comment:

The relevant Parliamentary Committee (the Plans and Estimates Committee) has not been meeting to consider the Budget proposal, prior to the Tabling of the Budget (except on the same morning at its tabling) nor has any Independent Fiscal Institution met with any Parliamentary committee. The nearest thing, the NEFC, doesn't fit this role in practice as its annual Fiscal Report only covers Provincial level financing. It is not providing general economic advice, although has responsibilities in this regard, but not the funding to do so.

The Plans and Estimates Committee is established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution.

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:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:

The Public Finances (Management) Act Sn. 22.3 " Before any National Budget or Appropriation is prepared for Submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or Appropriation". The Committee with the responsibility for this function is the Plans and Estimates Committee. On the Open Parliament Website it states:- Functions of the Committee: - The Committee shall be established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. The Committee shall consist of seven Members. The quorum of the Committee shall be three.

However, the committee has been non-functional for lack of funding. http://www.paclii.org/pg/legis/consol_act/pfa1995224/
<http://www.parliament.gov.pg/index.php/work-ofcommittee/permanent/view/plans-and-estimates>

The PBS was presented to the Legislature on 30 August 2018, and was subsequently tabled for debate by Parliament every sitting day until and beyond the tabling of the EBP on 12 November 2018 (together with the Mid-Year Economic and Fiscal Outlook report), but this debate did not occur, (until the Opposition statement on 19 November, following the tabling of the EBP).

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20180831-49.pdf>

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20181120-61.pdf>

Comment:

The Public Finances (Management) Act Sn. 22.3 " Before any National Budget or Appropriation is prepared for Submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or Appropriation" The Committee with the responsibility for this function is the Plans and Estimates Committee. On the Open Parliament Website it states:- Functions of the Committee The Committee shall be established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. The Committee shall consist of seven Members. The quorum of the Committee shall be three.

However, a member of that committee advises that "that committee is now non-functional....we have not met, or if they have it is without me"; ..."99% of Parliamentary Committees are absolutely useless and unfunded" http://www.paclii.org/pg/legis/consol_act/pfa1995224/
<http://www.parliament.gov.pg/index.php/work-ofcommittee/permanent/view/plans-and-estimates>

Peer Reviewer

Opinion: Agree

Comments: There is limited information on the Parliamentary website as to the PAC and what it has achieved/ what level of debate has occurred over the budget proposal. I am not in a position to query the researcher's assessment.

Government Reviewer

Opinion: Agree

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the 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:

It is standardly tabled in Parliament between 1-2 months of its date of application; For the 2019 Budget it was presented 13th November 2018, for application in the new fiscal year (1st Jan 2019)

http://www.treasury.gov.pg/html/national_budget/files/2019/2019%20Budget%20Speech.pdf

Comment:

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:

a. The legislature approves the budget at least one month in advance of the start of the budget year.

Source:

The legislature annually approves the Budget during November, prior to its application for the new Budget year, from 1st January. In the case of the 2019 Budget it was passed on 20th November 2018, one week after being tabled in Parliament, and 6 weeks before the commencement of the new Budget year. Sources: Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances http://www.paclii.org/pg/legis/consol_act/cotisopng534/

Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) <http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PARTXXI> Notice Paper for the 2nd Reading and debate on the Budget legislation (3 Appropriations Bills and associated legislations) 2019, items 95-104

Budget by the Parliament on 8th December <http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20181120-61.pdf>

Comment:

From the Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills,

Appropriation and Taxation Laws)PART XXI. - FINANCIAL PROCEDURES Supply and Appropriation Bills and taxation proposals. 237.[28] An appropriation or Supply Bill, or a Bill or proposal the principal provisions of which deal with taxation, may be submitted to the Parliament by a Minister without notice. Message from the Governor-General. 238. (1) A proposal for the appropriation of any public money shall not be made unless the purpose of the appropriation has in the same Session been recommended to the Parliament by a message from the Governor-General. (2) An amendment of any such proposal shall not be moved if it would increase, or extend the objects and purposes or alter the destination of, the appropriation so recommended unless a further message is received. Initiation of taxation proposals. 239. (1) A proposal for the imposition, or for the increase or alleviation, of a tax or duty, or for the alteration of the incidence of such a charge, shall not be made except by a Minister. (2) No Member, other than a Minister, may move an amendment to increase or extend the incidence of the charge defined in that proposal, unless the charge so increased or the incidence of the charge so extended exceeds that already existing by virtue of an Act of the Parliament. Appropriation messages from the Governor-General. 240. (1) An appropriation message from the Governor-General shall be announced by the Speaker, but not during a debate or so as to interrupt a Member whilst he is speaking. (2) A message recommending an appropriation of revenue or moneys for an Appropriation or Supply Bill shall be announced before the Bill to which it relates is presented. (3) A Bill, other an Appropriation or Supply Bill, that requires an appropriation message from the Governor-General under Standing Order 238 may be presented and proceeded with (subject to Part XIX) before the message is announced. (4) In a case to which Subsection (3) applies, the message shall be announced after the Bill has been read a second time. (5) A message recommending appropriation of revenue or moneys for the purposes of an amendment to be moved to a Bill shall be announced before the amendment is moved.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: 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:

Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances:
http://www.paclii.org/pg/legis/consol_act/cotisopng534/

Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) Constitution of PNG, Section 210, subsection (2) provides for 'Parliament may reduce, but shall not increase or re-allocate, the amount of incidence of, or change the purpose of, any proposed taxation, loan or expenditure'.
[http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART XXI](http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART%20XXI)

Comment:

The Legislature is not empowered to initiate the raising of taxation, expenditure etc, but is empowered to amend the annual Budget Appropriation and taxation laws, but only downwards (with slightly different restraints upon the allocation approved for the Judiciary). In practice the Budget is presented and accepted in totality, usually after brief debate (assuming the Executive has the numbers), or otherwise rejected if it doesn't have the required numbers. Prior modifications may occur following its consideration by the Plans and Estimates Committee, prior to presentation to Parliament, but in practice this is most unlikely, especially as that committee is currently reported to be inoperative. If the Opposition has the numbers to amend the Budget they may use that power to reject the Budget in totality (in which case a 'Supply Bill' is automatically applied, comprising a portion of the previous year's Budget).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: 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:

The 2017 Budget proposal was passed on 20th November 2018, following debate, without alteration.

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20181120-61.pdf>

<https://www.thenational.com.pg/parliament-passes-2019-budget/>

Comment:

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 Committee is established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. The committee membership has been appointed by Parliament (chaired by Mr Lekwa Gure), but the Parliamentary committees have almost entirely been not been non-operational, largely owing to lack of funding.

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior 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 Parliamentary committees have almost entirely been not been non-operational, largely owing to lack of funding. That has been the case with respect to sectoral committees and their meeting on the 2019 Budget

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

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:

http://www.paclii.org/pg/legis/consol_act/pfa1995224/

<http://www.parliament.gov.pg/index.php/workofcommittee/permanent/view/public-accounts>

The Parliamentary Public Accounts Committee is established under Sections 215 and 216 the Constitution, with detailed functions and operating rules and obligations set out under Part X of the Sections 72-101 of the Public Finances (management) Act. However, the Parliamentary Committees are operating under very tight finances and largely inoperative at the moment.

Comment:

The PAC almost entirely operates on the basis of the annual and thematic audit reports from the office of the Auditor-General, which are in many cases several years behind, The PAC is therefore providing little, or virtually no oversight of the performance of the current Budget.

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:

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys

http://www.paclii.org/pg/legis/consol_act/cotisopng534/

Public Finances (Management) Act, notably S.24 with respect to reallocations http://www.paclii.org/pg/legis/consol_act/pfa1995224/

Appropriation (General Public Service Expenditure 2019) Bill 2018 Sections 3-11 on the Adjustment of Appropriation between activities (and for new activities) using the Secretary's Advance, or for Sn 9 by the Treasurer; subject to the ceiling set in the Budget for the Secretary's advance:

[http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20\(Appropriation\)%20Bill%202018.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20(Appropriation)%20Bill%202018.pdf)

Volume 2A, 2019 Budget Estimates of Revenue and Expenditure: Sn 207 pages 202 and 206 on the Treasury and Finance Miscellaneous Allocation, including the Secretary's Advance http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202a.pdf

Comment:

So long as the transfers fall within the ceiling set for Secretary's advance (reduced from 50 to 34.745 million PGK in the 2019 Budget - Division 207, page 206, Volume 2 (1A), transfers may be made by the Secretary for the Treasury to new activities or between activities, subject to the rather open conditions set out in Section 2 of the Appropriation Act.

Any unexpended funds under the appropriation for goods or services or capital goods may be transferred by the Secretary up to 10% of the total appropriation (PGK 1.15 billion, plus 10% of the direct-funded component of the Capital component in the 2019 Budget), again subject to rather open restrictions. Various other transfers are allowed by the Secretary for debt servicing expenditure (@5% of the total), and by the Treasurer for items under Sn 207, subject to their own ceilings and conditions. Above the ceilings specified any transfers between existing activities or to new activities would require approval from the Legislature in a Supplementary Budget

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Only when it comes to supplementary budget that legislative approval is sought.

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:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Source:

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations. S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament'

http://www.paclii.org/pg/legis/consol_act/cotisopng534/

Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations. Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..."

http://www.paclii.org/pg/legis/consol_act/pfa1995224/

Appropriation (General Public Services Expenditure 2019) Bill 2018, Section 2, specifies the conditions under which additional funding received from development partners for capital projects may be utilised and expend the overall Budget during the year:

[http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20\(Appropriation\)%20Bill%202018.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20(Appropriation)%20Bill%202018.pdf)

The 2011 Supplementary Budget had been the last time there was unforecast extra revenue which needed to be appropriated:

http://www.treasury.gov.pg/html/national_budget/files/2011/budget_documents/Speech/2011.minister's.supp_nat_bud.speech.pdf

2018 also saw increased revenue with was allocated in the Supplementary Appropriation Act 2018: Part II Supplementary Budget, Sn 3,4 & 5

[http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20\(Appropriation\)%20Bill%202018.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20(Appropriation)%20Bill%202018.pdf)

Comment:

Additional expenditure in excess of the original appropriation (or transfers in excess of the ceiling allowed) requires the approval of the Legislature through a Supplementary Appropriation, as with the Supplementary (Appropriation) Act 2018 whether it is the result of over-expenditure, and/or is financed by increased taxation or borrowing, or enhanced revenue (as in 2018), e.g. from higher tax revenue, notably from improved commodity prices.

In practice, partly in view of the deficient controls and lagged financial records, including public accounts (notably with 2 prevalent financial management systems functioning), significant or premature over-expenditure may proceed, including for major projects or commitments.

Peer Reviewer

Opinion: Agree

Comments: Confirmed to S.211 of the Constitution.

Government Reviewer

Opinion: Disagree

Suggested Answer:

Comments: The executive is not required to seek legislative approval to spend excess revenue because revenue is not appropriated as in the case of expenditure and debt servicing. Answer should be d.

IBP Comment

The government reviewer's comment is noted. However, as the question asks about the ability of the government to spend excess revenues, and there are legal provisions that require legislative authorization before the government can spend any funding (from any source), this applies for this question. The researcher's response of A is confirmed.

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:

c. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.

Source:

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations. S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament' http://www.paclii.org/pg/legis/consol_act/cotisopng534/(http://www.paclii.org/pg/legis/consol_act/cotisopng534/)

Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations Appropriation (General Public Services Expenditure 2014) Act 2013, Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..."

http://www.paclii.org/pg/legis/consol_act/pfa1995224/

[http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20\(Appropriation\)%20Bill%202018.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20(Appropriation)%20Bill%202018.pdf)

Comment:

Additional expenditure in excess of the original appropriation (or transfers in excess of the ceiling allowed or additional borrowings, as a result of a shortfall in revenue) require the approval of the Legislature through a Supplementary Appropriation. The Supplementary (Appropriation) Act 2018, is an example of a Supplementary Budget and Appropriation where a reduction in the ceiling of the capital component of the Budget is required to accommodate excessive recurrent expenditure and fit the overall Budget allocation within the revised Appropriation, and ensure that the latter remains with the revised debt ceiling allowed (under the Fiscal Responsibility Act); (whether it succeeded in that regards depends on different calculations, notably of GDP) .

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:

d. No, a committee did not examine the Audit Report on the annual budget.

Source:

The Audit of the Public Account (Part 1) has been referred by Parliament to the Parliamentary Public Accounts Committee for years 2010-2014, with audits of sections of the public accounts more current, notably Part 4, covering the State-Owned Enterprises and Statutory Authorities. After

reportedly holding no hearings from 2014 till 2017, the Parliamentary Public Accounts Committee held some hearings in 2018, with reports referred to it by the Legislature.

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20180905-51.pdf>

<http://www.parliament.gov.pg/index.php/news/view/public-accounts-committee-grills-heads-of-public-bodies>

Comment:

The audit of the Public Account (in its entirety) is well behind schedule, although some components (notably, Parts 3 and 4, on SOEs and Statutory Authorities and Provincial and Local Level Governments) are more timely and were considered but only cursorily by the Committee. The Parliamentary Public Accounts Committee was reported not to have met from 2014 till 2017, but did hold some brief hearings during 2018 considering reports referred to it by the Legislature, and met with heads of Statutory Authorities expressing concern over the very late submission of many of their accounts for audit, with some of the bodies having still not submitted their 2014 draft financial statements, as mandated in law. Meetings were not sustained (ostensibly on account of lack of funds for the committee) and the Auditor General has stated that for practical purposes the Committee has not conducted its functions for five years

Peer Reviewer

Opinion: Agree

Comments: The researcher has chosen option 'd' as the SAI has not produced an audit of the annual budget, that is, the consolidated accounts of the Government, since 2014. No financial audits have been uploaded since 2014 and, the Researcher noted in a previous comment that 2014 was uploaded in early 2019. We know that the PAC did meet on at least one occasion in 2018 (see <http://www.parliament.gov.pg/index.php/news/view/public-accounts-committee-grills-heads-of-public-bodies>) to reinforce with CEOs of SOEs to provide their financial statements, some missing since 2014. To answer this question based on the OBI guidelines, the PAC must provide oversight of the financial audit of the Government Consolidated Accounts. The last one completed was 2012 which does not meet the criteria of being completed within the last 18 months, that is, either 2016 or 2017 FY. hence, effectively, no audits were available to review by the PAC. The PAC did meet once during the relevant period BUT did not review any accounts only chastise CEOs for tardy accounts. The PAC may have met more than once but there no evidence online to support that. therefore, i consider that the Researcher has made the most appropriate response in choosing option 'd'.

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:

http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) - The Constitution of Papua New Guinea 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (2) The Auditor-General shall be appointed by the Head of State, acting with, and in accordance with, the advice of the National Executive Council given after receiving reports from the Public Services Commission and the Public Accounts Committee. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority.

The appointment is also made in accordance with the provisions of appointing a Departmental Head (section 27 and 28) under the Public Services (Management) Act, wherein under section 20, the Auditor General is deemed a Departmental head. Under the Act the National Executive Council makes Departmental appointments on the recommendation of a five member Ministerial Committee, chaired by the Minister for Public Service.

<http://www.parliament.gov.pg/uploads/acts/14A-22.pdf>

It may be noted that in the 2014 Amendment to the PS(M)A, the screening function of the Public Services Commission for all Departmental Head appointments was removed, but this has been subject to a Constitutional challenge by the Commission (an overturned on 28 March 2019 by the High Court).

Comment:

Appointments must comply with the requirements specified in the Constitution and the Public (Management) Act, the latter related to Departmental heads generally, which for this purpose the Auditor General is deemed to be one. Departmental Heads are appointed by the National Executive

Council on the recommendation of a Ministerial Executive Appointments Committee (Section 28) comprising: (a) the Minister responsible for Public Services employment functions; and (b) the Minister responsible for the portfolio functions of the department concerned; and (c) the Minister responsible for Treasury functions; and (d) the Minister responsible for National Planning functions; and (e) the Minister responsible for Justice and Attorney General function

The current Auditor General (Mr Gordon Kega) is holding office in an acting capacity, having been appointed by the Governor General on advice by National Executive Council on 14 June 2018. Whether the requirement of receiving prior reports from the Public Service Commission and Public Accounts Committee has been complied with has not yet been ascertained. There is concern that a 'permanent' appointment (on the 6 year term) has not yet been made. In PNG there is a prevalence of acting appointments in public offices, which can often be for long extended periods. This can create uncertainty and a reluctance by the office holder to take a firm position on issues which might jeopardise his substantive appointment. <http://www.ago.gov.pg/index.php/auditor-general>

Peer Reviewer

Opinion: Agree

Comments: Under S.213 (2), the AG is appointed by the Head of State, acting on the advice of the National Executive Council with input from the PAC and PSC. The PAC is not fully operational so the legislature formal input into the selection of the AG is probably limited. The National Executive Council, effectively cabinet, is the primary determinant for the appointment. The independence of the AG is somewhat improved with Section 213(3) which states that the AG is not subject to the control or direction of any person or authority. However, I think it is fair to say that the independence of the AG is not as strong as it could be.

Government Reviewer

Opinion: Agree

Researcher Response

As the PR states, the AG is a Constitutional Office holder, who holds some independence from interference in law once appointed. There are also various mechanisms in place to provide some checks during the selection and appointment process, in theory from the Public Services Commission (another Constitution body) and the Public Accounts Committee (a Committee of Parliament), if and when operational. So, in theory, this appointment could be considered borderline 'a', although in practice, at this stage, 'b' is a more appropriate mark.

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:

Source: (http://www.pacii.org/pg/legis/consol_act/olotgotraioc552/) ORGANIC LAW ON THE GUARANTEE OF THE RIGHTS AND INDEPENDENCE OF CONSTITUTIONAL OFFICE HOLDERS FROM THE PAPUA NEW GUINEA CONSTITUTION.

PART 3 REMOVAL FROM OFFICE; S 4-8 (and S9 with respect to suspension) 5. REFERRAL OF MATTERS TO THE TRIBUNAL. (1) If the appointing authority is satisfied that the question of the removal from office of a constitutional office-holder should be investigated, it shall, by notice in writing to the Chief Justice, request that he appoint three Judges to be the Chairman and members of the tribunal to hear and determine the matter. 7. GROUNDS OF REMOVAL. A constitutional office-holder may be removed from office only– (a) for inability (whether arising from physical or mental infirmity or otherwise) to perform the functions and duties of his office; or (b) for misbehaviour; or (c) in accordance with Division III.2 (leadership code) of the Constitution, for misconduct in office; or (d) for a breach or contravention of a condition of employment laid down in the Organic Law relating to the Office-holder. 8. REMOVAL FROM OFFICE. (1) The appointing authority shall, at the same time as it takes action under Section 5, refer the matter of the removal of the constitutional office-holder from office, together with a statement of the reasons for its opinion, to the tribunal for investigation and report back to it. (2) If the tribunal reports that the constitutional office-holder should be removed from office, the appointing authority shall, by notice in writing to the office-holder, remove him from office. (3) The appointing authority shall send a copy of the notice, together with a copy of the report of the tribunal to the Speaker for presentation to the Parliament.

Comment:

The SAI is a Constitutional Office holder who may only be removed from office following referral by the appointing Authority (which is the Executive) to an Office Holders Rights Tribunal, comprising 3 judges, appointed by the Chief Justice, which must authorise that the Office Holder should be removed, following consideration of the evidence, before the appointing authority may proceed to effect that action, on the grounds permissible

under the Organic Law.

PNG's Auditor General, Mr Nauga, had been appointed for a 6 year term in March 2012. In March 2018 he was arrested and charged for corruption by the police fraud squad and appeared in Court in April and due to reappear in May 2018, but by then his term of office had already concluded. <https://www.radionz.co.nz/international/pacific-news/353702/png-auditor-general-arrested-and-charged-with-fraud>

Peer Reviewer

Opinion: Agree

Comments: Confirmed to Act cited by the Researcher.

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:

d. The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

Source:

The SAI proposes its own Budget, submits it to the Executive, which determines its allocation, and submits that to the Legislature for approval, as part of its Budget Proposal, which is invariably accepted in total. The Funding is inconsistent with the resources needed to fulfill its mandate, after the Executive has made its invariable cuts to achieve its fiscal objectives (and for other possible objectives, including potentially clipping the SAI's wings). The 2019 Budget allocation has entailed a 2 million PNG Kina increase from the 2018 allocation, from 17.7 to 19.8 million kina. VOLUME 2d 2019 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202d.pdf

Comment:

The Budget is approved by the Legislature, but on the basis of the Executive's Budget proposal. Parliament is very restrained in its authority to adjust the Budget Proposal, apart from accepting or rejecting the proposal in its entirety. Prior to the tabling of the Budget, the Legislature has had almost no opportunity to view, let alone influence the Budget's composition. So, in effect the Budget is determined by the Executive. During the Budget year, the Executive may further adjust the actual release of funds, even to Constitutional Offices, such as the SAI, ostensibly on the basis of cash flow. The responsibilities of the SAI were extended during the 1990s to cover many new public institutions established, right down to the Local Level Governments. There has also been a multiplication of government agencies, and considerably increased funding provided particularly to the District level, administered through highly politicised processes (notably District grants, controlled or, at least chaired, if not necessarily controlled, by the local MP). The Budget for the SAI has not increased commensurate to its increased responsibilities, or the growing scale of the total Budget, with now nearly 1,000 Departments and agencies under its purview, and, as the SAI stated in PNG, with its poor infrastructure, there is the need for much air travel and 'we need to swim rivers and climb mountains to inspect projects and district expenditure'. This limited funding, combined with the need for additional funding to be allocated to, and by, various respective agencies to prepare accounts for audit, has contributed to the long backlog of audits which are overdue for completion and submission, as required in law, to the Legislature and public. The 2019 Annual Budget for the SAI involves an 11% nominal increase, which will be valuable if it materialises during a tight fiscal year.

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:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

http://www.paclii.org/pg/legis/consol_act/cotisopng534/ (http://www.paclii.org/pg/legis/consol_act/cotisopng534/) Constitution of Papua New Guinea, Subdivision B: Auditor General 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority. 214. FUNCTIONS OF THE AUDITOR-GENERAL. (1) The primary functions of the Auditor-General are to inspect and audit, and to report at least once in every fiscal year (as provided by an Act of the Parliament) to the Parliament on the public accounts of Papua New Guinea, and on the control of and on transactions with or concerning the public moneys and property of Papua New Guinea, and such other functions as are prescribed by or under a Constitutional Law. (2) Unless other provision is made by law in respect of the inspection and audit of them, Subsection (1) extends to the accounts, finances and property of– (a) all arms, departments, agencies and instrumentalities of the National Government; and (b) all bodies set up by an Act of the Parliament, or by executive or administrative act of the National Executive, for governmental or official purposes. (3) Notwithstanding that other provision for inspection or audit is made as provided for by Subsection (2), the Auditor-General may, if he thinks it proper to do so, inspect and audit, and report to the Parliament on, any accounts, finances or property of an institution referred to in that subsection, insofar as they relate to, or consist of or are derived from, public moneys or property of Papua New Guinea. (4) An Act of the Parliament may expand, and may provide in more detail for, the functions of the Auditor-General under Subsections (1), (2) and (3), and may confer on the Auditor-General additional functions and duties not inconsistent with the performance of the functions and duties conferred and imposed by those subsections. http://www.paclii.org/pg/legis/consol_act/pfa1995224/

Public Finances (Management) Act: S. 48 (defining a Public Body), 49 (defining a subsidiary corporation of a public body, e.g. if 50%+ of its capital is held by a Public Body or publicly-owned corporation, etc) and 63 (the obligations of public bodies to submit accounts to the SAI) and give the SAI authority to audit State-owned enterprises and majority owned-controlled subsidiaries, although registered under the Companies Act, and not (necessarily) specifically those covered by the Constitutional mandate alone. http://www.paclii.org/pg/legis/consol_act/aa198971/

Audit Act 1989 (amended 1995) 3.

FUNCTIONS AND DUTIES OF THE AUDITOR-GENERAL. 4. POWERS OF THE AUDITOR-GENERAL. (1) For the purpose of the performance of his functions and duties under this Act, the Auditor-General may– (a) authorize any person to inspect and audit any accounts and records that are authorized or required by any law to be inspected or audited by the Auditor-General, and to report to him on the inspection and audit; and (b) summon any person– (i) to appear personally before him at a time and place specified by him in writing under his hand; and (ii) to produce to him all accounts and records in the possession or under the control of that person that appear to the Auditor-General to be necessary for the purposes of any inspection or audit authorized or required by any law to be made by the Auditor-General; and (c) examine on oath or affirmation any person respecting– (i) the collection, receipt, expenditure or issue of public moneys; and (ii) the receipt, custody, disposal, issue or use of stores and other property of the State; and (iii) all other matters and things necessary for the due exercise and performance of the powers, functions and duties conferred or imposed on the Auditor-General; and (d) ask such questions of, and make such observations to, any person, and call for such accounts and records and explanations, as he thinks necessary; and (e) without fee, cause searches to be made in, and copies or extracts to be taken from, any document, register or record in any Department, Organization or Agency for which the Auditor-General is the auditor. http://www.paclii.org/pg/legis/consol_act/ca1997107/ -Companies Act 1997

Comment:

The Auditor General (SAI) is an independent Constitutional office, required and empowered under the Constitution to undertake routine annual audits of all public bodies, but also to inspect and audit and report to the Parliament on any accounts, finances or property of a body, as it sees fit, insofar as they relate to, or consist of, or are derived from public moneys or property. On this legal basis the SAI should be rated 'a', however some efforts in recent years apparently to place some State-owned enterprises outside the remit of the SAI (although the SAI states that he retains the power) have seemed to undermine the SAI's capacity to examine the books of some entities, (although the main constraints to application of its authority are budgetary, and the disinclination of public bodies to submit financial returns to the SAI in a timely manner, rather than specifically the legal mandate).

Peer Reviewer
Opinion: 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:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Source:

There is a technical branch within the Office of the Auditor General that is responsible for the Quality Assurance over the audit practices and methodology which includes a technical assistance project (Australian Government funded) that provides support to the AG's office which also provides the standards and training.

Comment:

There is no evidence of any internal reviews of audit processes, however.

Peer Reviewer
Opinion: Agree

Comments: I am curious as to why the Researcher included the word 'however' at the end of the sentence? Was there additional information that could have added perspective to this issue? The researcher has, i believe, selected the most appropriate option. However, if there is additional information, that would be very useful.

Government Reviewer
Opinion: Agree

Researcher Response

(no, the 'however' was the conclusion of the sentence, not leading on to further information or revelations)

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:

d. Never.

Source:

the Public Accounts Committee was inactive for 5 years, largely owing to lack of funding and other factors like loss of its secretariat. 2018 saw a revival of the Committee under Koni Iguan, MP, which held 3 or 4 meetings, but then funds ran out and there was a reorganisation of staff in Parliament. No further meetings were held with the SAI. The Supreme Audit has had disruption with its head charged with fraud in March 2018, with an acting Auditor General appointment on 14 June 2018 and new head appointed in early 2019.

Source: personal correspondence with the Acting Auditor General, Gordon Kega.

(<https://www.radionz.co.nz/international/pacific-news/355947/png-auditor-general-appears-in-court>
<https://postcourier.com.pg/new-acting-auditor-general-appointed/>)

Comment:

Peer Reviewer

Opinion: Agree

Comments: OK.

Government Reviewer

Opinion: Agree

Researcher Response

This has been reduced to 'd' as, although the Public Accounts Committee held some (publicised) meetings with various departments and agencies during this period, according to the new SAI, there were no hearings specifically held with the Auditor General's office, or with the SAI's office in attendance

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:

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).

Source:

<http://cimcpng.net/index.php/forums/national-development-forum>

PNG National Planning and Monitoring Responsibility Act 2016 - requires the annual Budget complies with a national planning framework, including linkage to the Medium Term Development Plan, and requires the release of an Annual Budget Framework paper, four months before the tabling of the National Budget, (but there's no specific reference to public consultation in the Act, other than in associated policies, such as for development cooperation etc.

<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> PNG Development Cooperation Policy (Feb 2018), specifying the requirements for consultation, including with civil society, in the planning and utilisation of development assistance.

<http://www.planning.gov.pg/> (currently their website is down)

Medium Term Development Plan 3 (MTDP3 2018-22), which was developed with extensive consultation, including 4 regional forums and a national consultation summit, is the mechanism against which annual budget allocations are meant to be determined over the next 3 years. The MTDP highlights (notably Sn 7.7 P 74) the M & E Stakeholders

The PNG Development Cooperation Policy 2018-22 (updated by the Dept of National Planning) specifies the process of dialogue process (4.3 Page 20) for the Development Assistance component of the National Budget, including the mechanism for annual dialogue with stakeholders, including through CIMC, bringing together CSOs, private sector and other participants

Comment:

There is no formal requirement to engage with the public during the Budget formulation process, however, there is more recognition being expressed by Government of the need, as with the commitment to extensive consultation for the Medium Term Development Plan 3 during 2018, and under the Government's commitment in its first National Action Plan (2018-2020) for to the Open Government Partnership.

The Consultative Implementation and Monitoring Council (CIMC) process provides an avenue for contributing to aspects of the Budgetary process, notably through the 4 regional and National Development forums (co-funded by the Government and a development partner - the European Union in 2018), and is actively supported by the Planning Ministry. It entails some public briefings on the economic and budget situation, normally mid-year at the National Forum (but in 2018 the 3 day National Development Forum was held at the end of October, too late for any influence on the 2019 Budget). In 2018 the regional development forums however were merged with the public and private sector consultations over the MTDP3, which was in turn intended to determine the next years' Budget allocation priorities, and it followed the 3 day MTDP3 Summit held in Lae, which entailed wide public awareness and included a third day of break-out sessions and feedback.

Peer Reviewer

Opinion: Agree

Comments: Could not locate in <http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>, where the consultation included civil society? I also couldn't verify Medium Term Development Plan 3 (MTDP3 2018-22), page 20, Point 4.3 for the dialogue process. I can only rely on the researcher's assessment for this indicator.

Government Reviewer

Opinion: Agree

Comments: In addition, the executive issue tax submission notice to public via media (newspaper) to provide their tax proposals. It should also be noted that the budget finances the Medium Term Development Plan which is reflective of sector wide consultation during its formulation stages.

Researcher Response

The Planning Department's website is inconsistently accessible but copies of the Planning Act and its requirements and the Medium Term Development Plan 2018-22 and its preparation process are available on the site, when it is functioning. MTDP 3:

http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially

vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from 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:

<http://www.planning.gov.pg/> (the Site is currently down): see the Medium Term Development Plan 3 and its priorities determined during extensive consultations during 2018 and the linkages between MTDP3 and the annual Budget planning and monitoring process.

New frameworks have been introduced, notably linked with the priorities set out in the Medium Term Development Plan 3 (2018-22), which was development with wide public consultation in 2018, and also incorporates the priorities set out in the SDGs, and linked by the National Planning and Monitoring Act 2016 to the annual Budget process, including the State-Civil Society Partnership, but at this stage it is still only being rolled out and not yet being fully applied, let alone having much influence on the annual Budget or budget allocations.

The National Economic and Fiscal Commission (NEFC) provides an annual report on inter-governmental financing, particularly in relation to the funding capacity of provinces to deliver certain core functions and services (but only reviewing grants that comprise about 4% of total public expenditure). In the process it conducts analysis and some level of regional consultations, which influence annual Budget allocations, particularly providing some equalisation effect. As its 2018 report states "overall, it is NEFC's intention that the various publications that NEFC produces will periodically enable the villagers and the community at large to become informed recipients of government services, so much so that he or she may now be in a position to demand from the relevant authorities, improvements, in those basic rural services".

http://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf

Comment:

The MTDP 3 includes a focus on addressing 'disparities in wealth creation and distribution' (section 3.2.1 P 15), with measures such as Financial Inclusion (Sn 3.3.7), although the linkages between challenges identified and the proposed means to address them may seem somewhat tenuous. The State-Civil Society partnership process being developed by CIMC with civil society partners and the Department of National Planning and other government agencies, is still in a formative stage, with only limited influence on budget allocations including for targeted disadvantaged segments of society.

Peer Reviewer

Opinion: Agree

Comments: Confirmed to MTDP III.

Government Reviewer

Opinion: Agree

Comments: Comments same as previous question.

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:

In 2018 there was relatively extensive (if indirect) public consultation related to wide aspects of the 2019 Budget under the auspices of the preparation of the Medium Term Development Plan 3 (2019-2022), particularly with respect to public expenditure and notably the 'development budget'.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf see notably chapter 6, Expenditure and the priorities determined by the MTDP3.

<http://www.planning.gov.pg/> (the website for the Department of National Planning and Monitoring is currently down, where the MTDP3 2018-2022 and related planning documents can be sourced)

http://www.inapng.com/pdf_files/20180316-NPC%20Final%20Summit-Program.pdf

http://www.inapng.com/pdf_files/Program%20Forum%20Alt.pdf

Comment:

In 2018 there was relatively extensive public consultation related to wide aspects of the 2019 Budget, under the auspices of the preparation of the Medium Term Development Plan 3 (2019-2022), particularly with respect to public expenditure and notably the 'development budget'. The 2019 Budget is framed around the Medium Term Fiscal Strategy, 2018-22, including the Medium Term Revenue, Expenditure and Debt Strategies, and the MTDP3 2018-22, determining the expenditure particularly.

The MTDP3 consultations commenced with a 3 day summit covering fiscal, demographic through to sectoral issues; it was followed up by 4 regional development forums run by the Department for National Planning and Monitoring, together with CIMC, and launched in October 2018. The CIMC also held the National Development Forum at the end of October 2018, including consideration of major aspects of the MTDP3 and sectoral considerations.

Peer Reviewer

Opinion: Agree

Comments: The MTDP3 consultations were run on 30 October 2018, too late to impact the 2019 budget process. Hence, the timeliness of the GIFT principles was not being met by this exercise. The other conference, dated 20 March 2018, certainly had the opportunity to influence the budget process with the timeliness principle. Certainly, this conference covered many of the aspects listed above. Concentrating on this conference alone, I note the key topics of public services, social spending policies and macro-economic issues. I am unable to establish whether the invitees included a cross section of society, academia and CSOs. However, and in the absence of that information, I accept the researcher’s response.

Government Reviewer

Opinion: Agree

Researcher Response

The March Summit for the MTDP3 (held in Lae) including participation from a broad spectrum of government, business, academic and civil society bodies, plus some development partners; likewise the regional consultations over the next months in the regional centres extended to provincial authorities, business, civil society. The MTDP3 (ostensibly) became the basis for public expenditure, notably development expenditure, for 2019 and subsequent years (subject to changing public policy and fiscal conditions).

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:

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

Source:

CIMC National Development Forum 2018; this is a government-civil society-private sector system of consultation, linked through the National Planning Ministry and framework, including the National Planning and Monitoring Act. Although administered by a civil society organisation, it is established under a Cabinet Decision and part funded in the Budget, and chaired by the Minister for National Planning, who tables the recommendations from the consultations with the Cabinet. However, in 2018, owing to the National Development Summit and the process of preparation for the Medium Term Development Plan 3, the National Development Forum occurred at the end of October 2018, providing some capacity to monitor budgetary performance in 2018, but too late to influence the 2019 Budget.

The CIMC sector committees, including the Budget Tracking Committee, review and provide feedback to the Government on aspects of public sector performance and budget performance, but in an ad-hoc manner.

Some monitoring of resource sector revenue is occurring through the EITI process and the preparation of the annual report. Civil society is represented in the Multi-Stakeholder Group, and provides ongoing feedback to CSOs during the year, subject to limited resources available.

In 2018 the Government approved the Open Government Partnership National Action Plan, 2018-2020, including requirements for Fiscal Transparency, EITI, Public Participation and Freedom of Information. The EITI Secretariat is funded by the Treasury and housed in the Treasury, although operationally autonomous and reporting to MSG, chaired by the Treasurer.

<http://www.planning.gov.pg/> (the Planning Dept website is currently down)

http://www.inapng.com/pdf_files/Program%20Forum%20Alt.pdf

<https://www.opengovpartnership.org/countries/papua-new-guinea>

<https://eiti.org/papua-new-guinea>

Comment:

The CIMC process is a unique PNG model, which is government endorsed and part-funded, managed by a civil society organisation, but chaired by the Minister for National Planning (who is responsible for the 'Development' component of the Annual Budget - notably Volume 3). The recommendation from the development forums and sector committees held each year are presented to the Cabinet (sometimes, however, after a long delay), and referred to in some Government policy documents (such as the PNG Development Cooperation Policy 2018-22) as the required consultative process.

The Open Government Partnership National Action Plan (OGP NAP 2018-20) was approved by the Government in October 2018, including a commitment to Fiscal Transparency, EITI, Public Participation and Freedom of Information. The EITI component is the most advanced, with annual reviews and reporting being conducted, with civil society participation oversight of revenue, and other governance components, in accordance with the EITI global and certain local standards. Wider public consultation is limited by resource constraints.

Nevertheless, the processes at this stage cannot be deemed to provide a systematic participatory Budget monitoring process.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

Researcher Response

for 2018, particularly in view of the MTDP3 (4 year) planning process, involving particularly the Planning Dept and the CIMC process, but also a diverse range of other Departments/agencies at national and provincial levels, a 'c' might be appropriate for this specific year. (It would have to said, however, that after that major planning/budgeting and consultation exercise in 2018, the level of engagement has subsequently slipped back to normal in 2019, although, hopefully, with OGP NAP initiatives planned/kicking in in late 2019/2020 there should be an improvement thereafter)

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:

The 2018 consultative process for the preparation of the Medium Term Development Plan 3 was intended to determine the Budget priorities for the period 2019-22.

<http://www.planning.gov.pg/> (the Planning Website is currently offline-)

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/forums/national-development...>

<http://cimcpng.net/index.php/forums/national-development-forum>

Comment:

The 2018 consultative process for the preparation of the Medium Term Development Plan 3, which is intended to determine the Budget priorities for the period 2019-22, included the National Development Summit, 4 Regional Development Forums (conducted by the Planning Dept with CIMC) and, at the end the National Development Forum (which followed on from a transport forum and the State-Civil Society Partnership Forum, both of which gave a particular focus on the needs of persons with disabilities). The latter consultations were late to provide any significant input to the 2019 Budget, although still inputting the MTDP3, which ostensibly remains open for further revision.

The MTDP3 does give some emphasis on disadvantaged groups, notably in section 4.4 Key Result Area 3: Sustainable Social Development (page 32) addressing health and education, sports and youth, Sn. 3.5 equal opportunities for all citizens, Sn. 3.7 Attaining Minimum Standards of Living for Vulnerable and Disadvantaged Groups, Sn 3.8 and 3.9 Improved immunisation coverage and nutritional standards.

Despite the process conducted, notably through CIMC and in 2018 for the preparation of the MTDP3, it cannot at this stage be deemed to be adequately incorporated into the annual Budgetary process.

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:

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

Source:

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act
 Commitments by the Government under PNG's first OGB National Action Plan 2018-2020
<https://www.opengovpartnership.org/documents/papua-new-guinea-action-plan-2018-2020>
 (<http://www.cimcpng.net/index.php/about/what-is-cimc>)
<https://eiti.org/papua-new-guinea>
<http://cimcpng.net/index.php/forums/national-development-forum>

Comment:

Apart from the release of revenue and expenditure material by the Treasury in the Mid-Year Economic and Fiscal Outlook report, the End of Year Report, the EITI reporting for the annual EITI report (which is monitored during the preparation stages during the year) and the ongoing efforts of CIMC with respect to sharing some budget information during the year, including expenditure under the large Constituency Development Funds, there is little ongoing commitment to dialogue or provision of pertinent material for that purpose by the central agencies, although commitments in relation to PNG's first OGP National Action Plan, and the National Planning and Monitoring Responsibility Act and associated policies, should encourage the process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Will remain at 'd'. There was really no systematic dialogue related to implementation of the Budget during the year, but as part of the MTDP 3 regional and national consultations (undertaken by the Planning Department together with CIMC), there was some assessment of ongoing implementation and performance, as well as through the provincial performance reviews under PLLSMA there is some, though limited, public feedback.

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:

The National Planning Consultative Summit in 2018, and the subsequent Regional Development Forums (conducted with CIMC) were the mechanism to brief and secure public and private sector feedback on the Medium Term Development Plan 3 (2018-22), which is intended to be the basis for Budget allocations over that period.

2019 NATIONAL BUDGET VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES Chapter 6 Expenditure, p91.

http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf (see chapter

http://www.inapng.com/pdf_files/20180316-NPC%20Final%20Summit-Program.pdf

<http://cimcpng.net/images/CIMCNewsletter.pdf>

<http://www.planning.gov.pg/> (the Planning Department website has been down for a while)

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National

Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc>

(<http://www.cimcpng.net/index.php/about/what-is-cimc>)

Comment:

The consultation process for the MTDP3 in 2018 was extensive and well publicised. It entailed extensive briefings, but also breakout and feedback sessions, held in in the 3 day Summit in February, and the subsequent four 2 day regional forums. Even after it was launched on 29th September the public was invited to provide feedback for potential further revision, including during the CIMC National Development Forum at the end of October. In reality the expenditure plans in the MTDP might be considered highly ambitious, and much of the feedback may not have been incorporated, but much effort to consult or be seen to consult occurred. The final annual Budget for 2019 is further determined by various revenue, debt management as well as more immediate political and other considerations, but for 2018 there was at least a significant process of interaction, even if this level of interaction is unlikely to be sustained in normal (non-MTDP preparation) years.

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:

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (unfortunately, the Department of National Planning's website, where National Plans, including the MTDP3, has been down for a while)
National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc>
http://www.inapng.com/pdf_files/MTDP%20II%20Vol1-%20Web-compressed.pdf (Volume 1, MTDP3 2018-22)

Comment:

Some information is provided by civil society to government, notably in 2018 through the preparation process for the Medium Term Development Plan 3 (2018-22) which is meant to provide the expenditure framework and priorities for the 2019 and subsequent annual Budgets (as highlighted in Vol 1, Chapter 6 of the Budget and the MTDP3 documents), through the CIMC process, notably at the CIMC Council meeting on issues. The Civil Society and private Sector contributions are acknowledged in the opened statements and acknowledgements from the Minister and Secretary for National Planning in the MTDP3, but how and where their contribution might have been incorporated into the Plan or specifically into the 2019 Budget is not spelt out, and in many respects might not be readily apparent.

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:

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>) <http://cimcpng.net/images/RecommendationsReport18.pdf> (CIMC stocktake of recommendations and outcomes) <http://cimcpng.net/index.php/forums/national-development-forum> http://www.inapng.com/pdf_files/Program%20Forum%20Alt.pdf (program for the CIMC National Development Forum)

Comment:

information is provided to government, notably through the CIMC process, notably at the CIMC Council meeting on issues related to the Budget, but also other public policy, often after lively policy discussion at civil society level, but at this stage the dialogue is still not adequately systematic either in presentation or in terms of feedback and incorporation in the budget. CIMC does provide a report on recommendations and progress on implementation.

The Minister and other officials, including the Treasury Secretary and Central Bank Governor, do provide feedback on Budget and other economic issues and performance, including issues raised in current and former forums.

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:

(note that the Planning Dept website has been down for a while)

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.treasury.gov.pg/html/legislation/files/bills/fisc...> (http://www.treasury.gov.pg/html/legislation/files/bills/fiscal_responsibility_ammend-budg-ammend-bill_2010.pdf) Fiscal Responsibility Act http://www.inapng.com/pdf_files/20180316-NPC%20Final%20Summit-Program.pdf

Comment:

The timetable required for releasing the end of year and mid year fiscal reports are specified in the Fiscal Responsibility Act, along with the date for the Budget Strategy Paper, Under the National Planning and Monitoring Responsibility Act an annual budget framework paper must be released 4 months before the tabling of the Budget, linking the Budget to the Medium Term Development Plan, which is part of the National Planning Framework and targets the National Service Delivery Frameworks, setting out minimum standards for public sector service delivery. The process requires extensive consultation and timely reporting, although apart from releasing documents to the public, the public consultation process is largely implicit, rather specific. (Hitherto the Treasury circulars used to specify dates for public input into the annual budget process, but this circular was not available for 2018 and in 2017 made no mention of public input). The MTDP 3 (2018-22) which was prepared over several months during 2018, and forms the basis for development expenditure in the 2019 Budget and beyond, did entail extensive consultation, although how far the public feedback was incorporated in the Plan is less apparent.

Peer Reviewer

Opinion: Agree

Comments: The Researcher has provided a level of information that i cannot confirm whether any public feedback is incorporated into the plan. OK, I accept the Researcher's selection of 'b'.

Government Reviewer

Opinion: Agree

Comments: Only through agency budget submission and tax policy submissions from the public.

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:

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

Source:

CIMC sector Committees, which meet quarterly, in some cases chaired by the Secretary of one of the key relevant departments, such as Education, Health, Provincial and Local Level Govt Affairs, Community Development, Justice, with the Council chaired by the Planning Minister, but also attended by other line agency heads.

The Planning Dept website is currently down

<http://www.cimcpng.net/index.php/committees> (<http://www.cimcpng.net/index.php/committees>)

Comment:

There is no systematic process of consultation by line agencies. Many line agencies attend CIMC sector committees and present and take questions and feedback from the Regional and National Development Forums (and the National Consultation Summit in March 2018, which contributed to the preparation of the MTDP3) and the CIMC Council meeting. There is limited systematic incorporation of views, or feedback to the forum recommendations from line agencies, although the National Development Forum recommendations are presented by the Planning Minister in Cabinet, (sometimes before but sometimes after the EBP); some recommendations are however incorporated into plans and the Budget and reported back in forums. CIMC undertakes some monitoring of the civil society recommendations, over time, into outcomes, including which sectors are more responsive or less responsive to civil society recommendations.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

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

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

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

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

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

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

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from*

citizens and the public were sought.

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

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

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:

Parliamentary Committees as they stand in theory (in practice very few are meeting)
(<http://www.parliament.gov.pg/work-of-parliamentary-committees>)

Comment:

The Parliamentary Plans and Estimates Committee has been inoperative for many years, although reported to have held a meeting in 2018; it has a duty with respect to receiving and making an input (albeit at the last minute) to the Budget process ; the Public Accounts Committee didn't meet for 5 years, but held 3 meetings in 2018. Most other Parliamentary committees are reported to have been inoperative over recent years, largely owing to lack of funds;

Peer Reviewer

Opinion: Agree

Comments: The researcher has selected option 'd' based on the little or no evidence that Parliament holds public meetings or collects views from the public on the budget. There is no evidence on the PNG parliament website that the permanent/ standing committees have met in 2018 and discussed the budget. There is no indication that members of the public are invited. In fact, the following is referenced from the US State Department...

Although civil society organisations engaged with individual members of the Public Accounts Committee, the committee was less receptive to public input and generally did not seek to engage with civil society. The Public Accounts Committee generally operated independently of government influence but a lack of trained staff hindered its effectiveness. Neither body had sufficient resources to carry out its mission (<https://www.state.gov/reports/2018-country-reports-on-human-rights-practices/papua-new-guinea/>). There is at least one news article that demonstrates that the PAC met in 2018 (see <http://www.parliament.gov.pg/index.php/news/view/public-accounts-committee-grills-heads-of-public-bodies>). There are no media articles from 2018 that indicate any input from the public to the budget process. whilst, we have accepted that the NATIONAL PLANNING CONSULTATIVE SUMMIT 20 - 22 March, 2018 provides some input from the 'public', there is no evidence that the views of the public are included in formulating the budget. Therefore, i believe that the researcher has correctly chosen the most appropriate response.

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 Parliamentary Committees, in practice are largely inoperative from lack of funding and other factors, and have held no public meetings on the Budget

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

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:

No Parliamentary committee has been meeting with the public on the Budget

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

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:

The Parliamentary Public Accounts Committee had not met for 5 years, but in 2018 held 3 brief hearings on a few aspects of the Audit report (notably the report on SOEs and Statutory bodies). The media were invited to attend and had some opportunity to ask questions, but (apart from audits on some public institutions) the overall audit of the public account and the Government departments are many years overdue, <http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/public-accounts>

Comment:

Normally public hearings are undertaken by the Public Accounts Committee on different aspects of the Audit report. But the committee has been dormant over recent months, reportedly in view of a changeover of the secretariat. Various reports have recently been referred to the committee by the Legislature, and the Committee has indicated that Hearings will be resumed, but hearings on the public account and most government entities have not occurred.

Peer Reviewer

Opinion: Agree

Comments: Note that the PAC required CEOs to provide financial statements, mid June 2018 (see <http://www.parliament.gov.pg/index.php/news/view/public-accounts-committee-grills-heads-of-public-bodies>). however, no evidence as to the extent of public involvement.

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:

Auditor General <http://www.ago.gov.pg/about-the-ago> (<http://www.ago.gov.pg/about-the-ago>) Audit Act http://www.paclii.org/pg/legis/consol_act/aa198971/ (http://www.paclii.org/pg/legis/consol_act/aa198971/) <https://www.opengovpartnership.org/countries/papua-new-guinea>

Comment:

The Constitution and Audit Act specify the powers to access financial and related data pertinent to Public Bodies. Section 214 of the Constitution requires the Auditor-General to report at least once every fiscal year to the Parliament on the Public Accounts of PNG and on the control of, and on transactions with or concerning, public monies and property of PNG. Further, Section 123 (8) of the Organic Law on Provincial Governments and Local-level Governments requires the Office to furnish audit reports on Provincial and Local-level Governments each year. These reporting responsibilities are fulfilled by the preparation of four compendium financial audit reports annually, named Part 1 to 4. The Auditor-General also undertakes a variety of Performance Audit and Special Review Reports, aimed at looking at performance and efficiency issues. Performance audits play an important role in improving the administration and management practices of public sector entities. The performance audits, such as of the District Services Improvement Program, are intended to be responsive on issues of public concerns and particularly need community input. However, with some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, the SAI has indicated it is keen to be developing mechanisms for public information and feedback. The Auditor General is part of the Fiscal Transparency component of PNG's first National Action Plan under the Open Government Partnership 2018-20. The Auditor General and staff have readily attended workshop and forums (including by CIMC) to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: 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:

<http://www.ago.gov.pg/publications>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

Comment:

At this stage the SAI is tightly funded and struggling to perform its basic audit functions of public bodies, and occasional performance audits. Its current corporate plan (2017-121) gives a priority under its Key Focus Area 3 (Clients and Stakeholders) to "strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO". It has not yet established a formal mechanism for public input and feedback and therefore is not providing public feedback on their audit proposals and input, although it does attend consultative meetings, including by CIMC, explaining issues and challenges, including reporting on

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:

<http://www.ago.gov.pg/>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

Comment:

There are no formal arrangements for public engagement by the Auditor General, although in the current corporate plan (2017-21) under its 'Key Focus Area 3 - Clients and Stakeholders', it states that its objective is "to understand our clients and stakeholder's needs and deliver timely and value-adding products and services to meet their expectations: - The Strategies we will undertake to achieve the objective are: [?] Improve accessibility of audit reports and findings. [?] Strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO.....". With some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, this is clearly a need, although progress in implementing is limited to date. The Auditor General and staff have readily attended workshop and forums to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer

Opinion: Agree

Comments: The researcher makes some good points here as to the scale of the responsibilities of the AG.

Government Reviewer

Opinion: Agree